

## Opportunity Scholarship Program

### 2026-2027 School Year

### How to Calculate your Income

This document is provided to help you determine your household size and household income for the purposes of the Opportunity Scholarship application.

State law requires that household size and income for the Opportunity Scholarship be calculated in accordance with the Federal Free and Reduced-Price Lunch regulations. All students who live in North Carolina may be eligible for an Opportunity Scholarship award regardless of income. However, household income dictates the amount of the Opportunity Scholarship your student would be eligible to receive if awarded.

**You are not required to complete this worksheet; however, you may be asked to provide documentation to the State Education Assistance Authority (SEAA) in order for SEAA to verify the household size and income that you report on your Opportunity Scholarship application. Keep this worksheet for your reference. Do not submit it to SEAA unless asked to do so.**

- 1) **Determining Household Size.** Determine who is in your household. A person is a member of the "household" for purposes of calculating your income for the Opportunity Scholarship if the person lives with you, regardless of whether they are related to you or not, and shares income and expenses of the household. You must include yourself and all children who live with you. If you live with people who are economically independent (for example, people who do not support your family and who do not share income with you or your children) do not include them. *For special situations to consider when determining household size, please see Attachment A to this document.*
- 2) **What if the student for whom I am applying is in Foster Care?** If the student for whom you are applying is formally placed in Foster Care by a court or the North Carolina Division of Social Services, he or she will automatically receive the Award Tier 1 scholarship amount (the highest scholarship amount available). In order to be eligible for automatic Award Tier 1, the State must retain legal custody of the child. This does not include informal arrangements or permanent guardianship placements, when such arrangements are not the result of formal placement by the State welfare agency or court. A student's foster care status will be verified by SEAA with the North Carolina Department of Health and Human Services, Division of Social Services, in order to confirm eligibility for Award Tier 1.
- 3) **What must be included as Income on your Opportunity Scholarship application?** Income is any taxable or untaxable money received, including all money earned before deductions. You must report your annual household income from January through December 2025.

**A. Income must be reported for everyone who lives in your household. Income must include:**

- Earnings From Work.
  - i. Gross wages, salaries, tips, commissions, overtime pay, bonuses (“gross” means wages before taxes or other deductions). *The Adjusted Gross Income (AGI) on your tax forms is not the basis for Opportunity Scholarship Award Tier determination.*
  - ii. Net income from self-owned business, including farms.
- Public Assistance.
  - i. Unemployment Benefits;
  - ii. Workers Compensation;
  - iii. Supplemental Security Income (SSI); and
  - iv. Regular cash assistance from State or local governments.
- Alimony payments or child support payments received.
- Pensions, retirement income, veterans’ benefits.
  - i. Pensions;
  - ii. Retirement Social Security;
  - iii. Private pensions or disability benefits;
  - iv. Adoption Assistance Payments; and
  - v. Veteran’s Benefits.
- Certain Military Benefits.
  - i. Basic pay and cash bonuses; and
  - ii. Allowances for *off-base* housing (BAH), food, or clothing (BAS) (See Section B below for military benefits that may be excluded from income).
- Religious and ministry housing stipends.
- Child’s Income. Earnings of a child who is a full-time or regular part-time employee should be included as income.
- Any other income regularly received.
  - i. Recurring income from trusts or estates;
  - ii. Annuities;
  - iii. Investment income;
  - iv. Earned interest;
  - v. Net rental income;
  - vi. Regular cash payments from outside household;
  - vii. Cash withdrawn from savings;
  - viii. Interest and dividend income;
  - ix. Housing allowance or living allowance;
  - x. Cash gifts;
  - xi. Regular contributions from persons not living in the household; and

xi. Any other money that may be available (unless it is permitted to be excluded as income as set forth below).

**B. Excludable Income. What is NOT counted as income?**

- Benefits under SNAP, WIC, or Food Distribution Program on Indian Reservations (FDPIR);
- Payments received from a foster care agency or court for the care of foster children;
- Student financial assistance provided for the costs of attendance at an educational institution, such as grants and scholarships awarded to meet educational expenses and not available to pay for meals (including money received from the Opportunity Scholarship and/or ESA+ Scholarship in 2025);
- Loans, such as bank loans, since these funds are only temporarily available and must be repaid
- Military 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 (i.e. Combat Pay); and
- Family Subsistence Supplemental Allowance payments, and privatized housing allowances to service members living in housing covered under the Military Housing Privatization Initiative for military.

**C. Documentation of Income.** The following is a partial list of documents that may help identify your income for 2025:

- Federal Tax Return Transcript (Total Income)
- W-2 forms
- Federal tax documents
- Form 1099 – MISC
- Unemployment Compensation statements
- Pension or annuity Statements
- Military retirement benefits statement
- Leave & Earnings Statement (military)
- Accounting ledger or receipts
- Child support payment history
- Social Security benefit documents (SSA-1099)
- Bank statements

**D. Enter the total household income at the bottom of this worksheet on your Opportunity Scholarship application.**

**2025 Household and Income Calculator for the North Carolina Opportunity Scholarship**

**FOR THE 2026-2027 SCHOOL YEAR**

<b>PART 1. ALL HOUSEHOLD MEMBERS</b>					
Names of <u>all</u> household members, including yourself <i>*Review Attachment A</i>		Age	Relationship to Parent/Guardian Applicant	Check if NO income	
(Example) Jane Smith		37	<i>Parent Applicant (self)</i>	<input type="checkbox"/>	
1.				<input type="checkbox"/>	
2.				<input type="checkbox"/>	
3.				<input type="checkbox"/>	
4.				<input type="checkbox"/>	
5.				<input type="checkbox"/>	
6.				<input type="checkbox"/>	
<b>PART 2. TOTAL HOUSEHOLD INCOME IN 2025</b>					
NAME (List only household members with income)	ANNUAL INCOME				
	a. Annual earnings from work in 2025 <u>before deductions</u>	b. Welfare, child support, alimony in 2025	c. Pensions, retirement, Social Security, VA benefits in 2025	c. All Other Income (Include military allowances) in 2025	Total Income (add columns a - d)
(Example) Mary Smith	\$15,000	\$4,000	\$0	\$200	\$19,200
1.					
2.					
3.					
4.					
5.					
6.					
Total Household Income Add total income (rows 1-6)					

## **Additional Information**

The income verification guidelines for determining the Award Tier for the Opportunity Scholarship Program are adopted in large part from the Eligibility Manual for School Meals: Determining and Verifying Eligibility, which is published by the Child Nutrition Programs, Food and Nutrition Service, USDA, July 18, 2017.

Parents and guardians should seek guidance from SEAA by emailing [OpportunityScholarships@ncseaa.edu](mailto:OpportunityScholarships@ncseaa.edu) if they encounter scenarios that are not covered in the above guidance or in the [Income Verification FAQs available here](#).

## **Attachment A**

### **Special Situations for Determining Household Size**

- a. **Adopted Child.** An adopted child for whom a household has accepted legal responsibility is considered to be a member of the household. If the household receives assistance payments or a subsidy for the adoption, the assistance payments or subsidies are included as income.
- b. **Foster Children and Foreign Exchange Student.** Foster children and foreign exchange students are considered to be members of the household in which they reside for purposes of determining household size.
- c. **Family members living Apart.** Family members living apart on a temporary basis are considered household members. However, family members who are not living in the household for an extended period of time are not considered members of the household for purposes of determining household size, but any money made available by them or on their behalf for the household is included as income.
- d. **Children of Divorced or Separated Parents.** Children of divorced or separated parents are part of the household that has 50 percent or more custody. When joint custody has been awarded and the child physically changes residence, the child is considered a part of the household where he/she resides for the majority of the year.
- e. **Child Away at School.** A child who is temporarily away at school (college or boarding school) is included as a member of the household.
- f. **Deployed Service Personnel.** Any member of the armed services who is activated or deployed in support of any military combat operation should be counted as a member of the household.