Semi-Annual Reporting (SAR) Overview

David Badal
Tawny Macedo
11/21/13
Agenda

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II. Mandatory Reporting Requirements
III. Voluntary Mid-Period Reports
IV. Verified Upon Receipt (VUR)
V. Income Budgeting
VI. Q & A’s
SAR Overview

- AB 6 requires counties to replace the current Quarterly Reporting/Prospective Budgeting (QR/PB) system with a Semi-Annual Reporting (SAR) System for the CalWORKs (CW) and CalFresh (CF) programs.

- All counties will be required to implement SAR in both the CW and CF programs.

- California is the last state to implement SAR.

- Benefits will be “frozen” for the six months of the semi-annual period, except under specified circumstances.

- One report form required (SAR 7) at six months to maintain or adjust benefits.
SAR Terminology

- The **SAR Data Month** is the month for which the recipient reports all information necessary to determine eligibility—it is the fifth month of the semi-annual period.

- The **SAR Submit Month** is the month in which the SAR 7 or the RC is required to be submitted to the county. This is the month after the **SAR Data Month**, and is the sixth month of each semi-annual period.

- The **SAR Payment Period** is the period during which benefits are issued and is the six-month period immediately following the SAR submit month. This is the six month period after initial application, RC, or submittal of the SAR 7.
What has changed

- Income that will continue throughout the payment period will be budgeted over the certification period, rather than a 3 month period
- SAR 7 is NOT required at Recertification (RC)
- AR/CO Change Reporting HH that were QR Public Assistance CalFresh (PACF) cases are now SAR
- New income reporting threshold (IRT) for CalFresh
- 3 IRTs in SAR, 2 CalWORKs IRT’s impact on PACF cases
- Address Change—(CalFresh only) is not a mandatory mid-period report
County Action Under SAR

Generally in SAR, benefits are frozen for the SAR period except,

**Counties must act on:**

- Mandatory mid-period reports
- Changes reported on the SAR 7
- Reports considered Verified Upon Receipt (VUR)
- Changes that result in a mid-period increase in benefits
- County-initiated actions
- Household requests for discontinuance
All CDSS forms can be accessed online at: http://www.cdss.ca.gov/cdssweb/PG19.htm
Mandatory Reporting Requirements
Mandatory Reporting Requirements

CalFresh Households Must Report the Following Changes Mid-Period:

- CalFresh IRT: The amount of income exceeds 130 percent of the federal poverty level (FPL) for the household size
- ABAWD work hours

HHs are required to report income that exceeds the IRT within 10 days of when the change becomes known to the household, such as:

- The date the HH becomes aware of the new employment or an increase in pay.
- The start date of employment.
- When the HH first received the income exceeding the IRT.
## CalFresh IRT - 130% FPL

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Income Reporting Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,245</td>
</tr>
<tr>
<td>2</td>
<td>$1,681</td>
</tr>
<tr>
<td>3</td>
<td>$2,116</td>
</tr>
<tr>
<td>4</td>
<td>$2,552</td>
</tr>
<tr>
<td>5</td>
<td>$2,987</td>
</tr>
<tr>
<td>6</td>
<td>$3,423</td>
</tr>
<tr>
<td>7</td>
<td>$3,858</td>
</tr>
<tr>
<td>8</td>
<td>$4,294</td>
</tr>
<tr>
<td>Each additional member</td>
<td>+436</td>
</tr>
</tbody>
</table>

Eff. 10/1/13 – 9/30/14
Because you get Cash Aid or CalFresh (formerly called Food Stamps), you must report within 10 days when your TOTAL income reaches a certain level. You must report anytime your household's total monthly income is more than your current Income Reporting Threshold (IRT).

**How to report?**

- **Any money you get (both earned and unearned)**
- **The amount before any deductions are taken out.**

*(Examples of deductions are: taxes, Social Security or other retirement contributions, garnishments, etc.)*

**What will happen?**

- Your benefits may be lowered or stopped based on income over your IRT.
- Your IRT may change when your income changes or when someone moves in or out of your household.
- The County will let you know in writing each time your IRT changes.
- You also need to report on your SAR 7 all income you get during the Report Month, even if you already reported that money.

**Penalty for not reporting**

If you do not report when your income is more than your household's IRT limit you might get more benefits than you should. You must repay any extra benefits you get. If you do not report on purpose to get more benefits, this is fraud, and you may be charged with a crime and/or may not get CalFresh for a period of time or life.

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All CDSS forms can be accessed online at: [http://www.cdss.ca.gov/cdssweb/PG19.htm](http://www.cdss.ca.gov/cdssweb/PG19.htm)
CalWORKs IRT

**TIER 1:**
- $875- plus the amount of earned and unearned income last used to calculate the CalWORKs grant. This IRT level will be different for each AU/household depending on their current income.

**TIER 2:**
- The amount likely to render a CalWORKs AU ineligible for CalWORKs benefits.

**PACF** While the CalWORKs IRTs are not mandatory reports for CalFresh, the resulting changes to the CalWORKs grant will, in general, trigger changes to the associated CalFresh allotment.

**TCF** If a CalWORKs case is discontinued at the tier 2 IRT, Transitional CalFresh will be established.
## CalWORKs IRT (Tier 1)

### Example: Tier One of the CalWORKs IRT based on various income amounts

<table>
<thead>
<tr>
<th>Monthly Income</th>
<th>IRT ($875 + income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$875 ($875 + $0 = $875)</td>
</tr>
<tr>
<td>$50</td>
<td>$925 ($875 + $50 = $925)</td>
</tr>
<tr>
<td>$100</td>
<td>$975 ($875 + $100 = $975)</td>
</tr>
<tr>
<td>$200</td>
<td>$1,075 ($875 + $200 = $1,075)</td>
</tr>
<tr>
<td>$500</td>
<td>$1,375 ($875 + $500 = $1,375)</td>
</tr>
<tr>
<td>$750</td>
<td>$1,675 ($875 + $750 = $1,675)</td>
</tr>
<tr>
<td>$1,000</td>
<td>$1,875 ($875 + $1000 = $1,875)</td>
</tr>
<tr>
<td>$1,500</td>
<td>$2,375 ($875 + $1500 = $2,375)</td>
</tr>
</tbody>
</table>
CalWORKs IRT (Tier 2)

<table>
<thead>
<tr>
<th>Assistance Unit Size</th>
<th>*Maximum Earned Income Limit Non-Exempt</th>
<th>*Maximum Earned Income Limit Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$113</td>
<td>$113</td>
</tr>
<tr>
<td>1</td>
<td>$746</td>
<td>$814</td>
</tr>
<tr>
<td>2</td>
<td>$1,144</td>
<td>$1,266</td>
</tr>
<tr>
<td>3</td>
<td>$1,389</td>
<td>$1,540</td>
</tr>
<tr>
<td>4</td>
<td>$1,636</td>
<td>$1,810</td>
</tr>
<tr>
<td>5</td>
<td>$1,844</td>
<td>$2,044</td>
</tr>
<tr>
<td>6</td>
<td>$2,056</td>
<td>$2,284</td>
</tr>
<tr>
<td>7</td>
<td>$2,250</td>
<td>$2,496</td>
</tr>
<tr>
<td>8</td>
<td>$2,440</td>
<td>$2,714</td>
</tr>
<tr>
<td>9</td>
<td>$2,628</td>
<td>$2,922</td>
</tr>
<tr>
<td>10 or more</td>
<td>$2,814</td>
<td>$3,132</td>
</tr>
</tbody>
</table>

The level likely to render an AU ineligible for CalWORKs benefits (Example: Non-exempt MAP for an AU of three is $638 x 2 + $113 = $1,389)
Voluntary Mid-Period Reports
Voluntary Mid-Period Reports

- For both programs, recipients may voluntarily report changes in income and circumstances that may increase or decrease benefits any time during the semi-annual period.

- Examples of changes that when reported, might increase or decrease benefits include, but are not limited to the following:
  1) When the household’s income changes
  2) When someone moves into or out of the home
  3) When allowable CalFresh deductions increase or decrease
Voluntary Mid-Period Reports

- Voluntarily reported changes may result in an increase in benefits for one program, while decreasing benefits for the other program. For example, an increase in CalWORKs could result in a decrease in CalFresh benefits.

- Increases, due to decreased income, are effective the first of the month in which the change occurs or is reported, whichever is later.

- Increases, due to the addition of new household members, are effective the first of the month following the report of the change.
Voluntary Mid-Period Reports

Any time a voluntary mid-period report does not result in a change to the benefit amount, the CWD is to send a “no-change NOA” informing the AU/household that the voluntarily reported information did not increase their benefits.

This includes changes of income, household composition, property or any other voluntarily mid-period report.
Shelter Expenses

- Shelter costs will be determined at application and recertification and shall remain fixed at the determined amount unless the household reports a change.

- CalFresh households are NOT required to report mid-period changes of address. However, the accompanying shelter costs must be verified if the change in address is voluntarily reported.

- If shelter costs are not verified, benefits will be calculated without the shelter deduction.
Address Change Example

- A HH, with a Jan. to Dec. certification period, reports they have moved and their rent has increased from $500/mo. to $600/mo.

- Is this report mandatory?
  - No, but the report is VUR

- What action must the CWD take?
  - When the HH reports a change in address, they must verify the associated change in shelter costs.
Verified Upon Receipt (VUR)
Verified Upon Receipt (VUR)

- VUR means that the information provided is not questionable, the provider is the primary source of the information, and no further information is needed to take action.

- If secondary information is requested for verification in order to act on a change in another program (such as Medi-Cal), then by definition it is not VUR. Once verified, okay to act on change.

- A voluntary report of household (HH) composition change by the head of household or responsible adult HH member is considered VUR, and must be acted on.
VUR Example

- A mom calls and reports one of her children has left the home.
  - If the HH is CF only, act on the change and reduce the HH size and send out a notice of action.
  - If the HH is a PACF case, CWs considers this report a voluntary report and does not act, for CalFresh, this report is considered VUR and must be acted on. Reduce the HH size and send out a notice of action.
A HH voluntarily reports mid period that a new HH member with income has moved in. For CalFresh, this report is considered VUR. The CWD will inquire if total income is over IRT.

- If income is under IRT, the CWD will send out a Notice of Information/Verification Needed (CF 377.6) requesting the HH for information to add the new HH member to the case.
- If income is over the IRT, send out a Request for Contact (CF 32) requesting the HH for information to add the new HH member to the case.
Income Budgeting
Income Budgeting

Prospective Budgeting

- Counties are required to use income that the applicant or recipient anticipates with reasonable certainty will be received in the certification period.

- Income from the SAR Data Month, as well as any reasonably anticipated changes in income and expenses shall be used for the upcoming SAR Payment Period.

- For quality control purposes, reviewers will rely heavily on case comments when reviewing case files to determine if benefits have been issued in the correct amounts.
Reasonably Anticipated Income

- Income is “reasonably anticipated” when the recipient and County determine it is reasonably certain that the recipient will receive a specified amount of monthly income in the SAR Payment Period. If the amount of income that will be received or when it will be received is uncertain, it shall not be counted.

- Under SAR, recipients will be required to provide information for the Data Month and any anticipated changes in the six months following the Submit Month.

- The income received in the Data Month will be considered reasonably anticipated and will be used in the budget calculation unless the recipient reports that they anticipate a change in the upcoming SAR Period.
Income Budgeting

- If the HH anticipates receipt of new income from a new source such as a new job or UI benefits, this income shall only be considered reasonably anticipated if the county determines that:
  
  1. The HH verifies that the income has been or will be approved or authorized within the certification period, or the household is otherwise reasonably certain that the income will be received within the certification period
  2. The anticipated amount of the income is known and verified
  3. The start date of the income is known and verified
Questions and Answers