

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES

# GUIDANCE DOCUMENT

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Pursuant to  
Neb. Rev. Stat. § 84-901.03

July 1, 2025

**Title 468 Guidance Document  
Aid to Dependent Children (ADC)**

**Table of Contents**

468 NAC – Chapter 2 – Eligibility Requirements.....	4
Resources.....	4
EXAMPLES OF LIQUID RESOURCES .....	4
EXAMPLES OF NON-LIQUID RESOURCES .....	4
REAL PROPERTY .....	5
LIQUIDATION OF REAL PROPERTY .....	5
EXCESS BURIAL FUNDS.....	6
Earned Income.....	7
EXAMPLES OF INCOME AND TREATMENT IN BUDGET COMPUTATION.....	7
EXAMPLES OF OPERATING EXPENSES INCURRED FOR SELF-EMPLOYED INDIVIDUALS.....	8
EXAMPLES OF OPERATING EXPENSES RELATED TO FARM INCOME .....	8
EXPENSES NOT ALLOWED AS OPERATING EXPENSES FOR SELF-EMPLOYMENT OR FARMING ..	8
Unearned Income .....	9
EXAMPLES OF UNEARNED INCOME .....	9
Potential Income .....	9
POTENTIAL INCOME INCLUDES, BUT IS NOT LIMITED TO .....	9
Applicants Who Have Received 60 or More Months of TANF .....	9
Ten Days to Report.....	10
EXAMPLES OF GOOD CAUSE FOR FAILURE TO REPORT A CHANGE WITHIN TEN DAYS.....	10
468 NAC – Chapter 3 – Calculation of Aid to Dependent Children Benefits.....	10
Standard of Need and Payment Standards for ADC .....	10
Protective Payee.....	11
SELECTION OF A PROTECTIVE PAYEE.....	11
RESPONSIBILITIES OF PAYEE .....	11
EVIDENCE OF MISMANAGEMENT.....	11
TIME LIMIT.....	11
Transitional Grant .....	12
185% OF FEDERAL POVERTY LEVELS (FPL) FOR TRANSITIONAL AID TO DEPENDENT CHILDREN (ADC) GRANT.....	12
468 NAC – Chapter 4 – Employment First Self-Sufficiency Program (EF) .....	12
Exemptions From Employment First Requiring a Service Plans.....	12
Determining the Maximum Participation Hours in Community Service .....	13
Deeming Hours of Participation.....	13
Hardship Reviews for Recipients Receiving 56 or More TANF Months .....	14
468 NAC – Chapter 5 – Emergency Assistance to Needy Families with Children (EA).....	15
Emergency Assistance Income Limits.....	15
Emergency Assistance Maximum Payment Limits .....	15

## 468 NAC – Chapter 2 – Eligibility Requirements

### RESOURCES

#### EXAMPLES OF LIQUID RESOURCES

- Cash on hand;
- Cash in savings or checking accounts;
- Certificates of deposit (CD);
- Saleable stocks or bonds;
- Investments;
- Collectible unpaid notes or loans;
- Promissory notes;
- Mortgages;
- Land contracts;
  - If determined to be saleable (there is a known buyer), the net value of the contract becomes the value at which it could be sold, minus encumbrances, etc., against the property.
- Land leases;
- Revocable burial funds;
- Trust or guardianship funds;
- Cash value of insurance policies or other similar policies;
  - The cash surrender value of life insurance, term insurance, and other similar policies that do not accrue any cash value, burial insurance, and life insurance policies in which the proceeds are irrevocably assigned for burial are all exempt from resources.
- The contents of a safe deposit box;
- Federal and state tax refunds (excluding Earned Income Credit); and
- Medical savings accounts.

#### EXAMPLES OF NON-LIQUID RESOURCES

- A home;
- Additional pieces of property;
- Trailer houses;
- Burial spaces;
- Motor vehicles;
  - One motor vehicle is disregarded if it is necessary for a household member's employment or medical treatment. The equity value of all other motor vehicles is included.
- Profit from a life estate that is sold;
- Farm and business equipment;
- Livestock;
- Poultry and crops; and
- Household goods and other personal effects.

## REAL PROPERTY

**Definition of Home:** A home is defined as any shelter that the individual owns and uses as their principal place of residence. The home includes any land on which the house is located and any related outbuildings necessary to the operation of the home.

- If an individual in the Aid to Dependent Children (ADC) unit sells their home, the net proceeds become an available resource unless reinvested immediately in another home.

**Definition of Real Property:** Real property is defined as land, houses, or buildings.

## LIQUIDATION OF REAL PROPERTY

- When an individual in the ADC unit has excess resources because of real property, the unit may receive ADC pending liquidation of the resource(s) if the individual is making a good-faith effort to sell.

Note: If the individual does not have the legal authority to liquidate the property, they are allowed 60 days to initiate legal action to obtain authority to liquidate or to remove their name from the title of ownership.

- An individual with legal authority to liquidate the property agrees to dispose of the property within six calendar months and reimburse the Department for grants received during the disposal period by signing Form IM-1, Agreement to Sell Real Property.
- When the property has been sold, the individual must reimburse the lesser amount of:
  1. The proceeds from the sale minus any expenses relating to the sale, such as payment of the mortgage, realtor's fees, legal fees, etc.; or
  2. The amount received in ADC grants minus any child support collected and retained by the Department during the repayment period.
    - a. For initial cases with excess resources due to real property, the repayment period begins with the month of application.
    - b. For ongoing cases, the repayment period begins at the point the real property becomes available or would otherwise cause excess resources.
    - c. If the individual fails to report the existence of real property or its availability or the Department fails to take action, and the property causes excess resources, the repayment period begins with the month the Form IM-1 is signed. The months before the form was signed, when the individual had excess resources are treated as overpayments.

## EXCESS BURIAL FUNDS

An individual may set aside up to \$3,000 for burial. It may be in a pre-need burial trust or a policy of insurance (or a combination of both). Any amount over \$3,000 in a burial trust is considered an available resource. Insurance designated for burial that exceeds \$3,000 may be considered a deprivation of resources.

The following examples illustrate the treatment when the individual has combined burial trust funds and burial insurance that exceed \$3,000:

<b>PRE-NEED BURIAL TRUST</b>	<b>INSURANCE DESIGNATED FOR BURIAL</b>	<b>TREATMENT</b>
\$0.00	\$3,000.00	OK
\$3,000.00	\$0.00	OK
\$5,000.00	\$0.00	\$2,000.00 countable resource
\$3,000.00	\$1,500.00	Consider deprivation of resources for \$2,000.00
\$1,500.00	\$1,500.00	OK
\$4,000.00	\$2,000.00	\$1,000.00 is a countable resource. Consider deprivation of resources for the \$2,000.00 in burial insurance.

## EARNED INCOME

### EXAMPLES OF INCOME AND TREATMENT IN BUDGET COMPUTATION

INCOME TYPE	TREATMENT
Earnings of a child age 18 or younger and not in school	Counted as earned income
Unearned income of a parent in the home but not in the unit	Counted in full
Earned income of a parent in the home but not in the unit	Earned income disregards are allowed for a parent who is sanctioned because of noncooperation with Third Party Liability (TPL) or child support, an ineligible alien, drug felon, parole violator, fugitive felon, or a parent convicted of participation in more than one state. For all other situations, full income is counted with no disregard.
Income from land contracts	Counted as unearned income
Sale of home produce, livestock, poultry	Counted as earned income
Income from boarders, rented rooms, and apartments	Counted as earned income from self-employment
Rental income from real property	Counted as earned income from self-employment
On-the-job payments made to adults by an employer	Counted as earned income
Income from life estate in real property	Counted as unearned income
Interest on Series E savings bonds and other bonds which accrue interest	Lump-sum
Picket pay or strike pay	Counted as earned income
Graduate assistantship	Counted as earned income
Christmas bonus/work-related bonus	Lump-sum
Income from the sale of blood or plasma	Counted as earned income from self-employment
Living allowances issued to Job Corps recipients or the readjustment allowance that is issued when Job Corps participants leave the program	Counted as earned income

## **EXAMPLES OF OPERATING EXPENSES INCURRED FOR SELF-EMPLOYED INDIVIDUALS**

- Costs of goods sold
- Advertising
- Bad debts from sales or services
- Car and truck expenses
- Commission
- Employee benefit programs
- Freight/shipping costs
- Insurance
- Transportation other than to and from work and child care
- Laundry and cleaning
- Legal and professional services
- Office supplies and postage
- Rent on business property
- Supplies
- Utilities and telephone
- Wages
- Interest on business indebtedness

## **EXAMPLES OF OPERATING EXPENSES RELATED TO FARM INCOME**

- Costs of goods sold
- Cost of labor
- Repairs and maintenance
- Interest
- Rent of farm, pasture
- Feed purchased
- Seeds or plants purchased
- Fertilizers, lime, and chemicals
- Cost of machines leased
- Supplies purchased
- Veterinary fees, medicine
- Gasoline, fuel, or oil
- Storage, warehousing
- Insurance
- Utilities
- Freight, trucking
- Conservation expenses
- Land clearing expenses
- Employee benefit programs
- Breeding fees

## **EXPENSES NOT ALLOWED AS OPERATING EXPENSES FOR SELF-EMPLOYMENT OR FARMING**

- Depreciation
- Personal transportation
- Purchase of capital equipment
- Payments of the principal of loans
- Business-related entertainment expenses
- Personal business expenses such as subscriptions, dues to professional organizations, and unions

## **UNEARNED INCOME**

### **EXAMPLES OF UNEARNED INCOME**

- Retirement, Survivors, and Disability Insurance (RSDI);
- Railroad Retirement;
- Veterans or military service benefits;
- Unemployment compensation or disability insurance benefits;
- Disability benefits paid by the employer;
- Worker's compensation;
- Child, spousal, and cash medical support;
- Voluntary contributions;
- Gifts;
- Annuities;
- Pensions, or returns from investments or securities in which the individual is not actively engaged; and
- Civil Service benefits.

## **POTENTIAL INCOME**

### **POTENTIAL INCOME INCLUDES, BUT IS NOT LIMITED TO**

- Unemployment Compensation;
- Workers Compensation;
- Retirement, Survivors, and Disability Insurance;
- Categorical Assistance;
- Railroad Retirement;
- Veterans or Military Service Benefits; and
- Disability Insurance Benefits

## **APPLICANTS WHO HAVE RECEIVED 60 OR MORE MONTHS OF TANF**

Applicants who have received 60 months or more of Temporary Assistance for Needy Families (TANF) will only be eligible for ADC if they qualify for a Domestic Violence exemption, as determined by the Employment First Program Case Manager.

For more information, please see Nebraska Revised Statute 68-1724 and 45 Code of Federal Regulations (CFR) § 264.1

## TEN DAYS TO REPORT

### EXAMPLES OF GOOD CAUSE FOR FAILURE TO REPORT A CHANGE WITHIN TEN DAYS

- Death of the payee;
- Hospitalization of the payee or another unit member during the period in which the change could have been reported timely (the individual is responsible for providing verification of hospitalization);
- Natural disaster;
- Absence of the payee due to circumstances beyond the payee's control, such as the death of a close family member; or
- Incarceration of the payee during the period in which the change could have been reported timely.

### 468 NAC – Chapter 3 – Calculation of Aid to Dependent Children Benefits

## STANDARD OF NEED AND PAYMENT STANDARDS FOR ADC

Effective July 1, 2025

UNIT SIZE	STANDARD OF NEED	PAYMENT MAXIMUM
1	\$727	\$396
2	\$897	\$490
3	\$1,067	\$584
4	\$1,237	\$678
5	\$1,407	\$772
6	\$1,577	\$866
7	\$1,747	\$960
8	\$1,917	\$1,054
9	\$2,087	\$1,148
10	\$2,257	\$1,242
Each additional eligible individual	+\$170	+\$94

## **PROTECTIVE PAYEE**

### **SELECTION OF A PROTECTIVE PAYEE**

The payee may be a relative, friend, neighbor, or member of a community service group and must be either geographically close to the ADC recipient or have means of transportation for frequent contact with the ADC recipient.

### **RESPONSIBILITIES OF PAYEE**

- Paying maintenance needs from the ADC grant (i.e., rent, utilities, food, clothing, etc.);
- Explaining to the ADC recipient how the grant will be spent;
- Keeping records of payments received and disbursements of funds; and
- Treating confidentially all personal information concerning the ADC recipient family.

### **EVIDENCE OF MISMANAGEMENT**

- Continued inability to plan and spread necessary expenditures over the usual assistance planning period;
- Continued evidence that the children are not properly fed or clothed and that expenditures for them are made in a way that threatens their chances for healthy growth and development;
- Persistent and deliberate failure to meet obligations for rent, food, school supplies, and other essentials; or
- Repeated evictions or incurrence of debts with attachments or levies made against current income.

### **TIME LIMIT**

Mismanagement cases must not remain on regular protective payment status for more than two years.

## TRANSITIONAL GRANT

### 185% OF FEDERAL POVERTY LEVELS (FPL) FOR TRANSITIONAL AID TO DEPENDENT CHILDREN (ADC) GRANT

Effective July 1, 2025

UNIT SIZE	185%
1	\$2,415
2	\$3,262
3	\$4,109
4	\$4,958
5	\$5,806
6	\$6,653
7	\$7,502
8	\$8,350
9	\$9,197
10	\$10,046
Each additional eligible individual	+\$850

### 468 NAC – Chapter 4 – Employment First Self-Sufficiency Program (EF)

#### EXEMPTIONS FROM EMPLOYMENT FIRST REQUIRING A SERVICE PLANS

Those individuals that qualify for the following exemptions from Employment First are still required to develop an individualized Service Plan.

1. Incapacity
  - a. Short term
  - b. Long term
2. Domestic Violence
  - a. Must refer the individual for counseling and appropriate services

The Service Plan outlines the steps necessary to overcome the individual's barriers to work or participation in other EF component activities. If the individual fails to follow the Service Plan without Good Cause, they lose the exemption, become mandatory for EF participation, and return to time-limited status.

## DETERMINING THE MAXIMUM PARTICIPATION HOURS IN COMMUNITY SERVICE

In determining the maximum number of hours of Community Service allowed each month for an Employment First participant, the minimum wage requirement of the Fair Labor Standards Act (FLSA) is used. To determine, add the household's ADC cash payment and the Supplemental Nutrition Assistance Program (SNAP) allotment for the ADC unit then divide the total monthly benefit amount by the federal minimum wage. Fractions of hours must be rounded down.

$$\text{ADC cash payment} + \text{SNAP allotment} \div \text{Federal Minimum Wage} = \text{Maximum Hours per Month}$$

*To determine the SNAP allotment for the ADC Unit when the unit sizes do not match:*

*$$\text{Total SNAP allotment} \div \text{Number of individuals included in the SNAP unit} \times \text{Number of individuals included in the ADC unit} = \text{The SNAP allotment for the ADC unit}$$*

For a two-parent household where both parents are participating in the Community Service component activity, the rule is the same for determining the maximum number of hours per month. However, the maximum number of hours is divided between the two parents.

In converting monthly hours to weekly, divide the total monthly hours by the 4.3 conversion factor to arrive at a weekly amount.

Monthly reviews of the benefit amounts occur, and hours are adjusted accordingly when benefits change.

Note: The minimum wage requirement of the FLSA does not apply to community service programs such as AmeriCorps, Volunteers in Service to America (VISTA), or court-ordered community service. The actual number of hours of participation in these programs is counted, which may be more than allowed by the formula above.

## DEEMING HOURS OF PARTICIPATION

Single-parent families: If the maximum number of hours allowed under the minimum wage requirement of the FLSA is less than 20 hours per week for the core activity, and the individual participates in Community Service for the maximum hours allowable for the month, they are considered to have satisfied the 20 hours per week core activity requirement.

Two-parent families: If the maximum number of hours allowed under the minimum wage requirement of the FLSA is less than 30 or 50 hours per week for the core activity, and one or both parents participate in Community Service for the maximum hours allowable for the month, they are considered to have satisfied the 30 or 50 hours per week core activity requirement, depending on whether federally funded child care is received.

## **HARDSHIP REVIEWS FOR RECIPIENTS RECEIVING 56 OR MORE TANF MONTHS**

ADC recipients participate in a Hardship Review after receiving 56 or more months of TANF.

If it is determined there is a Hardship, one three-month extension of ADC will be granted to allow the recipient time to complete the Job Search/Job Readiness component to find employment.

Hardship is determined based on the following criteria:

1. There are no jobs available that would result in unearned income and net earned income exceeding the ADC payment level.
2. The family would face extreme hardship without ADC assistance.
3. The adult or minor parent head of household is unable to meet the conditions of the Self-Sufficiency Contract.
4. The adult or minor parent head of household has limitations that alone, or in conjunction with family size and local labor market conditions prevent them from achieving total self-sufficiency.
5. The adult or minor parent head of household never quit a job or failed to accept a job offer without Good Cause.
6. The participant has never been sanctioned for failure to participate in Employment First activities.
7. The Department has failed to provide case management or has failed to meet the terms of the Self-Sufficiency Contract.

Upon the end of the three-month extension, the ADC Program Case is closed.

If it is determined the Hardship criteria have not been met, ADC will not be extended and the case will be closed once 60 months of TANF have been received. If 60 months have already been received, the ADC Program Case will close the first month possible, allowing for adequate and timely notice.

For more information, please see 45 Code of Federal Regulations (CFR) § 264.1 and Nebraska Revised Statute 68-1724

468 NAC – Chapter 5 – Emergency Assistance to Needy Families with Children (EA)

**EMERGENCY ASSISTANCE INCOME LIMITS**

Effective July 1, 2025

<b>UNIT SIZE</b>	<b>INCOME LIMIT</b>
1	\$1,344
2	\$1,659
3	\$1,973
4	\$2,288
5	\$2,602
6	\$2,917
7	\$3,231
8	\$3,546
9	\$3,860
10	\$4,175
Each additional eligible individual	+\$314

**EMERGENCY ASSISTANCE MAXIMUM PAYMENT LIMITS**

Effective July 1, 2025

<b>UNIT SIZE</b>	<b>MAXIMUM PAYMENT</b>
1	\$1,188
2	\$1,470
3	\$1,752
4	\$2,034
5	\$2,316
6	\$2,598
7	\$2,880
8	\$3,162
9	\$3,444
10	\$3,726
Each additional eligible individual	+\$282