POLICY ALERT

Date: March 31, 2006
To: Special Milk Program (SMP) Contractors
Subject: Income Eligibility Determinations for Food and Nutrition Service Programs
Reference: # SMP 2006-2
Effective Date: October 1, 2005

Purpose
This Policy Alert replaces Policy Alert SMP 2004-1 and SMP 2004-9. The Family Subsistence Supplemental Allowance (FSSA) benefit is to be excluded from consideration as income for households and children when determining program eligibility.

Implementation
This policy change went into effect October 1, 2005. Implement these changes beginning with income eligibility determinations made April 1, 2006 and forward.

Procedure
When calculating total household income for purposes of determining eligibility for free milk in the SMP, the following types of income for military families must be:

Included:
• Base pay
• Regular housing allowance
• Subsistence
• Clothing allowance
• Hazardous duty
• Hostile fire
• Flight pay
• Incentive pay

Excluded:
• Military Housing Privatization Initiative – Housing allowance for households living on bases participating in this initiative. A list of the military bases participating in this initiative can be accessed at http://www.acq.osd.mil/housing.

• Operation Enduring Freedom – 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.

continued

This Policy Remains in Effect Until Further Notice
Excluded, continued

- **Family Subsistence Supplemental Allowance (FSSA)** – Payments provided to the families of service members by the Department of Defense.

- **Earned Income Tax Credit (EITC)**. This applies to both military and non-military households.

- **Agent Orange Compensation Exclusion Act**

- **Veteran’s Educational Assistance Act of 1964 (GI Bill)**

**Authority**

United States Department of Agriculture (USDA) correspondence 2006-CN-04.

**Contact**

If you have any questions regarding this Policy Alert please contact your Area Program Office.