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: 08/10/2012
   NEED RESPONSE BY: 08/14/2012

6. COUNTY/ORGANIZATION: Merced

7. SUBJECT: What constitutes free rent

2. REQUESTOR NAME:

3. PHONE NO.:

4. REGULATION CITE(S): 63-502 .2 63 502 .362

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

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

If the employer states that rent is free but the check stub includes an amount for rent in the gross income which is then deducted how is this treated.
We have a case where no rent was allowed as the client worked on a dairy and employer stated that rent was free. However the employer includes an amount for rent in the gross income received and then deducts it from the check so in essence the client is paying for the rent. The agency used the full gross and did not allow rent. I have checked with our Intake units and they say that if the employer (dairy or apartment complex) includes an amount for rent in the gross and then deducts it that they usually allow that amount as rent. Apparently sometimes the workers deduct the rental amount from the gross and then do not allow rent. I have searched but could not find a regulation, acl/acin or transmittal regarding this but the IRS rules do state that free housing is a benefit and needs to be part of the income reported to them. THIS IS A FEDERAL QC THAT NEEDS TO BE SENT TO FOB 08/15/2012.

10. REQUESTOR'S PROPOSED ANSWER:

That we use the gross income and then allow the rental amount included on the check stub and deducted as a rental expense.

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

The state concurs with the requestor's proposed answer. Per MPP 63-502.2: "Wages earned by a household member that are garnished or diverted by an employer, and paid to a third party for a household's expenses, such as rent, shall be considered as income. However, if the employer pays a household's rent directly to the landlord in addition to paying the household its regular wages, this rent payment shall be excluded as a vendor payment." The circumstances describe the employer diverting a portion of the wages for housing thus the shelter deduction, if the household qualifies, should be allowed and gross income utilized.

FOR CDSS USE

DATE RECEIVED:	DATE RESPONDED TO COUNTY/ALJ: