

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS	44-316
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.1 Reserved

(SAR)

.2 Prior to the end of each SAR Payment Period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount from the current SAR Payment Period and any known income changes in the next SAR Payment Period.

(AR/CO) Prior to the end of each AR/CO Payment Period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount from the current AR/CO Payment Period and any known income changes in the next AR/CO Payment Period.

(SAR) .21 For all CalWORKs recipients, such information shall be reported on the SAR 7 or the annual redetermination forms (SAWS 2). If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.214 and Section 40-181.22(SAR), then the recipient's grant will be terminated in accordance with Section 22-072.

(AR/CO).21 For all CalWORKs recipients, such information shall be reported on the annual redetermination forms (SAWS 2). If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.214, then the recipient's grant will be terminated in accordance with Section 22-072.

(SAR) .22 The county shall use the SAR 7 or SAWS 2 to determine continued eligibility as specified in Section 40-181.

(AR/CO).22 The county shall use the SAWS 2 to determine continued eligibility as specified in Section 40-181.

(SAR) .23 Additionally, the county shall compare the SAR 7 or SAWS 2 submitted for that SAR Payment Period to all mid-period reports that were received during that SAR Payment Period to ensure that mid-period circumstances reported are consistent with the circumstances reported on the SAR 7 or SAWS 2.

(AR/CO).23 Additionally, the county shall compare the SAWS 2 submitted for that AR/CO Payment Period to all mid-period reports that were received during that AR/CO Payment Period to ensure that mid-period circumstances reported are consistent with the circumstances reported on the SAWS 2.

(SAR) .231 If the information reported on the SAR 7 or SAWS 2 is inconsistent with the information provided in any mid-period reports made during the SAR Payment Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the SAR 7 or SAWS 2 shall be considered incomplete.

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(AR/CO) .231 If the information reported on the SAWS 2 is inconsistent with the information provided in any mid-period reports made during the AR/CO Payment Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the SAWS 2 shall be considered incomplete.

(SAR)

| .3 Mid-Period Actions

(SAR) The county shall act on specified changes that occur mid-period. Mid-period changes to cash aid shall be acted on separately and sequentially under semi-annual reporting/prospective budgeting rules and include:

(AR/CO) Mid-Period Actions

(AR/CO) The county shall act on specified changes that occur mid-period. Mid-period changes to cash aid shall be acted on separately and sequentially under annual reporting/prospective budgeting rules and include:

(SAR) .31 Recipient Mid-Period Voluntary Reports

(SAR) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the SAR Payment Period. The county shall also accept a report of decreased income on the SAR 7 or SAWS 2 as a voluntary mid-period report when the SAR 7 or SAWS 2 is received in the Submit Month of the SAR Payment Period. When a voluntary report of decreased income is received in the Submit Month outside of the SAR 7 or SAWS 2 report, the county shall also treat this information as updated SAR 7 or SAWS 2 income information (see Section 44-315.314(SAR)) when determining cash aid for the next SAR Payment Period.

(SAR) The county shall take action on voluntary reports that increase cash aid or recipient requests to voluntarily discontinue their aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report (except as provided in Section 44-318.152(a)(SAR)), the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12. Recipients must provide all verifications within ten days of a voluntary report prior to county action.

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(AR/CO) .31 Recipient Mid-Period Voluntary Reports

(AR/CO) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the AR/CO Payment Period. The county shall also accept a report of decreased income on the SAWS 2 as a voluntary mid-period report when the SAWS 2 is received in the Submit Month of the AR/CO Payment Period. When a voluntary report of decreased income is received in the Submit Month outside of the SAWS 2 report, the county shall also treat this information as updated SAWS 2 income information (see Section 44-315.314(AR/CO)) when determining cash aid for the next AR/CO Payment Period.

(AR/CO) The county shall take action on voluntary reports that increase cash aid or recipient requests to voluntarily discontinue their aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report (except as provided in Section 44-318.152(a)(AR/CO)), the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12. Recipients must provide all verifications within ten days of a voluntary report prior to county action.

(SAR) .311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the SAR Payment Period, the county must request verification in writing, allowing 10 days.

(SAR) (a) If the recipient provides verification within the 10 days given in the request for verification notice, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)(SAR).

(SAR) (b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.

(SAR) (c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of the voluntary report.

(AR/CO) .311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the AR/CO Payment Period, the county must request verification in writing, allowing 10 days.

(AR/CO) (a) If the recipient provides verification within the 10 days given in the request for verification notice, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)(AR/CO).

(AR/CO) (b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.

(AR/CO) (c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of the voluntary report.

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.312 Recipient voluntary reports include, but are not limited to, the following:

(a) Decreases in Reasonably Anticipated Income

(1) When an AU voluntary reports a decrease in income from the amount that was reasonably anticipated to be received, the county shall determine if the AU's cash aid will increase based on the changed income amount.

(SAR) (A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the SAR Payment Period. The new grant amount shall be calculated using the existing income that didn't change and the recalculated income (the income that decreased).

(AR/CO) (A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the AR/CO Payment Period. The new grant amount shall be calculated using the existing income that didn't change and the recalculated income (the income that decreased).

(B) When an AU consists of more than one person with income and one person experiences a decrease in income, only the changed income shall be recalculated. The new grant amount shall be based on that person's recalculated income along with the existing AUs reasonably anticipated monthly income that did not change.

(2) When cash aid would increase due to a voluntary reported decrease in reasonably anticipated monthly income, the county shall determine a new monthly grant amount based on the report of decreased income.

(SAR) (3) The county shall use the new reasonably anticipated income for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income determined for the rest of the SAR Payment Period in recalculating cash aid for the month in which the change was reported and remaining months of the SAR Payment Period.

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(AR/CO) (3) The county shall use the new reasonably anticipated income for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income determined for the rest of the AR/CO Payment Period in recalculating cash aid for the month in which the change was reported and remaining months of the AR/CO Payment Period.

(SAR) (4) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs, whichever is later, and when all verification has been provided (see Section 44-340.3(SAR)).

(AR/CO) (4) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs, whichever is later, and when all verification has been provided (see Section 44-340.3(AR/CO)).

(SAR) (5) The county shall increase the grant amount for the remainder of the SAR Payment Period based upon the newly calculated grant in Section 44-316.312(a)(3)(SAR).

(AR/CO) (5) The county shall increase the grant amount for the remainder of the SAR Payment Period based upon the newly calculated grant in Section 44-316.312(a)(3) (AR/CO).

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(SAR) Example 1:

A non-exempt AU of three, in Region 1 is in the April through September SAR Payment Period and is receiving a grant of \$94 per month. The grant was based on the mother having reasonably anticipated earned income of \$1,377 per month. On June 15, the mother reports that she lost her job and will only receive a \$600 paycheck for the month of June and anticipates no income for the remainder of the SAR Payment Period. The county requests verification of the job loss and the recipient provides the necessary documentation by June 20. The county shall recalculate her aid for the SAR Payment Period as follows:

\$ 600	June Actual Income
<u>-\$225</u>	Earned Income Disregard
\$375	
<u>- 187</u>	50% Earned Income Disregard*
\$187	Net Nonexempt Income for June*
\$670	MAP for three in Region 1
<u>-187</u>	Net Nonexempt Income*
\$483	Grant Amount for June
<u>- 94</u>	June Grant Already Received
\$389	Supplement for June
<u>+ 0</u>	Reasonably Anticipated Income for July through September
\$670	MAP for three in Region 1
\$670	Grant Amount for July through September

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

A supplement of \$389 is issued for the family for the month of June (no later than June 30) and the cash aid is increased to \$670 for July, August, and September.

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(AR/CO) Example 1:

A non-exempt AU of three, in Region 1 is in the April through March AR/CO Payment Period and is receiving a grant of \$94 per month. The grant was based on the mother having reasonably anticipated earned income of \$1,377 per month. On June 15, the mother reports that she lost her job and will only receive a \$600 paycheck for the month of June and anticipates no income for the remainder of the AR/CO Payment Period. The county requests verification of the job loss and the recipient provides the necessary documentation by June 20. The county shall recalculate her aid for the AR/CO Payment Period as follows:

\$ 600	June Actual Income
<u>- 225</u>	Earned Income Disregard
\$ 375	Subtotal
<u>- 187</u>	50% Earned Income Disregard*
\$ 187	Net Nonexempt Income for June*
\$670	MAP for three in Region 1
<u>-187</u>	Net Nonexempt Income*
\$483	Grant Amount for June*
<u>- 94</u>	June Grant Already Received
\$ 389	Supplement for June
<u>+ 0</u>	Reasonably Anticipated Income for July through September
\$670	MAP for three in Region 1
\$670	Grant Amount for July through September

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

A supplement of \$389 is issued for the family for the month of June (no later than June 30) and the cash aid is increased to \$670 for the remainder of the AR/CO Payment Period (July through March).

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- (6) If the AU voluntarily reports a decrease in earnings that resulted from a loss or reduction in hours of employment, and the county determines that the recipient did not have good cause for the job quit/reduction in hours, the county shall impose a sanction pursuant to Section 42-721.4. However, the county shall not wait to increase cash aid due to voluntary report of decreased income while determining if good cause exists before imposing the sanction. See Section 42-721.44 for the time frame for imposing sanctions.

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(SAR) (b) Adding Persons to an Existing AU

(SAR) (1) When an AU voluntarily reports a new person in the home, the county shall determine:

(SAR) (A) If the new person is CalWORKs eligible; and

(SAR) (B) If the new person were added into the AU, the AU would still meet all eligibility conditions; and

(SAR) (C) If the addition of the new person would increase or decrease the grant amount or render the AU ineligible.

(SAR) (2) In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated income for the new person and the existing AU's income for the month in which the new person was voluntarily reported in the home and the remaining months of the SAR Payment Period. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.

(SAR) (3) When aid would increase due to the voluntary report of a new person, the county shall add the new person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.

(SAR) (A) The county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the SAR Payment Period.

(SAR) 1. The new person's income will be determined for the remaining months of the SAR Payment Period. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.

(SAR) 2. The new grant amount shall be based on the AU's existing monthly income and the new person's reasonably anticipated income for the months the new person would be included in the AU.

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- (SAR) (B) The county shall increase the grant amount for the month the new person is added and the remaining months of the SAR Payment Period based on the recalculation of the AU's cash aid (see Section 44-340.3(SAR)).
- (SAR) (4) When adding a new person who would result in an increase in aid, but the new person does not meet all eligibility conditions before aid is authorized, the county shall not add the person nor discontinue the existing AU mid-period.
- (SAR) (5) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person until the first day of the next SAR Payment Period that follows the mandatory reporting of the new person on the SAR 7 or SAWS 2, after all verification has been provided and all eligibility conditions have been met (except as provided in Section 82-832.3(SAR)).

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- (SAR) Example: An AU of three (mother and two children) are in a January through June SAR Payment Period. Father, who is disabled and has a part time job, moves into the home February 10 and is voluntarily reported in February by the AU. The county recalculates aid for the SAR Payment Period using the father's reasonably anticipated income for the period and determines the addition of the father would decrease aid for the existing AU. The county does not add the father into the AU mid-period. The county will send a No Change NOA and remind the existing AU to report the father on the SAWS 2, due June 15. If the father is still living in the home, meets all eligibility conditions, and the AU remains eligible, the father will be added into the AU July 1 and his income will be used in the grant calculation for the July through December SAR Payment Period.

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- (SAR) (6) If adding a new person would render the existing AU ineligible, the county shall not take action mid-period to discontinue the existing AU. The county shall discontinue the existing AU, with timely and adequate notice, at the end of the SAR Payment Period in which the new person is mandatorily reported on the SAR 7 or SAWS 2.

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(SAR) (c) Request Discontinuance for Aid to Existing AU Members

(SAR) At any time during the SAR Payment Period, a voluntary request can be made to discontinue the entire AU or any individual AU member who is no longer in the home or is an optional person.

(AR/CO) (c) Request Discontinuance for Aid to Existing AU Members

(AR/CO) At any time during the AR/CO Payment Period, a voluntary request can be made to discontinue the entire AU.

- (1) If a voluntary request for discontinuance is made verbally, the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided.
- (2) If the request for discontinuance was made in writing, the county shall discontinue cash aid at the end of the month with adequate notice.
- (3) If an individual requests discontinuance from an existing AU, the county shall discontinue the individual even when that individual's request results in a decrease in aid for the remaining AU members.

(SAR) (A) The county shall not presume that a mid-period report of an individual leaving the home is a voluntary request for discontinuance of that AU member. In such circumstances, the county shall verify with the AU if the AU is seeking to discontinue that individual, and shall inform the AU that such a discontinuance shall result in decreased cash aid to the remaining AU members.

(SAR) (B) If an individual AU member who has left the home requests a discontinuance, but the AU has not voluntarily reported the departure, the individual's request for discontinuance takes precedence over the AU's decision to not make this voluntary mid-period report.

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(SAR) (1) Recurring special needs that have been requested mid-period and have been verified and approved will begin the first of the month in which either the need was reported or the verification substantiates that the need exists, whichever is later, and shall remain in effect until the end of the SAR Payment Period in which the special need is expected to end, except as provided in Section 44-211.641 (SAR).

(AR/CO) (1) Recurring special needs that have been requested mid-period and have been verified and approved will begin the first of the month in which either the need was reported or the verification substantiates that the need exists, whichever is later, and shall remain in effect until the end of the AR/CO Payment Period in which the special need is expected to end, except as provided in Section 44-211.641(AR/CO).

(SAR) (2) When an AU member becomes pregnant mid-period, the county shall make payments according to existing pregnancy special need rules (see Sections 44-211.6 et seq.) and will continue payment of the special need until the end of the SAR Payment Period in which the child is expected to be born.

(AR/CO) (2) When a teen AU member becomes pregnant mid-period, the county shall make payments according to existing pregnancy special need rules (see Sections 44-211.6 et seq.) and will continue payment of the special need until the end of the AR/CO Payment Period in which the child is expected to be born.

(SAR) (A) If the pregnancy is verified to extend beyond the estimated date of confinement and extends into the next SAR Payment Period, the county shall continue the pregnancy special need payment until the end of the SAR Payment Period in which the new estimated date of confinement is established or until the newborn is added to the AU. See Section 44-318.15 (SAR) for when to add the newborn.

(AR/CO) (A) If the pregnancy is verified to extend beyond the estimated date of confinement and extends into the next AR/CO Payment Period, the county shall continue the pregnancy special need payment until the newborn is added to the AU. See Section 44-318.15(AR/CO) for when to add the newborn.

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(SAR) .32 Recipient Mid-Period Mandatory Reports

(SAR) Recipients shall report in person, verbally or in writing, specific changes during the SAR Payment Period within ten (10) days of when the change becomes known to the AU.

(AR/CO) .32 Recipient Mid-Period Mandatory Reports

(AR/CO) Recipients shall report in person, verbally or in writing, specific changes during the AR/CO Payment Period within ten (10) days of when the change becomes known to the AU.

.321 The following occurrences shall be reported by the recipient to the county:

- (a) Reserved
- (b) Fleeing felon status
- (c) Violation of conditions of probation or parole
- (d) Address changes
 - (1) The act of failing to report an address change shall not, in and of itself, result in a reduction in aid or a termination of benefits.
- (e) Income exceeding the lowest of three levels of the Income Reporting Threshold (IRT)

(AR/CO) (f) Changes in household composition

.322 The county shall discontinue cash aid to the recipient at the end of the month in which timely and adequate notice can be provided when changes specified in Sections 44-316.321(b) and (c) are reported.

.323 The county shall act on address changes, in accordance with regulations and procedures regarding changes of residence.

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.324 Income Reporting Threshold (IRT)

(a) The level of income that triggers the need for a CalWORKs AU to report a mid-period change in income. There are three tiers of the IRT under semi-annual and annual reporting, the lowest of which will be the AU's current IRT amount:

- (1) 55 percent of the Federal Poverty Level for a family of three, plus the amount of income last used to calculate the AU's monthly grant amount.
- (2) The amount of income likely to render the AU ineligible for CalWORKs benefits.
- (3) 130 percent of the Federal Poverty Level or the level at which a household becomes financially ineligible for federal SNAP benefits (called CalFresh in California).

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There are three tiers of the IRT under SAR and AR/CO, the LOWEST of which will be the AU's current IRT:

- 1) **Tier one:** 55 percent of the monthly income of a family of three at the Federal Poverty Level (FPL) plus the amount of income last used to calculate the AU's grant. (100 percent of the current FPL for a family of 3 as of 12-1-13 is \$1,628. 55 percent of \$1,628 = \$895. This figure will be updated annually when the FPL is updated.)

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- a. This tier is an INCREASE in income of \$895.
- b. This tier is the same for all AU sizes, exempt and non-exempt, in Region 1 and 2.
- c. Income over tier one of the IRT will usually only result in a decrease to the benefit amount and will not usually result in the AU losing eligibility for aid.

Example: Tier One of the CalWORKs IRT based on various income amounts	
Income	IRT (\$895 + income)
\$0	\$895 (\$895 + \$0 = \$895)
\$50	\$945 (\$895 + \$50 = \$945)
\$100	\$995 (\$895 + \$100 = \$995)
\$200	\$1,095 (\$895 + \$200 = \$1,095)
\$300	\$1,195 (\$895 + \$300 = \$1,195)
\$400	\$1,295 (\$895 + \$400 = \$1,295)
\$500	\$1,395 (\$895 + \$500 = \$1,395)
\$600	\$1,495 (\$895 + \$600 = \$1,495)
\$750	\$1,645 (\$895 + \$750 = \$1,645)
\$1,000	\$1,895 (\$895 + \$1,000 = \$1,895)
\$1,500	\$2,395 (\$895 + \$1,500 = \$2,395)

- 2) **Tier two:** The level likely to render an AU ineligible for CalWORKs benefits:

Assistance Unit Size	*Maximum Earned Income Limit Region 1, Non-Exempt	*Maximum Earned Income Limit Region 1, Exempt
0	\$ 227	\$ 227
1	\$ 892	\$ 964
2	\$1,310	\$1,438
3	\$1,566	\$1,726
4	\$1,826	\$2,008
5	\$2,044	\$2,254
6	\$2,268	\$2,506
7	\$2,470	\$2,730
8	\$2,670	\$2,958
9	\$2,868	\$3,176
10 or more	\$3,064	\$3,398

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Assistance Unit Size	*Maximum Earned Income Limit Region 2, Non-Exempt	*Maximum Earned Income Limit Region 2, Exempt
0	\$ 227	\$ 227
1	\$ 856	\$ 928
2	\$1,256	\$1,382
3	\$1,502	\$1,656
4	\$1,748	\$1,924
5	\$1,958	\$2,164
6	\$2,170	\$2,400
7	\$2,360	\$2,614
8	\$2,554	\$2,828
9	\$2,742	\$3,040
10 or more	\$2,926	\$3,248

*Formula: MAP X 2 + \$225 + 1

(Example: Non-exempt MAP for an AU of 3 in Region 1 is \$670. $670 \times 2 + 225 + 1 = \$1,566.$)

- 3) **Tier Three:** The level likely to render a family ineligible for federal SNAP benefits. (130 percent of FPL. This Chart will be updated annually.)

Household Size	Income Reporting Threshold
1	\$1,245
2	\$1,681
3	\$2,116
4	\$2,552
5	\$2,987
6	\$3,423
7	\$3,858
8	\$4,294
9	\$4,730
10 or more	\$5,166

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(SAR) (b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the SAR Payment Period.

(AR/CO) (b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the AR/CO Payment Period.

(1) An AU that has earned income only or a combination of earned and unearned income shall report when the family's combined gross monthly income exceeds the AU's IRT.

(2) An AU that has no income or has unearned income only shall report if they begin to receive earned income that, once combined with other family income, exceeds the AU's IRT.

(SAR) (c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility and grant amount for the SAR Payment Period.

(AR/CO) (c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility and grant amount for the AR/CO Payment Period.

(SAR) (1) When the AU reports income in excess of the IRT in the first through fifth month of the current SAR Payment Period, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income determined for the remainder of the current SAR Payment Period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to continue to result in a lower grant amount for the remainder of the SAR Payment Period, the county shall recalculate the AU's grant amount for the remainder of the SAR Payment Period. If the income is reasonably anticipated to continue to exceed the AU's income eligibility limits for the remainder of the SAR Payment Period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice (see Section 44-207.23(SAR)).

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(AR/CO) (1) When the AU reports income in excess of the IRT in the first through eleventh month of the current AR/CO Payment Period, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income determined for the remainder of the current AR/CO Payment Period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to continue to result in a lower grant amount for the remainder of the AR/CO Payment Period, the county shall recalculate the AU's grant amount for the remainder of the AR/CO Payment Period. If the income is reasonably anticipated to continue to exceed the AU's income eligibility limits for the remainder of the AR/CO Payment Period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice (see Section 44-207.23(AR/CO)).

(A) If the AU reports that the income will no longer exceed the IRT prior to the effective date of the decrease or discontinuance, and the county determines that this is reasonably anticipated, the county shall rescind the decrease or discontinuance.

(SAR) (B) If the AU requests restoration of cash aid after the SAR Payment Period in which they were discontinued for income over the IRT, financial eligibility shall be determined in accordance with Sections 40-125.91 and .92(SAR).

(AR/CO) (B) If the AU requests restoration of cash aid after the AR/CO Payment Period in which they were discontinued for income over the IRT, financial eligibility shall be determined in accordance with Sections 40-125.91.

(SAR) (2) When an AU reports income in excess of the IRT in the sixth month of the current SAR Payment Period, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the SAR 7 or SAWS 2 information to prospectively determine eligibility and cash aid amount for the next SAR Payment Period.

(AR/CO) (2) When an AU reports income in excess of the IRT in the twelfth month of the current AR/CO Payment Period, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the SAWS 2 information to prospectively determine eligibility and cash aid amount for the next AR/CO Payment Period.

**44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND
GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)****44-316**

(SAR) (d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to decrease or discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the SAR Payment Period, the county shall treat this additional information as a mid-period report.

(AR/CO) (d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to decrease or discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the AR/CO Payment Period, the county shall treat this additional information as a mid-period report.

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(SAR) Example: An AU is in an April through September SAR Payment Period. In May, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for the rest of the SAR Payment Period for the AU due to the IRT report, it is discovered that the AU will lose their job at the end of May and have no income for the remaining months of the SAR Payment Period. Since the income over the IRT will not continue, the AU's grant is not decreased or discontinued. The county shall treat the information about the decreased income as a mid-period report and recalculate the cash aid amount, after verification is received, for the remaining months of the SAR Payment Period (June through September).

(AR/CO) Example: An AU is in an April through March AR/CO Payment Period. In May, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for the rest of the AR/CO Payment Period for the AU due to the IRT report, it is discovered that the AU will lose their job at the end of May and have no income for the remaining months of the AR/CO Payment Period. Since the income over the IRT will not continue, the AU's grant is not decreased or discontinued. The county shall treat the information about the decreased income as a mid-period report and recalculate the cash aid amount, after verification is received, for the remaining months of the AR/CO Payment Period (June through March).

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**44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND
GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)****44-316**

- (AR/CO) .325 The county shall act on household compositions changes reported mid-period.
- (AR/CO) (a) Adding Persons to an Existing AU
- (AR/CO) (1) When an AU reports a new person in the home, the county shall determine:
- (AR/CO) (A) If the new person is CalWORKs eligible; and
- (AR/CO) (B) If the new person were added into the AU, the AU would still meet all eligibility conditions; and
- (AR/CO) (C) If the addition of the new person would increase or decrease the grant amount or render the AU ineligible.
- (AR/CO) (b) In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated income for the new person and the existing AU's income for the month in which the new person was reported in the home and the remaining months of the AR/CO Payment Period. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.
- (AR/CO) (c) When aid would increase due to the report of a new person, the county shall add the new person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.
- (AR/CO) (1) The county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the AR/CO Payment Period.
- (AR/CO) (A) The new person's income will be determined for the remaining months of the AR/CO Payment Period. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.
- (AR/CO) (B) The new grant amount shall be based on the AU's existing monthly income and the new person's reasonably anticipated income for the months the new person would be included in the AU.

44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)**44-316**

(AR/CO) (2) The county shall increase the grant amount for the month the new person is added and the remaining months of the AR/CO Payment Period based on the recalculation of the AU's cash aid (see Section 44-340.3(AR/CO)).

(AR/CO) (d) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall decrease the grant after all verification has been provided and all eligibility conditions have been met. The county shall provide the AU with timely and adequate notice of the decrease in the AU's grant effective the first of the month following month in which the change occurred.

(AR/CO) (e) If adding a new person would render the existing AU ineligible, the county shall take action mid-period to discontinue the existing AU. The county shall discontinue the existing AU with timely and adequate notice effective the end of the month in which the change occurred.

.33 County-Initiated Mid-Period Changes

The county shall take mid-period action on certain specified changes in eligibility and grant status at the end of the month in which the change occurred even if it results in a decrease in cash aid.

.331 County-initiated actions include:

(SAR) (a) An adult in the AU reaches the 48-month time limit;

(b) The county imposes a sanction or financial penalty on an individual member of the AU;

(SAR) (c) The county removes the sanction of an individual who corrects his/her welfare-to-work participation problem, in accordance with Section 42-721.48;

(d) The county removes the penalty for an AU that complies with the CalWORKs program requirements;

(SAR) (e) A Cal-Learn participant earns a Cal-Learn bonus or sanction;

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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- | (f) A child in the AU reaches the age limit (see Section 42-101);
- | (g) A child in the AU is placed in Foster Care;
- | (SAR) (h) A Refugee Cash Assistance (RCA) recipient reaches the eight-month RCA time limit;
- | (i) Aid is authorized for an individual who is currently aided in another AU;
- | (SAR) (j) Late SAR 7 adjustment;
- | (k) State Hearing decision resulting in mandatory changes mid-period;
- | (l) When an AU becomes a Family Reunification case;
- | (m) An AU member is no longer a California resident;
- | (SAR) (n) County acts on redetermination information in accordance with Section 40-181.1(SAR).
- | (AR/CO) (n) County acts on redetermination information in accordance with Section 40-181.1(AR/CO);
- | (SAR) (o) Adjustments to correct erroneous payments caused by (1) incorrect or incomplete recipient SAR 7, SAWS 2 or mid-period reporting; or (2) incorrect action or lack of action by the county on SAR 7, SAWS 2 or mid-period information reported by the recipient;
- | (AR/CO) (o) Adjustments to correct erroneous payments caused by (1) incorrect or incomplete recipient SAWS 2 or mid-period reporting; or (2) incorrect action or lack of action by the county on SAWS 2 or mid-period information reported by the recipient;
- | (p) When it becomes known to the county that an AU member is deceased;
- | (q) An AU is transferred to a Tribal TANF program;
- | (r) Cost-of-living adjustments for Minimum Basic Standards of Adequate Care (including income in-kind), Maximum Aid Payment, and Social Security;

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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- (s) When it becomes known to the county that an individual is confined in a correctional facility on the first of a month and is expected to remain for a full calendar month or more (see Section 82-812.61).
- (t) Nine-month real property exemption expires (see Section 42-213.12).
- (u) A non-minor dependent is transferred into their own AU.

(AR/CO) (v) The county determines an overpayment occurs and begins collecting overpayment via grant adjustment.

NOTE: Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: Section 10063, 11251.3, 11265, 11265.1, 11265.2, 11265.3, 11265.45, 11265.47, 11450.5, 11454, and 11454.2, Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12 (a)(1)(vii)].

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS	44-317
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When the applicant is found eligible, the following are beginning dates of aid:

.1 Beginning Date of Aid Determination

.11 The beginning date of aid (BDA) shall not precede the date of application. Aid shall begin on the date of application, or the date on which the applicant meets all eligibility conditions, whichever is later.

.111 "The date of application" means the date on which the county receives a signed and dated application.

(a) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an application for CalWORKs benefits is deposited in a drop box, mail slot, or other reasonable accommodation in accordance with Section 11-601.311(b), the "date of application" shall be the date the application is deposited.

(b) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an applicant calls to make a request for emergency benefits in accordance with Section 11-601.313, the date of application shall be the date the telephone call is received.

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(c) Example: On Friday, when the CWD is closed, an applicant deposits an application for CalWORKs benefits in a mail slot designated for that purpose. The application will be date stamped with Friday's date or it will be otherwise indicated on the application that it was received on Friday, the date of application. Had the applicant made a request for Homeless Assistance, CalFresh Expedited Services, Medi-Cal, or CalWORKs Immediate Need via the local telephone service on Friday, the date of application would be Friday and the application would have to be processed within established time frames.

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.112 "The date on which the applicant meets all eligibility conditions" means the date all linking and nonlinking factors of eligibility are met (see Section 40-107.3), even though verification or documentation of the eligibility condition is received at a later date. Technical conditions of eligibility, as specified in MPP 40-129.214, met at a later date are considered to be met on the date of application as long as they are completed by the date of authorization except for social security enumeration. Social security enumeration requirements must be met within 30 days of the application for assistance if aid is to begin on the date of application. (For social security enumeration requirements, see Section 40-105.2.)

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- (a) At the time these regulations were promulgated, social security enumeration, application for unconditionally available income (including UIB), work registration of the principal earner who is exempt from WTW due to remoteness, work registration of the nonfederal principal earner, and cooperation with the District Attorney in accordance with MPP 43-201.1 were the only technical conditions of eligibility. If any new technical conditions of eligibility are established, this handbook section will be amended.

- (b) Example: A family applies for CalWORKs on April 3. The county schedules the face-to-face interview on April 10. At that time the county determines that on April 3 the applicant had \$2,200 in a bank account, but on April 6 the bank account was down to \$1,900. The beginning date of aid for this family is April 6, since it was on that date that the family met the eligibility requirement for CalWORKs.

- (c) Example: A family applies for CalWORKs on November 10. All family members meet the eligibility requirements except for the youngest child who does not have an SSN. On November 20, the CWD authorizes aid for everyone but the one child because verification of a completed application for an SSN had not been received. On December 10, the CWD received a copy of the MC 194 which indicated that an application for an SSN was completed on November 15 and is being processed. The county rescinds the denial for the child and authorizes aid effective November 10.

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.113 The beginning date of aid for each member of the AU may vary.

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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- (a) Example: A family applies for CalWORKs on November 10. All family members meet the eligibility requirements except for the youngest child who does not have an SSN. On November 20, the CWD authorizes aid for everyone but the one child because verification of a completed application for an SSN had not been received. On December 20, the CWD receives a copy of the MC 194 which indicated that an application for an SSN was completed on December 15 and is being processed. The CWD authorizes aid for the youngest child effective December 15.

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- .114 The BDA shall be the date of application or date of eligibility, whichever is later, for persons whose eligibility determination remains pending and aid is granted to the remaining AU.
- .2 Aid Begins on a Specified Date
 - .21 For a pregnant woman with no other eligible children, the beginning date of aid shall be the date of application, providing the pregnant woman is eligible on that date.
 - .22 When the mother of a newborn is being aided as a pregnant woman in accordance with Sections 44-205.1 and 82-836 or is receiving a pregnancy special need payment in accordance with Section 44-211.6 in the month of birth, the newborn and the father of the newborn shall be added to the case as described in Sections 44-318.15 and .16.
- .3 Aid is Granted on Intercounty Transfer

Aid is paid from the first of the month following discontinuance by the other county.
- .4 Change in Type of Assistance

Aid is paid from the first of the month following the effective date of discontinuance under the previous program.
- .5 Applicant to Leave Public Institution Where He is Ineligible – (Repealed -- Manual Letter No. 77-001)

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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.6 Intraprogram Status Changes

| .61 Transfer from Medically Needy to CalWORKs Recipient

.611 The cash grant shall be paid from the date of application or date all eligibility conditions are met, whichever is later.

| .62 Transfers Between CalWORKs and AFDC-FC

| .621 The BDA for a child converting from AFDC-FC to CalWORKs shall be the date he/she is placed in his/her parent's or relative's home or the date eligibility conditions are met, whichever is later.

| .622 When a child in an CalWORKs AU is moved to foster care, the effective date of AFDC-FC assistance is the date he/she is placed in an AFDC-FC eligible facility and is otherwise AFDC-FC eligible.

| .623 When a child is transferring from AFDC-FC to CalWORKs, or vice versa, but remains in the home of the same related caretaker, the effective date of program transfer is the first of the month following the request for change of program. (See Section 45-202.212(a).)

| .63 Transfers from AFDC-FC to Kin-GAP

| .631 When a child is transferring from AFDC-FC to Kin-GAP, but remains in the home of the same caretaker relative, the BDA of Kin-GAP is the first of the month following the dismissal of the dependency (see Section 90-105.132). AFDC-FC shall be paid until the Kin-GAP payment begins.

| .64 Transfers Between CalWORKs and Kin-GAP

| .641 When a child is transferring from CalWORKs to Kin-GAP, or vice versa, but remains in the home of the same related caretaker, the effective date of the program transfer is the first of the month following the request for change of program or the dismissal of the dependency (see Section 90-105.132).

44-317 BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued) 44-317

.7 Aid Granted on Basis of Immediate Need After Determining Eligibility or Apparent Eligibility -- Has been Deleted per Manual Letter No. 79-58.

.8 Previously Denied Application is Approved

.81 Aid shall be paid from the date it would have been paid in accordance with the beginning date of aid regulations in effect at the time the application was denied.

.9 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.10 Effective Date of Medical Assistance Certification

The effective date of the certification for Group I Medical Assistance for the applicant who has been found eligible for a cash grant is whichever of the following is later: (a) the first of the month of application, or (b) the first of the month in which there is eligibility (linkage).

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, and 11056, Welfare and Institutions Code; 45 CFR 205.42(d)(2)(A), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 206.10; 45 CFR 233.10(a)(1); 45 CFR 233.20(a)(1)(ii); 45 CFR 233.60; 45 CFR 233.90(c)(2)(i); and Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995.

44-318 BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU 44-318

.1 Beginning Date of Aid The BDA shall be:

.11 Mandatorily Included Persons When mandatorily included persons added result in a cash aid:

.111 Increase The first of the month after the change is reported and all conditions of eligibility have been met.

(SAR) .112 Decrease The first day of the SAR Payment Period following the required reporting of the individual on the SAR 7 or SAWS 2 provided all conditions of eligibility have been met.

(AR/CO) The first day of the month following the month in which the change occurred.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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.12	Optional Persons	When optional persons added result in a cash aid:
.121	Increase	The first of the month after the change is reported and all conditions of eligibility have been met.
(SAR) .122	Decrease	The first day of the SAR Payment Period following the required reporting of the individual on the SAR 7 or SAWS 2 provided all conditions of eligibility have been met.
(AR/CO)		The first day of the month following the month in which the change occurred.
(SAR) .13	Sanction/ Noncooperating Persons	The first of the month following the date the person contacted the county to indicate his or her desire to end the sanction after all of the following conditions are met:
(SAR) (a)		All conditions of eligibility have been met (see Section 44-316.331(c)(SAR)); and
(SAR) (b)		The activities in accordance with Section 42-721.43 have been successfully completed.
.14	Unreported Mandatorily Included Persons	The date the person meets all requirements for eligibility when he/she is required to be included in the AU but aid was not requested.
.141		Eligibility conditions are considered to have been met from the first day of the month following the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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.15 Newborn Child and MFG Child

(SAR) .151	Newborn Child	When a newborn child is added results in a cash aid:
(SAR) (a)	Increase	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.6(SAR)).
(SAR) (b)	Decrease	The first day of the next SAR Payment Period after the change is reported on the SAR 7 or the SAWS 2 and after all conditions of eligibility have been met (see Section 44-211.6(SAR)).
(AR/CO) .151	Newborn Child	When a newborn child is added results in a cash aid:
(AR/CO) (a)	Increase	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.633(AR/CO)).
(AR/CO) (b)	Decrease	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.633(AR/CO)).
(SAR) .152	Newborn MFG Child	When an MFG newborn child is added results in no change or a decrease in cash aid.
(SAR) (a)	No PSN/No Change	The first of the month following the report of the birth provided that all conditions of eligibility have been met and provided that the mother is not receiving a pregnancy special need payment and the grant will not decrease as a result of adding the newborn.
(SAR) (b)	PSN/Decrease	The first day of the next SAR Payment Period following the report of the birth and all verification has been provided, when the mother has been receiving a pregnancy special need payment or the grant would otherwise decrease as a result of adding the newborn.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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	(AR/CO) .152 Newborn MFG Child	When an MFG newborn child is added results in no change or a decrease in cash aid.
	(AR/CO) (a) No PSN/No Change	The first of the month following the report of the birth provided that all conditions of eligibility have been met.
	(AR/CO) (b) PSN/Decrease	The first of the month following the report of the birth provided that all conditions of eligibility have been met.
.16	Father of a Newborn	When a father of a newborn added, in accordance with Section 44-205.122, results in a cash aid:
	.161 Increase	The first of the month after the report of the birth and all conditions of eligibility have been met.
	(SAR) .162 Decrease	The first day of the next SAR Payment Period after the report of the birth and all conditions of eligibility have been met.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11056, 11265.1, 11265.2, 11265.3, 11265.47, and 11327.5(d), Welfare and Institutions Code; 45 CFR 233.10 and .20(a)(13); Federal Register, Vol. 57, No. 131; and SSA-AT-86-01; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

44-319	INITIAL PAYMENTS	44-319
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- .1 Initial Payment -- Defined -- An initial payment is:
 - .11 The first payment made on new applications and restorations;
 - .12 The first payment for a child transferred from a boarding home to a family budget unit;
 - .13 The first payment for the addition of a child to a family budget unit already receiving AFDC, or for the addition of a needy relative (if none has been included before) whether or not the actual payment is increased.

44-319 INITIAL PAYMENTS (Continued) 44-319

.2 When Initial Payment is Made

An initial payment shall be delivered within the month for which aid is granted or restored, or not later in the following month than the time such payment is required to be delivered in accordance with Section 45-303.1.

.3 Retroactive Initial Payment

An initial payment includes aid for prior months if retroactive aid is authorized because:

- .31 Aid was granted on appeal to the State Department of Social Services;
- .32 The State Department of Social Services concurs in a county recommendation that retroactive aid be paid to adjust an appeal;
- .33 An application for aid has been denied and corrective action is being taken;
- .34 The investigation was not completed by the end of the month following the date on which the application was made or the end of the month following the date on which the applicant became eligible if such is later than the date of application.

44-325 CHANGES IN AMOUNT OF PAYMENT 44-325

.1 When Change is Effective

(SAR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective in accordance with Section 44-316(SAR) as soon as notice can be given pursuant to Sections 22-071 and 22-072.

(AR/CO) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective in accordance with Section 44-316(AR/CO) as soon as notice can be given pursuant to Sections 22-071 and 22-072.

.2 Discontinuance

(SAR) If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued in accordance with Section 44-316.3(SAR). (See Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

44-325	CHANGES IN AMOUNT OF PAYMENT (Continued)	44-325
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(AR/CO) If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued in accordance with Section 44-316.3(AR/CO). (See Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

.3 Cancellation or Reduction of the Second Installment of a Month's Aid Payment

.31 The second installment of a month's aid payment is normally not cancelled or reduced, except when:

.311 Ineligibility for the first installment was discovered too late to give proper notice under Section 22-022; or

.312 Payment of the first installment was made because the payment date was within the termination notice period. For example, see Section 41-440.71; or

.313 An overpayment would occur if the second installment is not cancelled or decreased.

.32 Any cancelled or reduced payment is subject to all notice requirements as outlined in Section 22-022.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11006.2, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code.

44-327	DELAYED PAYMENT	44-327
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When a public assistance payment is delayed because of changes in circumstances not related to continuing eligibility or to the correctness of grant, the county shall immediately take whatever action is necessary to determine the changed circumstances and issue the payment at the earliest possible date.

.1 Federal and State Participation

Federal and state participation in CalWORKs is available for the delayed payment only if it is released within whichever of the following occurs first:

- .11 One calendar month after the county receives information upon which it can act indicating there has been a change in circumstances, or
- .12 Two months succeeding the month for which the payment was issued.

.2 Factors Causing Delay in Payment

Factors which may cause delay in payment within the meaning of this section include:

- .21 Change of address of recipient -- warrant is returned to the auditor's office and the county is so notified.
- .22 A change in payee.
- .23 A transfer of county responsibility for aid payment -- the second county inadvertently fails to begin aid on the due date and pays retroactive aid from that date.
- .24 Death of a recipient -- when reissuance of the warrant or payment is appropriate but not possible until the person entitled to the warrant or payment is determined under Probate Law, the limitations specified in .11 and .12 above are not applicable (see Handbook Section 25-520.7).

| (SAR) .25 The complete SAR 7 (see Section 40-181.241(SAR)) is received after the tenth day prior to the end of the submit month or the SAWS 2 is received after the 15th day of the submit month, regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(SAR).

| (AR/CO) The SAWS 2 is received after the 15th day of the submit month, regardless of good cause – the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(AR/CO).

44-327	DELAYED PAYMENT (Continued)	44-327
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- .26 Electronic Fund Transfer Accounts – If the direct deposit electronic fund transfer was incomplete due to, but not limited to, closed account, the failure of the direct deposit electronic fund transfer, or the payment inadvertently went to the wrong account, the county shall immediately take whatever action is necessary at the earliest possible date.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11006.2, and 11265.1, Welfare and Institutions Code.

44-340	UNDERPAYMENTS	44-340
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.1 General

- .11 An underpayment shall be corrected in accordance with the regulations in effect on the date of discovery.
- .12 Underpayments occur when the applicant or recipient receives less than the amount to which he/she is entitled in a given month or months. Failure to apply for or request aid does not create an underpayment.
- .13 The county shall take all reasonable steps necessary to correct promptly any underpayment that comes to the county's attention.

- .131 Any underpayment which is due to the erroneous denial of an application for aid shall be corrected even though the applicant failed to perform an act constituting a condition of eligibility when such failure was caused by the denial. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.

- .132 For the purpose of determining the beginning date of aid for correcting an underpayment which is due to the erroneous denial of an application, see Section 44-317.8.

(SAR) .133 If information reported on the SAR 7 or SAWS 2 results in an increase in cash aid, and the county cannot increase the grant by the first day of the month of the next SAR Payment Period, a supplement shall be issued for that month, and cash aid increased for the remaining months of that SAR Payment Period. A supplement will be provided for the month the decrease in income is reported or the month the change actually occurs, whichever is later, after all verification has been provided (see Section 44-316.31(SAR)).

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(AR/CO) If information reported on the SAWS 2 results in an increase in cash aid, and the county cannot increase the grant by the first day of the month of the next AR/CO Payment Period, a supplement shall be issued for that month, and cash aid increased for the remaining months of that AR/CO Payment Period. A supplement will be provided for the month the decrease in income is reported or the month the change actually occurs, whichever is later, after all verification has been provided (see Section 44-316.31(AR/CO)).

.14 A mid-period supplemental payment resulting from a voluntary mid-period report which was correctly computed based on a recalculation of reasonably anticipated income and/or other changed AU circumstances shall not be considered an underpayment and is not subject to an overpayment offset.

.2 Investigation of Underpayments

.21 When there is a reason to suspect that an underpayment may have occurred, the worker must investigate and determine whether an underpayment did occur.

.3 Calculating the Underpayments

The calculation of the underpayment is as follows:

.31 Calculate the correct grant for each month in question, compare the correct grant to the amount actually paid to the recipient for each month; and if the amount to the recipient in any month is less than the correct grant for that month, an underpayment exists.

.32 An underpayment occurs when the AU receives less cash aid than the AU was entitled to receive and would be based on regulations in effect at the time the underpayment occurred.

.321 The county shall not reconcile actual verified income against prospectively budgeted income that was used in the grant calculation as income that was reasonably anticipated at the time benefits were calculated.

(SAR) .33 No underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated for the SAR Payment Period and the recipient did not voluntarily report the change in circumstances or the decrease of income during the SAR Payment Period in accordance with Section 44-316.31(SAR).

(AR/CO) No underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated for the AR/CO Payment Period and the recipient did not voluntarily report the change in circumstances or the decrease of income during the AR/CO Payment Period in accordance with Section 44-316.31(AR/CO).

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- .4 Correction of the Underpayment
 - .41 Underpayments are corrected through retroactive payments.
 - .42 If an assistance unit has both an underpayment and an overpayment, the county shall balance one against the other before making a retroactive corrective payment.
 - .43 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
 - .44 The month of discovery is the month in which the county obtained any information which could have reasonably led to a determination that an underpayment occurred.
 - .45 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
- .5 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
- .6 For purposes of determining continued eligibility and amount of assistance, retroactive payments shall not be considered as income or as a resource in the month paid nor in the next following month.
- .7 Repealed by DSS Manual Letter No. EAS-89-06, effective 10/1/89.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004.1, 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

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.1 General

- .11 Any overpayment which occurred prior to April 2, 1982 and which is determined to be nonwillful, in accordance with regulations in effect during the month that the overpayment occurred, shall not be recouped except through voluntary repayment.
- .12 For any willful overpayment which was discovered prior to April 2, 1982 and the maximum adjustment period had not expired prior to April 1982, adjustment shall be continued as long as necessary to recover the overpayment.
- .13 For any overpayment, except those described in 44-350.11, which is discovered on or after April 2, 1982, the overpayment shall be recouped in accordance with regulations in effect on the date of discovery.
- .14 When the overpayment is determined to be due to excess property, the overpayment is to be recouped in accordance with the regulations in Section 44-352.11.
 - .141 For cases in which an overpayment caused by excess property was recouped under former MPP Section 44-352.11, which was effective on April 2, 1982, the county shall take the following steps:
 - (a) Recompute the overpayment in accordance with the April 1986 amendments to Section 44-352.11;
 - (b) Determine if the revised overpayment is less than the overpayment computed under the April 2, 1982 regulations.
 - (c) If the revised overpayment is less, issue a payment to correct the underpayment for any amount which has actually been recouped which exceeds the revised overpayment amount.

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Note: In accordance with the Edwards v. McMahan final court order, payments are to be issued to correct underpayments even when the family is not currently aided.

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- .142 The case review, recomputation, and correction of any underpayments shall be completed as soon as possible and not later than the deadlines set forth below:
- (a) The date of the next annual redetermination of eligibility or the date of termination, whichever is earlier, for all current recipients on the effective date of this regulation;
 - (b) Sixty days from the date aid is granted for reapplications and requests for restoration of aid within one year of the effective date of this regulation;
 - (c) Sixty days from the date of a request for review in all other cases.
- .15 An overpayment is any amount of any aid payment an AU received to which it was not eligible. An overpayment may be all or a portion of an aid payment. This includes, but is not limited to, an immediate need payment, a special need payment or aid paid pending a state hearing.
- .151 An overpayment shall not include aid paid where all four of the following prerequisites are met:
- (a) An applicant or recipient fails to perform an act constituting a condition of eligibility for aid. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.
 - (b) The applicant's/recipient's failure to perform an act constituting a condition of eligibility is caused by a state agency error or by a County Welfare Department (CWD) error, and not by an applicant/recipient error.
 - (1) "State agency error," for purposes of this section is the agency's failure to promptly notify the CWD that the applicant/recipient does not or no longer meets a specific condition of eligibility.

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- (A) For example: EDD fails to notify the CWD that an applicant/recipient has been deregistered from Job Services (JS).

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- (2) "CWD error," for purposes of this section, is the CWD's failure to inform an applicant/recipient that he/she must perform an act which constitutes a condition of eligibility.
- (3) "Applicant or recipient error," for purposes of this section, shall occur only when the applicant or recipient was notified, either verbally or in writing, of the need to perform the act which constitutes a condition of eligibility and did not perform the act in question after notification, within a reasonable period of time under the circumstances.

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- (A) For example, where a child becomes six years old on April 6 and the CWD informs the parent of the requirement to WIN register on July 12, the parent's failure to WIN register in July would probably be a "recipient error" and, therefore, cause an overpayment for July. However, if the parent is informed of the WIN registration requirement on July 29, a failure to register within that month would probably not be a "recipient error" and there would be no overpayment for July because the recipient did not have a reasonable period of time to WIN register before the end of the month. In either case, there is no overpayment for April, May and June.

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- (c) The amount of aid paid would have been the same had the act constituting the condition of eligibility been performed.
 - (d) The state agency or CWD error is discovered or an overpayment is being calculated or an overpayment is being recouped on or after January 1, 1985.
- .16 The county shall take all reasonable steps necessary to promptly correct and collect any overpayments that are known to the county including recovery of overpayments due to either applicant/recipient and/or county administrative errors, with the following exceptions:
- .161 The county shall not demand collection of nonfraudulent overpayments totaling less than \$35 from individuals no longer receiving aid. Where the nonfraudulent overpayment amounts owed by the individuals no longer receiving aid is \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines that the cost to collect the overpayment exceeds the amount to be recovered.

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- (a) Counties shall maintain information regarding the uncollected overpayments to enable recoupment should any individuals from the prior overpaid AU reapply.
- (b) Costs which counties shall consider when determining the cost effectiveness to collect are total administrative and personnel costs, legal filing fees, investigative costs, and any other costs which are applicable.

.162 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.17 A supplemental payment which was correctly computed, based on the county's determination of reasonably anticipated income, shall not be subject to an overpayment determination provided that the recipient's report, upon which the county based its determination, was complete and accurate. If there is a computational error, the supplemental payment shall be corrected.

(SAR) .18 An overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the SAR Payment Period and the income the recipient actually received during that period, provided the recipient's reports were complete and accurate.

(AR/CO) An overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the AR/CO Payment Period and the income the recipient actually received during that period. If the recipient's reports were incomplete or inaccurate, the county shall assess an overpayment based on what should have been reasonably anticipated at the time of the report, had the recipient reported completely and accurately.

.2 Definitions (in Alphabetical Order)

- a) Action for Civil Judgment - The action taken by the appropriate county official to take the recipient or former recipient to court.
- b) Administrative Error Overpayment - Except as provided in Section 44-350.151, an overpayment caused by error on the part of the county when all information necessary to a correct determination of the grant was in the possession of the county.
- c) Aid - The amount of assistance issued to a recipient.

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- d) Balancing - A method for the recovery of all or a portion of an overpayment by applying it against a repayable underpayment.
- e) Demand for Repayment - The notification to a recipient or former recipient that an overpayment occurred for which there is a right for judicial restitution. Where demand for repayment is appropriate, it may be used concurrently with other methods of adjustment.
- f) Grant Adjustment - Recovery of an overpayment by reducing the grant of a presently eligible individual or family.
- g) (Reserved)
- h) (Reserved)
- i) Month of Discovery - The month of discovery is the month in which the county obtained, or could have obtained by taking prompt action, information sufficient to support a determination both that an overpayment occurred and the amount of such overpayment.
- j) Nonfraudulent Overpayment - An overpayment which is not determined to be fraudulent pursuant to MPP 20-003.1.

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MPP 20-003.1 provides that fraud exists when a person, on behalf of himself or others, has:

- (1) Knowingly and with intent to deceive or defraud made a false statement or representation to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of benefits.
- (2) Knowingly and with intent to defraud failed to disclose a fact which, if disclosed, could have resulted in denial, reduction, or discontinuance of benefits.
- (3) Accepted benefits knowing he/she is not entitled thereto, or accepted any amount of benefits knowing it is greater than the amount to which he/she is entitled.
- (4) For the purpose of obtaining, continuing, or avoiding a reduction or denial of benefits, made statements which he/she did not know to be true with reckless disregard of the truth.

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- k) Recovery - Grant adjustment, voluntary grant offset, voluntary cash recovery, demand for repayment, action for civil judgment and balancing.

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- l) Unlocatable - Means either of the following:
 - (1) When the county is unable to determine the physical whereabouts of the caretaker relative; or
 - (2) When the county is able to locate the caretaker relative, but unable to execute a legal process to collect.
- m) Voluntary Cash Recovery - Repayment voluntarily made to the county by a recipient who has incurred an overpayment.
- n) Voluntary Grant Offset - Voluntary repayment made to the county by a recipient's foregoing all or a portion of a grant for which he or she is eligible.

.3 Investigation of Overpayments

When information indicates that an overpayment may have occurred, the county shall take the following actions:

- .31 Review the eligibility and grant factors to find what the correct grant amount should have been;
- .32 Calculate the overpayment;
- .33 Determine from whom the overpayment may be recovered (see Section 44-352.3);
- .34 Determine the appropriate recovery method and the amount to be recovered.
- .35 If appropriate (see Section 44-352.5), initiate any referrals to the SIU for an investigation.

.4 Aid Paid Pending

Aid paid pending a state hearing decision (see Section 22-022) is a recoverable overpayment except to the extent that the claim is granted. However, the amount of a proposed overpayment adjustment which is stopped because of a recipient's timely request for a state hearing is not an overpayment.

44-350 OVERPAYMENTS -- GENERAL (Continued) **44-350**

.5 Overpayments Due to the Inability to Provide Ten-Day Notice of Adverse Action

(SAR) An overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including reports on the SAR 7, the SAWS 2, or mandatory mid-period reports of income over the IRT.

(AR/CO) An overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including reports on the SAWS 2, or mandatory mid-period reports of income over the IRT.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004 (Ch. 270, Stats. 1997), 11004.1, 11056, and 11265.1, Welfare and Institutions Code; Section 37 of AB 444 (Ch. 1022, Stats. 2002); 45 CFR 233.20(a)(13); and Administration for Children and Families (ACF) Action Transmittals (AT) 94-11 and 94-20; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

44-351 METHODS OF OVERPAYMENT RECOVERY **44-351**

In addition to grant adjustment and demand for repayment which are discussed in Section 44-352.4 the following methods of recovery apply to all overpayments:

.1 Voluntary Cash Recoveries

Voluntary cash recovery should be explained by the county to a recipient (or former recipient) but no request for voluntary payment should be made.

.11 If a recipient or former recipient offers to repay all or a portion of an overpayment which is not subject to grant adjustment or a demand for repayment and action for civil judgment, the following apply:

.111 An agreement made with the recipient shall be in writing and shall clearly indicate to the individual that the repayment is voluntary.

.112 The recipient is not required to fulfill any voluntary agreement he/she enters into and may suspend at any time payments he or she has agreed to make.

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.2 Voluntary Grant Offset

Voluntary grant offset should be explained by the county to those recipients who have available income and resources when the overpayment could not be recovered in the appropriate adjustment period. However, no request may be made for voluntary repayment.

.21 If the recipient offers to repay the remaining overpayment by foregoing all or a portion of a grant to which he or she is eligible, the following apply:

.211 The county shall obtain in writing an agreement to repay. Such agreement shall clearly indicate to the individual that repayment is voluntary.

.212 The recipient is not required to fulfill any agreement he/she enters into and may request payment of the full grant to which he/she is eligible at any time.

.3 Balancing

When an assistance unit has both an overpayment and an underpayment, the county shall offset one against the other.

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.1 Calculation of the Overpayment

When it is determined that an overpayment exists, calculate the amount of the overpayment and determine the appropriate methods of recovery.

.11 Overpayment due to "excess property"

(SAR) .111 Unless the excess property was spent down prior to the first day of the next SAR Payment Period, which followed the SAR 7 or SAWS 2 on which the excess property should have been reported, the county shall determine an excess property overpayment based on an accurate report and/or correct county action when:

(SAR) (a) Property information that should have been reported on the SAR 7 or SAWS 2 was not reported; or

(SAR) (b) The county failed to act correctly on property information reported on the SAR 7 or SAWS 2. Also see Section 40-125.951.

(AR/CO) Unless the excess property was spent down prior to the first day of the next AR/CO Payment Period, which followed the SAWS 2 on which the excess property should have been reported, the county shall determine an excess property overpayment based on an accurate report and/or correct county action when:

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(AR/CO) (a) Property information that should have been reported on the SAWS 2 was not reported; or

(AR/CO) (b) The county failed to act correctly on property information reported on the SAWS 2. Also see Section 40-125.951.

.112 When a recipient has held property in excess of eligibility limits, the overpayment shall be calculated as follows:

(a) Determine the period of time in which the recipient held property exceeding the property maximums.

(1) For the purposes of this section, the period that the recipient held excess property includes all months in which the total property value of the same items of property exceeds limits on the first day of the month, even though there may be intervening months in which the total property value is below limits. Fluctuations in the value of individual items of property shall not affect the determination of the period of time that the recipient held excess property, so long as the same items of property are included in the total property valuation. If the recipient disposes of an item of property or acquires an item of property, a new period begins and separate calculation is required.

(SAR) (2) The first month that can be determined for this period of excess property is the first month of the SAR Payment Period following the SAR 7 or SAWS 2 in which the excess property was required to be reported.

(AR/CO) The first month that can be determined for this period of excess property is the first month of the AR/CO Payment Period following the SAWS 2 in which the excess property was required to be reported.

(b) Determine the month within the period in which the property value, on the first day of the month, was the highest and calculate the amount by which the property exceeded the eligibility limit.

(c) Calculate the total amount of aid actually paid to the recipient during the months excess property was held, subtracting any money, excluding child support recoupment, received by the county which was credited against the aid payment for those months.

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- (d) Determine whether the recipient received aid in "good faith". The determination of "good faith" receipt of aid shall be based on a preponderance of evidence establishing that the recipient believed himself/herself to be eligible to the aid received. The county shall consider information in the case record and all other available information, including an interview with the recipient if he/she is available and willing to cooperate. The determination of "good faith" receipt of aid shall be reasonable, objective, and drawn from all available information.
- (1) The county shall not determine that a recipient has received aid in "good faith" in cases where the county has informed the recipient of his/her reporting responsibilities and, under the circumstances, the recipient knew of his/her reporting responsibilities and failed to report within his/ her competence. See Section 40-105.

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- (A) The following are examples of questions to be considered in making the determination. Not all questions necessarily apply in all situations.
1. How was the recipient informed of his/her reporting responsibilities? E.g., Mass Mailing? Personal Intake Interview? Home Visit? Never?
 2. Is there information in the case record which indicates the recipient's apparent understanding of his/her reporting requirements with regard to property?
 3. What is the recipient's history of reporting?
 4. Did the recipient know the value of the property in question?
 5. Did county actions contribute to the situation causing the overpayment?
 6. Is there other information about the recipient's situation that would have an influence on the determination (i.e., language/age barrier)?

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- (e) If the county determines that the recipient received aid in "good faith", in accordance with .112(d) above, the amount of the overpayment is the lesser of the amount of excess property calculated in .112(b) above or the total grant paid as calculated in .112(c) above.

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- (1) Recipient owned several stocks which fluctuated in value. At the time of her eligibility determination in January the combined value of her property, including stocks, was computed to be \$1,850. She was granted aid of \$100 per month. At her redetermination the following January, her property was investigated in detail. It was found that twice during the prior year her total property value had exceeded the property limit, both times due to fluctuations in stock value. However, neither occurrence had taken place in a Data Month, so the recipient was not mandated to report this fluctuation in income. There is no overpayment in this situation.
- (2) Handbook Section 44-352.112(e)(2)(SAR) shall become operative in a county on the date that SAR becomes effective in that county pursuant to the County's SAR Declaration.
- (SAR) Recipient is in an August through January SAR Payment Period and receives a \$400 monthly grant. She owns several stocks which fluctuate in value, but have always been reported as worth less than \$2,000. At the time of her annual redetermination in January, her property is investigated in detail. It is discovered that beginning in April of the previous year, her stocks increased in worth to \$2,500. On her June SAR 7, submitted timely on July 8, she should have reported the increased value of the stocks and the county would have taken action to discontinue the recipient effective July 31, the end of that SAR Payment Period, for being over the property limit. The stocks dropped down in value to \$1,800 in October. The ineligible months are August through October. The county determines that the recipient did not know that she was over the property limits and that she received aid in "good faith."

The total grant paid for the ineligible months is \$1,200. The amount by which the excess property exceeded the property limit in the month the property value was the highest was \$500. The overpayment to be recouped is the lesser amount, in this case, \$500.

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- (f) If the county determines that the recipient did not receive aid in "good faith", the amount of the overpayment shall be the total grant paid during the month(s) the excess property was held, as calculated in .112(c) above.

.12 Overpayment due to income or need or circumstances other than excess property.

An overpayment shall be assessed when an AU receives more cash aid than entitled to as a result of not reporting income or circumstances timely, or the county does not act correctly on a recipient report, or the county did not act timely. The county shall redetermine the cash aid the recipient should have received based on the required report and correct county action.

- .121 Compute the correct grant amount based on correct information for the month involved in the overpayment. If the recipient was totally ineligible for that month, the correct grant amount is zero (0).

In this computation, allow all income disregards which would have been allowed if the grant had been computed correctly. The regulations in effect at the time the overpayment occurred shall be used to determine the correct amount of the grant, with the following exceptions:

- (a) Regulations subsequently invalidated by a court decision shall not be used in determining the correct grant for the applicable period(s) as required by the court decision. Instead, the instructions (e.g., All-County Letter, regulations, etc.) implementing the court decision shall be used.
 - (1) If a recipient fails to report income timely or the county fails to act correctly or timely on a recipient report, the county shall redetermine the cash aid the recipient should have received based on an accurate report and correct county action. If the recalculation results in an overpayment, the date that the overpayment begins is the first date that the change would have been made if timely and correct action had been taken based on the complete, timely and accurate recipient report.
 - (2) When recomputing cash aid results in an overpayment, the county shall recreate case circumstances using the correct county processing time frames based on what the recipient should have reported.

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(SAR) In the SAR Payment Period designated as July through December, an AU has no income and is receiving the Maximum Aid Payment amount. On October 10, the county determines through an IEVS match that the AU got income that exceeded the IRT beginning on January 5 of the previous SAR Payment Period. The AU is still receiving the same level of income in the current SAR Payment Period and has never reported the income on a mid-period report or on the SAR 7 that was submitted in June. The county determines that the AU should have reported this change by January 15, and should have had their grant decreased due to the increased income effective January 31. The AU's grant shall be decreased on November 1, with a 10-day notice, and an overpayment would be established for February through October.

(AR/CO) In the AR/CO Payment Period designated as July through June, an AU has no income and is receiving the Maximum Aid Payment amount. On October 10, the county determines through an IEVS match that the AU got income that exceeded the IRT beginning on January 5 of the previous AR/CO Payment Period. The AU is still receiving the same level of income in the current AR/CO Payment Period and has never reported the income. The county determines that the AU should have reported this change by January 15, and should have had their grant decreased due to the increased income effective January 31. The AU's grant shall be decreased on November 1, with a 10-day notice, and an overpayment would be established for February through October.

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- (b) If the overpayment occurred prior to January 1, 1998, and if the overpayment is due to any earned income that the recipient failed, without good cause, to report timely, no earned income disregards shall be allowed for that individual in that month.

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Earned income disregards in effect prior to January 1, 1998 were: 1) \$90 standard work expense disregard, 2) \$30 and 1/3 earned income disregard, 3) extended \$30 income disregard, and 4) child and dependent care disregard (\$200 per month for children under 2 and \$175.00 per month for older children and other dependents).

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- .122 Subtract the correct grant amount from the amount of aid actually paid.
- .123 Subtract any money, excluding child support recoupment, received by the county and credited against the aid payment from the aid actually paid.
- .124 The total overpayment for each month is the lesser of the amount computed in Sections 44-352.122 or .123.
- .125 The total overpayment is the sum of all amounts calculated in Section 44-352.124.

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	<u>EXAMPLES</u>	<u>Computations</u>	
<u>Factors</u>		(.121) Correct <u>Grant</u>	(.125) <u>Overpayment</u>
1. Earned Income		\$1,025	
Reported Income		1,025	
Income Disregard		<u>- 225</u>	
Subtotal		800	
50% Earned Income Disregard		<u>- 400</u>	
Total Net Nonexempt Income		400	
MAP for Five	\$909	\$ 909	
Total Net Nonexempt Income		<u>- 400</u>	
Aid Payment	\$909	\$ 509	
Potential Overpayment (Aid Paid Less Correct Grant)			\$ 909 <u>- 509</u> \$ 400
* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34			
2. Earned Income		\$ 500	
Reported Income		\$ 500	
Income Disregard		<u>- 225</u>	
Subtotal		275	
50% Earned Income Disregard*		<u>- 137</u>	
Total Net Nonexempt Income*		137	
MAP for Three	\$670	\$ 670	
Total Net Nonexempt Income*		<u>- 137</u>	
Aid Payment	\$670	533	
Overpayment (Aid Paid Less Correct Grant)*			\$ 670 <u>-533</u> \$ 137
* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34			

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.2 Amount That Can Be Recovered

The amount that can be recovered is the total amount calculated under 44-352.11 or 44-352.12, with the following exceptions:

.21 Collection of overpayments shall not be demanded from any individual of the overpaid AU no longer receiving aid when:

.211 The overpayments are nonfraudulent; and

.212 The total amount of the overpayments is less than \$35.

.22 Where the nonfraudulent overpayments owed by any individual no longer receiving aid totals \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines it is not cost effective to collect the overpayment (see MPP 44-350.161[b]).

.3 Priority Order For Overpayment Recoupment

Overpayments shall be recouped in the following priority order unless specifically exempted under Section 44-352.2.

.31 Caretaker Relative Recipient

When the caretaker relative was a member of the AU at the time of the overpayment, the county shall first seek recoupment from the caretaker relative recipient.

.311 Recovery

The county shall continue to seek recovery of the overpayment from the caretaker relative even when he/she:

(a) Moves to another AU, or

(b) Is no longer on aid.

.312 Members of the AU

The county shall only initiate recovery of the overpayment from the other members of the overpaid AU after all efforts to collect from the caretaker relative recipient have been exhausted, and the caretaker relative recipient:

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- (a) Dies and the county cannot collect the entire unpaid balance of the overpayment from the caretaker relative's estate; or
- (b) Is unlocatable; or

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- (1) In locating former recipients who have outstanding overpayments, appropriate data sources include, but are not limited to: State Employment Insurance Records; State Department of Revenue Records; State Department of Motor Vehicle Records; and Payment Verification System.

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- (c) Has the overpayment discharged in bankruptcy; or
- (d) Is no longer on aid; the overpayment is less than \$35 pursuant to Section 44-352.211, and there are other members of the overpaid AU who remain on aid; or
- (e) Is no longer on aid, and the county has determined that it is not cost effective to collect the overpayment from the caretaker relative pursuant to Section 44-352.22.

.32 Unaided Caretaker Relative

When the caretaker relative was not a member of the AU at the time of the overpayment, the county shall seek recovery from the members of the overpaid AU as specified under Section 44-352.33, unless Section 44-352.34 applies.

.33 Recovery from AU Members

There shall be no priority order in seeking collection of the overpayment from members of the overpaid AU who were not the caretaker relative.

.331 Sequential/Concurrent

Collection may occur in sequence against any one member at a time or concurrently from any of the members, when in separate AUs or when not receiving aid.

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44-352 OVERPAYMENT RECOUPMENT (Continued) 44-352

.34 CalWORKs Overpayment Recovery from Child AU Members

The county shall not collect an overpayment from an individual who was a non-head-of-household child-member of the overpaid AU at the time of the overpayment, under the following circumstances:

.341 The child moves to another AU,

.342 The child attains the age of 18 years or is an emancipated minor.

.35 Section 44-352.34 shall not apply to collections of overpayments made under the former AFDC program, as required by federal law.

.4 Methods of Recovery

All of the following methods may be used concurrently. However, those methods should be used that will result in the maximum recovery.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.41 Grant Adjustments

(SAR) Under SAR, recoupment by grant adjustment shall only be initiated at the beginning of a SAR Payment Period. Grant adjustment shall be discontinued mid-period when the debt is paid in full. A new overpayment collection may continue mid-period by grant adjustment if the new collection of the overpayment does not decrease aid mid-period.

(AR/CO) Under AR/CO, recoupment by grant adjustment shall be initiated mid-period. Grant adjustment shall be discontinued mid-period when the debt is paid in full.

.42 If the overpayment is to be recovered by grant adjustment, the following method shall be used:

.421 Agency Error

For overpayments caused by agency error,

- (a) The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 5% of the MAP amount for the AU rounded to the next lower dollar.

.422 Other

For all other overpayments,

- (a) The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 10% of the MAP amount for the AU rounded to the next lower dollar.

.423 Step Five

The overpayment shall be adjusted from the current aid payment. The adjustment shall be the lesser of the following:

- (a) The overpayment balance, or
- (b) The maximum adjustment amount, or
- (c) The current aid payment.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.424 Step Six

Any remaining overpayment balance shall be applied to succeeding months and the adjustment process shall be repeated.

.43 Balancing - See Section 44-351.3.

.44 Demand for Repayment

Using the appropriate Notice of Action form, the county shall demand repayment of any amount not recovered by grant adjustment, or otherwise repaid, except that no demand shall be made for nonwillful overpayment due to factors other than excess property that occurred prior to April 2, 1982.

.45 Civil Judgment

.451 If the recipient or an individual no longer receiving aid refuses or is unable to repay the amount demanded, the county shall refer the case to the appropriate county official for action on a civil judgment, unless specifically exempted under MPP 44-352.2.

(a) An abstract of civil judgment shall be recorded pursuant to Section 674, Code of Civil Procedure, in any county in which the recipient or former recipient owns real property.

(b) If a recipient is ineligible for further aid due to current income, property or other factors affecting eligibility, the county shall take all appropriate action pursuant to Section 681, et seq., Code of Civil Procedure, to execute the judgment.

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(c) Except that if the recipients' sources of income include Social Security or SSI/SSP benefits, these benefits are exempt from collection and will not be used to repay an overpayment unless agreed to by the client.

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.46 Nothing in .44 or .45 above shall preclude the county from arriving at a reasonable settlement of its demand for repayment with the recipient or former recipient.

.47 Voluntary Cash Recovery - See Section 44-351.1.

.48 Voluntary Cash Offset - See Section 44-351.2.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.5 Referral to Special Investigative Unit (SIU).

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.51 Chapter 20-000 through 20-009 discusses referrals to the Special Investigative Unit and referrals to law enforcement officials. Chapter 20-350 discusses referrals made in cases of alleged IPV.

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.511 All overpayments determined to be caused by an applicant's or recipient's failure to report information shall be referred to the SIU, including overpayments caused by an alleged IPV.

.52 The Determination of Failure to Report.

.521 A failure to report occurs when the recipient has:

- a. Made oral or written misstatements in response to oral or written questions from the county or state concerning his/ her income, resources or other circumstances which may affect the eligibility or grant amount; or
- b. Failed to report changes in income, resources or other circumstances which may affect the amount of the grant; or
- c. Failed to report receipt of a grant amount which he/she knew represented an erroneous payment.

NOTE: Authority cited: Sections 10553, 10554, and 11004(h), Welfare and Institutions Code. Reference: Sections 10553, 10554, 11004, 11004.1, 11008 (Ch. 270, Stats. 1997), 11017, 11155, 11155.1, 11155.2, 11257, 11265.1, 11265.2, 11265.45, 11265.47, 11450, 11450.5, 11451.5, 11452, 11453, and 11453.2, Welfare and Institutions Code; Darces v. Woods (1984) 35 Cal.3rd 871:201 Cal.Rptr. 807, and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

44-353	OVERPAYMENTS TO SPONSORED ALIENS	44-353
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Repealed by CDSS Manual Letter No. EAS-01-01, effective 1/8/01.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11056 and 11008.13, Welfare and Institutions Code; 8 U.S.C. 1183a; and 8 CFR 213a.

44-355	MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT	44-355
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| .1 | Mandatory Person -
Presence Unknown | The county shall complete the following when a person required to be included in the AU is discovered in the home. |
| .11 | Reinform AU | Upon discovery, reinform the AU in writing that the discovered person is required to be included on the appropriate Statement of Facts. The reinforming date is the date the reinforming notice is mailed. |
| .12 | Retroactive Period | The period beginning with the date the person was required to be included in the AU and ending with the date the AU was reformed. |
| .13 | Redetermine Eligibility | Redetermine the eligibility of the AU for each month the person was required to be included in the AU but was not included. |
| | .131 Income/Resources | Include the person's income and resources. |
| | .132 Needs | Include the person's needs. |
| .14 | Recompute Grant | For the period specified in Section 44-355.12, recompute the grant for the AU. |
| | .141 Income | Include the person's income and resources. |
| | .142 Needs | Include the person's needs. |
| .15 | Recover Overpayment | Initiate recovery of an overpayment as specified in Section 44-352 for any month in which aid was overpaid. |

44-355 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS	Regulations
44-355	MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT (Continued)	44-355
.16	Correct Underpayment	Correct an underpayment as specified in Section 44-340 for any month in which aid was underpaid. Payment shall be made only for months in which all technical conditions of eligibility, as defined in Section 44-317.112(a), are met. Technical conditions of eligibility are considered to be met as of the date the person who was required to be included in the AU provided:
	.161 Cooperates	The person is cooperating in meeting those conditions and
	.162 Reporting Responsibilities	The caretaker relative has fulfilled his/her reporting responsibilities with regard to making timely and accurate reports of AU composition in accordance with Section 40-105.14.
.2	Current Eligibility	Redetermine eligibility for the AU as of the date the AU was reformed in accordance with Section 44-355.11 that the additional person is required to be in the AU. Use the additional person's income, resources and needs when making this redetermination.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11056, Welfare and Institutions Code; 45 CFR 233.20(a)(13); and SSA-AT-86-01.

**STANDARDS OF ASSISTANCE
HARDSHIP SUPPLEMENTAL PAYMENTS**

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**STANDARDS OF ASSISTANCE
REDUCED INCOME SUPPLEMENTAL PAYMENTS**

44-400 REDUCED INCOME SUPPLEMENTAL PAYMENTS 44-400

| Repealed by Manual Letter No. EAS-13-02, effective 7/1/13.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section Section 37 of AB 444 (Chapter 1022, Statutes of 2002).

44-401 ELIGIBILITY FOR A REDUCED INCOME SUPPLEMENTAL PAYMENT 44-401

| Repealed by Manual Letter No. EAS-13-02, effective 7/1/13.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section Section 37 of AB 444 (Chapter 1022, Statutes of 2002).

**44-402 COMPUTATION OF A REDUCED INCOME
SUPPLEMENTAL PAYMENT 44-402**

| Repealed by Manual Letter No. EAS-13-02, effective 7/1/13.

NOTE: Authority cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code. Reference: Sections 11008, 11017, 11255, 11450, 11450.015, 11450.12, 11450.2, and 11451.5, (Ch. 270, Stats. 1997), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 237.27; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

44-403 CWD RESPONSIBILITIES 44-403

| Repealed by Manual Letter No. EAS-13-02, effective 7/1/13.

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