

Stipend Toolkit

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Potential Impact of Stipends on Recipients' Public Benefits and Taxes

Overview

Communities across the country are offering stipends to individuals with lived experience and expertise of homelessness that participate in systems planning activities like committees, focus groups, surveys, consulting, and more. These stipends are a recognition of the unique value of insights from the individuals closest to the issue in identifying strategies to respond to homelessness.

In some cases, individuals receiving these stipends may also be accessing public benefit programs like Social Security Income (SSI). For some benefits programs, these stipends may be considered a source of income, and impact recipients' eligibility or benefit amount. As much as possible, organizations distributing stipends should be prepared to discuss the potential impact of the stipends on public benefits with stipend recipients.

Please note, these toolkit focuses on benefits programs in California. There is substantial variation in public benefits considerations across communities. For example, in California, counties have substantial leeway when determining eligibility for the General Relief or General Assistance program, which may not be true in other states. Please exercise discretion when using this toolkit in communities outside of California.

When organizations distribute more than \$599.99 to a single recipient in a calendar year, these payments and information and the recipient must be reported to the IRS. This toolkit provides a brief overview of federal and state tax considerations for stipend recipients.

This toolkit is provided for informational purposes only and does not constitute legal advice. If a stipend recipient has faced unjustified termination from a benefits program, please seek the support of a local legal aid organization.

Recommended Stipend Amounts for Persons with Lived Experience and Expertise of Homelessness by Activity Type

Background

This document provides guidance on setting stipend amounts for persons with lived experience and expertise of homelessness. These recommendations aim for simplicity and meaningful compensation levels, while acknowledging the wide variation across communities' cost of living and budgetary constraints.

Recommended Stipend Amounts

This document should be used to make *minimum* recommendations for compensation of people with lived experience and expertise. Exact compensation rates will vary depending on the community context. Please see the “Considerations” section below for more detail.

The stipend amount should vary depending on the cost of living in a specific community. To determine the cost of living in a community, please use a verified living wage index for your community, such as the [MIT Living Wage Calculator](#) or [other tools](#). Living wage indexes are typically updated annually. For 2024, we'd recommend that counties where the living wage is:

- **more than \$18.00** could be considered high-cost communities.
- **\$18.00 or less** could be considered low-cost communities.

Activity	High-Cost Recommendation	Low-Cost Recommendation
Focus Group	Minimum: \$25-30/hour	Minimum: \$20-25/hour
Surveys	Minimum: \$15-20/survey	Minimum: \$10-15/survey
Committee Work	Minimum: \$30-35/hour	Minimum: \$25-30/hour
Consulting	Minimum: \$45-55/hour	Minimum: \$40-50/hour

Notes about Continuum of Care (CoC) or other community **committee work for people with lived experience and expertise of homelessness:**

- Committee work could include participation in lived experience groups; Continuum of Care Boards or other committees; Continuum of Care Notice of Funding Opportunity (CoC NOFO) Review and Rank Panels; and other similar groups.
- When considering stipend amounts for committee work, consider the amount of required pre-work, the longevity of the group, and the level of effort you are asking members to put in. For example, groups with a considerable amount of pre-work, members with considerable expertise in this type of work, and/or members that can on additional responsibilities (e.g., Chair) might need a higher stipend amount than those groups that do not require such time, responsibility, and/or expertise.
- Some groups pay a flat per-meeting fee (e.g., \$100/meeting) or a flat stipend for the year. These hourly recommendations can be extrapolated to accommodate those models.

Considerations

The amounts listed above should be a **starting place** for determining stipend amounts. This document is meant to provide basic guidance, not be static rules for what must be done. The ranges are provided to encourage a higher level of compensation in communities where it is possible.

When considering what the stipend amount might be locally, consider the following questions:

1. If applicable, what are your current practices for providing stipends to people with lived experience and expertise?
2. What source(s) of funding will you be using to support these stipends?
3. Do you have any concerns about sharing the stipend amount in the community (e.g., comparable staff wages, recent cash flow challenges among providers)?
4. How long have people with lived experience in your community been participating in these types of activities? If longer than one year, does it make sense to offer a higher amount to recognize the growth of their skills?
5. Would you be able to accomplish the task without the contributions made by the people with lived experience and expertise?

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One-on-One Benefits Conversation with Stipend Recipients

Overview

Individuals receiving stipends can have a wide range of financial situations. For example, stipend recipients may or may not be accessing public benefits like CalFresh or SSI. When an organization begins distributing stipends, they should create space for an optional conversation with the recipient about the potential impact of the stipend on benefits.

Please note, individuals accessing benefits programs are experts on their own situations and often have a wealth of experience on how these programs function. Organizations distributing stipends typically cannot provide definitive guidance about how the stipend might impact benefits. However, organizations can be clear with recipients that stipends may be considered income, which could impact eligibility and payment amounts for benefit programs, and act as a thought partner to stipend recipients about these potential impacts. Having one-on-one meetings to discuss stipend recipient's benefits situation and offering resources to answer questions is key to developing successful partnerships with stipend recipients.

Setting Up One-on-One Meetings

A one-on-one conversation is helpful for exploring the potential impact of the stipend on the recipient's benefits. When inviting recipients to participate in a one-on-one call, the invitation could include the following speaking points:

- As you know, everyone who participates in this [name the activity] is offered a stipend of [fill in stipend amount and frequency].
- For some benefits programs like CalFresh or SSI, this stipend may be considered income. Depending on the amount of stipend you access, this could impact the amount you receive through this benefit or your overall eligibility.
- Our staff are not experts on these benefits programs. Many of you have far more information than we do about how these programs work than we do.
- If it would be helpful, we would love to support you in thinking about how this stipend might impact your benefits and how you can get clear answers to any questions you might have.

The timing of this conversation is important. If the conversation happens too early, benefits recipients may not trust you enough to be honest about their concerns. If the conversation happens too late, the stipend could already impact their benefits. Typically, having this conversation in the first one to two months of a regular group meeting is beneficial.

If a one-on-one conversation is not feasible, consider putting together a short document explaining the possible impacts and/or working with your county's Social Services Agencies to provide a brief presentation during a meeting.

Agenda for One-on-One Meetings

The following are talking points for a one-on-one meeting focused on the potential impact of a stipend on a recipient's access to benefits. This meeting would be between a staff member of the organization distributing the stipend and the stipend recipient. This meeting will likely last 30 minutes but may go longer depending on the number of questions from the recipient.

Hello and Small Talk

Begin by saying hello and checking in with the person as a human! Conversation about benefits can be difficult and bring up a lot of stress. As much as possible, try to make the person comfortable before diving into the content of this agenda.

Introduce the Purpose of the Call

- I want to apologize in advance for asking personal questions about your finances. I realize that it may not be easy to have someone you just met asking you about personal information.
- Anything we talk about today is going to stay between you and me. I will not be reaching out to anyone on your behalf or interfering in your benefits in any way. This is just a conversation to try to discuss any concerns you have. You only need to share what you are comfortable with.
- We are here today to talk about some of the potential impacts of this stipend on your access to public benefits like CalFresh, Social Security (SSI), and Medi-Cal.
- **I want to be clear that I am not a benefits specialist or an expert in this area.** I'm not here to provide expert guidance or advice. Instead, I'm hoping to just bring up some general considerations for educational purposes, and then help you get connected to the right people who can give you more concrete information.
- How does that sound? Any questions before we get started?

Discuss Anticipated Annual Stipend Amount

- In [fill in the year], [organization name] is offering [amount per hour or flat fee] for participation in [activity].
- If you fully participate in this activity over the course of the year, the stipend could be up to [fill in total annualized amount]. Full participation in this activity includes [list expectations].
- Unfortunately, this full amount is not guaranteed, even if you participate fully in all activities. This is because the project may change over time. For example, [list some of the project variables – project timeline may change, meetings could be cancelled or shortened, etc.]. Please keep this in mind when planning your finances for the year. We will keep you updated as we know of any changes in the project.

Overview of Income vs. Asset Limits and Impact on Common Benefits

- When I say “benefits,” I’m talking about programs like CalFresh, Medi-Cal, General Assistance, CalWORKs, WIC, SSI, and SSDI. Are there any benefits you’d like to focus on during this conversation? If not, I am happy to talk generally about the potential impacts of this stipend.
- There are two ways that the stipend could impact most benefits – your eligibility and the amount of benefit you might receive.
 - For some benefits programs, this stipend is considered income, even if you receive the stipend through a gift card.
 - It’s hard to give general advice about when this may count as income or not, it really varies by the program.
 - For example, for Social Security Income (SSI) gift cards or certificates count as income if they can be (1) used to purchase food or shelter, and (2) resold.¹ This means that a Visa gift card might be considered income.
 - SSI has both an income cap, meaning that you cannot make above a certain amount and keep the benefit, as well as adjusting the benefit depending on how much the recipient makes.
 - So, as you have more income, your stipend might decrease. If your income gets too high, you might lose the benefit all together.

¹ See 20 CFR 416.1121(f) for more information.

Offer Information about Reaching out to Benefits Administrators

- Are there any benefits that you are particularly concerned about? If yes, do you know how to get in contact with a Benefits Specialist from that agency that can answer your questions?
 - If you do not know how to get in touch with the appropriate Benefits Specialist, here are some examples:

Benefits	Point of Contact
CalFresh (also known as Food Stamps, SNAP)	County Social Services Office and/or Benefits Cal
CalWORKs	County Social Services Office and/or Benefits Cal
General Assistance (also known as General Relief)	County Social Services Office and/or Benefits Cal
Housing Assistance (also known as Section 8, Continuum of Care (CoC) housing, vouchers)	Do you have a Case Manager? You might have heard them referred to as a “Housing Navigator”? • If yes, please reach out to that person. • If no, please reach out to the organization that is providing that stipend.
Medi-Cal	County Social Services Office and/or Benefits Cal
Social Security Disability Income (SSDI)	The Social Security Administration can be difficult to contact directly. There are a few options for asking questions: • Send a general inquiry email • Contact your local Social Security Office
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Benefits	Point of Contact
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	WIC Office Finder

- If you have any questions about Social Security Income (SSI) or Social Security Disability Income (SSDI), I'd strongly encourage you to reach out to the Social Security Administration.
 - As you know, these benefits are hard to get and keep.
 - For example, unreported income can lead to overpayment, which you will be required to pay back later.
- It can be challenging and stressful to get in contact with Benefits Administrators. They don't always respond and can sometimes give confusing guidance. I really appreciate your effort to figure this out so that you can participate in the [activity].
- [If asked] I cannot help you get in contact with that organization, but I can help you think about how you want to ask this question. Would you like help drafting the question?

Gratitude and Reminders about Next Steps

- Thank you for meeting with me today! I've really appreciated your work on [this activity]. I know it can be difficult to figure out the potential impact on your benefits, so thank you.
- [Recap any next steps]

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Working with County Social Services Agencies

Overview

In California, benefits programs like Medi-Cal, CalFresh, General Assistance/General Relief, and CalWORKs are administered by each county's Social Services Agency. This agency is often responsible for determining the eligibility of participants, including verifying income limits, asset limits, and collecting the required documentation. Staff from Social Services Agencies can be essential partners for explaining the impact an increase in income may have on a specific stipend recipient.

Role of Organization Distributing Stipends

Organizations administering stipends should **not** be reaching out to Social Services Agencies on behalf of stipend recipients. Additionally, organizations should never give the name or other personal identifying information of any past, current, or potential stipend recipients to Social Services Agencies.

Instead, staff from organizations administering stipends should focus on creating information pathways between the stipend recipient and the applicable Social Services Agency. For example, staff from the organization administering the stipend can:

- Organize a group training for stipend recipients with the local Social Services Agency on the potential impacts of their stipend on benefits.
- Host a one-on-one conversation about the potential impact of the stipend on benefits with stipend recipients, using [this template](#) as a model.
- Offer information to stipend recipients about how to get in contact with their local Social Services Agency.

Outreach to the Social Services Agency

When identifying a Social Services Agency representative to work with, begin by looking for agency membership on the Continuum of Care (CoC) Board or other local homelessness coordinating groups. If this path is ineffective, consider reaching out to the Social Services Agency via email and asking to be directed to the right person.

The following can be used as a template for email outreach:

Hello [Your Name],

My name is [Your Name] and I work with [Organization]. I'm reaching out because I am supporting [explain the initiative, e.g., lived experience group with 11 members]. As part of this work, we offer stipends to participants with lived experience of homelessness, many of whom are accessing the benefits programs administered by your agency.

Would you be open to meeting to discuss the potential impact of these stipends on benefits programs and how we can best support participants receiving these stipends? We'd love to ensure we are providing accurate information and support to these folks. The following times would work for our team:

- [Fill In Availability]

During this meeting, I'm hoping we can discuss the following questions:

1. Would you be willing to present at an upcoming meeting about the potential impact of this stipend on Medi-Cal, CalFresh, General Assistance/General Relief, CalWORKs, and any other common benefits programs accessed by individuals experiencing homelessness locally?
2. If a stipend recipient has questions about how this stipend might impact their benefits, who should they reach out to? Where would they find that contact information?
3. [Describe the stipend] Would this stipend be considered income when determining eligibility for the General Assistance/General Relief Program?

We are looking forward to connecting with you on this topic! Please let me know if you have any questions.

Best,

[Your Name]

Opportunities for Advocacy

If possible, staff with the organization administering the stipend should consider opportunities for stipends recipients to advocate with the local Social Services Agency to remove stipends as a source of income when possible. For example, counties have a large amount of discretion when designing their General Assistance/General Relief programs. As a baseline, these programs are meant to assist "indigent residents" and must be available at

least 3 months of each year.² Beyond those requirements, counties have a wide amount of discretion in determining eligibility, including what counts as income. This type of advocacy can support stipend recipients with avoiding losing these types of benefits for their participation in committee work, focus groups, etc. Consider reaching out to the local Social Services Agency to assess the community's willingness to re-evaluate their current eligibility determination practices.

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² California Department of Social Services, [General Assistance or General Relief](#).

Stipend Payments and Federal and State³ Tax Considerations

Overview

Organizations distributing stipend payments that are more than \$599.99 to a single individual over a calendar year are required to report the stipend amount and information about the recipient to the IRS.⁴ Program staff should offer timely and accurate information about tax considerations when discussing stipends with potential recipients. The following information can be used to provide thought partnership to stipend recipients regarding taxes.

Key Terms and Concepts

Form W-9

If an individual receives \$600 or more as part of a stipend, the organization issuing the stipend must issue Form W-9. Form W-9 is a tax form that reports on income paid to an individual over the course of a calendar year.⁵

Form 1099-NEC

At the end of the year, the information on Form W-9 is used to issue a Form 1099-NEC.⁶ Form 1099-NEC is used to report income when completing taxes. The organization paying the stipend is required to issue Form 1099-NEC to anyone receiving \$600 or more over the course of the year. Organizations distributing stipend will often use a third party to issue Form 1099-NEC to stipend recipients. Form 1099-NEC can be distributed via a physical copy and an electronic copy, using the physical address (if applicable) and an email address provided on Form W-9. Form 1099-NEC must be issued by January 31.

³ Per diems or reimbursements provided by the California Interagency Council on Homelessness (Cal ICH) to members of the council, advisory board, or working groups with lived experience are exempt from taxation ([WIC 8257](#))

⁴ This information was updated as of 2024. Please see the IRS' [Reporting Payments to Independent Contractors](#) for more information.

⁵ IRS, [About Form W-9, Request for Taxpayer Identification Number and Certification](#).

⁶ Intuit TurboTax, [What is Form 1099-NEC?](#)

Filing a Tax Return

Most adults in the United States will file a tax return. Stipend recipients can use [this IRS tool](#) to determine if they are required to file a tax return.

Paying Taxes on Stipends

Organizations distributing stipends often do not withhold taxes on stipend payments, which means recipients could be asked to pay taxes on stipend payments when filing their taxes.⁷ Stipend recipients might consider setting aside a portion of the stipend payments to pay these taxes, if necessary. Determining the appropriate amount to set aside should be done in consultation with a tax professional (see low-income tax preparation services below).

Low-Income Tax Preparation Services

The IRS runs the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs, which is free tax preparation assistance for individuals making less than \$64,000 per year.⁸ This resource can be located using [this finder tool](#). Additionally, many bar associations have free tax programs. Search your state's bar association for additional free tax legal resources.

Strategies for Supporting Stipend Recipients

The following are strategies to support stipend recipients with understanding their tax obligations related to stipends.

- If an individual may be approaching the \$600 limit (e.g., attended several committee meetings), staff at the organization distributing the stipend could remind the recipient of the \$600 threshold and ensure they would like to continue to participate in the activity and/or receive stipends.
 - [This template tool](#) can be useful for tracking this information.
- Staff at the organization distributing the stipend could offer a group presentation or create a short video focused on tax considerations for stipend recipients.
 - This presentation or video could be shared at the beginning of the recipients' participation in the activity, right before tax season, and/or made generally available throughout the year.

⁷ Intuit TurboTax, [How to File Taxes with IRS Form 1099-NEC](#).

⁸ IRS, [Free Tax Return Preparation for Qualifying Taxpayers](#).

- In December, staff with the organization distributing stipends can share information about local low-income tax preparation services like VITA and TCE with stipend recipients.
 - Staff can also remind stipend recipients that the 1099-NEC will be sent to their email and/or physical address and to ensure that their contact information is updated.

Please note, this document is provided for educational purposes only and does not constitute legal advice. If you need support, please reach out to a tax professional.

Stipend Recipient Compensation Tracker Template

The Stipend Recipient Compensation Tracker Template can be used to document the overall stipend amount received by individuals with lived experience of homelessness across a calendar year. The purpose of this tool is to monitor when a recipient may be close to meeting the \$600 threshold when the organization will request a Form W-9. Access template, [here](#).