



CDSS

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DEPARTMENT OF SOCIAL SERVICES
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EDMUND G. BROWN JR.
GOVERNOR

November 16, 2016

ALL COUNTY LETTER 16-94

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL COUNTY REFUGEE COORDINATORS
ALL CALFRESH COORDINATORS
ALL CONSORTIUM PROJECT MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
(CalWORKs): FEDERAL FISCAL YEAR (FFY) 2017 INCOME REPORTING
THRESHOLD (IRT)

REFERENCE: WELFARE AND INSTITUTIONS CODE SECTION 11265.3; MANUAL OF
POLICIES AND PROCEDURES (MPP) SECTIONS 40-173.8, 44-316.321(e),
44-316.324, 44-316.324(b)-(c) (SAR/AR/CO), 69-201.4, 69-206, and 69-301;
ALL COUNTY LETTER ([ACL No. 15-75](#), [ACL No. 12-25](#), and [ACL No. 12-49](#);
and ALL COUNTY INFORMATION NOTICE ([ACIN No. I-68-16](#))

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

The purpose of this letter is to transmit the FFY 2017 IRT chart for the CalWORKs Program. The California Department of Social Services (CDSS) developed the attached IRT chart to provide the County Welfare Departments (CWDs) with the IRTs that trigger the recipient income reporting requirements in the MPP Sections 44-316.321(e) and 44-316.324. These IRT levels became effective October 1, 2016, for all Assistance Units (AUs). The CWDs must inform all CalWORKs recipients of their individualized IRT amounts whenever they change.

IRT Reporting Requirements

Under the Semi-Annual Reporting (SAR) and Annual Reporting/Child-Only (AR/CO) reporting systems, CalWORKs recipients are required to report only certain changes in their income or family circumstances mid-period. One such mandatory mid-period report is when the AU's total income exceeds the IRT. The CalWORKs IRT for an AU is the lower of two tiers. The two tiers include: 1) 55 percent of the Federal Poverty Level (FPL) for a family of three, plus the amount of income last used to calculate the AU's monthly grant amount, and 2) The amount of income likely to render the AU ineligible for CalWORKs benefits.

In accordance with MPP Sections 44-316.324(b) (SAR) and 44-316.324(b) (AR/CO), AUs with either no income or with unearned income only are required to report income changes only if they receive new earned income that, when combined with other household income, exceeds

the IRT mid-period. AUs with unearned income only are not required to report when that income by itself exceeds the IRT mid-period.

Income that must be reported for IRT purposes is the total combined earned and unearned income for the AU. If any member of the AU or a person included in the family's Maximum Aid Payment (MAP) has earned income or begins receiving earned income, the AU must report to the CWD when the family's combined gross income, earned and unearned, exceeds the AU's IRT during the SAR or AR/CO payment period.

Once the family receives income in excess of the IRT and reports it to the CWD, the CWD must take action, per MPP Sections 44-316.324(c)(SAR) and 44-316.324(c)(AR/CO), to determine if the reported income is reasonably anticipated to continue. If the income over the IRT will continue but is not at a level that will result in ineligibility, the CWD must use the new reasonably anticipated income to recalculate the grant amount based on the reported income. If the CWD determines the grant should be decreased, the CWD shall decrease the grant at the end of the month in which timely and adequate notice can be provided. After all appropriate income disregards have been applied, if the income reported is reasonably anticipated to continue to exceed the AU's MAP for the remainder of the payment period, the CWD shall determine the AU financially ineligible and discontinue the AU at the end of the month in which timely and adequate notice can be provided. For complete details on decreasing grants, discontinuing cases, and establishing overpayments due to income over the IRT please refer to [ACL No. 12-25](#) for SAR AUs and [ACL No. 12-49](#) for AR/CO AUs.

Informing Recipients of Their IRT

The informing notice that provides the IRT limits must be individualized for each AU. The CWDs must inform recipients of their IRT at least once per SAR Payment Period or AR/CO Payment Period, or whenever the AUs IRT changes. Additionally, the AU must be informed of the new IRT levels any time the IRT chart is updated. The CWDs should also remind recipients that in addition to the IRT requirement, they must report all income and property on their SAR 7 and provide relevant verification.

The IRT must be provided to the CalWORKs AU using the SAR 2 or AR 2 SAR form as appropriate upon approval of application and at any time the AU's IRT changes during the payment period. The IRT can be listed on separate forms as long as the CWDs ensure that it is easily visible to the recipient and that the SAR 2 or AR 2 SAR is issued to each family. The CWD shall follow notification rules regarding individualized IRT levels in accordance with MPP sections 40-173.8 and 44-316.324 as instructed above. The IRT level in which the recipient was last notified will be used for reporting purposes until the CWD has had an opportunity to inform the recipient of any applicable IRT change.

Note: The AR 2 CR and the SAR 2 CR forms are now obsolete because CalFresh has eliminated change reporting.

IRT Chart Increments

The attached IRT charts are effective beginning October 1, 2016. The figures on the chart for all CalWORKs AU sizes, both Exempt and Non-Exempt, in Region 1 and 2, are the CalWORKs earned income limits for each AU size, based on their MAP amount. The CWDs shall not retroactively apply the 2016-17 IRT. The new IRT level will apply as soon as the CWD informs

the recipient of the new 2016-17 IRT. The IRT previously sent to the AU shall be used until the CWD can notify each recipient of their new IRT.

An entry of zero to the IRT Chart is to reflect the IRT amount for a reporting size of zero. This is to address those relatively rare occurrences in which no person's needs are considered in determining the CalWORKs cash aid amount. An example of this would be a case in which the only eligible child is a Maximum Family Grant (MFG) child and his/her caretaker relative (parent) has reached their CalWORKs 48-month time limit and there are no other persons in the home whose needs are considered in the Family MAP. In this situation, the MAP amount is zero and the IRT is \$227. We arrive at the IRT level for an AU size of zero using the following formula: $\$0 \times 2 + \$225 + \$1 = \226 (income limit). This calculation reflects the use of the CalWORKs Earned Income Disregards (EID). One additional dollar is added to the income limit of \$226 to make the IRT \$227 for the AU size of zero.

ACL 16-66 informed CWDs that as of January 1, 2017, the MFG rule will no longer apply. For the purposes of the IRT, the reference to an MFG child is just one example of a situation to demonstrate where the AU size might be zero.

CalFresh IRT

Please refer to [ACIN No. I-68-16](#) for the 2016-2017 CalFresh IRT figures for each household size.

Refugee Cash Assistance (RCA)/Entrant Cash Assistance (ECA) and Trafficking and Crime Victims Assistance Programs (TCVAP)

The above instructions regarding the IRT also apply to the RCA/ECA Program in accordance with MPP Sections 69-201.4 and 69-301, which state that CalWORKs Program regulations relating to financial eligibility and payments apply to RCA/ECA unless specifically superseded by RCA/ECA regulations (i.e., MPP Section 69-206) that exempts specific income and resources from the income eligibility determination process. The above instructions regarding the IRT also apply to Trafficking and Crime Victims Assistance Program (TCVAP).

If you have any questions regarding this ACL contact your CalWORKs County Consultant or the CalWORKs Eligibility Bureau main line at (916) 654-1322. For questions regarding the CalFresh IRT, please contact the CalFresh Policy Bureau at (916) 654-1896. For questions regarding RCA/ECA or TCVAP, please contact the Refugee Program Bureau at (916) 657-3442.

Sincerely,

Original Document Signed By:

Elaine Ward for:

TODD R. BLAND
Deputy Director
Welfare to Work Division

Attachment

Attachment

Federal Fiscal Year (FFY) 2017 CalWORKs Income Reporting Threshold (IRT)
Effective October 1, 2016 - September 30, 2017

The CalWORKs IRT amount for each AU is the lesser of A or B below.

- A. \$924 (55% of the FPL for a family of three) plus the amount of income last used to calculate the AUs monthly benefits or;
- B. The amount of income likely to render the AU of that size ineligible, as shown in the charts below.

Effective October 1, 2016 through September 30, 2017

Region 1		
AU Size	Income Reporting Threshold	
	Exempt	Non-Exempt
0	\$227	\$227
1	\$1010	\$936
2	\$1,516	\$1,380
3	\$1,824	\$1,654
4	\$2,124	\$1,930
5	\$2,386	\$2,162
6	\$2,654	\$2,400
7	\$2,894	\$2,616
8	\$3,134	\$2,828
9	\$3,368	\$3,040
10 or more	\$3,604	\$3,248

Region 2		
AU Size	Income Reporting Threshold	
	Exempt	Non-Exempt
0	\$227	\$227
1	\$974	\$898
2	\$1,458	\$1,324
3	\$1,750	\$1,586
4	\$2,034	\$1,846
5	\$2,288	\$2,070
6	\$2,540	\$2,296
7	\$2,770	\$2,498
8	\$2,996	\$2,704
9	\$3,222	\$2,906
10 or more	\$3,446	\$3,102

*Note: The AU income exit threshold formula is the Maximum Aid Payment (MAP) X 2 + \$225 (Earned Income Disregard (EID)) + \$1 = Amount That Renders AU Ineligible