

# Internal Revenue Service (IRS) Asset Match

The Internal Revenue Service (IRS) Asset Match is an annual match performed by California Department of Social Services (CDSS), comparing CalWORKs and CalFresh records from the Medi-Cal Master Extract File (MMEF) against the IRS Unearned Income file. The report shows unearned income reported to IRS for interest, dividends, lottery winnings, stocks and bonds, IRA, mortgage interest, and any other unearned income not found on FTB's files. The data does not show the account balances themselves. This match is subject to Internal Revenue Service (IRS) confidentiality requirements and must adhere to all Safeguard Standards outlined in IRS Pub 1075.

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## History

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In 1984, Public Law 98-369, also known as the Deficit Reduction Act of 1984, section 2651 formally required states to establish an income and eligibility verification system for food stamps (now called CalFresh) and AFDC (CalWORKs).

## Data Sources

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The data come from:

- IRS Unearned Income File
- Medi-Cal Master Extract File (MMEF) from Department of Health Care Services (DHCS)

## Criteria

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The matching process involves a 3-step activity:

1. From the MMEF, the recipient SSN, first four letters of the last name, and date of birth (DOB) goes through a match process at IRS to match against the unearned income file. Unearned income consists of investment interest and dividends, lottery winnings, etc.
2. IRS transmits the data back to CDSS Information Systems Department (ISD) to match it against the latest MMEF to select only active cases and obtain relevant case information such as case number, eligibility worker assigned to the case, the district office, etc.

3. The data is then compared against the FTB file of unearned income data previously sent to the counties in order to eliminate duplicate information.

## **Tolerance Level**

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The counties will only receive cases that show interest and dividend income exceeding specified levels. The current discrepancy level for CalWORKs and CalFresh is \$100 or greater. Non Assistance Food Stamps (NAFS) program has a discrepancy level of \$250 or greater.

## **Frequency**

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The match is sent annually around May.

## **Method**

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The IRS match is delivered via Golden State Overnight (GSO) courier service. GSO signs off when packages are picked up from CDSS, and then the counties sign the bill of lading when the packages are handed over. A receipt of acknowledgement (included in the package) is required to be faxed back to CDSS in order to ensure that the county has received the package. CDSS will follow up with the county if the acknowledgement is not received.

## **Age of Data**

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The information can be up to 12 months old.

## **Mandates**

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The requirements to the IRS are:

- Federal Mandate: Public Law 98-369
- 45 CFR 205.55 requires states to obtain unearned income on an annual basis.
- This match must meet the 45 day requirement ([MPP 20-006.421](#)) for open aid cases. Current federal rules prescribe that action may be delayed beyond the 45-day time frame on no more than 20 percent of the IEVS case matches.

## **Notes**

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