

DATE: December 22, 2023

TO: Directors of AmeriCorps Seniors Projects and AmeriCorps VISTA Projects

FROM: Fernando Laguarda

General Counsel

SUBJECT: Income and Asset Disregard for Payments to Participants in AmeriCorps Seniors

and AmeriCorps VISTA Programs

The Corporation for National and Community Service (which operates as AmeriCorps) offers payments – for example, stipends or allowances – to certain participants in its AmeriCorps Seniors and AmeriCorps VISTA programs under the Domestic Volunteer Service Act of 1973, as amended (DVSA). The DVSA provides that these payments are to be <u>disregarded</u> (that is, any payments made under this statutory provision are not to be included in the individual or family's income or asset calculation) when Federal, state, and local governmental entities determine whether people who serve through AmeriCorps Seniors and AmeriCorps VISTA are eligible for assistance and benefits. We have written this memorandum so that you can help ensure that our provisions are applied correctly.

Section 404 of the DVSA, 42 U.S.C. § 5044 (f) (1) and (2), addresses income and asset disregards. The provision applies to participants in both AmeriCorps VISTA and in the AmeriCorps Seniors programs, including VISTA members and Senior Companions, Foster Grandparents, and RSVP and Senior Demonstration Program volunteers. The relevant part of Section 404 provides as follows:

(f)(1) Notwithstanding any other provision of law except as may be provided expressly in limitation of this subsection, payments to volunteers under this Act shall not in any way reduce or eliminate the level of, or eligibility for, assistance or services any such volunteers may be receiving under any governmental program, except that this paragraph shall not apply in the case of such payments when the Director determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. § 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is greater.

(f)(2) Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under Title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.

Subsection (f)(1) says that income and asset disregard provisions do not apply if participants or volunteers get payments for their service that are equivalent to or greater than the applicable minimum wage. It is important for governmental entities to know that only AmeriCorps may



make this determination. To date, payments to participants and volunteers have not equaled or exceeded the greater of the Federal or state minimum wage. Therefore, income and asset disregard rules apply.

In addition, Section 418 of the DVSA, 42 U.S.C. § 5058, which applies only to AmeriCorps Seniors programs, provides that:

Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to Title II of this Act shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, temporary disability, retirement, public assistance, workers' compensation, or similar benefit payments, or minimum wage laws. This section shall become effective with respect to all payments made after the effective date of this Act [October 1, 1973].

In summary, sections 404 and 418 mean that:

- (1) When a government program is determining a person's eligibility for public assistance or services, or whether to reduce or eliminate benefits, it may not take into account payments (as either income or assets) the person received through service in either the AmeriCorps VISTA or AmeriCorps Seniors programs. Income earned from these payments (e.g., interest earned on payments that have been deposited into a bank account) is <u>not</u> subject to the statutory disregard provisions.
- (2) A government program may not deny assistance because a service participant fails or refuses to look for, or accept, employment or training. This includes welfare to work programs.
- (3) Payments to service participants and volunteers cannot be treated as wages or compensation for any government purposes.

Please share this memorandum with anyone who may have questions concerning this issue. In the event this memorandum does not resolve the issue, please contact AmeriCorps' Office of General Counsel:

<u>AmeriCorps Seniors</u>: Associate General Counsel Liz Appel EAppel@americorps.gov

<u>AmeriCorps VISTA</u>: Associate General Counsel Wendy Bonilla WBonilla@americorps.gov

Thank you.