

Opportunity Scholarship Program

Calculating Your Income: Frequently Asked Questions (FAQ)

For the 2026-2027 School Year

This FAQ is designed to accompany the Opportunity Scholarship Program Household [Income Guidelines](#).

Number	Question	Answer
1	To qualify for an Opportunity Scholarship, does the household income have to meet certain guidelines?	No. For the 2026-2027 school year, a student who lives in North Carolina will qualify for the Opportunity Scholarship. Household income will determine the amount of a student's scholarship. Please see the Award Tier Chart to determine the amount of the scholarship a student may qualify for based on your household income & size from the previous tax year.
2	What do Award Tiers determine?	The Award Tiers determine the scholarship award amount your student may receive based on your household income & size from the previous tax year.
3	What evidence will the Opportunity Scholarship Program ask for in order to verify that a student lives in North Carolina?	If a child is eligible to attend his or her North Carolina local public school, they live in North Carolina for purposes of eligibility for the Opportunity Scholarship. A parent <i>may</i> be asked to produce any of the following documents: a North Carolina State Driver's license or State identification card, State voter registration, verified receipt of public benefits from a State agency, verified filing of State income taxes for the year prior to the application, or one of the following current documents that show a parent and an address within the State: utility bill, a bank statement, a government check, a paycheck, any other government document.
4	When is total household <u>size</u> determined?	The total household size reported on the student's application for an Opportunity Scholarship is the total number of people who resided in the student's primary residence from the previous tax year.
5	How is total household <u>income</u> determined?	Include income for the 2025 calendar year from all household sources before deductions. Do not use the Adjusted Gross Income (AGI) from your tax forms. See the Income Calculator for details.
6	What will happen if the wrong income or household size is entered on a student's application?	Inaccurate reporting on a student's application may result in a reduction of the student's Opportunity Scholarship award.
7	Is the Household Income of the foster parent included when determining a foster child's Award Tier?	No. Current foster children are automatically eligible for Award Tier 1 for the Opportunity Scholarship Program. SEAA requires the student's Foster Care Identification Number (SIS or CNDS Number) and the county with which DHHS has placed the child's active case on the application

		<p>to verify foster care status with the NC Department of Health and Human Services, Division of Social Services.</p> <p>If the household includes biological or adopted children in addition to foster children, payments received for serving as a foster parent will not be included in the household income calculation for purposes of determining Award Tier for the biological or adopted children.</p>
8	Are one-time distributions from IRA, 401k, pension or annuity accounts included in household income?	Yes. Any distributions from an IRA, 401k, pension or annuity account that occurred in 2025 are included in the total household income to be reported on an Opportunity Scholarship application.
9	Is overtime pay included in the total household income?	Yes. All earnings and payment for work, including overtime pay, must be included in the total household income.
10	Can medical or other recurring expenses be deducted from the total household income?	No. For the purposes of the Opportunity Scholarship Program, medical or other recurring or one-time expenses cannot be deducted from the household income in accordance with the Opportunity Scholarship Program Household Income Guidelines and Income Calculator.
11	May anticipated changes in household income (anticipated loss of overtime, commissions, bonus, etc.) be reflected in the total household income reported on the Opportunity Scholarship application?	No. The event that causes a significant decrease in the amount of current-year income must be an event which impacted the tax year prior to the application. The reported household income cannot be adjusted based on the uncertainty of future circumstances. For example, money received in the form of a bonus in 2025 must be reported on the 2026-2027 application even though it is uncertain if the parent/guardian will receive the same bonus in future years.
13	If I am self-employed, how do I report my income?	Self-employed persons should report their net income, rather than gross income. Net income for an individual who is self-employed should be calculated by subtracting the individual's operating expenses from gross receipts (total income from goods sold or services provided).
14	If I am self-employed, can I subtract any business loss from my total income?	No. When an individual or household experiences a business loss, income from wages must not be reduced by the amount of the business loss. Include the business income as 0 instead of a negative number.
15	What if I received income from wages <u>and</u> from self-employment?	For a household with income from both wages and self-employment, each amount must be included as part of the household income.