Military families **must include** the following types of income when reporting their total household income for purposes of determining their income eligibility status in the Child Nutrition Programs:

- Base pay
- Regular housing allowance
- Subsistence
- Clothing allowance
- Hazardous duty
- Hostile fire
- Flight pay
- Incentive pay
- U.S. Armed Forces Family Subsistence Supplemental Allowances

**Exceptions**

- **Military Housing Privatization Initiative** - Do not include any housing allowance paid under this initiative. Note that this legislative exclusion is limited to specific bases. It also does not apply to military households living off-base in the general commercial/private real estate market. **The Military Housing Privatization Initiative expires March 31, 2004, unless Congress extends it.**
  - When a military household member is deployed to any location, only include the income that is made available to the household. Include the deployed member as part of the household count. If both military parents or guardians are deployed, count their children as part of the household with whom they are temporarily residing. Also include the deployed parents or guardians in the host household’s count; however, only include the funds provided to the host household by the deployed military parents or guardians when totaling the host household’s income.

  **NOTE:** This does not change the policy clarification provided in Notice CACFP-DCH 2004-8, regarding determining the residential status of a child temporarily residing with a day care home provider when both parents have been deployed.

- **Earned Income Tax Credit (EITC)** – Do not include as income. This applies to both military and non-military households.
- **Agent Orange Compensation Exclusion Act** – Do not include any payments made under this Act.
- **Veteran’s Educational Assistance Act of 1964 (GI Bill)** – Do not include any payments made or any salary reduction related to this Act.

**This Policy Remains in Effect Until Further Notice**