

**INCOME****LUMP SUM PAYMENTS**

**Description:** Lump sum payments are deferred or delayed payments. They include, but are not limited to benefit awards, bonuses, year-end profit sharing, severance pay, and retroactive pay increases.

**Policy:** All lump sum payments are reviewed to determine if they are available and countable. (See **OTHER ELIGIBILITY REQUIREMENTS OWNERSHIP AND AVAILABILITY**) Lump sum payments as a result of employment, such as bonuses, retroactive pay increases and severance pay are considered earned income. Lump sum payments such as benefit awards from railroad retirement or Social Security are unearned income.

Essential expenses incurred when attaining a payment are deducted from that payment. Essential expenses are deducted from the first and any subsequent payments until the expenses are met. When an A/R receives a retroactive payment from a benefit program, other than SSI, legal fees connected with the claim are deducted.

Countable lump sum payments are considered income in the month received. To determine if a lump sum payment is disregarded as income consult the disregards section. (See **INCOME LIF DISREGARDS**, **INCOME ADC-RELATED DISREGARDS**, and **INCOME S/CC DISREGARDS**)

Certain lump sum payments are exempt or excluded as a resource in the month received. To determine if a lump sum is disregarded or excluded as a resource in the month of receipt, consult the resource disregards section. (See **RESOURCES SSI-RELATED RESOURCE DISREGARDS**)

**References:** SSL Sect. 366.2

ADMs OMM/ADM 97-2  
92 ADM-11