CALFRESH (CF) PROGRAM
REQUEST FOR POLICY/REGULATION INTERPRETATION

INSTRUCTIONS: Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. If additional space is needed, please use the second page. Be sure to identify the additional discussion with the appropriate number and heading. Retain a copy of the CF 24 for your records.

- Questions from counties, including county Quality Control, must be submitted by the county CalFresh Coordinator and may be submitted directly to the CalFresh Policy analyst assigned responsibility for the county, with a copy directed to the appropriate CalFresh Policy unit manager.
- Questions from Administrative Law Judges may be submitted directly to the CalFresh Policy analyst assigned responsibility to the county where the hearing took place, with a copy of the form directed to the appropriate CalFresh Bureau unit manager.

1. RESPONSE NEEDED DUE TO:
   - ☑ Policy/Regulation Interpretation
   - ☐ QC
   - ☐ Fair Hearing
   - ☐ Other:

5. DATE OF REQUEST: 04-27-15

NEED RESPONSE BY: 05-11-15

6. COUNTY/ORGANIZATION: Marin County

7. SUBJECT: Unearned Income from the sale of Bonds 05. 01. 2015

2. REQUESTOR NAME:

3. PHONE NO.:

4. REGULATION CITE(S): 63-502.142, 63-502.146

8. REFERENCES: *(Include ACL/ACIN, court cases, etc. in references)*
NOTE: All requests must have a regulation cite(s) and/or a reference(s).

63-502.142, 63-502.146

9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):

An applicant has an investment account made up of short term and long term bonds. The applicant is withdrawing $500 from the account monthly to help with living expenses.
Because the customer is taking money from the investment account monthly, there is a capital gain or loss each time the bonds are sold.
1. Should we count the $500 monthly income as unearned income?
2. How should the capital gain or losses from this investment account be calculated and treated ?

10. REQUESTOR'S PROPOSED ANSWER:

1. Bonds are similar to a loan that you make to business or government entity. The entity issuing the bond promises to pay you back after a certain amount of time and to also pay you interest (unlike a stock were you are actually purchasing a share of the business). We should not count the $500 that the client receives monthly after selling the bonds as unearned income, only the interest received from this investment account would be counted as unearned income, and only if the interest is considered RAI.
2. We do not treat the capital gains as income. Only capital gains from self-employment businesses count as income, unless the client is in the business of selling assets, exclude capital gains from the sale of the client's assets as income. Since we are not counting the monthly income the client derives from selling his bonds, there would be no adjustments to income for capital losses.

11. STATE POLICY RESPONSE *(CFPB USE ONLY)*:

The monthly $500 withdrawal from the investment account is considered unearned income according to the following:
1) MPP 63-502.142 - Unearned income shall include, but is not limited to, "Annuities, pensions, retirement, veteran's, or disability benefits; worker's or unemployment compensation; old-age, survivors, or social security benefits; strikers' benefits except as specified in Section 63-502.135; foster care payments for children or adults who are members of the food stamp household as specified in Section 63-402.322(b); and any deemed income from a sponsor who has signed an I-864 and/or I-864A paid to a sponsored noncitizen."
2) MPP 63-502.146 - Payments from government-sponsored programs, dividends, interest, royalties, and all other direct money payment from any source which can be construed to be a gain or benefit.
Therefore, the $500 from the cashed bonds is considered unearned income.

FOR CDSS USE

DATE RECEIVED: 04/27/2015

DATE RESPONDED TO COUNTY/ALJ: 05/01/2015sc

CALFRESH (CF) PROGRAM
REQUEST FOR POLICY/REGULATION INTERPRETATION (Continued)

1. RESPONSE NEEDED DUE TO: ☐ Policy/Regulation Interpretation ☐ QC ☐ Fair Hearing ☐ Other:	5. DATE OF REQUEST: / NEED RESPONSE BY: 6. COUNTY/ORGANIZATION: 7. SUBJECT:
2. REQUESTOR NAME: 3. PHONE NO.: 4. REGULATION CITE(S):	8. REFERENCES: *(Include ACL/ACIN, court cases, etc. in references)* **NOTE: All requests must have a regulation cite(s) and/or a reference(s).**

The monthly withdrawn money from the investment account is unearned income. Unearned income shall include, but not be limited to:

MPP 63-502.142: Annuities, pensions, retirement, veteran's, or disability benefits; worker's or unemployment compensation; old-age, survivors, or social security benefits; strikers' benefits except as specified in Section 63-502.135; foster care payments for children or adults who are members of the food stamp household as specified in Section 63-402.322(b); and any deemed income from a sponsor who has signed an I-864 and/or I-864A paid to a sponsored noncitizen.