Policy Alert

Date: March 25, 2011
Reference: # CACFP CCC 2011-04
To: Child and Adult Care Food Program Child Care Centers (CACFP CCC) Contractors
Subject: Exclusion of Military Combat Pay
Effective Date: Immediately

Purpose

REPLACE CACFP CCC Policy Alert 2010-09, Exclusion of Military Combat Pay
NOTIFY contractors of additional exclusions under Military Combat Pay

Implementation

Immediately

Procedure

Replace Item 4214.1 with the following:

Determining Household Size

When a contractor determines household size, deployed service members should be considered family members living apart on a temporary basis. These military personnel, whether deployed temporarily or for an extended period of time, are counted in the number of household members.

Determining Household Income

A contractor should count only that portion of the deployed service member’s income made available by them or on their behalf to the household as income to the household.

Instruct households to include the names and that portion of income made available to the household from deployed service members on Form H1531 or H1531-S, Child Nutrition Program Application. The determining official will count the service member as part of the household in establishing a child’s eligibility.

This Policy Remains in Effect Until Further Notice
When calculating total household income for purposes of determining eligibility for free and reduced-price meals in the CACFP, the following types of income 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](http://www.acq.osd.mil/housing). This income exclusion is not an allowable exclusion for households living off-base in the general commercial/private real estate market.
- **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)**
- **Rebate checks resulting from the economic stimulus act.** This applies to both military and non-military households.
- **Military Combat Pay.**
  - Combat pay is excluded if it is received in addition to the service member’s basic pay; received as a result of the service member’s deployment to or service in an area that has been designated as a combat zone, **and not** received by the service member prior to his/her deployment to or service in the designated combat zone*.
  - Deployment Extension Incentive Pay (DEIP) is given to active-duty service members who agree to extend their military service by completing deployment with their units without re-enlisting. **This exemption applies only until the service members return to their home station. Any additional DEIP payments provided to service members serving at their home station is considered income as they are no longer considered deployed.**

*A combat zone is any area that the President of the United States designates by Executive Order as an area in which the U.S. Armed Forces are engaging or have engaged in combat.
**NOTE:** 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.

**Authority**
United States Department of Agriculture Memo CACFP 03-2010 revised September 15, 2010

**Contact**
If you have any questions please contact your Community Operations office.