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August 26, 2014

Regulation Package No. 0214-01

CDSS MANUAL LETTER NO. EAS 14-02

TO: HOLDERS OF THE ELIGIBILITY AND ASSISTANCE STANDARDS MANUAL

**Regulation Package # 0214-01**

**Effective 7/1/14**

**Sections 40-103, 40-105, 40-107, 40-119, 40-125, 40-128, 40-173, 40-181, 40-188, 40-190, 41-405, 42-209, 42-213, 42-221, 42-406, 42-407, 42-716, 42-721, 42-751, 42-769, 44-101, 44-102, 44-111, 44-113, 44-115, 44-133, 44-205, 44-207, 44-211, 44-304, 44-305, 44-313, 44-315, 44-316, 44-318, 44-325, 44-327, 44-340, 44-350, 44-352, 48-001, 80-301, 80-310, 82-612, 82-812, 82-820, 82-824, 82-832, 89-110 and 89-201**

This manual letter has been posted on the Office of Regulations Development website at <http://www.cdss.ca.gov/ord/PG3153.htm>.

Senate Bill (SB) 1041 (Ch. 47, Stats. of 2012) replaced the Quarterly Reporting/Prospecting Budgeting (QR/PB) system [later replaced by the Semi-Annual Reporting (SAR) system] with an Annual Reporting system in the California Work Opportunity and Responsibility to Kids (CalWORKs) program for certain CalWORKs child-only cases. These cases are those in which there is no eligible adult in the Assistance Unit (AU) and are referred to as Annual Reporting/Child Only (AR/CO) cases. This change reduces the reporting burden on recipients and reduces the administrative burden on county workers by only requiring one report per year during the annual redetermination. The AR/CO provisions within these regulation changes include a tandem format for the operation of SAR and AR/CO. This is because the systems are parallel reporting systems and recipients may transition between SAR and AR/CO. Regulations that are operative under Semi-Annual Reporting are labeled (SAR). Regulations that are operative under Annual Reporting Child Only are labeled (AR/CO). Regulations not labeled are applicable to both reporting systems.

In addition to the AR/CO provisions of SB 1041, these regulation changes also include the increase of the Earned Income Disregard (EID) to up to \$225 of any unused amount of the \$225 Disability-Based Unearned Income (DBI) disregard plus 50 percent of the remaining earned income.

Assembly Bill (AB) 1094 (Ch. 554, Stats. of 2013) expands the definition of DBI to include Veterans Disability Compensation benefits as a new category. The DBI is

exempt from the calculation of the income of the AU not to exceed \$225. If DBI exceeds \$225, the additional amount will be counted dollar for dollar.

Also, these regulation changes contain numerous clean-up and technical changes, including repealing outdated QR regulations, correcting outdated terms and references and updating the Minimum Basic Standard of Adequate Care levels and Maximum Aid Payment levels.

These regulations were adopted on an emergency basis and will be considered at the Department's public hearing to be held on September 3, 2014.

### **FILING INSTRUCTIONS**

**Revisions to all manuals are indicated by a vertical line in the left margin.** The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Eligibility and Assistance Standards Manual changes was EAS-14-01.

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Attachment

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**ELIGIBILITY AND ASSISTANCE STANDARDS  
RECEPTION AND APPLICATION**

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<b>40-038</b>	<b>IMPLEMENTATION OF SEMI-ANNUAL REPORTING FOR CalWORKs RECIPIENTS</b>	<b>40-038</b>
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- |    |   |  |
|----|---|--|
| .1 | Effective Date                              | All regulatory action implementing the provisions of Semi-Annual Reporting (SAR) as authorized by Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011), shall become effective for recipient cases upon semi-annual reporting becoming operative in the county in which they reside pursuant to the County's SAR Declaration. The SAR Declaration is a letter submitted from the County Welfare Department Director to the Director of CDSS confirming SAR implementation in that county. Counties must implement semi-annual reporting as early as April 2013 and no later than October 2013. Semi-annual reporting regulations include a unique regulation design which includes a tandem format for the operation of both quarterly and semi-annual reporting systems to account for the staggered implementation dates. Regulations that become obsolete under Semi-Annual Reporting are labeled as (QR). Regulations that are operative under Semi-Annual Reporting are labeled (SAR). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged. In addition, each regulation impacted by SAR includes a disclaimer stating SAR regulations will replace the QR regulations once SAR is implemented by the county. |
| .2 | Divisions Impacted by Semi-Annual Reporting | Division 22, 40, 41, 42, 44, 47, 48, 80, 82, and 89.   |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011). Reference: Sections 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code as amended by AB 6 (Chapter 501, Statutes of 2011).

<b>40-039</b>	<b>IMPLEMENTATION OF ANNUAL REPORTING CHILD ONLY FOR CalWORKs RECIPIENTS</b>	<b>40-039</b>
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- .1 Effective Date
- All regulatory action implementing the provisions of Annual Reporting Child Only (AR/CO) as authorized by Senate Bill (SB) 1041 (Chapter 47, Sections 7-10, Statutes of 2012), shall become effective for recipient cases October 1, 2012. Annual reporting child only regulations include a unique regulation design which includes a tandem format for the operation of semi-annual reporting and annual reporting child only. This is because the systems are parallel reporting systems and recipients may go back and forth between SAR and AR/CO. Regulations that are operative under Semi-Annual Reporting are labeled (SAR). Regulations that are operative under Annual Reporting Child Only are labeled (AR/CO). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged.
- .2 Divisions Impacted by Annual Reporting Child Only
- Divisions 22, 40, 41, 42, 44, 48, 80, 82, and 89.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.45, 11265.46, 11265.47, and 11264.48 Welfare and Institutions Code.

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**RECEPTION AND APPLICATION  
GENERAL**

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(SAR)

.5 Semi-Annual Reporting Cycle – The semi-annual reporting (SAR) cycle is comprised of six consecutive months which constitute a SAR Payment Period. The following terminology is used to describe the months and the period of an individual SAR cycle:

(SAR) .51 SAR Payment Period – the six month period for which cash aid is paid/issued. A SAR Payment Period is comprised of six consecutive calendar months. The SAR Payment Period begins the first day following the SAR Submit Month. The SAR Payment Period can be the six months following the submittal of the SAR 7 or the completion of the SAWS 2.

(SAR) .52 Next SAR Payment Period – the SAR Payment Period immediately following the SAR Submit Month.

(SAR) .53 SAR Data Month – the month for which the recipient reports all information necessary to determine eligibility on either the SAR 7 or the SAWS 2. The SAR Data Month is the fifth month of each SAR Payment Period. Only information from the Data Month and any known changes must be reported on the SAR 7; however, all available information must be included on the SAWS 2.

(SAR) .54 SAR Submit Month – the month in which the SAR 7 or the annual redetermination of eligibility is required to be completed and submitted to the county. The SAR Submit Month immediately follows the SAR Data Month and is the sixth month of each SAR Payment Period.

(SAR) .55 SAR Reporting Period – The SAR Data Month and the five preceding months. The SAR Reporting Period generally refers to the period of time since the last mandatory report (SAR 7 or SAWS 2) was completed.

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(SAR) The following table illustrates how months are arranged in a SAR cycle. Note that the SAR cycles are based on the Beginning Date of Aid (BDA) in order to ensure the SAR cycle is aligned with the redetermination/recertification date.

<b>First SAR Payment Period</b>					
January BDA	February	March	April	May	June
SAR Payment Period Begins	Month 2	Month 3	Month 4	SAR Data Month	SAR Submit Month/ SAR 7 is due

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<b>Second SAR Payment Period</b>					
July	August	September	October	November	December
SAR Payment Period Begins	Month 2	Month 3	Month 4	SAR Data Month	SAR Submit Month/ RD/RC is due

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.6 Inquiries -- An inquiry is a request for information or a general request which is not an application. It is usually made without the individual indicating he/she is in need. It may include a request for information from a potential applicant or any other person or agency who desires information regarding public assistance, eligibility requirements, points of agency policy, etc.

.7 Aid Programs

The aid programs in these regulations are defined in terms of basic program purposes as follows:

.71 Has been deleted.

.72 Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

.73 Has been deleted.

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

.75 Medical Assistance Program -- to provide health care services on an individualized basis for recipients of aid under the assistance programs under Section .81 through .84 above and to other eligible persons thus promoting better health for those persons who are unable to pay in full for the cost of their medical care. Requirements and definitions for the California Medical Assistance Program are set forth in Medical Assistance Regulations, Title 22, California Administrative Code, Division 3.

.76 State Supplemental Program -- to provide money payments to eligible aged, blind, or disabled California residents. (See Division 46.)

.8 IEVS - Means the Income and Eligibility Verification System. (See Section 20-006.1.)

(AR/CO)

.9 Annual Reporting/Child Only – An Annual Reporting/Child Only (AR/CO) case is a CalWORKs Assistance Unit (AU) that does not include an eligible adult, with the exception of an adult who has been sanctioned due to non-compliance with welfare-to-work (WTW) requirements per Section 42-721. AR/CO cases are subject to annual reporting requirements. The following terminology is used to describe the months and the period of annual reporting:

(AR/CO) .91 AR/CO Payment Period – the twelve month period for which cash aid is paid/issued. An AR/CO Payment Period is comprised of twelve consecutive calendar months. The AR/CO Payment Period begins the first day following the AR/CO Submit Month. The AR/CO Payment Period is the twelve months following the completion and submittal of the SAWS 2.

(AR/CO) .92 AR/CO Data Month - the month for which the recipient reports all information necessary to determine eligibility on the SAWS 2. The AR/CO Data Month is the eleventh month of the AR/CO Payment Period.

(AR/CO) .93 AR/CO Submit Month - the month in which the SAWS 2 is required to be completed and submitted to the county. The AR/CO Submit Month immediately follows the AR/CO Data Month and is the twelfth month of the AR/CO Payment Period.

(AR/CO) .94 AR/CO Reporting Period – The AR/CO Data Month and the eleven preceding months. The AR/CO Reporting Period generally refers to the period of time since the last SAWS 2 was completed and submitted.

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(AR/CO) The following table illustrates how months are arranged in an AR/CO Payment Period. The AR/CO Payment Period is based on the Beginning Date of Aid.

When a CalWORKs case begins in AR/CO, it is still necessary to assign the case a SAR cycle, as the case may transition between AR/CO and SAR.

<b>AR/CO Payment Period</b>											
January BDA	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
AR/CO Payment Period Begins	2	3	4	5	6	7	8	9	10	11 AR/CO Data Month	12 AR/CO Submit Month

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NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, 11056, 11265.1, and 11265.45, Welfare and Institutions Code; and 45 CFR 206.10(a)(1)(ii).

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<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY</b>	<b>40-105</b>
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.1 Assuming Responsibility Within His/Her Capabilities

During the determination of initial and continuing eligibility, the applicant or recipient shall assume as much responsibility as he/she can within his/her physical, emotional, educational, or other limitations. Within his/her capabilities, the applicant/recipient is responsible for:

- .11 Completing or participating in the completion of all documents required in the application process or in the determination of continuing eligibility.
- .12 Making available to the county all documents that are in his/her possession or available to him/her which are needed to determine eligibility or ineligibility.
- .13 Reporting all facts known to him/her which he/she believes to be material to his/her eligibility or which the county has identified to him/her as affecting eligibility.

| (SAR).14 Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1)) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the semi-annual period (see Section 44-316(SAR)).

| (AR/CO) Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1)) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the annual period (see Section 44-316 (AR/CO)).

- .15 Cooperating in a quality control review. Cooperation includes, but is not limited to, attending a personal interview with the quality control reviewer and answering questions and providing information necessary to complete the quality control review.

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See Chapter 40-200, Quality Control Cooperation Requirements.

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<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)</b>	<b>40-105</b>
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- .16 Identifying any third party who may be liable for care and services available under the state's Title XIX state plan on behalf of the applicant/recipient or any other family member required to be in the AU under Section 82-820.3.
- .161 Applicants and recipients may be exempted from cooperation requirements under certain circumstances as specified in Section 82-512.
- .17 Failure to comply with these provisions shall result in a fraud penalty if the applicant or recipient is found to have committed an IPV.

.2 Social Security Number (SSN)

- .21 As a condition of eligibility, each CalWORKs applicant or recipient member of the AU shall:
  - .211 Furnish his/her Social Security Account Number (SSN) or numbers, if more than one, within 30 days following the date of the application for assistance; or
  - .212 If he/she cannot furnish an SSN:
    - (a) apply directly to a local office of the Social Security Administration (SSA); and submit verification of such completed application to the county within 30 days following the date of application for assistance before aid may be authorized. A completed application means an application that has been accepted by the SSA for processing; and,
    - (b) furnish the SSN to the county when received.
    - (c) See .221 below for a child(ren) who has been enumerated at birth through the Enumeration at Birth (EAB) Project.

**40-105 APPLICANT AND RECIPIENT RESPONSIBILITY (Continued) 40-105**

(f) Exemptions

The immunization requirement does not apply if the parent(s)/caretaker relative submits:

- (1) An affidavit stating that the immunization requirement is contrary to his/her personal/religious beliefs and the reasons for his/her objection.
- (2) A written statement from a physician or health professional working under the supervision of the physician, stating that the child should not be immunized, which includes the prohibitive medical condition and the duration.

(g) Failure to Cooperate

If an applicant/recipient fails to submit timely verification of immunization of any child(ren) in the AU under the age of six (see Section 40-105.4(d)) and does not qualify for an exemption or have good cause (see Section 40-105.4(i)), the grant shall be reduced by the amount (MAP) allowed for the needs, as specified in Section 44-315.311, of the parent(s)/caretaker relative in the AU.

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(1) Immunization Penalty Computations

Examples:

- (A) An AU composed of a mother and her three children fails to submit verification of immunization and is not found to have good cause. The mother has total earned income of \$525 per month and no disability-based unearned income. The AU is nonexempt and resides in Region 2.

Grant Computation - Single Penalty:

AU size remains four, but due to the penalty, use the MAP for three.

\$ 525		Gross Earned Income
-	<u>225</u>	Unused \$225 DBI Disregard
\$ 300		Remaining Earned Income
-	<u>150</u>	50% Earned Income Disregard
\$ 150		Net Nonexempt Income
\$ 638		MAP for three (excluding the parent)
-	<u>150</u>	Total Net Nonexempt Income
\$ 488		Aid Payment

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- (B) This same AU also fails to cooperate with the District Attorney's office in establishing paternity for child support.

Grant Computation - Double Penalty

\$ 525	Gross Earned Income
- <u>225</u>	Unused \$225 DBI Disregard
\$ 300	Remaining Earned Income
- <u>150</u>	50% Earned Income Disregard
\$ 150	Net Nonexempt Income
\$ 638	MAP for three (excludes the parent)
- <u>150</u>	Total Net Nonexempt Income
\$ 488	Aid Payment with First Penalty Applied
- <u>122</u>	25% of Aid Payment - Second Penalty for Failure to Cooperate with DA*
\$ 366	Aid Payment with Both Penalties Applied

\*50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: Welfare and Institutions Code Section 11017, MPP Section 44-315.34.

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- (h) Restoration of Aid

(SAR) Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month following the month in which verification is received (see Section 44-316.331(d)(SAR)).

- (i) Good Cause

The county shall determine if good cause exists for not submitting verification due to lack of reasonable access to immunization services. If the county determines that good cause exists, the applicant/recipient has an additional 30 days to submit immunization verification.

- (1) Circumstances which may constitute good cause, due to lack of reasonable access to immunization services, may include but are not limited to the following: language barriers, physical distance, illness of a parent(s)/caretaker relative, bona fide transportation problems or a lack of available appointments.



<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)</b>	<b>40-105</b>
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(e) Failure to Cooperate

Refusal or failure of a recipient to cooperate in providing documentation when requested shall result in aid being reduced in accordance with Section 40-105.5(b), unless the county determines good cause exists.

(f) Good Cause

The county shall determine what constitutes good cause for not attending school "regularly" and failure to cooperate.

(g) Restoration of Aid

(SAR) The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month following the month in which verification of regular school attendance is received (See Section 44-316.331(d)(SAR)).

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, 11253.5, 11265.2, 11265.3, 11265.8, 11266, 11268, 11450.5, and 11486, Welfare and Institutions Code, SB 72 (Chapter 8, Section 42, Statutes of 2011), AB 1712 (Chapter 846, Section 34, Statutes of 2012). Reference: Sections 10553, 10554, 10604, 11017, 11209, 11253(b)(2), 11253.5, 11265.3, 11265.8, 11266, 11268, 11450, 11451.5, 11453, 11486, 13283, 14005.2, and 18945, Welfare and Institutions Code; Section 48200, Education Code; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 233.10(a)(1)(iv) and 235.112(b); 45 CFR 400.43; 7 CFR 273.16(b); 8 United States Code (USC) 1182(d)(5)(B); 42 U.S.C. 402(a)(6) and 616(b); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996; The Trafficking Victims Protection Act of 2000 (P.L. 106-386), Sections 107(b)(1)(A), (B), and (C); The Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193).

<b>40-107</b>	<b>COUNTY RESPONSIBILITY (Continued)</b>	<b>40-107</b>
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- (j)  
(SAR) Establishing the Semi-Annual Reporting Cycle

Applicants shall be assigned a specific Semi-Annual Reporting (SAR) cycle using their beginning date of aid. If the applicant has an existing CalFresh recertification period, the county shall align the SAR cycle with the existing recertification period. The county must align the CalWORKs annual redetermination of eligibility with the CalFresh certification period. The redetermination/recertification acts as the second semi-annual report so it must also be aligned with the SAR Submit Month. The county shall provide the SAR 7 or SAWS 2 to the recipient by the end of the SAR Data Month in the SAR Payment Period in which it is due. The county must provide the recipient with a written notice that will include:

- (AR/CO) Establishing the Semi-Annual and Annual Reporting Cycle

Applicants shall be assigned a specific Semi-Annual Reporting (SAR) cycle using their beginning date of aid. If the applicant has an existing CalFresh recertification period, the county shall align the SAR cycle with the existing recertification period. The county must align the CalWORKs annual redetermination of eligibility with the CalFresh certification period. The county shall provide the SAWS 2 to the recipient by the end of the AR/CO Data Month in the AR/CO Payment Period in which it is due. The county must provide the recipient with a written notice that will include:

- (1) The AU's individual SAR cycle,
- (SAR) (2) The months in which the SAR 7 and the annual redetermination of eligibility (SAWS 2) are due, and
- (AR/CO) (2) The month in which the annual redetermination of eligibility (SAWS 2) is due, and
- (SAR) (3) The SAR Data Months they will be responsible for reporting information.
- (AR/CO) (3) The AR/CO Data Month they will be responsible for reporting information.
- (SAR) (A) Semi-Annual Reporting Cycle Based on Beginning Date of Aid

The county shall establish six SAR cycles, each comprised of two SAR Payment Periods (see Section 40-103.5(SAR)). The county shall assign the applicant to one of these cycles based on the beginning month of aid. Unless the SAR cycle is being established to align with an existing CalFresh recertification date, the beginning month of aid shall be considered the first month of the SAR Payment Period.

**HANDBOOK BEGINS HERE**

(SAR) This model requires CWDs to consider a client’s beginning date of aid as the first month of the SAR Payment Period. This month will begin the SAR cycle for the new reporting system. Clients will be assigned to one of six cycles, based on their beginning date of aid. For purposes of discussing months within the cycle, the following definitions will apply:

**SAR Payment Period** – the six months in which benefits are paid. The SAR Payment Period will include six consecutive months. The beginning date of aid will be considered the first month of the "SAR Payment Period" for purposes of identifying the appropriate client reporting cycle.

**SAR Data Month** – the fifth month of the SAR period for which the client reports all information necessary to determine eligibility, and

**SAR Submit Month** – the sixth month of the SAR period in which the SAR 7 is required to be submitted to the CWD or the annual redetermination is required to be completed.

January (Beginning Date of Aid)	February	March	April	May	June
SAR Payment Period Begins	Month Two	Month Three	Month Four	SAR Data Month	SAR Submit Month/ SAR 7 due

July	August	September	October	November	December
SAR Payment Period Begins	Month Two	Month Three	Month Four	SAR Data Month	SAR Submit Month
					RD/RC due

<b>January</b> (13th month)
SAR Payment Period Begins
New CalFresh Cert Period

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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The following cycles would be assigned to each applicant, based on the beginning date of aid.

Cycle 1:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
January	May	June
July	November	December

Cycle 2:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
February	June	July
August	December	January

Cycle 3:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
March	July	August
September	January	February

Cycle 4:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
April	August	September
October	February	March

Cycle 5:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
May	September	October
November	March	April

Cycle 6:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
June	October	November
December	April	May

This system enables the county to align the reporting/budgeting cycle with the CalFresh recertification date. The month in which the certification period expires will always be the SAR Submit Month, which will be when the recertification is completed to establish the thirteenth month's allotment.

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**40-107 COUNTY RESPONSIBILITY (Continued)** **40-107**

(SAR) (B) Semi-Annual Reporting Cycles Based on Other Methods

Under SAR, counties may establish reporting cycles based on factors established or approved by the department; however, the SAR cycle must be aligned with the CalWORKs redetermination date and the CalFresh recertification date.

(k) Case Transition between SAR and AR/CO

The county shall provide the recipient with written notice when a recipient's reporting requirements transition from AR/CO to SAR or SAR to AR/CO at any time during the AR/CO Payment Period or SAR Payment Period. The written notice shall include all of the following:

- (1) The effective date of the change in reporting requirements;
- (2) The reporting rules;
- (3) Income Reporting Threshold rules;
- (4) Mandatory reporting rules;
- (5) Voluntary reporting rules;
- (6) Welfare-to-Work Reporting rules

(A) Cases that Change from AR/CO to SAR

1. The SAR 7 shall not be due in the same month in which the adult is added to the household.
2. The case shall retain the same SAR Cycle and redetermination due date, which is based on the beginning date of aid (Section 44-107 (j)(SAR)).

(B) Cases that Change from SAR to AR/CO

1. The case shall transition to AR/CO effective the first of the month following the date the adult is removed from the household.
2. The case shall not be discontinued if the recipient fails to submit the SAR 7 in cases where the adult has a SAR 7 due in one month, but transitions to AR/CO the following month.
3. The case shall retain the same SAR Cycle and redetermination due date, which is based on the beginning date of aid (Section 44-107 (j)(AR/CO)).

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**HANDBOOK BEGINS HERE**

## (l) Examples of Cases Transitioning between SAR and AR/CO

## (1) AR/CO to SAR

The AU is an AR/CO case that applied for and was granted aid in April. The case consists of a non-needy relative (NNR) and two children. The redetermination is due in March and case is assigned SAR cycle 4. On June 2, the NNR reports she was laid off from her job and provides verification. She applies to include herself in the AU. The CWD determines she is eligible effective July 1. The case is now under SAR rules effective July 1. The CWD provides a Notice of Action to the recipient indicating the adult has been added to the AU along with a written notice indicating the case is now subject to SAR rules. The SAR cycle assigned is based on the beginning date of aid (April) and the SAR 7 is due in September. (Note: Even though the case originated as an AR/CO case, the SAR cycle was assigned at the time client was approved for aid in April.)

## (2) AR/CO to SAR

An AR/CO case consists of a timed out mother and two children and has her redetermination due in April (SAR cycle 5). On December 5, the mother reports a change in household composition, reporting the father of the children has moved into the home and he wishes to apply for aid. The CWD determines the father is eligible and is added to the case effective January 1. The AU transitions from AR/CO to SAR effective January 1 because the father is now part of the AU. The CWD provides a Notice of Action to the recipient indicating the adult has been added to the AU along with a written notice indicating the case is now subject to SAR rules. The case retains the same SAR cycle based on the beginning date of aid. The redetermination will be completed in April. No SAR 7 would be due prior to redetermination (April).

## (3) SAR to AR/CO

An AU of 3 consists of a mother and two children. The case is a SAR case with SAR cycle 2 (beginning month of aid August). The mother times out December 31st. The case will change to AR/CO effective January 1. The CWD provides a Notice of Action to the recipient indicating the adult has been removed from the AU along with a written notice indicating the case is now subject to AR/CO rules. The redetermination is due in August. The SAR 7 will not be due in January because the case is no longer subject to SAR requirements.

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**40-107 COUNTY RESPONSIBILITY (Continued) 40-107**

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10613, 11209, 11265.1, 11265.48, 11268, 11322.5, 11323.3, 11324.8(a), (b) and (c), 11454, 11454(b) and (e), 11454.2, 11495.1, and 11500, Welfare and Institutions Code; 42 USC Sections 608(a)(7), 45 CFR 205.42(d)(2)(v)(A) and (B) as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 205.55; and California Department of Health Services Manual Letter 77-1; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

**40-109 APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - 40-109  
GENERAL**

.1 Right to Apply for Aid

Subject to the limitations set forth in Section 40-117, any person has the right to apply for aid, either on his/her own behalf or on behalf of another. An applicant who appears ineligible must still be allowed to exercise his/her right to make an application.

.2 Right to Choose Type of Aid

A person or his/her representative who believes the applicant meets the eligibility requirements for more than one category of aid has the right to choose the type of aid for which he/she will apply. For an exception, see the Diversion Services regulations found at Section 81-215.32. For children in or in need of foster care placement who are eligible to and/or receive AFDC-FC, see Sections 45-202.212(a) and 45-302.1.

<b>40-109</b>	<b>APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - GENERAL (Continued)</b>	<b>40-109</b>
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.3 Right to be Considered for Another Program

If a recipient becomes ineligible for the type of aid he/she is receiving but appears eligible under another public social service program, his/her request for aid under such other program is to be recorded and any required additional investigation completed promptly so that there will be no interruption in aid payments to him/her (see Section 40-117). If an eligible recipient in one program appears to be eligible for aid in another program and wishes to take advantage of such eligibility, the same procedure shall be followed.

.4 Applicant's Right to Self-Determination

.41 The right to be self-determining is of paramount importance for the individual in clarifying when, how, and what the individual wants for him/herself. However, his/her freedom of choice may be limited by his/her capacity for self-determination and by the function of the agency as expressed in law and regulations.

.42 It is necessary to respect the individual's right to accept or reject what the agency has to offer him/her.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11266.5, Welfare and Institutions Code (Ch. 270, Stats. 1997).

<b>40-115</b>	<b>THE APPLICATION PROCESS</b>	<b>40-115</b>
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.1 Purpose

The basic purpose of the application process is to assist the individual in establishing his/her eligibility for aid and services.

.2 Steps in the Application Process

.21 Discussion of Circumstances Leading to Application

.211 The individual with the help of the worker tells why he/she is applying for aid or services, with the worker explaining agency requirements, program limitations, the applicant's rights and responsibilities and what he/she can expect from the agency.





<b>40-125</b>	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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- .811 For purposes of this section, a public or private agency shall be considered to have placed the child in a family home or group home if the agency:
  - a. Actively participated in making the decision as to whether or not the child was to be placed; and
  - b. Initiated the placement of the child, either through direct negotiations with the family home or group home or by requesting help in making the placement from the county in which the family home or group home is located.
  
- .82 The county of responsibility for a child accepted for voluntary placement by a county welfare department or a licensed public or private adoption agency is the county in which the agency which accepted the voluntary placement is located.
  
- .83 The agency making or desiring to make a placement in a county other than the one in which the responsible agency is located, may request a service evaluation of the placement home by the county in which the home is located.
  
- .84 Where an agency has placed a child in foster care, and at time of placement or subsequent thereto a court of competent jurisdiction in a county other than that in which the placing agency is located accepts responsibility for the child, the county shall initiate an intercounty transfer of the child's AFDC-FC case to the county in which the court is located.
  
- .841 The receiving county accepts responsibility for the child when it receives and files the order to transfer in its respective court.

.9 Request for Restoration of Aid

When a county receives a request for restoration of aid, all provisions of Chapter 40-100 shall apply except as modified below.

- .91 The county may require that the applicant complete a new Statement of Facts (SAWS 2) as specified in Sections 40-115.22 and 40-128.1, except as specified in Section 40-125.94.
  - .911 The county shall determine on a case-by-case basis the need for completion of a new SAWS 2. Reasons for requesting a new SAWS 2 may include but are not limited to, the following:
    - (a) Circumstances of the applicant have changed in such a way that it is necessary to redetermine eligibility.
    - (b) A periodic redetermination of eligibility is overdue or it would have been due in the month of the request for restoration or in the month immediately following the month of the request for restoration.

<b>40-125</b>	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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.912 When the county determines that a new SAWS 2 is required, failure by the applicant to complete the SAWS 2 shall result in denial of the request for restoration (See Section 40-171.221(d)).

| (SAR).92 If the applicant is determined to be eligible within the month following discontinuance, the applicant must provide a current SAR 7 unless a complete SAR 7 for the SAR Payment Period in which the applicant was discontinued is in the county's possession. The applicant may be assigned to the previous SAR cycle or a new SAR cycle as long as the SAR cycle remains aligned with their redetermination/recertification date.

.93 If a former recipient of aid requests restoration within the calendar month following the effective date of discontinuance, the county shall not require him/her to furnish any documentation previously provided to the county except under the following conditions:

.931 The documentation is missing from the case record and

.932 The documentation affects eligibility or amount of aid for the month of restoration.

| (SAR).94 Restorations in the Calendar Month Following a SAR 7 Related Discontinuance

| (SAR) .941 When a recipient who has been discontinued for failure to submit a complete SAR 7 requests restoration of CalWORKs during the calendar month following discontinuance, but after the first working day of the next SAR Payment Period, the county shall determine if the recipient had good cause (Section 40-181.23(SAR)) for failure to submit a complete report.

| (SAR) .942 If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained on the complete SAR 7 submitted by the recipient.

| (SAR) .943 When a recipient who has been discontinued for failure to submit a complete SAR 7 requests restoration of CalWORKs during the calendar month following discontinuance, and is not found to have good cause, the CWD shall redetermine eligibility based on the information contained on the complete SAR 7 submitted by the recipient as follows:

(SAR) (a) Eligibility will be based on recipient rules. The recipient will not be subject to applicant eligibility criteria.

(SAR) (b) An application (SAWS 1), Statement of Facts (SAWS 2), and intake interview are not required.

<b>40-125</b>	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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(SAR) (c) If found eligible, aid will be restored, prorated, effective the date that the recipient submitted the complete SAR 7. (See Section 44-315.72 for instructions on how to calculate prorated benefit amounts.)

.95 Restorations Based on Excess Property

When a former recipient requests restoration of cash aid after a discontinuance due to excess property, the county shall verify that the AU did not transfer assets for less than fair market value (see Section 42-221).

.951 If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall evaluate the property spend down and if the AU is verified property eligible, the county shall rescind the discontinuance.

.952 If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous SAR cycle or a new SAR cycle based on the date cash aid is restored; however the SAR cycle must remain aligned with the redetermination and recertification date.

.96 Restorations Based on Excess Income

When an AU is discontinued due to excess income, the recipient may request restoration of cash aid if the AU experiences a loss or reduction of reasonably anticipated income that was used to determine financial ineligibility.

.961 If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall determine income eligibility and rescind the discontinuance if the AU is found eligible.

.962 If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous SAR cycle or a new SAR cycle based on the date cash aid is restored; however the SAR cycle must remain aligned with the redetermination and recertification date.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.60, Section 3510 (October 1961), Federal Handbook of Public Assistance Administration; Section 11349, Government Code; Sections 10553, 10554, 10604, 11008, 11023.5, 11056, 11102, 11265.1, 11265.2, 11450.12, and 11451.5, Welfare and Institutions Code; and ACF-AT-94-5; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

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<b>40-128</b>	<b>APPLICANT'S STATEMENT OF FACTS</b>	<b>40-128</b>
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- .1 Filing the Statement of Facts
  - .11 The applicant, in support of his/her application, shall complete, sign, and file with the county the Statement of Facts (SAWS 2) supporting his/her eligibility for assistance. The statement may be filed with the county at the time of application or at any subsequent time prior to completion of the determination of eligibility. In case of an applicant in "immediate need," see Section 40-129.
    - .111 A copy of the completed Statement of Facts is to be given to the applicant if he/she so desires or to the guardian, conservator, or other person who completed the original.
    - .112 Two copies of the Statement of Facts shall be available to applicants and recipients on request, but only one copy of the Statement of Facts shall be required to be completed, signed, and returned to the county welfare department.
  - .12 Minor Parent Residing with Unaided Senior Parent(s).
    - .121 The minor parent (see Section 44-133.51) who applies for aid while residing in the same household as his/her unaided senior parent(s) must report the income of his/her parent(s).  
  
In addition to the SAWS 2, the minor parent shall submit a Senior Parent Statement of Facts (SAR 23) to the county welfare department. The minor parent is responsible for obtaining all information necessary to complete the SAR 23 and for obtaining the necessary verification from the senior parent(s). The information and the submitted verification must provide the county welfare department with the facts necessary to make a correct eligibility and grant determination.
    - .122 Failure to provide a complete SAR 23 (as defined in .121 above) shall result in the denial of aid to the minor parent and child in accordance with Section 40-105.1.

<b>40-128</b>	<b>APPLICANT'S STATEMENT OF FACTS (Continued)</b>	<b>40-128</b>
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- .13 Sponsored Non-Citizens
  - .131 A sponsored non-citizen who applies for aid shall provide the County Welfare Department (CWD) with a statement of the ability of the sponsor to meet his/her needs. As a part of his/her application for aid on the form SAWS 2, the sponsored non-citizen shall submit a complete Form SAR 22 (Sponsor's Statement of Facts) to the CWD. The sponsored non-citizen is responsible for ensuring that the SAR 22 is complete.
  - .132 Failure to provide a complete SAR 22 (as defined in .131 above) shall result in the denial of aid to the sponsored non-citizen.
- .14 A change in an aid recipient's status from that of a medically needy person certified for medical assistance to that of a grant recipient requires a new application. A Statement of Facts (SAWS 2) is required before a cash grant is authorized for such person only in circumstances described in Section 40-183.5.

<b>40-171</b>	<b>ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)</b>	<b>40-171</b>
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|------|--|--|
|      | c.   | The applicant's whereabouts is unknown.  |
|      | d.   | The applicant fails to complete the Form CA 2.   |
|      | e.   | Reserved   |
|      | f.   | Reserved   |
|      | g.   | Ineligibility occurs after the legal beginning date of aid but before action is taken to grant aid.        |
|      | h.   | The applicant establishes residence in another state before the determination of eligibility is completed. |
|      | i.   | Failure to cooperate in providing evidence of eligibility in accordance with Section 40-126.344(b).        |
|      | j.   | Refusal to cooperate in accordance with Section 40-105.1.  |
|      | k.   | Any person required to provide fingerprint and photo images refuses or otherwise fails to do so.           |
| .23  | Application or Request for Restoration Withdrawn   |  |
| .231 | An application can be withdrawn only upon the voluntary initiative of the applicant or person applying on his behalf. The request for withdrawal shall be in writing.  |  |
| .232 | There is no requirement that denial action be taken on an application which has been withdrawn.  |  |
| .233 | The Notice of Applicant Who Withdraws Application form is mailed or given to the applicant unless the county elects to take denial action, when the notification is by means of the appropriate Notice of Action form or its equivalent. |  |

<b>40-171</b>	<b>ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)</b>	<b>40-171</b>
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.24 Application or Request for Restoration Cancelled

.241 An application or request for restoration of a cash grant is considered cancelled if the applicant dies before the determination is completed.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10830, 11201 (Ch. 270, Stats 1997) and 11275, Welfare and Institutions Code; and 42 USC 402(a)(6).

<b>40-173</b>	<b>COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS</b>	<b>40-173</b>
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Prior to county action (except as provided in .7 below), the applicant or recipient shall be (a) notified of any county action which relates to his application, affects aid payment to him or his certification for medical assistance, or affects aid payments to him or his family, and (b) informed of his responsibility for reporting facts material to the determination of his eligibility. Such notification, advice, etc., shall be in simple understandable language. Required notifications are:

.1 Notice of County Action Granting Aid, Changing the Amount of the Grant, Changing the Recipient's Status or Not Changing the Amount of the Grant Following the Submittal of a Recipient Mid-Period Report.

Use appropriate Notice of Action form. Use appropriate Notice of Action form to report county action authorizing a supplemental grant or changing status from a cash grant to MN. (See Section 40-183.)

.2 Notification When Application is Held Pending Eligibility

Use appropriate Notice of Action form.

<b>40-173</b>	<b>COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS (Continued)</b>	<b>40-173</b>
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.3 Notice of County Action Denying, Cancelling or Discontinuing Aid

Use appropriate Notice of Action form. (See Sections 22-021 and 22-022.)

.4 Notification When Application is Withdrawn

Use the Notice to Applicant Who Withdraws Application form. If the county elects to deny the application, use appropriate Notice of Action form.

.5 Notice to Recipient of His/Her Responsibility

Use the SAWS 2 instruction sheet to notify the recipient of his/her responsibilities according to Section 40-181. The notification shall be given at least the following times:

.51 At the time of the initial application on new cases or restorations.

.52 At the time of annual redetermination of eligibility.

.6 Confirmation of Guidance and/or Suggestions Regarding Sale of Property

Regarding the sale of his real or personal property, written confirmation given to the applicant or recipient. Such written confirmation shall include a statement regarding the effect of the proposed sale on eligibility. A copy of such confirmation shall be filed in the case record.

.7 Notification of Child/Spousal Disregard Payment

.71 An informational notice must be sent no later than concurrently with each child/spousal support disregard payment issued under Section 82-520.4. The notice language developed by the California Department of Social Services for this purpose shall be used.

.8 Notification of Income Reporting Threshold (IRT)

(SAR) Counties must inform each AU in writing of their individual IRT at least once per SAR Payment Period. Informing shall also occur when the AU or family MAP size changes, when there is a change of persons who are required to report income, when the amount of income used to calculate the grant changes, at redetermination, when the federal poverty levels are updated, upon recipient request and any other time the AU's IRT amount changes. The informing notice shall include:

(AR/CO) Counties must inform each AU in writing of their individual IRT at least once per AR/CO Payment Period. Informing shall also occur when the AU or family MAP size changes, when there is a change of persons who are required to report income, when the amount of income used to calculate the grant changes, when the federal poverty levels are updated, upon recipient request and any other time the AU's IRT amount changes. The informing notice shall include:

<b>40-173</b>	<b>COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS</b> (Continued)	<b>40-173</b>
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- | .81 The requirement to report the receipt of gross monthly income that exceeds the IRT;
- | .82 The dollar amount of the IRT for the AU; and
- | .83 The consequences of failing to report.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10613, 11209, 11265.3, 11500(b), 11502(a) and (b), and 11511(a), Welfare and Institutions Code; 45 CFR 250.20; 45 CFR 250.40(b); 45 CFR 255.1; 45 CFR 256.1(b); 45 CFR 256.2(b)(1); 45 CFR 256.4(c); and Administration for Children and Families-Action Transmittal-91-1, dated June 16, 1992; and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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.1 General County Responsibility

- | (SAR) (a) The county paying aid shall be responsible for continuing to determine eligibility to ensure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as fully as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and also by the SAR 7, and by recipient mid-period reports (see Sections 44-316(SAR) and 82-832.3(SAR)).
- | (AR/CO) The county paying aid shall be responsible for continuing to determine eligibility to ensure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as fully as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and by recipient mid-period reports (see Sections 44-316(AR/CO) and 82-832.3(AR/CO)).

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- (SAR) (1) Eligibility regarding deprivation, household/AU composition, property, and the transfer of assets for less than fair market value shall only be determined on a semi-annual basis based on the information reported on the SAR 7 or the SAWS 2. The county shall compare the information reported on the SAR 7 or the SAWS 2 with any mid-period recipient reports for accuracy. (See Sections 44-316(SAR) and 82-832.3(SAR).)
  
- (AR/CO) Eligibility regarding deprivation, property, and the transfer of assets for less than fair market value shall only be determined on an annual basis based on the information reported on the SAWS 2. The county shall compare the information reported on the SAWS 2 with any mid-period recipient reports for accuracy (See Section 44-316(AR/CO)).
  
- (SAR) (2) The SAR 7 only asks for the recipient to report any changes since he or she last reported in regards to property, deprivation, and household/AU composition. If a recipient reports on the SAR 7 that there have been no changes since they last reported, the information on the last verified report (the SAWS 2 or any verified mid-period report) shall be used to determine continuing eligibility.

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- (SAR) (3) Example: A recipient is in a March through August SAR Payment Period. They make a voluntary mid-period report in April that they received an inheritance in the amount of \$5,000 and provide verification. The county sends the recipient a "no-change NOA" informing them that property is only evaluated once per SAR Payment Period. On the July SAR 7 submitted in August, the recipient reports that there have been no changes to their property since they last reported. The county discontinues the AU at the end of the SAR Payment Period for being over the property limit.
  
- (AR/CO) Example: A recipient has a redetermination due in August. They make a voluntary mid-period report in April that they received an inheritance in the amount of \$5,000 and provide verification. The county sends the recipient a "no-change NOA" and does not take action until the annual redetermination in August.

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(b) Reserved

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(Continued)

(c) AFDC-FC and Kin-GAP cases

- (1) For AFDC-FC cases, eligibility shall be established by use of the SAWS 2 at the time of application if the parent or legal guardian is available and cooperating. If the parent or legal guardian is unavailable or not cooperating, eligibility shall be established by use of the SAWS 2 or FC 2. AFDC-FC eligibility shall be reestablished by use of the SAWS 2 or FC 2 at six-month intervals.
- (2) For children receiving Kin-GAP, eligibility shall be established by use of the KG 2 at the time of application. Kin-GAP eligibility shall be reestablished by use of the KG 2 at one-year intervals.

(SAR) (d) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(SAR).

(AR/CO) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(AR/CO).

(e) Issuance of aid in the correct amount is a primary program objective. To achieve this objective it is essential that the county shall:

(SAR) (1) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(SAR) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.

(AR/CO) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(AR/CO) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.

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- (SAR) (2) In CalWORKs, the semi-annual redetermination of eligibility shall follow the procedures described in Section 40-181.1(a). This requirement is met by the use of the SAR 7 or the SAWS 2. The SAR 7 and SAWS 2 shall be carefully checked each semi-annual period upon receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.
  
- (3) All applicants for, and recipients of, assistance shall be notified in writing at the time of application, and at each redetermination that information available through IEVS will be requested, used, and may be verified through collateral contact when discrepancies are found by the CWD, and that such information may affect his or her eligibility and level of benefits.
  
- (4) In reunification cases, as defined in Section 80-301(r)(4), the parents shall be subject to a six-month CalWORKs eligibility redetermination based on the criteria in Section 40-181.2. The six-month period shall coordinate with the court's review of the reunification plan.
  
- (5) An eligibility redetermination shall be required to restore cash aid to the CalWORKs case when a family is reunified.
  
- (f) Aid shall not be discontinued nor a warrant cancelled without compliance with Section 22-022.
  
- (SAR)(g) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 or SAR 7 eligibility redetermination forms. (See Section 40-181.216(SAR) for information on good cause determinations for failing to complete the annual redetermination timely and Section 40-181.23(SAR) for information on good cause determinations for failure to submit a complete SAR 7 timely.)
  
- (AR/CO) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 eligibility redetermination form. (See Section 40-181.216 for information on good cause determinations for failing to complete the annual redetermination timely.
  
- (h) The county is responsible for continuing identification of service needs of the recipient, including medical assistance, and to provide prompt referral for these services.

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- (i) Referrals for child abuse and neglect are mandatory and may be made without the knowledge or consent of the relative or other person with whom the child is residing.
  - (1) Income Maintenance staff shall refer to protective services whenever they suspect a child is being abused, neglected or exploited or that the home in which the child is living is unsuitable.
  - (2) Income Maintenance staff shall cooperate with protective services, the court, or other agency in planning or implementing action in the best interest of the child.
- (j) Index and file controls shall be established and maintained to ensure appropriate and timely action on items which could affect the recipients' eligibility or the amount of aid. This includes, but is not limited to, maintaining a "tickler file" informing eligibility workers when annual redeterminations are due.
- (k) Documents and/or evidence required of the applicant/recipient to support the initial and/or continuing determination of eligibility must be received by the county on or before the appropriate deadline established by the county and/or in conjunction with each Eligibility Chapter or these regulations. However, when the deadline falls on a Saturday, Sunday or holiday, the documents and/or evidence received on the first business day following the weekend or holiday shall have the same effect as if it had been received on the appointed day.
- (l) At each annual redetermination, recipients shall receive an informing notice regarding the availability of Stage One child care (see Section 47-301.2).
- (m) The county shall inform recipients in writing as specified in Section 40-105.4(c) of the requirement to obtain age-appropriate immunizations for all children in the AU under the age of six. Recipients shall also be informed of any county-specific immunization requirements. This informing shall include but is not limited to the criteria for what constitutes good cause, as defined by the county.
- (n) The county shall inform recipients in writing of the requirement that all school-age children in the AU must regularly attend school, as specified in Section 40-105.5(a). Recipients shall also be informed of any county-specific school attendance requirements. This informing shall include but is not limited to: what constitutes irregular school attendance, the criteria for what constitutes good cause, time frames for complying, and the penalties for not complying.
- (o) See Section 42-715 for general county responsibilities for addressing domestic abuse as part of continuing activities and eligibility determination.

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.2 Periodic Determination of Eligibility

.21 A redetermination of all circumstances of the recipient subject to change shall be completed at least once every twelve (12) months. The applicant/recipient shall complete the appropriate Statement of Facts at the time of application and at least once every 12 months after determination of eligibility. At the time of the annual redetermination and completion of the appropriate Statement of Facts, each recipient shall be either given or mailed informational material required by CDSS.

.211 For CalWORKs brochures describing benefits available under the Child Health and Disability Prevention (CHDP) program and how and where the benefits are provided within the county shall be given to the recipient during the redetermination interview specified in .311 below. Provisions of CHDP informational material shall be documented by notation upon the SAWS 2 form.

(SAR).212 The annual redetermination must be completed in the sixth month of the second Semi-Annual Payment Period of every year (six months after the SAR 7 is submitted). Because the redetermination acts as the second income eligibility report, a complete SAWS 2 must be received by the 15th day of the month in which it is due in order to allow sufficient time to determine benefit amounts and issue timely notice for the following Semi-Annual Payment Period.

(SAR) (a) Because the redetermination process acts as the second semi-annual eligibility report, the redetermination must be aligned with the SAR reporting cycle. The redetermination must be completed in the 6th month of the SAR cycle in which a SAR 7 is not due. However, if for any reason a redetermination takes place outside of the normal SAR Cycle, the county shall act mid-period on all information to increase, decrease, or discontinue cash aid as appropriate.

(SAR) Counties must align the CalWORKs redetermination period with the CalFresh recertification period (Section 63-504). In addition, counties must also align the submission of the annual redetermination with the 6th month of the SAR Payment Period in which a SAR 7 is not due.

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(Continued)

- .213 The determination shall be considered completed as soon as the appropriate Statement of Facts has been reviewed and a decision made and recorded by the Eligibility Worker as to whether eligibility continues or ineligibility exists. The Statement of Facts shall be due once a year, in the same month of each year, unless the redetermination date needs to be changed in order to align it with the CalFresh recertification date.
  
- .214 Late Redeterminations
  - (a) When the redetermination of eligibility (SAWS 2) is not received by the 15th day of the month in which it is due, the county shall send the appropriate discontinuance notice.
  
  - (b) In addition to the notice of discontinuance, the county shall attempt to make a personal contact by a county worker with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a redetermination must be completed no later than the last day of the month in which it is due.
  
  - (c) The CWD shall document in the case file how and when the contact was attempted or made.
  
  - (d) If the recipient submits a completed SAWS 2 by close of business on the last day of the month in which it was due, the county shall rescind the discontinuance and determine eligibility and grant amount pursuant to 40-181.215 and 44-315.

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(Continued)

## .215 Processing Late Redeterminations

- (a) If a redetermination is completed after the 15th but on or before the last day of the month, the county shall:
  - (1) Rescind the discontinuance action; and
  - (2) Determine eligibility based on the information reported on the SAWS 2.
- (b) If the recipient submits a complete SAWS 2 during the month following discontinuance, upon recipient request, the CWD shall determine whether the recipient had good cause for failure to complete the redetermination timely, in accordance with Section 40-181.216.

## .216 Good Cause Determination for Failure to Complete a Redetermination Timely

A recipient may have good cause for not meeting the redetermination reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

- (a) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative.
- (b) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the redetermination reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.21.
- (c) In lieu of a request, as required by (2) above, a county has the discretion to independently determine that one of the situations specified in (d) below exists.
- (d) Good cause exists in only the following situations:
  - (1) When the recipient is suffering from a mental or physical condition which prevents timely and complete reporting.
  - (2) When the recipient's failure to submit a timely and complete report is directly attributable to county error.
  - (3) When the county finds other extenuating circumstances.

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(Continued)

- (e) When the recipient has good cause for not reporting timely, the county shall rescind the discontinuance.
  - (f) If the recipient is not found to have good cause for not reporting timely, the county shall determine eligibility based on applicant rules from the date that the complete SAWS 2 was submitted.
  - (g) If the SAWS 2 is received more than a month following discontinuance, it shall be treated as a request for restoration of aid and eligibility shall be determined based on applicant rules from the date the complete SAWS 2 was received. (See Section 40-125.9.)
- .217 For CalWORKs purposes, a redetermination is complete when all of the following requirements are met:
- (a) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the SAWS 2 together with the submitted evidence must be sufficient for the county to determine eligibility and grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include current earned, unearned, exempt, and nonexempt income and any reasonably anticipated changes to that income; and
  - (b) Evidence shall be submitted with the SAWS 2 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the SAWS 2 shall be promptly returned to the recipient; and
  - (c) The address along with other information provided on the SAWS 2 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and
  - (d) Information reported on the SAWS 2 must be consistent with other information which the county has verified to be accurate; and

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(Continued)

- (e) The SAWS 2 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and
- (f) The redetermination interview has been completed; and
- (g) The SAWS 2 shall include the SAR 22 (Sponsors Statement of Facts, Income and Resources) when the recipient is a sponsored non-citizen; and
- (h) The SAWS 2 shall include the SAR 23 (Senior Parent Statement of Facts) when a minor parent lives with his/her senior parent (see Section 89-201.5).

.218 If the recipient is receiving or is potentially eligible to receive unconditionally available income, including but not limited to Old Age, Survivors, and Disability Insurance (OASDI) or benefits available to veterans of military service, it shall not be necessary to initiate a verification or referral procedure unless circumstances indicate a change in the recipient's eligibility for the benefit.

.219 If, during a redetermination, the county determines that a recipient is no longer exempt from cooperation requirements, the county shall enforce those requirements.

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- (a) See Section 82-510, Cooperation Requirements

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(SAR).22 CalWORKs recipients shall, in addition to the annual completion of the SAWS 2, complete and return a SAR 7 to the county by the 5th calendar day of the SAR Submit Month in which a redetermination is not due, but not before the first calendar day of that month. SAR 7s not received by the 11th of the SAR Submit Month shall be considered late.

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(Continued)

(SAR) .221 Late SAR 7s

(SAR) (a) When the SAR 7 is not received by the 11th day of the SAR Submit Month or the SAR 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(SAR), the county shall send the appropriate discontinuance notice.

(SAR) (b) When a SAR 7 has not been received at the county after the notice of discontinuance has been sent, the county shall attempt to make a personal contact by a county worker with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a complete SAR 7 must be received by the county no later than the end of the first working day of the next SAR Payment Period.

(1) When the recipient cannot be personally contacted, a written reminder notice, which shall include language specified by CDSS, shall be mailed no later than five days prior to the last calendar day of the report month. Under no circumstances shall the reminder notice be mailed in the same envelope as the discontinuance notice required in Section 40-181.221(a).

(c) The CWD shall document in the case file how and when the contact was attempted or made.

(SAR) (d) If the recipient contacts the county on the first working day of the SAR Payment Period to report nonreceipt of his or her benefits, the county shall inform the recipient of a pending discontinuance due to nonreceipt of a complete SAR 7 and shall inform him/her that the discontinuance will be rescinded if a complete SAR 7 is received by the end of that day.

(SAR) (e) If the recipient turns in an incomplete SAR 7 to the county on or before the first working day of the next SAR Payment Period, the county shall attempt to make a personal contact with the recipient, either by phone or by mail, to inform them that their SAR 7 is still not complete and that the discontinuance still stands.

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| (SAR) (f) The county shall not take action to notify the Local Child Support Agency or any affected employment or training program of a SAR 7 related discontinuance until after the first working day of the next SAR Payment Period.

| (SAR) .222 Processing Late SAR 7s

| (SAR) (a) If a complete SAR 7 is received after the 11th but on or before the first working day of the next SAR Payment Period, the county shall:

(SAR) (1) Rescind the discontinuance action; and

(SAR) (2) Determine eligibility based on the information reported on the SAR 7.

(b) Upon the request of the recipient, the CWD shall determine whether the recipient had good cause for failure to submit a timely report of earnings in accordance with Section 40-181.23

| (SAR) (c) If a complete SAR 7 is received after the first working day of the next SAR Payment Period, but during the month following discontinuance for non-submittal of a complete SAR 7, eligibility and benefits shall be determined as described in Section 40-125.943(SAR).

| (SAR) .223 In family reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a semi-annual eligibility report as long as the reunification plan remains in place.

| (SAR).23 Good Cause Determination for Failure to Submit a Complete SAR 7 Timely

(SAR) A recipient may have good cause for not meeting the semi-annual reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

| (SAR) .231 A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(SAR) (Restoration in the Calendar Month Following a SAR 7 Discontinuance).

| (SAR) (a) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the semi-annual reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(SAR).

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(Continued)

.232 In lieu of a request, as required by .231 above, a county has the discretion to independently determine that one of the situations specified in .233 below exists.

.233 Good cause exists in only the following situations:

- (a) When the recipient is suffering from a mental or physical condition which prevents timely and complete reporting.
- (b) When the recipient's failure to submit a timely and complete report is directly attributable to county error.
- (c) When the county finds other extenuating circumstances.

.234 When the recipient has good cause for not reporting timely, the county shall rescind the discontinuance.

| (SAR).24 Criteria for Evaluating Information Reported on the SAR 7

| (SAR) .241 For CalWORKs purposes, a SAR 7 is complete when all the following requirements are met:

| (SAR) (a) The date the SAR 7 is signed shall be no earlier than the first day of the SAR Submit Month.

| (SAR) (1) This requirement is met when the date entered on the SAR 7 by the recipient, together with other dated material provided with the SAR 7 and the date on which the county mailed or gave the SAR 7 to the recipient, clearly establishes that the SAR 7 was signed no earlier than the first day of the SAR Submit Month.

| (SAR) (b) The address along with other information provided on the SAR 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and

| (SAR) (c) The SAR 7 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and

(d) (Reserved)

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(Continued)

- | (SAR) (e) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the SAR 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include earned, unearned, exempt, and nonexempt income received during the SAR Data Month and any reasonably anticipated changes to this income during the next SAR Payment Period; and
  
- | (SAR) (f) Evidence shall be submitted with the SAR 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the SAR 7 shall be promptly returned to the recipient; and
  
- | (SAR) (g) Information reported on the SAR 7 must be consistent with other information which the county has verified to be accurate, including any verified mid-period reports; and
  
- | (SAR) (h) The SAR 7 shall include form SAR 72 (as defined in Section 40-181.25(SAR)) when the recipient is a sponsored non-citizen.
  
- | (SAR) (i) The Senior Parent Semi-Annual Income Report (SAR 73) shall be submitted with the SAR 7 when a minor parent lives with his/her senior parent (see Section 89-201.5). The completeness of the SAR 73 shall be determined using the criteria for evaluating the completeness of the SAR 7.
  
- .242 (Reserved)
  
- .243 The following information or evidence shall be provided before the appropriate deduction or disregard from earnings is allowed:
  - (a) Verification of self-employment expenses (see Section 44-113.212).
  
- | (SAR) .244 Failure to provide the information or evidence specified in Section 40-181.243 shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the SAR 7 incomplete as defined in Section 40-181.241(SAR).

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(Continued)

.25 Sponsored Non-Citizen Reporting.

(SAR) In addition to the Semi-Annual Eligibility Report (SAR 7), the recipient who is a sponsored non-citizen as defined in Section 43-119 shall report the income and resources of the sponsor.

.251 Reporting of the sponsor's income and resources.

(SAR) The recipient shall submit a completed Sponsors Semi-Annual Income and Resources Report (SAR 72) to the county. The recipient is responsible for obtaining all information necessary to complete the SAR 72 and for obtaining any cooperation necessary from the sponsor.

(SAR) .252 The SAR 72 shall be due by the 5th calendar day of the SAR Submit Month but not before the first calendar day of the next SAR Submit Month. When the county has not received the completed SAR 72 by the 11th calendar day of the SAR Submit Month, the recipient has not met the requirement for returning a complete SAR 7. See Section 40-181.22(SAR). The SAR 72 shall be considered complete if all the following requirements are met:

- (SAR) (a) Dated no earlier than the first day of the SAR Submit Month; and
- (b) The boxes for the address and county where signed shall be completed; and
- (c) Signed by the sponsor and the recipient; and
- (d) All questions and items pertaining to the income and resources of the sponsor shall be fully answered; and
- (e) The information together with the submitted evidence must provide the CWD with the necessary information to correctly determine the amount of income and resources to be deemed to the recipient; and

(SAR) (f) Evidence shall be submitted with the SAR 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(SAR) for examples of acceptable evidence.

(SAR) .253 A complete SAR 7 includes form SAR 72 (as defined in Section 40-181.251(SAR)) when a member of the AU is a sponsored non-citizen. The failure to provide a completed SAR 72 on or before the 1st calendar day of the next SAR Payment Period shall result in discontinuance for those members of the AU who are sponsored non-citizens.

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(SAR).26 Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 82-520.2 will not result in an incomplete SAR 7 nor in termination of aid.

.3 Methods of Periodic Determination of Eligibility

.31 Regulations governing the method of the initial determination also govern all continuing and periodic determinations. (See Sections 40-157 and 40-161.)

.311 Annual redeterminations, using the SAWS 2 form, shall include an interview with the parent or person responsible for the child. Where the parent is institutionalized, the interview should be conducted with the person having the responsibility for care and control of the child. This interview shall include a discussion of the recipient's responsibility to cooperate in a quality control review [see Section 40-131.3 (q)].

(SAR) .312 Semi-Annual redeterminations using the SAR 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

(AR/CO) Special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

(SAR).32 The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and SAR 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

(AR/CO) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts, together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

.33 Failure to comply with the requirements of any periodic determination of eligibility shall result in a fraud penalty if the recipient is found to have committed an IPV.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

.4 Verification of Eligibility Through IEVS

- .41 The county shall verify the eligibility of, and amount of assistance for, each applicant and recipient for aid through IEVS by:
  - .411 Submitting applicant information to IEVS as specified in Sections 20-006.211 and .212.
  - .412 Requesting on a quarterly basis income and eligibility information through IEVS for recipients in accordance with Section 20-006.22; and
  - .413 Including, for the purposes of .411 and .412 of this section, any other individuals whose income and resources are considered in determining the amount of assistance to the extent that the county collects the SSN of such individuals.

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- (a) Other individuals whose income and resources are considered in determining the amount of assistance include, unless otherwise exempted by state or federal rule:
  - (1) Stepparents and senior parents living with the assistance unit;
  - (2) Individuals excluded due to ineligible alien status;
  - (3) Individuals who are excluded due to sanction or due to failure to cooperate in meeting a condition of eligibility; or
  - (4) The sponsor of a sponsored alien and the sponsor's spouse, if living with the sponsor.
- (b) For instance, if the county obtains the SSN of an ineligible alien parent living with the assistance unit, the number must be submitted to IEVS. However, if the number is not available for submission to IEVS, the assistance unit's eligibility shall not be affected.

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**40-188 TRANSFER PROCEDURE (Continued) 40-188**

- .12 Inform Recipient Inform the recipient in writing of his/her responsibility to immediately apply for a redetermination of eligibility in the second county to avoid a break in aid.
- .121 Foster Care For children receiving AFDC-FC, where there is a legal guardian for the child, the first county shall inform the legal guardian in writing of his/her responsibility to apply for a redetermination of eligibility in the second county.
- .13 Provide Documentation Provide the second county within seven working days from the date that the first county notifies the second county of a case transfer (per Section 40-188.11), with copies of the most recent:
  - .131 CalWORKs SAWS 1 (Application for Cash Aid, CalFresh and/or Medical Assistance).
  - .132 CalWORKs Welfare-to-Work plan (See Section 42-711.6).
  - .133 CalWORKs-Incap Medical verification of incapacity.
  - .134 Exempt AU Status Verification of the AU's MAP exempt status.
  - .135 Foster Care SAWS 1; FC 2/JA 2/KG2; SOC 158A; Birth Certificate/Alien Status; Social Security Number, FC 3/FC 3A; Voluntary Placement Agreement, Legal Guardianship Papers, or Court Order which establishes the authority for placement; Independent Living Plan; evidence supporting federal and/or state eligibility; and any other information necessary to determine eligibility.
  - .136 Maximum Family Grant Informing Maximum Family Grant (MFG) informing notice or other documentation verifying that MFG informing requirements have been met (see Section 44-314).

40-188	TRANSFER PROCEDURE (Continued)	40-188
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.137	AU with Children Under Age 6	Verification of age-appropriate immunizations pursuant to Section 40-105.4(d), which the county has determined acceptable.
.138		Copies of any documents supporting the eligibility determination made by the first county when requested by the second county.
.139		Overpayment repayment record for overpayment(s) that will not be repaid before the end of the transfer period and will continue to be recouped by the second county through grant adjustment.
(SAR).14	Determine Eligibility	Determine continuing eligibility and amount of cash aid from the most recent Semi-Annual Eligibility Report (SAR 7 or SAWS 2) due during the transfer period. Once eligibility is determined, cash aid shall continue until the end of the SAR Payment Period in which the transfer period ends.
(AR/CO)		Determine continuing eligibility and amount of cash aid from the most recent Statement of Facts (SAWS 2) during the transfer period. Once eligibility is determined, cash aid shall continue until the end of the AR/CO Payment Period in which the transfer period ends.
.15	Inform	Inform the second county of any changes in eligibility or payment level and send a copy of any resulting notice of action.
.16	Discontinue	Discontinue responsibility for the provision of aid at the end of the transfer period.
.17	Foster Care	Obtain notification, written or via electronic data transfer, from the second county of the receipt and disposition of the transfer.

**40-190 COUNTY RESPONSIBILITY 40-190**

- .1 Initiation of Intercounty Transfer 

An intercounty transfer shall be initiated immediately when:

  - .11 First County is Notified of Move 

The first county is notified that the recipient has moved his/her permanent residence to another county.
  - .12 Foster Care Transfer 

Responsibility for the child welfare services case management function of a child receiving AFDC-FC is transferred from an agency in one county to an agency in another county.

    - .121 Legal Guardian 

The child's legal guardian changes his/her county of residence, the first county shall transfer the AFDC-FC case to the second county.
  - .13 Court Jurisdiction 

Court jurisdiction for a child receiving AFDC-FC is received by a court that is located in another county.
  - .14 Kin-GAP Transfer 

A Kin-GAP child has been receiving aid from a county other than the county of responsibility as identified in Section 90-105.2, the case should be transferred to the county of responsibility.
- .2 Payment Responsibility 

There shall be no interruption nor overlap in payment of aid when a recipient moves from one county to another county.

  - .21 Semi-Annual Reporting Cycle 

The second county shall establish the recipient's semi-annual reporting cycle which may differ from the first county's semi-annual reporting cycle, but must remain aligned with the CalFresh recertification date.
  - .22 General Rule 

The first county is responsible for continuing eligibility and aid payment during the transfer period.

**40-190** **COUNTY RESPONSIBILITY (Continued)** **40-190**

.23 Transfer of AU Members      When a child(ren) moves to the home of a new caretaker relative, who resides in the second county, the first county's responsibility for payment of CalWORKs during the transfer period is as follows:

.231 Creation of New AU      When the transfer of a child(ren) results in the creation of a new AU which consists of the transferred child plus one or more applicants for aid, the first county is responsible for eligibility and aid payment during the transfer period. The first county is responsible for adding the applicants to the existing AU in the first county.

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**HANDBOOK BEGINS HERE**

(a)      A child receiving CalWORKs from one county, the first county, moves to another county, the second county, to live with his mother. Also in the home are three of the mother's other children. The mother and the other children are unaided, but the mother requests aid for herself and also for these children.

The first county is responsible for eligibility and payment during the transfer period. The mother and children are added to the existing AU in the first county.

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**HANDBOOK ENDS HERE**

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.232 Addition to Existing AU      When a transferred child is added to an existing AU which consists of the transferred child and persons currently aided in the second county, the second county is responsible for eligibility and payment for the entire AU. The second county is responsible for adding the transferred persons to the existing AU in the second county.

**HANDBOOK CONTINUES**

- (2) Before the child's birth, he and the child's natural mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared invalid, and
    - (i) If the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 300 days after its termination by death, annulment, declaration of invalidity, or divorce; or;
    - (ii) If the attempted marriage is invalid without a court order, the child is born within 300 days after the termination of cohabitation.
  - (3) After the child's birth, he and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with the law, although the attempted marriage is or could be declared invalid, and
    - (i) With his consent, he is named as the child's father on the child's birth certificate, or
    - (ii) He is obligated to support the child under a written voluntary promise or by a court order.
  - (4) He receives the child into his home and openly holds out the child as his natural child.
- (b) Except as provided in Section 621 of the Evidence Code, a presumption under this section is a rebuttable presumption affecting the burden of proof and may be rebutted in an appropriate action only by clear and convincing evidence. If two or more presumptions arise under this section which conflict with each other, the presumption which on the facts is founded on the weightier considerations of policy and logic controls. The presumption is rebutted by a court decree establishing paternity of the child by another man.

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

.222 Evidence Code Section 621:

- (a) Except as provided in subdivision (b), the issue of a wife cohabitating with her husband, who is not impotent or sterile, is conclusively presumed to be a child of the marriage.
- (b) Notwithstanding the provision of subdivision (a), if the court finds that the conclusions of all the experts, as disclosed by the evidence based upon blood tests performed pursuant to Chapter 2 (commencing with Section 890) of Division 7 are that the husband is not the father of the child, the question of paternity of the husband shall be resolved accordingly.

.223 Health and Safety Code Section 10577:

- (a) Any birth, fetal death, death, or marriage record which was registered within a period of one year from the date of the event under the provisions of this division, or any copy of such record or part thereof, properly certified by the State Registrar, local registrar, or county recorder, is prima facie evidence in all courts and places of the facts stated therein.

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.3 Presence of a Stepparent or UAM in the Home

Deprivation is not affected by the presence in the home of a stepparent or an unrelated adult male.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

**41-405 TERMINATION OF DEPRIVATION 41-405**

.1 When a basis for deprivation ceases, and the family remains in need, the county shall determine if any other basis for deprivation exists.

(SAR) .11 When a basis for deprivation ceases mid-period, the county shall not take mid-period action based on changes in deprivation. Any change in deprivation shall be reported on the SAR 7 or the SAWS 2 and any change in eligibility or grant amount that results from the change in deprivation shall be effective the first day of the next SAR Payment Period.

**41-405      TERMINATION OF DEPRIVATION (Continued)      41-405**

(AR/CO)    When a basis for deprivation ceases mid-period, the county shall not take mid-period action based on changes in deprivation, with the exception of changes in deprivation due to changes in household composition (see Section 41-405.111). Any change in deprivation, outside of changes in household composition, shall be reported on the SAWS 2 and any change in eligibility or grant amount that results from the change in deprivation, outside of changes in household composition, shall be effective the first day of the next AR/CO Payment Period.

(AR/CO)    .111    The county shall take action based on a change in deprivation due to changes in household composition. Any change in eligibility or grant amount that results from the change in deprivation, due to changes in household composition, shall be determined pursuant to Section 44-316.325(AR/CO).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.2, 11265.47, 11265.48, and 11450.5, Welfare and Institutions Code.

**41-410      RELINQUISHMENT FOR ADOPTION      41-410**

Repealed by DSS Manual Letter No. EAS-88-05.

**41-420      PARENT IS DECEASED      41-420**

- .1    Deprivation exists if either parent is deceased.
- .2    Acceptable evidence of the death of a parent is:
  - .21    A copy of the death certificate.
  - .22    An award letter from the Social Security Administration based on the death of the parent.
  - .23    A newspaper account of the parent's death.
  - .24    Other reliable documentation



**42-207      PROPERTY WHICH MAY BE RETAINED BY AN APPLICANT      42-207**

- .1 An applicant or recipient AU may retain countable resources in an amount equal to the amount allowed in the Food Stamp regulations at Manual of Policies and Procedures Section 63-1101. The value of real and personal property including resources not excluded elsewhere by regulations, owned by a CalWORKs FG/U family shall not exceed the Food Stamp resource limit. If the limit is exceeded, the family or child is ineligible.

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- .2 Food Stamp regulations at Manual of Policies and Procedures Section 63-1101.1 allows retention of \$3,000 for an AU which includes at least one member aged 60 or older or a disabled member, and \$2,000 for all other AUs. These limits may change in accordance with changes in Food Stamp resource limits.

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.2, and 11257, Welfare and Institutions Code; and 7 U.S.C. 2014(g)(1).

**42-209      DIFFERENTIATION OF PROPERTY AND INCOME      42-209**

- .1 Some payments may be considered property, income, or a combination of both. For the differentiation of such payments, see Section 44-105.
- .2 Nonrecurring lump sum payments, which are not recurring regular income and usually nonrecurring in regard to amount and/or source, shall be treated as property in the month of receipt and any subsequent months.

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

<b>42-211</b>	<b>PROPERTY ITEMS TO BE INCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED</b>	<b>42-211</b>
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.1 Real Property to Be Included

.11 In addition to the items included in the definition of real property in Section 42-203.1, the following are to be evaluated as real property:

- a. Cemetery property held for profit.
- b. Stocks in a water company not appurtenant to the land in furnishing water for agricultural purposes.
- c. The items defined in this section which are owned (see Section 42-203) by an applicant or recipient are subject to the limits set forth in Section 42-207, unless specifically excluded by Section 42-213.1.

.12 Real property owned by an applicant or recipient includes real property which:

- a. secures any of his debts.
- b. is being purchased by him under a contract of sale, or mortgage and/or deed of trust.
- c. is being sold by him under contract of sale, but no contract has actually been signed.
- d. is being held by him with retention of life estate.
- e. is held in trust for him and is available to him for disposition or use.
- f. is held for him in an undistributed estate and is available for his use prior to distribution.
- g. is being sold by him and is held in escrow.

.2 Personal Property to Be Included: The county shall determine personal property and vehicles to be included in evaluating property which may be retained in accordance with methods established under the Food Stamp regulations at Manual of Policies and Procedures Sections 63-501.1 and .2).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11155 (Ch. 270, Stats. of 1997), Welfare and Institutions Code.

**42-213** **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**  
**WHICH MAY BE RETAINED**

.1 Real Property to Be Excluded

.11 The following items are to be excluded in evaluating real property:

- (a) Real property held in trust if the child or parent does not have control of the trust of which he is the beneficiary.
- (b) The separate and community share of real property of a parent who has surrendered full custody of his child pursuant to a court order.
- (c) The separate and community share of real property of a parent who has relinquished his child for adoption.
- (d) The separate and community share of real property of the father of a child who is not married to the mother and the parents are not maintaining a home together. Exception: If the father has legitimized the child under Section 230 of the Civil Code, his property is included whether or not the parents are maintaining a home together.
- (e) The separate and community share of real property of a stepfather.
- (f) Property purchased with funds received under Title I or Title II of the Economic Opportunity Act when such funds were excluded from consideration as income or resources. This exclusion does not extend to income or profits from such property.
- (g) An Indian's interest in land held in trust by the United States Government is excluded in evaluating real property which is subject to the monetary limits as set forth in Section 42-207.
- (h) The separate and community shares of real property of the absent parent which are unavailable to the CalWORKs family or child (i.e., the family or child does not have possession or control of the property so that the property may be used to meet current needs). Such unavailable property is to be excluded in cases where the child is living apart from his/her parent or parents. The exclusion applies to a child in foster care regardless of whether his/her parents are maintaining a home together.

<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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(SAR) (1) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the SAR 7 or SAWS 2 that there has been a change. If the county receives a voluntary mid-period report of such a change, this information will only be reevaluated when the following semi-annual report is processed.

(AR/CO) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the SAWS 2 that there has been a change. If the county receives a voluntary mid-period report of such a change, this information will only be reevaluated when the following annual report is processed.

(i) The real property in which a CalWORKs recipient has an ownership interest and which is considered in an SSI/SSP resource evaluation.

(1) The total value of property owned separately by the CalWORKs recipient who is either the spouse or parent of the SSI/SSP recipient and resides in the same household.

(2) The total value of property owned jointly between the CalWORKs recipient and the SSI/SSP spouse or child when they reside in the same household.

(j) The separate and community share of real property of an APSB recipient (see Section 42-205.3, Community Property).

(k) A maximum of one burial plot for each member of the Assistance Unit. For purposes of this section, a burial plot is defined as an interment space, crypt or niche intended for the interment of the applicant or recipient.

**42-213**      **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY**      **42-213**  
**WHICH MAY BE RETAINED (Continued)**

(c)      The net proceeds of the sale are determined by subtracting from the gross amount of the sale the costs verified by the county to be directly related to the sale of the property, such as:

- (1)      Loans and liens of the seller that are secured by the property,
- (2)      Title insurance fees paid by the seller,
- (3)      Brokers fees paid by the seller,
- (4)      Prepaid interest or loan processing fees (points) paid by the seller,
- (5)      Appraisal fees paid by the seller,
- (6)      Fees paid by the seller to advertise the property, i.e., newspaper aids and for sale signs.

.125      The county shall inform the applicant/recipient at the time this exemption is granted that it is time-limited; and, at the end of nine months the assistance unit will be ineligible if the property has not been sold and the combined value of real and personal property continues to exceed the property limit specified in Section 42-207.

.126      The county shall retain sufficient documentation to determine the amount of repayable aid that will be collectible when the property is sold.

(SAR) .127      If the nine month exemption period ends in the middle of a SAR Payment Period, and the property has not sold, the county must take mid-period action to discontinue the AU at the end of the month in which the exemption period ended, with timely and adequate notice (see Section 44-316.331(t)(SAR)).

(AR/CO)      If the nine month exemption period ends in the middle of a AR/CO Payment Period and the property has not sold, the county must take mid-period action to discontinue the AU at the end of the month in which the exemption period ended, with timely and adequate notice (see Section 44-316.331(t)(AR/CO)).

.2      Personal Property and Vehicles to Be Excluded: The county shall determine personal property items and vehicles to be excluded in evaluating property in accordance with methods established under the CalFresh Program (see CalFresh regulations at Manual of Policies and Procedures Sections 63-501.3, .52, and .53) except as noted below.

.21      401(k), 403(b), 457, 529, IRA and ESA accounts shall be excluded for CalWORKs recipients.

.22      401(k), 403(b) and 457 accounts shall be excluded for CalWORKs applicants.

.23      Restricted accounts shall be excluded for CalWORKs recipients.

.231      Restricted Accounts

**42-213** **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**  
**WHICH MAY BE RETAINED (Continued)**

(a) General

An AU which includes a recipient shall be allowed to retain cash reserves in one or more restricted accounts at a financial institution. There shall be no limit to the amount of money that can be saved in a restricted account.

(1) Additional Funds

The funds shall be in addition to the \$2,000 property limit specified in Section 42-207.2.

(b) Written Agreement

Before an account can be designated as "restricted," the caretaker relative shall sign an agreement with the county welfare department which sets forth the requirements, restrictions and penalties specified in Section 42-213.231.

(1) Advice

The written agreement shall include a statement which advises recipients to first retain resources close to the \$2,000 limit to pay for unexpected expenses or emergencies before they enter into a written agreement.

(c) Account Information

The AU shall provide verification to the county of the following information for each account within 30 calendar days from the date of the written agreement. Failure to comply will result in termination of the agreement.

(1) Names of Persons On the Account(s)

Names of persons as shown on the restricted account;

(2) Institution

Name and address of the financial institution;

(3) Number

Account number; and

(4) Balance and Activity

Account balance and activity since the date the agreement was signed.

**42-213** **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**  
**WHICH MAY BE RETAINED (Continued)**

(2) AU Complies Before the Effective Date of the Notice

Good cause also exists when the AU complies with the necessary requirement before the effective date of the notice of action. In these situations, the county shall rescind the notice of action.

(k) Period of Ineligibility

When the county determines that a nonqualifying withdrawal exists, the county shall calculate a period of ineligibility.

(1) Calculation

To calculate the period of ineligibility, the county shall first determine the total amount in all of the restricted accounts immediately prior to the nonqualifying withdrawal or prior to the issuance of an interest payment when it is not directly deposited into the account by the financial institution, and:

- (A) subtract any portion which the county determines to be a qualifying withdrawal;
- (B) divide the result by the minimum basic standard of adequate care (MBSAC) for the number of persons in the AU, plus any special needs; and
- (C) round down the result to the nearest whole number for the number of months of ineligibility.

(l) Applying the Period of Ineligibility

(SAR) When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next SAR Payment Period following the reported nonqualifying withdrawal on the SAR 7 or SAWS 2 and continue for the determined number of months.

(AR/CO) When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next AR/CO Payment Period following the reported nonqualifying withdrawal on the SAWS 2 and continue for the determined number of months.

**42-213 PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)** **42-213**

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**HANDBOOK BEGINS HERE**

(m) Examples

(1) Example 1:

(SAR) An AU of three is in a January through June SAR Period.

Bank balance prior to May withdrawal:	\$5,000
Amount withdrawn from account:	\$4,500
Amount used to purchase home:	\$3,000
Amount used to buy furniture:	\$1,500

(AR/CO) An AU of three has a redetermination period of July - June

Bank balance prior to May withdrawal:	\$5,000
Amount withdrawn from account:	\$4,500
Amount used to purchase home:	\$3,000
Amount used to buy furniture:	\$1,500

(A) Since the AU used a portion of the withdrawal on a nonallowable expenditure, the county shall calculate a period of ineligibility as follows:

1. 

\$5,000	balance prior to withdrawal
<u>-3,000</u>	allowable expense for purchase of home
\$2,000	remainder
2. Divide the remainder (\$2,000) by MBSAC + special needs for an AU of three  
(\$2,000 divided by \$1,200 = 1.66 months)
3. Round down the result to the nearest whole number (one month).
4. The AU is ineligible for one month. The AU shall be discontinued at the end of June. The AU can reapply for aid on August 1.

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**HANDBOOK CONTINUES**

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**42-213** **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**  
**WHICH MAY BE RETAINED (Continued)**

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**HANDBOOK CONTINUES**

Example 2:

(SAR) An AU of two in region 1 is in a January through June SAR Period and has the following property:

\$ 100 checking account  
+1000 restricted account  
+ 800 savings account  
\$ 1900 Total

(AR/CO) An AU of two in region 1 is in a January through December AR/CO Payment Period and has the following property:

\$ 100 checking account  
+1000 restricted account  
+ 800 savings account  
\$ 1900 Total

(A) The AU wants to buy new furniture and withdraws all of their funds from their accounts, including the restricted account, to pay for the purchases in May. The county determines that the AU made a nonqualifying withdrawal.

(B) Although the AU's total property reserve prior to the nonqualifying withdrawal is under the \$2,000 property limit, the county will calculate a period of ineligibility as follows:

1. Balance prior to nonqualifying withdrawal in May \$1000
2. Divide by MBSAC for 2 (\$968)
3. Result 1.03
4. Round down to nearest whole number 1  
For number of months of ineligibility

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**HANDBOOK ENDS HERE**

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<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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(n) Shortening The Period of Ineligibility

The county shall shorten the period of ineligibility when the AU reapplies for aid and the standard of need increases.

(1) An increase in the standard of need includes any increase in AU size, general increase in the MBSAC (COLA increases), or a determination that the ineligible family would be eligible for a special need item as specified in Section 44-211.

(2) Calculation

To shorten the period of ineligibility due to an increase in the standard of need, the county shall:

(A) Identify the restricted account balance used to calculate the original period of ineligibility.

(B) Identify the original MBSAC plus any special needs allocated to the ineligible family unit and multiply it by the number of ineligible months prior to the increase. Subtract the total from the amount in Section 42-213.231(n)(2)(A).

(C) Divide the result calculated in Section 42-213.231(n)(2)(B) by the increased standard of need. Round down the result to the nearest whole number.

(D) The revised period of ineligibility is the final result in Section 42-213.231(n)(2)(C) plus the number of ineligible months prior to the increase.

(E) The revised period of ineligibility shall begin in the same month as the original period of ineligibility.

**42-213** **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**  
**WHICH MAY BE RETAINED (Continued)**

- (o) Establishing a Separate AU for Other Eligibles

A separate AU may be established for an otherwise eligible person whose needs were not considered in the calculation of the period of ineligibility.

- (p) Termination of the Written Agreement

The written agreement for the restricted account terminates when:

- (1) the AU is discontinued from CalWORKs; or
- (2) the restricted account is closed; or
- (3) the AU does not provide timely verification of the account information as specified in Section 42-213.213(c); or
- (4) state or federal law changes the conditions or no longer permits these restricted accounts.

.3 A home, regardless of its value, occupied by the assistance unit shall be excluded in evaluating property which may be retained.

.31 Any house, mobile home, camper, trailer, houseboat or any other dwelling whether assessed as real or personal property by the county assessor is excluded if such an item or property is occupied by the AU as a home (place of residence). Property shall continue to be considered the home during temporary absence for reasons such as illness, seasonal employment, visits, extreme climatic conditions, etc., provided the recipient plans to, and it appears will be able to, return to the home when such circumstances no longer exist.

.32 The excluded home may be the unit of a multiple-dwelling unit that is occupied by the assistance unit as a home. A home and a separate unit adjacent to the home shall be treated as a multiple dwelling unit.

.321 The unit(s) of the multiple dwelling that is (are) not occupied by the assistance unit shall be treated as a resource and the value must be included in the property limit described in Section 42-207. See Section 42-215 for the method of determining the value of real property.

**42-213**     **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY**     **42-213**  
**WHICH MAY BE RETAINED (Continued)**

- (a)     If the assistance unit is making a good faith effort to sell the unit(s) that is (are) not occupied as a home, the unit(s) may be exempt from consideration in the resource limit for a period of time under the conditions specified in Section 42-213.12.
  
  - (b)     If the unit(s) that is (are) not occupied as a home cannot be sold separately, the unit(s) is (are) unavailable to meet current needs and shall be excluded in evaluating property. (See Section 44-113.1 for the treatment of income received from the rental of real property.)
- .4     The home which was the usual home of an applicant/recipient who has entered into marital separation shall be treated as follows:
- .41     The usual home shall be exempt in determining an applicant's eligibility for CalWORKs and for three months following the end of the month in which aid begins.

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**HANDBOOK BEGINS HERE**

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See Section 44-317.

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**HANDBOOK ENDS HERE**

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- (SAR) .411     If the exemption period ends mid-period, the county shall not act on the information during the SAR Payment Period. The usual home shall be used to determine eligibility for the SAR Payment Period following the SAR Payment Period in which the exemption period ended.
  
  - (AR/CO)     If the exemption period ends mid-period, the county shall not act on the information during the AR/CO Payment Period. The usual home shall be used to determine eligibility for the AR/CO Payment Period following the AR/CO Payment Period in which the exemption period ended.
- .42     The usual home shall be exempt in evaluating a recipient's retained property during the month of separation and for three months following the end of the month in which the separation occurs.
- (SAR) .421     If the exemption period ends mid-period, the county shall not act on the information during the SAR Payment Period. The usual home shall be used to determine eligibility for the SAR Payment Period following the SAR Payment Period in which the exemption period ended.

**42-213**     **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY**     **42-213**  
**WHICH MAY BE RETAINED (Continued)**

(AR/CO) If the exemption period ends mid-period, the county shall not act on the information during the AR/CO Payment Period. The usual home shall be used to determine eligibility for the AR/CO Payment Period following the AR/CO Payment Period in which the exemption period ended.

- .43 The applicant/recipient shall be informed when the exemption is granted that it is time-limited and that the expiration of the three month period may result in ineligibility.
- .44 See Sections 42-213.3 and 42-201.1 for situations which require the home to remain excluded from property evaluation following the three month exemption period.
- .5 Other property which is mandatorily and specifically exempt by federal law and shall be exempt from the effective date as specified in federal law.
  - .51 Property which is mandatorily exempt under federal law includes, but is not limited to:
    - .511 Public Law (PL) 92-254 or PL 94-540 which exempts any funds distributed per capita or held in trust for members of any Native American tribe under PL 92-254 or PL 94-540.
    - .512 PL 93-134, PL 97-458 and PL 98-64 which exempt as property the funds of Native American tribes including interest earned from, investment income derived from and initial purchases made with such funds when the funds have been:
      - (a) Distributed by the Secretary of the Interior on a per capita basis; or
      - (b) Held in trust by the Secretary of the Interior; or
      - (c) Individually owned trusts or restricted lands.
    - .513 PL 100-241 which exempts distributions to a household, individual Native or descendent of a Native when received from a Native Corporation established pursuant to the Alaskan Native Claims Settlement Act (ANCSA). Exempt distributions include:
      - (a) Cash (including cash dividends on stock received from a Native Corporation) to the extent it does not exceed \$2,000 total per person per anum, stock, a partnership interest, land or interest in land, and interest in a settlement trust.

<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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- .514 PL 100-383 which exempts payments received as restitution made to U.S. citizens and permanent resident aliens of Japanese ancestry, and payment received as restitution made to Aleuts as a result of being relocated by the United States government during World War II.
  
- .515 PL 100-707 which exempts federal major disaster and emergency assistance provided under the Disaster Relief Act and comparable disaster assistance provided by the state, local governments and disaster assistance organizations.
  
- .516 PL 101-201 and PL 101-239 which exempt payments received from all Agent Orange settlements.
  
- .517 PL 101-426 which exempts payments received under the Radiation Exposure Compensation Act.
  
- .518 PL 101-508 which exempts Earned Income Credit (EIC) payments for the month it is received and the following month.
  
- .519 PL 103-286 which exempts payments received by victims of Nazi persecution.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11155.2, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.2, 11155.5, 11257, 11265.1, 11265.2, 11450, and 11450.5, Welfare and Institutions Code; Sidwell v. McMahan, United States District Court (E.D. Cal.) May 7, 1990, civil no. S-89-0445; Public Laws 97-458, 98-64, and 103-286; and Federal Action Transmittal 91-23, 45 CFR 233.20(a)(3)(i)(B); Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

<b>42-215</b>	<b>DETERMINING VALUE OF PROPERTY</b>	<b>42-215</b>
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.1 Determination of Value of Real Property

For determination of CalWORKs eligibility, an applicant or recipient's net market value interest in real property is determined by subtracting any allowable encumbrance against it from its market value (42-215.21).

- .11 Acceptable evidence of allowable encumbrances on real property are listed below:
  - (a) Mortgages
  - (b) Notes
  - (c) Deeds of trust

**42-221 TRANSFER OF PROPERTY OR INCOME (Continued)** **42-221**

.4 Income

Nonrecurring lump sum income/payments shall be treated as property and shall be subject to any application of POI rules for a transfer of property for less than FMV.

.41 Income is considered nonrecurring if all of the following apply:

.411 the income is not interest income or contractual income as specified in MPP Section 44-102 which requires a specified treatment;

.412 the income is for a period of more than one month, and

.413 the income is not from a source expected to occur regularly.

.5 Applying the Period of Ineligibility (POI)

.51 When the family has transferred property which results in a POI, cash aid shall be discontinued and the POI begin as follows:

(SAR) (a) The first month of the next SAR Payment Period following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the SAR Period is an overpayment.

(AR/CO) The first month of the next AR/CO Payment Period following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the AR/CO Payment Period is an overpayment.

(SAR) (b) When the transfer is discovered too late to discontinue for the first month of the SAR Payment Period, the POI shall begin the first of a month within that SAR Payment Period after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current SAR Payment Period is an overpayment.

(AR/CO) When the transfer is discovered too late to discontinue for the first month of the AR/CO Payment Period, the POI shall begin the first of a month within that AR/CO Payment Period after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current AR/CO Payment Period is an overpayment.

**42-221 TRANSFER OF PROPERTY OR INCOME (Continued)** **42-221**

(c) Section 42-221.51(c)(QR) shall become inoperative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) When the transfer is in the first or second month of aid, any resulting POI shall begin the first month of the next QR Payment Quarter and shall continue for the determined number of months.

.6 Transfer of property rules do not apply to applicant families.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11157.5 (Ch. 270, Stats. of 1997 and Ch. 902, Stats. of 1998), 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

**42-223 SPECIAL PROPERTY CONSIDERATIONS** **42-223**

.1 Property in Another State

Since the method for computing the assessed value of real property in other states may not be the same as that utilized in California, it is necessary to convert values arrived at by other states into figures that are comparable to the value referred to in EAS 42-215.21. This should be accomplished by application of the following conversion formula:

$$\begin{array}{ccccccc} \text{Assessed value} & & & \text{Assessment Value as} & & & \\ \text{of property in} & & \text{divided} & \text{rate of} & = & & \text{used in} \\ \text{another state} & & \text{by} & \text{that state} & & & \text{EAS 42-215.21} \end{array}$$

.2 Tax Exemptions

Veterans (and in some cases their widows and parents) are allowed certain tax exemptions which are applied either to real or personal property. If the record used to determine the full value of the property shows only the amount of assessment upon which taxes are based, the amount of exemption would be determined and added to the taxable value to determine the full value.

.3 Property Outside the United States

If property is located outside the United States, the full value is determined on the basis of the rate of exchange in American dollars, regardless of the manner by which other units of government determine the full value.

.4 Ownership of Property in Militarily Occupied Areas

Ownership and value of property located in countries actively at war or in conquered or occupied areas is considered to be in doubt and the facts as to the holdings usually cannot be ascertained. If it is impossible to obtain information on property located in such countries, it is the presumption that continued ownership is in doubt and that such property has no present value in determining eligibility.

**CHAPTER 42-400 RESIDENCE**

**42-400 RESIDENCE 42-400**

Residence in the state, but not in the county, is a requirement for receipt of aid. However, it is necessary to determine the county in which the applicant lives in order to establish county responsibility for payment of aid. (See Section 40-125.)

**42-401 STATE RESIDENCE FOR ELIGIBILITY 42-401**

No durational period of residence in the state or county is required.

**42-403 RESIDENCE - GENERAL 42-403**

.1 Definition of Residence

A person establishes residency by either:

- .11 Voluntarily living in the state with the intention of making his or her home for other than a temporary purpose. Residence may not depend upon the reason for which the individual entered the state, except insofar as it may bear upon whether the individual is there voluntarily or for a temporary purpose; or
- .12 Living in the state at the time of application, not receiving assistance from another state, and having entered the state with a job commitment or to seek employment, whether or not currently employed, (e.g., migrant and itinerant workers).

An AFDC-FG/U child living with a caretaker who qualifies under this definition, is a resident of the state in which the caretaker is a resident.

.2 Duration of Residence

Residence in the state established by either of the above criteria continues until the recipient leaves the state and establishes residence elsewhere. Temporary absence from the state, with subsequent returns, or the intent to return to the state when the purposes of the absence have been accomplished, does not interrupt continuity of residence (see 42-405, 406, and 407).

.3 Program Requirements

The husband or wife may each have a separate residence, a fact which is established by the actions and intent of each. An applicant for or recipient of aid does not lose residence for aid because of marriage, but moving out of state with the spouse also implies intent to establish residence elsewhere.

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**NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY**

**42-405**

**RESIDENCE**

**Regulations**

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**42-405      RIGHTS AND RESPONSIBILITIES OF APPLICANTS OR RECIPIENTS      42-405**

.1      Rights of Residence Location

Applicants for or recipients of aid have the same freedom of movement and choice of a place to live accorded other citizens of California.

.2      Informing County of Residence Changes

.21      An applicant or recipient, shall immediately inform the county to which he applied, or the county paying aid, if he goes to another county, state, or country, regardless of the anticipated date of return. (See Section 40-181.4.)

.22      Such an applicant or recipient shall cooperate with the county welfare department and provide the county with a monthly written statement explaining his reasons for absence from California, his intent to return to California and anticipated date of return. Failure to promptly provide such statements will result in immediate discontinuance of aid payments.

**42-406      COUNTY WELFARE DEPARTMENT RESPONSIBILITY      42-406**

.1      Physical absence from the state indicates a possible change of residence. The county shall make inquiry, on a monthly basis, from all applicants or recipients who have been continuously absent from the state for 30 days or longer in order to ascertain the recipient's intent to maintain California residency. If the inquiry establishes (see Section 42-407.2) that the recipient is no longer a California resident, aid shall be discontinued at the end of the month in which timely and adequate notice can be given.

.2      The response to the inquiry shall include, but is not limited to, the following:

.21      a statement of the applicant or recipient declaring his anticipated date of return to California, or his intent not to return to California.

.22      a statement of the applicant or recipient declaring his reason for continued absence from California.

.23      a statement of the applicant or recipient delineating the present location and status of the housing arrangements (owned, leased, or rented) for himself and his family (spouse and children).

| (SAR) .24      the completion and return of the SAR 3 or SAR 7, giving his or her current employment status, and all other factors normally used to compute the recipient's needs.

| (AR/CO)      the completion and return of the AR 3, giving his or her current employment status, and all other factors normally used to compute the recipient's needs.

**42-406 COUNTY WELFARE DEPARTMENT RESPONSIBILITY (Continued) 42-406**

- .25 a notice to the applicant or recipient that his failure to respond to the inquiry will result in his ineligibility and termination of aid payments.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11265.2, Welfare and Institutions Code.

**42-407 EVIDENCE OF RESIDENCE INTENTION 42-407**

**.1 Applicant or Recipient Physically Present in State**

The written statement of the applicant or recipient is acceptable proof to establish his or her intention of establishing residence unless the statement is inconsistent with the conduct of the person, with other information known to the county, or with other statements on the SAWS 2, SAR 7, or recipient mid-period reports.

**.2 Absence From the State**

.21 If an applicant or recipient does not respond, within 30 days, to the monthly county inquiry of residence (Section 42-406), it shall be presumed that he does not intend to maintain California residency and aid shall be discontinued at the end of the month in which timely and adequate notice can be given.

.22 If the applicant or recipient responds to the inquiry, and advises the county that he does not intend to return to California, aid shall be discontinued at the end of the month in which timely and adequate notice can be given.

.23 If the applicant or recipient responds to the inquiry and advises the county that he intends to maintain his California residency but he remains out of state for 60 days or longer, his continued absence is prima facie evidence of the applicant's or recipient's intent to have changed his place of residence to a place outside of California subject to Section 42-407.24. Such absence in itself is sufficient evidence to support a determination that the applicant or recipient has established residence outside of California. Therefore, his intent to return must be supported by one or a combination of the following:

<b>42-407</b>	<b>EVIDENCE OF RESIDENCE INTENTION (Continued)</b>	<b>42-407</b>
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- .231 family members with whom the applicant or recipient lived, currently live in California.
- .232 the applicant or recipient has continued maintenance of his California housing arrangements (owned, leased or rented).
- .233 the applicant or recipient has employment or business interests in California.
- .234 any other act or combination of acts by the applicant or recipient which establishes his intent to reside in California.
- .235 even if the recipient's intent to reside in California is supported by .231 through .234, it may still be established that the recipient does not have the intent to reside in California if any of the following situations occur and are significant enough to negate the evidence that supports California residence:
  - a. The applicant or recipient has purchased or leased a house out of state since leaving California.
  - b. The applicant or recipient has been employed out of state since leaving California.
  - c. The applicant or recipient has obtained an out-of-state motor vehicle driver's license since leaving California.
  - d. The applicant or recipient has taken any other action which indicates his intent to establish residence outside of California.
- .24 Continuous absence of 60 days or longer shall not be prima facie evidence of the applicant's or recipient's intent to have changed his place of residence to a place outside of California where he clearly shows:
  - .241 he has not, by act or intent, established residence outside of California; and
  - .242 his return to California was prevented by illness or an emergency.
- .25 Repealed by Manual Letter No. EAS-92-02, effective 3/1/92.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11265.2, Welfare and Institutions Code; Senate Bill (SB) 991, Chapter 1285, Statutes of 1989; and WRL vs. McMahan, Case No. 268972 (Sacramento Superior Court), October 31, 1990.

**42-716**      **WELFARE-TO-WORK ACTIVITIES** **42-716**  
(Continued)

- .72    The CWD shall provide grant-based OJT funded community service positions only if the community service component of the county CalWORKs plan specifies the process by which the CWD will comply with the voluntary consent requirement and lists the languages, other than English, in which written consent will be obtained.
  
- .73    The participant's diverted cash grant and grant savings shall be used by the employer for the sole purpose of subsidizing the participant's wages.
  - .731    Any portion of a participant's wage that is funded by the diversion of the recipient's cash grant and/or grant savings to the employer shall not be entitled to the income disregards specified in Section 44-111.23.
  
  - .732    Any portion of the grant-based OJT participant's wages that are not derived from the participant's diverted grant and/or grant savings shall be subject to the income disregards specified in Section 44-111.23, however, the resulting grant and grant savings may be diverted to the employer.
  
  - .733    Nothing in this Section 42-716.73 shall preclude an employer from using its own funds to pay a portion of the participant's wages.
  
- .74    The CWD shall administer grant-based-OJT funded positions in a manner that minimizes any break in income received by the participant as a grant, or as a wage subsidized by the diverted grant and/or grant savings upon entry into, during, or upon exit from the assignment.

| (SAR) .741    A grant-based OJT placement may begin mid-period.

<b>42-716</b>	<b>WELFARE-TO-WORK ACTIVITIES</b>	<b>42-716</b>
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(Continued)

- .742 When there is any break in income for a grant-based OJT participant caused by an employer's conduct or the participant's inability or failure to work her/his scheduled hours with or without cause, the CWD shall ensure that a recipient receives 100 percent of the maximum aid grant payment for which she/he is otherwise eligible, less the gross amount of the grant-based wages and any other non-exempt income received by the participant. The payment shall be made as a corrective underpayment within five calendar days of the participant notifying the CWD, or within two calendar days of CWD notification if the participant has an eviction Notice or a Notice to Pay Rent or Quit.
  - (a) If the participant's total gross wages paid in a month are less than the total amount of the diverted grant for that month, a corrective underpayment shall be issued in accordance with Section 44-340. This corrective underpayment shall be equal to the difference between the amount of the gross wages paid to the recipient and the amount of the grant diverted for the month.
    - (1) The participant shall return to the CWD the amount of unpaid wages that are recovered from the employer and for which the CWD issued a corrective underpayment. Any such recovered wages not returned by the participant to the CWD shall be treated as an overpayment.
    - (b) The CWD shall collect from the employer any amount of the grant and/or grant savings diverted to the employer that was not paid as wages to the recipient.
  
- .75 Wages derived from the diverted grant and/or grant savings and paid to a participant pursuant to this section shall not be considered as income in any determination of financial eligibility for the CalWORKs program.
  
- .76 The CWD shall not place grant-based OJT participants with an employer unless the employer agrees, at a minimum, to all of the following:
  - .761 To use the diverted grant solely for subsidizing the participant's wage and to return to the CWD any of the grant and/or grant savings received that are not paid as wages to the participant.
  - .762 Not to displace current employees with grant-based OJT participants pursuant to Section 42-720.1.
  - .763 To comply with the labor union and employee notification requirements specified in Section 42-720.3.

<b>42-721</b>	<b>NONCOMPLIANCE WITH PROGRAM REQUIREMENTS</b>	<b>42-721</b>
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(Continued)

.313 The employment, offer of employment, activity, or other training for employment is remote from the individual's home because either:

- (a) The round-trip travel time required exceeds a total of two hours, exclusive of the time necessary to transport family members to a school or place providing care, or
- (b) Walking is the only available means of transportation and the round-trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care.

An individual who fails or refuses to comply with the program requirements based on the remoteness of the employment, offer of employment, activity, or other training for employment shall be required to participate in community service activities as defined in Section 42-701.2(c)(3), and in accordance with Section 42-716.31(j)(2).

.314 The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.

.315 The employment, offer of employment, or work activity does not provide for worker's compensation insurance.

.316 Accepting the employment or work activity would cause an interruption to an approved education or job training program in progress. For purposes of this section, an education or job training program includes all welfare-to-work activities described in Section 42-716, except work experience or community service assignment.

- (a) The approved education or job training program in progress must lead to employment and sufficient income to be self-supporting.
- (b) If the hours of participation in the approved education or job training program in progress are less than the hours required as a condition of eligibility for aid, the CWD may require the individual to engage in welfare-to-work activities to the extent necessary to meet the required hours of participation.

.317 Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

<b>42-721</b>	<b>NONCOMPLIANCE WITH PROGRAM REQUIREMENTS</b>	<b>42-721</b>
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(Continued)

- .32 In determining whether good cause exists for a refusal or failure to comply with program requirements, the CWD shall take into consideration whether the participant has a mental disability that caused or substantially contributed to the refusal or failure to comply with program requirements. This determination shall be made, where appropriate, in consultation with the county mental health department.
- .33 An individual shall have good cause for not participating in welfare-to-work activities if he or she meets the criteria described in Section 42-713.

.4 Sanctions

- .41 Financial sanctions shall be applied when a non-exempt welfare-to-work participant has failed or refused to comply with program requirements without good cause and compliance efforts have failed.

- .411 Any month in which an individual is under sanction and removed from the assistance unit shall not be counted as a month of receipt of aid in determining the 48-month time limit in accordance with Section 42-302.115.

- (SAR) .412 A financial sanction is a county-initiated mid-period change pursuant to Section 44-316.331(b)(SAR).

- .42 The sanctions shall not apply to an individual who is exempt from the welfare-to-work requirements and is voluntarily participating in the Welfare-to-Work Program. If an exempt volunteer engages in conduct that would bring about the sanction procedures described below but for his or her status as a volunteer, the individual shall not be given priority over other participants actively seeking to participate.

**42-721 NONCOMPLIANCE WITH PROGRAM REQUIREMENTS 42-721**  
(Continued)

- .482 If the sanction is rescinded as a result of the outcome of a state hearing or the formal grievance procedure established in accordance with Section 42-721.5.
- (SAR) .483 Restoration of aid due to the noncomplying participant performing the activities he or she previously refused to perform, in accordance with Sections 42-721.43 and 44-318.13(SAR), is a county-initiated mid-period change pursuant to Section 44-316.331(c)(SAR).

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**HANDBOOK BEGINS HERE**

- (a) Example: An individual who was sanctioned for failing to attend orientation contacts the CWD on July 14 and indicates he wishes to end his sanction. The individual signs his curing plan on July 17, attends orientation on July 23 as required by his curing plan, and cures his sanction. On August 1, if the individual is otherwise eligible, his cash aid is restored.
- (b) Example: An individual contacts the CWD on July 14 and indicates she wishes to end her sanction. The individual signs her curing plan on July 17, which specifies that she must participate in two weeks of job search/job club beginning on July 23. She successfully completes job search/job club on August 5, and ends her sanction. If the individual is otherwise eligible, her cash aid is restored back to August 1.

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- .49 The CWD shall grant aid:
- .491 On the first day of the month following the date that the individual contacted the county to indicate his or her desire to end the sanction, once the activities in accordance with Section 42-721.43 have been successfully completed, if the individual applies for aid, is determined to be in compliance with program requirements, and is otherwise eligible.

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**HANDBOOK BEGINS HERE**

- (SAR)(a) Example: An individual who was sanctioned and left aid with his family after failing to participate in vocational education contacts the CWD on July 1 to reapply for aid. His family is determined eligible for aid on July 5 and aid is granted to the family as of July 5; before aid can be granted for the sanctioned individual he must cure his sanction. The individual signs his curing plan on July 5, participates in a vocational education program for 30 days, and successfully cures his sanction on August 3. If the individual is otherwise eligible, his cash aid is granted back to August 1 as a county-initiated mid-period change pursuant to Section 44-316.331(c)(SAR).

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**42-751 UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued) 42-751**

- (b) If the overpayment is the result of fraud, the CWD shall attempt to recover the overpayment regardless of the amount.
  
- (c) Initial Recovery Procedures and Establishing Repayment Agreements
  - (1) The county shall initiate recovery within 30 calendar days of the date the overpayment is first discovered by notifying the individual in writing that he/she has an overpayment and that he/she must contact the county within ten calendar days of the date the notice is mailed to arrange repayment.
    - (A) If the participant does not respond to the overpayment notice within ten calendar days of the date of the initial notice is mailed or the participant does respond to the initial notice, but fails or refuses to enter into a repayment agreement, the county shall use the payment adjustment method of recovery as specified in Section 42-751.4(g) unless:
      - 1. The county determines that the deferred repayment provisions of Section 42-751.4(d) apply.
    - (B) The overpayment notice shall include:
      - 1. The name of the overpaid person;
      - 2. The amount owed;
      - 3. The reason for the claim;
      - 4. The period of time that the claim covers;
      - 5. A statement regarding the right of the participant to a State hearing if the participant disagrees with any aspect of the claim;
      - 6. The reasons repayment may be deferred as specified in Section 42-751.4(d);
      - 7. A statement that recovery will occur as specified in Section 42-751.4(c)(1)(A) if the individual fails to respond within ten calendar days.
    - (C) The county shall attempt to obtain a signed repayment agreement from the overpaid individual subject to the recovery methods specified in Section 42-751.4(e) and provide a copy of the agreement to the overpaid individual.

<b>42-751</b>	<b>UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued)</b>	<b>42-751</b>
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- (d) Overpayment Collection Deferrals
  - (1) The collection and recovery of any overpayment shall be deferred if it is not cost effective to pursue the collection. The CWD shall defer collection and recovery of any overpayment if the collection would result in disruption of child care arrangements, preclude participation in welfare-to-work activities, or prevent employment.
  - (2) The CWD shall: (1) notify the participant of the deferral and when a decision to defer overpayment collection is made; (2) reevaluate the need for deferring repayment when necessary; (3) document the expected ending date of the deferred repayment status.
- (e) Reasonable efforts shall include written notification of the amount of the overpayment and that repayment is required. The following are reasonable cost-effective collection methods:
  - (1) Balancing.

When an individual has both an overpayment and an underpayment, the CWD may offset one against the other, subject to the provisions specified in Section 42-751.4(g).
  - (2) Voluntary Cash Recovery.

The CWD shall accept any voluntary cash payment from an individual to pay any portion of an existing overpayment.
  - (3) Grant Adjustment.

The individual shall be permitted to have supportive services overpayments adjusted from the CalWORKs grant when the individual is receiving CalWORKs, provided:

    - (A) The individual chooses this method of recovery; and
    - (B) The individual agrees with the amount of the CalWORKs grant adjustment.
- (SAR) (4) Recoupment by grant adjustment shall be conducted in accordance with Section 44-352.41(SAR).
- (f) Individuals shall be allowed to revoke a repayment agreement incorporating grant adjustment at any time and enter into a new repayment agreement with the CWD.

**42-769 APPLICATION OF BONUSES AND SANCTIONS** **42-769**  
(Continued)

.4 Treatment of Bonuses and Sanctions in Other Calculations

The county shall not include a Cal-Learn bonus or sanction in the calculation of an overpayment adjustment or a homeless assistance payment.

| .5 Treatment of Bonuses and Sanctions as County-Initiated Mid-Period Actions

| Cal-Learn bonuses and sanctions are considered county-initiated mid-period actions as described in Section 44-316.33.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063, 11265.2, and 11333.7(a) and (d), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 250.40(a); Federal Waiver Terms and Conditions for the California Work Pays Demonstration Project, March 1994, and Waiver Authority for the California Work Pays Demonstration Project as transmitted by the United States Department of Health and Human Services Administration for Children and Families letter dated March 1, 1994.

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**STANDARDS OF ASSISTANCE  
INCOME**

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**CHAPTER 44-100 INCOME**

**44-101 INCOME DEFINITIONS**

**44-101**

(SAR)

(a) Income, generally, is any benefit in cash or in-kind which is reasonably anticipated to be available to the individual or is received by him/her as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the SAR Payment Period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

(AR/CO) Income, generally, is any benefit in cash or in-kind which is reasonably anticipated to be available to the individual or is received by him/her as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the AR/CO Payment Period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

(b) Separate and Community Income

(1) Separate income is:

(A) Income derived from an interest in separate property; or,

(B) Income resulting from employment or military service rendered prior to the present marriage.

(C) Income received after the rendition of a decree for separate maintenance, as distinguished from a decree of dissolution, or when one spouse is living apart from the other spouse, as well as after dissolution.

(D) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2.

<b>44-101</b>	<b>INCOME DEFINITIONS (Continued)</b>	<b>44-101</b>
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(2) Community income is:

- (A) Generally income derived from an interest in community property; or,
- (B) Income resulting from employment or military service performed during the marriage and not under the situation described in (b)(1)(C) above.
- (C) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D), 42-203.5, and 42-205.3. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2.

(c) Reasonably Anticipated Income

(SAR) (1) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of monthly income during the SAR Payment Period. This definition applies to both earned and unearned income. See Section 44-315.31(SAR).

(AR/CO) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of monthly income during the AR/CO Payment Period. This definition applies to both earned and unearned income. See Section 44-315.31(AR/CO).

(d) Current Income

(1) Current income generally is all income which is available during a month without regard to any allowable exemptions or disregards.

(e) Earned Income

(1) Earned income is income received in cash or in kind as wages, salary, employer provided sick leave benefits, commissions or profit from activities such as a business enterprise, farming, etc., in which the recipient is engaged as a self-employed individual or as an employee.

(2) Earned income also includes:

- (A) Earnings over a period of time for which settlement is made at one given time, as in the instance of sale of farm crops, livestock, poultry, other than sale of an entire holding.

<b>44-101</b>	<b>INCOME DEFINITIONS (Continued)</b>	<b>44-101</b>
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- (B) Returns from personal or real property, such as net income from rental of rooms, or board and room.
  - (C) Earnings under Title 1 of the Elementary and Secondary Education Act, and wages paid under the Job Training Partnership Act (JTPA), (see Section 44-111.21 for disregard applicable to JTPA earned income of a child).
  - (D) Payments under the Economic Opportunity Act, including payments to beneficiaries of assistance under the Act, through such programs as the Neighborhood Youth Corps, New Careers and Concentrated Employment.
  - (E) Training incentive payments and work allowances under ongoing manpower programs, other than Welfare-to-Work (formerly GAIN) and JTPA.
  - (F) Earnings from On-the-Job Training (OJT).
- (3) Earned income does not include:
- (A) Grants that do not meet the exemption criteria specified in Sections 44-111.431, and .432.
  - (B) Benefits (excluding those specified in Section 44-101(e)(1)) accruing as compensation, or reward for service, or as compensation for lack of employment (for example, pensions and benefits, such as veterans benefits).
  - (C) Incentive payments derived from participation in WIN Demo.
  - (D) The training allowances paid to a recipient in JTPA programs. The expense allowance paid to an adult JTPA participant is applied against the actual expenses of training in determining net income. Only the amount that exceeds the expenses is counted as income.
  - (E) Income received from Public Service Employment under the WIN Demo program (WIN/PSE) (see Section 44-113.10).
- (f) Disability-Based Unearned Income
- (1) Disability-based unearned income is income received only from one or more of the following:
    - (A) State Disability Insurance benefits.

<b>44-101</b>	<b>INCOME DEFINITIONS (Continued)</b>	<b>44-101</b>
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(B) Private Disability Insurance benefits.

1. Private Disability Insurance benefits include all privately purchased or employer-sponsored disability insurance benefits whether or not there is an employee contribution.
2. Private Disability Insurance Benefits do not include disability benefits that are not insurance, such as veterans benefits.

(C) Temporary Workers' Compensation benefits.

(D) Social Security Disability Benefits.

(E) Veterans Disability Compensation benefits.

(g) Unearned Income

Unearned Income is any income that is not earned income or disability-based unearned income.

(h) Voluntary Contributions

A voluntary contribution is a contribution for which the contributor has no legal liability.

(i) Death Benefits

Death benefits are considered income. Death benefits are those life insurance or burial payments made to a deceased's beneficiary. To determine net income, see Section 44-113.11.

Note: If the amount of the death benefit is of negligible importance in meeting continuing needs, refer to Section 44-111.44.

(j) Income In Kind

Income in kind is any benefit received other than in cash. It includes the value of need items provided at no charge (see Section 44-115).

<b>44-101</b>	<b>INCOME DEFINITIONS (Continued)</b>	<b>44-101</b>
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(k) Interest Income

Interest on a savings account in a bank, savings and loan association, or other institution authorized to accept savings and interest which is received as a result of any contractual obligation.

(l) Lump Sum Income

Lump sum income is any income received by an AU which is not recurring regular income. Lump sum income is usually nonrecurring in regard to amount and/or source. Lump sum income includes but is not limited to the following: retroactive social insurance payments, real estate commissions such as from sales, income from freelance work, net proceeds from sale of a crop and bonuses.

(SAR) (1) Lump sum nonrecurring payments are considered property under the semi-annual reporting system (see Section 42-209.2).

(AR/CO) Lump sum nonrecurring payments are considered property under the annual reporting system (see Section 42-209.2).

(m) Income Reporting Threshold (IRT)

(1) The level of income that triggers the need for a CalWORKs AU to report a mid-period change in income (see Section 44-316.324).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11265.46, 11265.47, 11450.5, and 11451.5, Welfare and Institutions Code; Federal Action Transmittal ACF-AT-94-12; 45 CFR 233.20(a)(6)(iii); 45 CFR 233.20(a)(6)(v)(B); Sallis v. McMahan, Sacramento County Superior Court, case no. 364308, January 30, 1991 and 45 CFR 233.20(a)(3)(iv)(B) and (a)(4)(ii)(d).

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<b>44-102</b>	<b>AVAILABILITY OF INCOME</b>	<b>44-102</b>
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(SAR)

.1 All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the SAR Payment Period and shall be considered when determining eligibility and grant amount, except:

(AR/CO) All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the AR/CO Payment Period and shall be considered when determining eligibility and grant amount, except:

.11 INTEREST INCOME - Interest income which is received on a regular basis, but less frequently than monthly, shall be apportioned equally over the number of months it has accrued beginning with the month after receipt.

.12 CONTRACTUAL INCOME - Income an employee receives under an annual contract of employment shall be apportioned equally over the period of the contract beginning with the first month of the contract when he works and receives income from such contract in fewer than twelve (12) months, but more than eight (8) months.

.13 CHILD SUPPORT - Child support collected by the county shall not be considered available to the recipient, other than as provided in Sections 43-203.1 and 43-203.4.

(SAR) .14 MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS - Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(SAR)), when the income meets the following criteria:

(AR/CO) MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS - Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(AR/CO)), when the income meets the following criteria:

.141 The receipt date of the income varies because mailing cycles cause two payments to be received in one month and none in the preceding or following month;

.142 The source of income is a governmental benefit program; and

.143 The income is unearned and recurring.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11157 (Ch. 270, Stats. 1997), 11265.2, and 11450.5, Welfare and Institutions Code.

<b>44-103</b>	<b>EXPLORATION OF INCOME POTENTIALS AND INCOME VERIFICATION</b>	<b>44-103</b>
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.1 County Responsibility

.11 The county shall:

- .111 Review, with the applicant or recipient, all his/her resources to determine income-producing potential.
- .112 Determine whether income is actually received and, if so:
  - (a) The regularity of receipt,
  - (b) The gross or net amount, as appropriate,
  - (c) The applicant's or recipient's share, and
  - (d) Whether the income is excluded or exempt, in whole or in part.
- .114 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .115 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .116 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .117 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .118 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.

<b>44-103</b>	<b>EXPLORATION OF INCOME POTENTIALS AND INCOME VERIFICATION (Continued)</b>	<b>44-103</b>
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- .12 The county shall examine income available to the applicant or recipient from the following potential sources:
  - .121 Social Insurance, i.e., OASDI, Railroad Retirement, Unemployment Insurance, Disability Insurance, etc.
  - .122 Benefits available to veterans of military service, members of military service, their spouses, and their dependents.
  - .123 Rights and interests in real and personal property.
  - .124 Responsible relatives who may be contributing or have a legal liability to contribute.
  - .125 Other persons who may be contributing.
  - .126 Recipient's capacity for self-help and employment.
  - .127 Private pension plans, union welfare funds, life insurance disability benefits, and other forms of assistance.
- .2 Applicant and Recipient Responsibility
  - .21 The applicant or recipient, including the person responsible for the child shall provide information necessary to determine income.
  - .22 The requirement in Section 44-103.21 is considered to be met on the date of application as long as it is completed by the date of authorization of aid.
  - .23 The county shall deny or discontinue aid, including immediate need, to the AU when the applicant or recipient fails or refuses to provide information necessary to determine income.
    - .231 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
  - .24 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .3 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11209, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, and 11270, Welfare and Institutions Code; and 45 CFR 233.10(a)(1) and 233.20(a)(3)(ix).

<b>44-105</b>	<b>DIFFERENTIATION OF PROPERTY AND INCOME</b>	<b>44-105</b>
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- .1 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
- .2 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
- .3 Payments Which Include Compensation for Converted Property
  - .31 Payments which include compensation for converted property are those payments received from insurance companies, settlements, court judgments, or other similar sources which wholly or partially compensate for property which has been lost, stolen, damaged, or destroyed.
  - .32 The proper treatment of such payments is made by determining the proportion of the payment attributable to the property conversion and to treat the remainder as income. This determination is made by subtracting from the total amount of the payment, the value of the converted property at the time it was lost, stolen, damaged, or destroyed.

The value of the converted property shall be the largest of the following amounts:

    - (1) The value specified by the issuing source (insurance claim, specified verdict, etc.).
    - (2) The value assigned to the property at the last redetermination prior to its destruction.
    - (3) The value that would have been assigned to the property under current regulations (e.g., the value of a motor vehicle in accordance with 42-215.4).
    - (4) Any other evidence substantiating the value of the property at the time it was lost, stolen, damaged, or destroyed.
  - .33 The portion of the payment which compensates for converted property shall be treated in accordance with Section 42-213.
  - .34 Any remainder shall be treated in accordance with Section 44-113.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME</b>	<b>44-111</b>
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.1 The Exclusions and Exemptions and the Applicable Programs are Discussed Below

Federal and state statutes exclude or exempt certain types of payments or benefits in whole or in part from consideration as income. These exclusions and exemptions vary widely between programs. However, the federal statutes also provide that any income to an individual which is disregarded in determining his eligibility under the provisions of one categorical aid program, shall not be taken into consideration in determining the eligibility and/or the amount of assistance paid to a recipient receiving aid under another categorical aid program.

.2 Exemption of Earned Income

(See Section 44-101(e) for the definition of earned income.)

.21 Job Training Partnership Act (JTPA) - Earned Income of a Child

.211 All earnings of a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded from consideration as income for both eligibility and grant determinations.

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

.22 Student Exemption

.221 All earned income of a child under 19 years old is exempt if:

- a. He/she is a full-time student, or
- b. He/she has a school schedule that is equal to at least one-half of a full-time curriculum, and he is not employed full time.

.222 For purposes of this exemption the following definitions apply:

- a. School attendance is defined as attendance in a school, college, university, or in a course of vocational or technical training designed to fit the child for gainful employment and includes a participant in the Job Corps program under the Economic Opportunity Act.
- b. Part-time employment is defined as less than 173 hours per month.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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.223 The student exemption applies to full- or part-time earnings between school terms or during vacation periods, if the child plans to continue to be a student next term or when the vacation period ends.

.224 This exemption is applied:

- a. For financial eligibility purposes, to the earnings of full-time student applicants and recipients and part-time student recipients. This exemption does not apply to earnings of a part-time student applicant. See Section 44-207.321.
- b. For purposes of grant determination whether or not the student has received aid previously.

.23 \$225/225 and 50% Disregards

.231 A family shall have \$225 of disability-based unearned income (DBI) and up to \$225 of any unused amount of the DBI disregard plus 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the method outlined in Section 44-113.2. If the disability-based unearned income is:

- (a) Greater than \$225, the difference is added to any other nonexempt income.
- (b) Less than \$225, up to \$225 of the remaining disregard is subtracted from any earned income.
- (c) Zero, \$225 is applied against any earned income.

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

.233 Wages derived from a diverted grant and/or grant savings and paid to CalWORKs recipients who are participants in the grant-based OJT programs specified in Sections 42-716.31(f) and (g) shall not be eligible for the \$225 and 50 percent earned income disregard.

.24 College Work Study Programs

Earned income from any college work study program is exempt. This exemption is applied for both eligibility and grant determination whether or not the student has received aid previously.

<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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- f. Sale of crops Deduct from gross income the following expenses which are incurred.
1. Taxes and assessments.
  2. Interest on encumbrance payments (do not deduct principal payments.)
  3. Water cost.
  4. Necessary repair and minor replacement of buildings and equipment.
  5. Fertilizer, seed, insecticides, pruning, cultivation and harvesting costs.
  6. Rental of equipment.
  7. Wages.
  8. Losses on crops from the previous period.
  9. Other necessary expenses.

Prorate the annual expenses such as taxes, assessments, etc., according to the intervals at which the gross income was received. If other expenses cannot be identified with a particular period, determine the method which assures that the expenses are allocated as closely as possible to the period of crop income, and that on a continuing basis all necessary expenses are deducted from gross income.

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- g. Sale of Livestock Proceeds from the sale of the increase of livestock (i.e., that portion which represents a capital gain) is gross income. Deduct expenses incident to raising the livestock (such as feed, pasture rent, prorated personal property tax) in computing net income.

Since such income is usually received at intervals of more than one month, the same principles that apply to determining the periods of expense for the sale of crops, apply to the sale of livestock.

Note: Proceeds from the sale of an entire holding of livestock are not income but conversion of property.

<b>44-113</b>	NET INCOME (Continued)	<b>44-113</b>
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.2 Earnings

.21 Computation of Net Nonexempt Earned Income for CalWORKs

To determine the amount of Net Nonexempt Earned Income for the month, the following steps shall be taken:

(SAR) .211 Determine the total amount of commissions, wages or salary earned as an employee that the AU received in the Data Month and any reasonably anticipated (see Section 44-101(c)(1)(SAR)) changes to this income in the next SAR Payment Period (i.e., total income irrespective of expenses, voluntary or involuntary deductions). Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

(AR/CO) Determine the total amount of commissions, wages or salary earned as an employee that the AU received in the Data Month and any reasonably anticipated (see Section 44-101(c)(1)(AR/CO)) changes to this income in the next AR/CO Payment Period (i.e., total income irrespective of expenses, voluntary or involuntary deductions). Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

(SAR) .212 Determine the total monthly profit reasonably anticipated to be earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the Data Month business expenses against the Data Month gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income. Unless the recipient reasonably anticipates a change, use this income amount to calculate the grant for the upcoming SAR Payment Period.

(AR/CO) Determine the total monthly profit reasonably anticipated to be earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the Data Month business expenses against the Data Month gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income. Unless the recipient reasonably anticipates a change, use this income amount to calculate the grant for the upcoming AR/CO Payment Period.

<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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- (a) The applicant or recipient who is self-employed shall choose one of the following deductions:
  - (1) 40 percent of gross self-employed income, or
  - (2) reasonably anticipated self-employment expenses to the same extent allowed in the CalFresh Program (Section 63-503.41).
- (b) Recipients who are self-employed shall be allowed to change the method of deduction identified in Section 44-113.212(a) only at redetermination or every six months, whichever occurs first.

(SAR) .213 Combine the total monthly earnings for the family determined in Section 44-113.211(SAR) with the monthly net self-employment income determined in Section 44-113.212(SAR).

(AR/CO) Combine the total monthly earnings for the family determined in Section 44-113.211(AR/CO) with the monthly net self-employment income determined in Section 44-113.212(AR/CO).

.214 Apply, as specified in Section 44-111.23, the \$225 disregard to the reasonably anticipated total monthly disability-based unearned income for the family.

(SAR) .215 Apply up to \$225 of the remainder of the \$225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(SAR).

(AR/CO) Apply up to \$225 of the remainder of the \$225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(AR/CO).

.216 Apply the 50% disregard to any remaining earned income for the family.

.217 Add to the amount in Section 44-113.216 any excess nonexempt disability-based unearned income and/or any nonexempt unearned income. This total is the net nonexempt income available to the family.

.218 Add together the amounts remaining after application of the above sections for each recipient. This total is net nonexempt earned income for the FBU.

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(SAR) .22 Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) in Region 1 reports receiving gross monthly earned income of \$775 per month in the Data Month, and no other income. The Data Month income is reasonably anticipated to continue at the same amount for the SAR Payment Period.

\$ 775	Earned Income
<u>- 225</u>	\$225 Unused DBI Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard*
\$ 275	Total Net Nonexempt Income*

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

(AR/CO) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (timed out mother and three children) in Region 1 reports receiving gross monthly earned income of \$775 per month in the Data Month, and no other income. The Data Month income is reasonably anticipated to continue at the same amount for the AR/CO Payment Period.

\$ 775	Earned Income
<u>- 225</u>	\$ 225 Unused DBI Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard*
\$ 275	Total Net Nonexempt Income*

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

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<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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.3 Net Income from Social Security, Railroad Retirement Benefits and Other Pensions

(SAR) .31 Net income from Social Security or from Railroad Retirement Benefits is the amount determined to be paid to or on behalf of a member of the assistance unit in the SAR Payment Period except:

(AR/CO) Net income from Social Security or from Railroad Retirement Benefits is the amount determined to be paid to or on behalf of a member of the assistance unit in the AR/CO Payment Period except:

.311 When Social Security benefits are paid to a representative payee on behalf of a member of the assistance unit and the representative payee does not live in the same household as the assistance unit, the Social Security benefits are counted as income only to the extent that the representative payee makes them available for the support of the beneficiary.

(SAR) .32 Net income from other types of pensions and similar sources is the amount reasonably anticipated for the SAR Payment Period or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

(AR/CO) Net income from other types of pensions and similar sources is the amount reasonably anticipated for the AR/CO Payment Period or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

.4 Unrelated Adults, Including Unrelated Adult Males, Living in the Home

.41 Net income to the Family Budget Unit (FBU) from an unrelated adult living in the home including an Unrelated Adult Male (UAM) is the sum of:

(SAR) .411 cash reasonably anticipated to be given to the AU in the SAR Payment Period which is available to meet the needs of the AU and:

(AR/CO) cash reasonably anticipated to be given to the AU in the AR/CO Payment Period which is available to meet the needs of the AU and:

(SAR) .412 the value of full items of need reasonably anticipated to be provided in-kind to the AU in the SAR Payment Period. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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(AR/CO) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the AR/CO Payment Period. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

(SAR) .42 Cash that is reasonably anticipated to be given to the AU in the SAR Payment Period does not include:

(AR/CO) Cash that is reasonably anticipated to be given to the AU in the AR/CO Payment Period does not include:

.421 Cash which is conditioned on its use for nonneed items for the FBU, unrelated adult, or any other person.

.422 Cash designated by the unrelated adult to meet (1) his/her needs and expenses, including work-related expenses defined in Section 44-113, and/or (2) the needs and expenses of the unrelated adult's child(ren) or other unaided persons in the home the UAM is supporting.

.423 Cash which the CalWORKs mother and unrelated adult have specifically agreed constitutes the unrelated adult's share of the cost-of-living arrangement. For example, assume a UAM is required to make a financial contribution of \$182 to the FBU. (See Section 43-109.1 and .2.) If the UAM and CalWORKs mother agree that the UAM's share of the cost-of-living is \$200 and the UAM gives the mother his \$200 share, no part of this \$200 is available to meet the needs of the FBU.

.424 Any other amounts which the unrelated adult designates as not available to the FBU.

.43 When the unrelated adult's income is pooled with those of the FBU, the pooled income is treated as if cash were given to the FBU.

.44 The value of full items of need provided to the FBU is determined according to Section 44-115.3. For example, assume that a UAM and his child live with a CalWORKs mother and her two children. If the UAM pays the entire \$300 rent to the landlord, the value of the full item of need to the FBU is the lesser of (1) the in-kind income table amount for housing for three; or (2) 3/5 of \$300 (\$180). If the in-kind income table amount were \$163, the amount of in-kind income for housing to the FBU would be \$163.

(SAR)

.5 Child/spousal support which is reasonably anticipated to be paid during the SAR Payment Period to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

**44-113 NET INCOME (Continued) 44-113**

(AR/CO) Child/spousal support which is reasonably anticipated to be paid during the AR/CO Payment Period to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

.6 Refunds of Retirement Contributions

.61 Nonrecurring lump sum refunds of the employer's share of retirement contributions shall be treated as property (see Section 42-209.2).

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**HANDBOOK BEGINS HERE**

See Section 42-211.257 for treatment of the employee's share of retirement contributions.

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**HANDBOOK ENDS HERE**

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.62 Recurring interest earned on accumulated retirement contributions shall be treated as income in the month it is reasonably anticipated to be received. If the interest payment is nonrecurring, it shall be treated as property (see Section 42-209.2).

.7 Death Benefits

Net Income from death benefits is the amount remaining after deducting the actual expenses of the funeral, cremation, or burial of the insured. Such expenses must be verified by the recipient with acceptable evidence.

.8 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property and is recurring in nature is income. If that portion of the payment that is to be received is nonrecurring it shall be treated as property (see Section 42-209.2).

Net income is that income which remains after deducting the following expenses if the recipient shows the expenses were paid by the recipient while he was a recipient and were directly related to the receipt of the payment.

.81 Attorney's fees

.82 Litigation expenses

.83 Medical expenses

.84 Other necessary and required expenses.

<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10063, 10553, 10554, 10790, 10791, 11008, 11008.19, 11017, 11155.3, 11157, 11265.1, 11265.2, 11265.3, 11450, 11450.5, 11450.12, and 11451.5, 11453, Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

<b>44-115</b>	<b>EVALUATION OF INCOME IN-KIND</b>	<b>44-115</b>
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When a need item is earned or contributed in kind, the income value placed upon such earnings, contributions, etc., is the amount specified below.

.1 Free Board and Lodging Received During Temporary Absence from Home

.11 Absence One Month or Less

The value of free board and lodging reasonably anticipated to be received by a recipient during a temporary absence from his/her home of not more than one calendar month shall be exempt.

.12 Absence Exceeds One Month

(SAR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the SAR Payment Period, shall be considered income, but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (Welfare and Institutions Code Section 11009.1.)

(AR/CO) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the AR/CO Payment Period, shall be considered income, but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (Welfare and Institutions Code Section 11009.1.)

<b>44-115</b>	<b>EVALUATION OF INCOME IN-KIND (Continued)</b>	<b>44-115</b>
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.2 Nonneedy Relatives

.21 Evaluation of Income In Kind from Nonneedy Relatives Other Than Natural or Adoptive Parents

Income in kind will only be considered if the nonneedy relative chooses to make a voluntary contribution to the AU. The county shall determine if the nonneedy relative wishes to contribute income in kind to the support of the child(ren) in his/her care. If he/she does so, the amount of a contribution reasonably anticipated to be received shall be determined in accordance with Section 44-115.3, In-kind Income Values, and be considered net income to the AU.

Natural or adoptive parent, stepparents of CalWORKs children whose natural parent is in the home, or any other adult whose needs are met through CalWORKs, SSI/SSP, IHSS, or other need based programs shall not be considered to be nonneedy relatives for purposes of this section and no income in kind may be considered.

.3 In-Kind Income Values

.31 Provided that a lower value is not established in accordance with .32 below, the in-kind income amounts effective July 1, 2012 for housing, utilities (including telephone), food and clothing, as adjusted for any increases or decreases in the cost of living specified in .311, and published by the DSS, shall apply for those item(s) of need received in-kind by the AU. If a lower value is established in accordance with .32 below, such value shall apply for the appropriate item(s) of need received in-kind by the AU.

.311 Individual in-kind income amounts shall be adjusted by the same percentage increase or decrease that is applied to the Minimum Basic Standard of Adequate Care (MBSAC) levels. Such adjustments to the in-kind income amounts shall be effective at the same time as adjustments to the MBSAC levels become effective.

44-115 **EVALUATION OF INCOME IN-KIND** (Continued) 44-115

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(a) **INCOME IN-KIND AMOUNTS - REGION 1**

Needs Considered # in AU	Housing	Utilities	Food	Clothing
1	260	56	143	44
2	347	62	305	85
3	380	65	390	127
4	398	68	483	168
5	398	68	585	212
6	398	68	677	254
7	398	68	755	298
8	398	68	825	333
9	398	68	907	383
10	398	68	979	420

**INCOME IN-KIND AMOUNTS - REGION 2**

Needs Considered in AU	Housing	Utilities	Food	Clothing
1	249	56	143	44
2	330	62	305	85
3	361	65	390	127
4	380	68	483	168
5	380	68	585	212
6	380	68	677	254
7	380	68	755	298
8	380	68	825	333
9	380	68	907	383
10	380	68	979	420

(b) Repealed by Manual Letter No. EAS-99-08, effective 7/30/99.

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.32 If the applicant or recipient does not agree with the value arrived at in Section 44-115.31, he/she may submit evidence of the value of the in-kind income item which he/she receives or reasonably anticipates receiving. For housing and clothing, the in-kind income shall be the net market value (see Section 42-203.7) of the item reasonably anticipated to be received. For utilities and food, the in-kind income value shall be the cost to the person who will pay for the item.

**44-115      EVALUATION OF INCOME IN-KIND (Continued)      44-115**

If the applicant or recipient presents satisfactory evidence that the value of the item reasonably anticipated to be received in kind is other than the value specified in Section 44-115.31, such evidence shall be used by the county in determining the value of the item if it is to the recipient's financial advantage. Recipients who are having in-kind income deducted from their grants should be informed that this method of contesting the values established in Section 44-115.31 exists.

.33 If an applicant or recipient presents satisfactory evidence of the value of a need item shared with persons who are not members of the AU or whose needs are not considered in the AU, the in-kind value attributable to the AU shall be the lesser of:

.331 their pro rata share, for persons whose needs are considered in the AU, of the net market value or cost of the item, or

.332 the in-kind income table value established in accordance with Section 44-115.311 for the appropriate number of persons whose needs are considered in the AU.

.333 Example: If an AU of three in Region 1 whose needs are all considered shares free housing with another person, making a household of four, and the applicant or recipient presents satisfactory evidence that the net market value of the housing is \$120, the in-kind value of the housing to the AU would be \$90 (3/4 of \$120). If the net market value of the housing is \$520, in this example, then the AU's pro rata share of this amount would be \$390 -- however, if the in-kind income table value for housing for an AU of three in Region 1 was \$380\*, the \$380\* value would be used because the table values established in accordance with .311 represent the maximum in-kind income value that may be applied.

\* The amount \$380 is subject to change. Use the currently applicable amount established in accordance with 44-115.311.

NOTE: Authority cited: Sections 10553, 10554, 11450, 11452.018, and 11453, Welfare and Institutions Code. Reference: Sections 11265.8, 11253.5, 11265.2, 11450, 11450.015, 11450.4(c), 11450.5, 11452, 11452.018, 11453, and 11486, Welfare and Institutions Code; and 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.

<b>44-133</b>	<b>TREATMENT OF INCOME -- CALWORKS</b>	<b>44-133</b>
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- .1 All net income of persons included in the Assistance Unit is income to the Assistance Unit.
- .2 Income in Cases in Which the Assistance Unit Resides in the Same Household as an SSI/ SSP or Cash Assistance Program for Immigrants (CAPI) Recipient
  - .21 The aid payment and income of an SSI/ SSP or CAPI recipient shall not be included in the Assistance Unit's income and grant computation.
  - .22 Lump sum retroactive SSI/ SSP or CAPI payments received by a recipient are not countable income to the Assistance Unit.
  - .23 Payments for goods or services by an SSI/ SSP or CAPI recipient to a CalWORKs cash aid recipient are income to the Assistance Unit.
  - .24 Income derived from an interest in the community or joint property of an SSI/ SSP or CAPI recipient and a CalWORKs cash aid recipient is prorated between owners and the CalWORKs cash aid recipient's share is countable income to the Assistance Unit.
  - .25 Actual voluntary contributions made by an SSI/ SSP or CAPI recipient to a cash aid recipient are income to the Assistance Unit. This does not include pooled income to meet shared living expenses, or payments for living expenses made in lieu of other payments in a shared living arrangement. However, no contribution will be required of the SSI/ SSP or CAPI recipient.
  - .26 If a CalWORKs cash aid applicant is determined to be eligible for cash aid and is included in the assistance unit, income of the cash aid applicant (including income considered available from a stepparent under provisions of Section 44-133.511 or a senior parent under provisions of Section 89-201.5) that may have been used in computing an SSI/ SSP or CAPI grant for another person will be included in the CalWORKs grant computation. The county shall notify the Social Security Administration or the appropriate CAPI worker as to the effective date that the income is used in the CalWORKs grant computation so that such income may be deleted from the SSI/SSP or CAPI grant computation.
  - .27 The county shall notify the Social Security Administration of the effective date that a CalWORKs cash aid recipient and any of his/her income is deleted from the Assistance Unit because of receipt of SSI/SSP, if the recipient has income which was used in the CalWORKs grant computation. This is necessary so that the Social Security Administration may begin to consider the income. No retroactive adjustment of the CalWORKs grant shall be made because of receipt of SSI/SSP if the grant was correctly computed during the period the SSI/SSP application was pending.

<b>44-133</b>	<b>TREATMENT OF INCOME -- CALWORKS (Continued)</b>	<b>44-133</b>
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- .512 Natural or adoptive parents who are excluded by law.
- .513 Senior parents excluded from the minor parents' AU.
- .514 Fathers of unborn children in Pregnant Women Only cases.
- .515 Spouses of aided children in their parents' AU when the spouse does not have a child in the AU.
  
- .52 The needs of the following persons shall be considered in the family MAP (recipient cases) or MBSAC (applicant cases). The family MAP/MBSAC shall include:
  - .521 The needs of the following ineligible aliens who are related to the AU and who, but for their alien status, would be eligible for aid:
    - (a) An ineligible alien spouse of an AU member.
    - (b) An ineligible alien parent of a child in the AU.
    - (c) An ineligible alien parent of an ineligible alien child in common who is deprived of parental support and care.
    - (d) An ineligible alien child of an AU member.
    - (e) An ineligible alien child who is the sibling or half sibling to a child in the AU, and
  - .522 The needs of AU members other than those specified at Section 44-133.4, and
  - .523 The needs of the persons excluded from the AU, specified at Section 44-133.51, whose income is being considered, and
  - .524 The needs of any excluded children of the persons identified in Sections 44-133.51 and .521 whose income is being considered, or other dependents living in the home who could be claimed by the person for tax purposes, and
  - .525 The needs of any excluded spouse of the persons identified in Sections 44-133.51 and .521 whose income is being considered.
  
- .53 The income of excluded children not required to be in the AU is excluded unless the needs of that child are considered as specified in Section 44-133.521. (See student exemption disregard at Section 44-111.22 for earnings of a child.)



**HANDBOOK CONTINUES**

Applicant Eligibility Determination:

\$2000	Earned Income
<u>- 90</u>	\$90 Earned Income Disregard
\$ 1910	Net Nonexempt Earned Income
<u>\$+300</u>	Disability-Based Income (Not subject to \$225 Disregard at application)
\$2210	Total Net Nonexempt Income

\$1626 MBSAC for Five (Includes AU and Non-AU Family Members)

Family is ineligible for CalWORKs (Net Nonexempt Income exceeds the MBSAC for Five).

(SAR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the SAR Payment Period. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income

\$ 595 Total NNI is less than the \$1,424 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
- 225	\$225 Unused DBI Disregard
\$ 375	Subtotal
- 187	50% Earned Income Disregard
\$ 187	Net Nonexempt Earned Income
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 272	Total Net Nonexempt Income (rounded down)
\$ 272	Total NNI is less than \$800 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test

Grant Computation

\$ 800	Region 1, Nonexempt Family MAP for Four
- 272	Total Net Nonexempt Income
\$ 528	Potential Grant
\$ 542	MAP for AU of Two (includes mother and citizen child)
\$ 528	Aid Payment is the Lesser of the Potential Grant or MAP for the AU

(AR/CO) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Timed out mother of three children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the AR/CO Payment Period. Two of the children are her citizen children and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income
\$ 595	Total NNI is less than the \$1,424 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.

**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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Recipient Financial Eligibility Test

\$ 600		Monthly Earned Income of Mother
- 225		\$225 Unused DBI Disregard
<u>\$ 375</u>		Subtotal
- 187		50% Earned Income Disregard
\$ 187		Net Nonexempt Earned Income
<u>+ 85</u>		Unearned Income of Ineligible Non-Citizen Child
\$ 272		Total Net Nonexempt Income (rounded down)
\$ 272		Total NNI is less than \$800 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test

Grant Computation

\$ 800		Region 1, Nonexempt Family MAP for Four
- 272		Total Net Nonexempt Income
<u>\$ 528</u>		Potential Grant
\$ 542		MAP for AU of Two (includes two citizen children)
\$ 528		Aid Payment is the Lesser of the Potential Grant or MAP for the AU

(SAR) Example 3: Family with Ineligible Non-Citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the SAR Payment Period. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the SAR Payment Period. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income
	- 225	\$225 Unused DBI Disregard
	<u>\$ 750</u>	Subtotal
	- 375	50% Earned Income Disregard*
	\$ 375	Net Earned Income
	\$ 375	Total Family Net Nonexempt Income*

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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Step 2	\$1021	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	- 375	Total Family Net Nonexempt Income
	\$ 646	Potential Grant

Step 3	\$542	AU MAP for Two
	\$646	Potential Grant
	\$542	Aid Payment (lesser of AU MAP or potential grant)

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

**(AR/CO) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents**

Timed out mother receives aid for her two children. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the AR/CO Payment Period. Also living in the home are: 1) the ineligible non-citizen spouse of the unaided parent; 2) the unaided mother's ineligible non-citizen child in common with no deprivation; 3) the unaided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the AR/CO Payment Period. The family is nonexempt and lives in Region 1.

**Eligibility Grant Computation**

Step 1	\$ 975	Family's Monthly Earned Income
	- 225	\$225 Unused DBI Disregard
	\$ 750	Subtotal
	- 375	50% Earned Income Disregard*
	\$ 375	Net Earned Income
	\$ 375	Total Family Net Nonexempt Income*

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

Step 2	\$ 1021	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	- 375	Total Family Net Nonexempt Income
	\$ 646	Potential Grant

Step 3	\$ 542	AU MAP for Two
	\$ 646	Potential Grant
	\$ 542	Aid Payment (lesser of AU MAP or potential grant)

\*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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**HANDBOOK ENDS HERE**

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.55 When an excluded family member whose needs must be considered shares the same familial relationship with more than one AU and the members of the AUs live in the same home, the parents shall determine in which AU the needs of the non-AU family member shall be included.

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**HANDBOOK BEGINS HERE**

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Example:

A mother with one child (AU #1) has an ineligible alien child in common with the unmarried father who receives aid for his separate child (AU #2). The ineligible alien child has deprivation. Mother has earned income and the father who is the principal earner is unemployed and receives UIB unearned income. The parents shall decide in which AU to include the ineligible alien common child's needs.

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**HANDBOOK ENDS HERE**

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.6 Income of a Nonneedy Caretaker Relative Other than the Parent

.61 The amount by which a nonneedy relative, other than a parent with whom the child lives, is able and willing to meet the child's needs is income to the Assistance Unit.

<b>44-133</b>	<b>TREATMENT OF INCOME -- CALWORKS (Continued)</b>	<b>44-133</b>
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.7 Income in Cases Where a Noncitizen Has Been Sponsored for Entry into the United States

.71 When a noncitizen is sponsored by an individual as defined in Section 43-119.2 the income of his/her sponsor who is not receiving cash aid, SSI or other public cash assistance payments (such as General Assistance) and the income of the sponsor's spouse who lives with the sponsor and who is not receiving such public cash assistance payments shall be deemed to be the sponsored noncitizen's income. This income is determined as follows:

.711 Determine the total amount of unearned income of the sponsor and his/her spouse.

.712 Determine the total amount of income received by the sponsor and his/her spouse, such as wages or salary, or as net earnings from self-employment. See Section 44-113.212.

.713 If the sponsor is the sponsor of more than one noncitizen, divide the total gross income by the total number of sponsored noncitizens who are applying for or receiving cash aid. This amount shall be deemed to be the income of each applicant or recipient who is a sponsored noncitizen.

.714 When the sponsored noncitizen is not included in the AU (see Section 82-832), the portion of his/her income, which has been deemed from the sponsor, shall not be used in determining his/her contribution to the AU unless such income is actually available to the AU.

.715 When the sponsored noncitizen is a member of the AU, this deemed income from the sponsor shall be treated as unearned income in accordance with Sections 44-113 and 44-315.4.

.716 If the sponsor is either an excluded parent or stepparent, his/her income shall be treated in accordance with the excluded parent or stepparent deeming computation. See Sections 44-133.3 and 44-133.63.

.72 Repealed by CDSS Manual Letter No. EAS-01-09, effective 10/10/01.

.8 Income and Needs of Timed-Out Adults.

Income and needs of adults living in the home who have been removed from the AU due to exceeding the 48-month CalWORKs time limits shall be treated as follows:

.81 Parents otherwise required to be in the AU. Net non-exempt income of timed-out parents who are otherwise required to be in the AU and living in the home shall be considered available to the AU. The needs of these parents shall not be considered when calculating the grant for the aided AU members.

<b>44-133</b>	<b>TREATMENT OF INCOME -- CALWORKS (Continued)</b>	<b>44-133</b>
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- .82 Non-parent caretaker relatives. Timed-out non-parent caretaker relatives living in the home are no longer eligible to be optional AU members, and their income and needs shall not be considered when calculating the grant for the aided AU members.
- .83 Stepparents not required to be in the AU. Timed-out stepparents not required to be in the AU and living in the home are no longer eligible to be optional AU members, and their net non-exempt income and needs shall be treated in accordance with the provisions of MPP Sections 44-133.51 and 44-133.511.
- .84 See MPP Sections 42-301 and 82.833.1 for regulations regarding timed-out adults. For timed-out adults whose income must be considered in the AU's grant computation, net nonexempt income shall be determined as specified at MPP Section 44-113.2.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code. Reference: Sections 10063, 10553, 10554, 10604, 11008.14, 11017, 11254, 11320.15, 11450, 11450.025, 11451.5, 11452, 11453, 11454, 11454.2, 11486, 18937, 18940, and 11371, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993; 8 U.S.C. 1631; and 42 U.S.C. 602(a)(39).

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**STANDARDS OF ASSISTANCE  
AU COMPOSITION AND NEED**

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AU COMPOSITION AND NEED**

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44-206.22	Lump Sum	Retained
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44-206.24	State-Only AFDC - UIB	Repealed
44-206.25	Quality Control Review	Repealed

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

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

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

<b>44-203</b>	<b>PERSONS WHO MAY BE INCLUDED IN THE FBU - DEFINITIONS</b>	<b>44-203</b>
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Renumbered by Manual Letter No. EAS-91-14, effective 10/1/91.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.90(c)(2)(i) and Sections 10553, 10554, and 10604, Welfare and Institutions Code.

<b>44-205</b>	<b>ESTABLISHING THE AU</b>	<b>44-205</b>
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- .1 Aid Based on Pregnancy
  - .11 When the unaided father of the unborn is living in the home with a pregnant woman who is in an AU of one without an eligible child, the father is an excluded parent and his income is treated in accordance with Section 44-133.3.
  - .12 The application for aid based on pregnancy and/or the application for the pregnancy special need is considered an application for the "family". In addition to the pregnant woman, the family includes the following:
    - .121 The unborn, when born and living with the mother.
      - (a) The otherwise eligible newborn shall be added to the assistance unit effective the first of the month following the month in which the birth was reported if it results in an increase in cash aid and all conditions of eligibility have been met and verification has been provided.

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In most cases, the effective date of including the needs of the newborn will be the first of the month following the month in which the birth was reported.

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- .122 The father of the unborn when he is in the home at the time application is made and through the month of birth. See Section 82-832.13.
  - (SAR) (a) The unaided father shall be added to the AU effective the first of the month following the month in which the birth was reported if adding him results in an increase to cash aid and all conditions of eligibility have been met and verification has been provided. If adding him results in a decrease, the father shall be added to the AU in the following SAR Payment Period, if all conditions of eligibility have been met and verification provided, pursuant to Section 44-318.16(SAR).

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 42 USC 602(a)(19)(G)(i)(I); 54 FR 42172 (October 13, 1989); 45 CFR 206.10(a)(1)(vii) and 250.34(c)(3); Federal Action Transmittal SSA-AT-86-01, Sections 10553, 10554, 10604, 11265.1, 11265.2, 11265.3, 11327.5(c)(3), 11450(b) and 11450.5, Welfare and Institutions Code; and Simon v. McMahan, Stipulation for Dismissal and Order, April 21, 1989, Contra Costa Superior Court, No. 272468.

<b>44-206</b>	<b>PERSONS WHO MUST BE EXCLUDED FROM THE ASSISTANCE UNIT (AU)</b>	<b>44-206</b>
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- .1 The following persons shall be excluded from the assistance unit:
- (a) A person who is being sanctioned for any of the following reasons:
    - (1) A parent, pregnant woman, or needy caretaker relative who refuses to apply for or accept unconditionally available income. (Section 44-103.22).
  - (b) Any member of a federally eligible AU, other than the caretaker relative who is the natural or adoptive parent, who is participating in a strike, as defined in Section 41-703.22, on the last day of the month, shall be ineligible in that month. The person remains ineligible for any subsequent month(s) in which the county can reasonably estimate that such person's participation in the strike will continue through the last day of the month. If aid to such person is discontinued, reduced, or denied because the county estimated that he or she would be participating in a strike on the last day of the month and the applicant or recipient later reports that such person's participation in the strike ceased before the last day of the month, the county shall rescind the discontinuance, reduction, or denial and issue the correct grant.
- .2 The entire family is ineligible for aid payments when:
- .21 A federally eligible caretaker relative who is the natural or adoptive parent living in the home of the aided child is participating in a strike as defined in Section 41-703.22, on the last day of the month. The AU remains ineligible for any subsequent month(s) in which the county can reasonably estimate that participation in the strike will continue through the last day of the month. If aid is discontinued, reduced, or denied because the county estimated that the caretaker relative parent would be participating in a strike through the last day of the month and the applicant or recipient later reports that participating in the strike ceased before the last day of the month, the county shall rescind the discontinuance, reduction, or denial and issue the correct grant.
  - .211 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
  - .212 An applicant or recipient will be considered to be participating in a strike if he or she has voluntarily stopped or slowed down work or otherwise interrupted the business activities of the employer as part of a concerted activity described in .211 above. When the applicant or recipient has been denied Unemployment Insurance Benefits because he or she has voluntarily left work due to a trade dispute, that person will be considered to be participating in a strike, except as specified in .213 below.

<b>44-206</b>	<b>PERSONS WHO MUST BE EXCLUDED FROM THE ASSISTANCE UNIT (AU) (Continued)</b>	<b>44-206</b>
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- .213 Stoppage or slowdown of work by employees in good faith shall not be considered a strike or participation in a strike when a lockout has occurred or when the action was necessitated by an imminent health and safety hazard or abnormally dangerous working conditions at the place of employment as determined by Division of Occupational Safety and Health.

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- .214 The entire family that is ineligible for aid under Section 44-206.21, may be eligible for benefits under the State-only AFDC-U Programs (see Section 41-703).

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- .22 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .23 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .24 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .25 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 42 USC 602(a)(19)(G)(i)(I) and (II); Section 202(a), Public Law 100-485; 45 CFR 244.0(c) and 250.34(c)(1) and (2); and Sections 10553, 10554, 10604, 11157 (Ch. 270, Stats. 1997), and 11327.5(c)(1), Welfare and Institutions Code.

**44-207 INCOME ELIGIBILITY 44-207**

- .1 The following financial eligibility test shall be applied to applicant cases.
  - .11 An applicant family shall not be eligible for cash aid unless the family's income, exclusive of the first ninety dollars (\$90) of earned income for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC) for the family.
    - .111 An individual who applies for CalWORKs after leaving aid due to AB 98 subsidized employment income as described in Sections 42-716.811(a) and 42-716.813(a) shall be considered a current recipient for the purpose of determining CalWORKs financial eligibility.
      - (a) During the three calendar month period after the subsidized employment ends, the county shall apply the recipient earned income disregards as described in Section 44-111.23.
      - (b) If an individual applies for CalWORKs after this three-month period has passed, he or she shall be considered an applicant for the purpose of determining CalWORKs financial eligibility as described in Section 44-207.11.

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(SAR) Example: Applicant applies for assistance for herself and her one dependent child. The mother (applicant) works part-time for \$600 per month. The family is nonexempt and lives in Region 2.

Applicant Eligibility Determination

\$ 600	Earned Income
- 90	\$90 Earned Income Disregard
\$ 510	Total Net Nonexempt Income
\$ 920	MBSAC for two

Family passes the MBSAC test (MBSAC is greater than Net Nonexempt Income)

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

(AR/CO) Example: Timed out applicant applies for assistance for her two dependent children. The mother (applicant) works part-time for \$600 per month. The family is nonexempt and lives in Region 2.

Applicant Eligibility Determination

\$ 600	Earned Income
- 90	\$90 Earned Income Disregard
\$ 510	Total Net Nonexempt Income
\$ 920	MBSAC for two

Family passes the MBSAC test (MBSAC is greater than Net Nonexempt Income)

See Section 44-207.2 for second step in the financial eligibility test for applicants.

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- .112 The MBSAC is the amount of money which is necessary to provide a family with the following:
- a. Housing.
  - b. Clothing.
  - c. Food.
  - d. Utilities.
  - e. Items for household operation, education and incidentals, recreation, personal needs, and insurance.
  - f. Essential medical, dental, or other remedial care not otherwise provided at public expense.

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.113 The MBSAC for the family applies in determining financial eligibility for applicants, the value of in-kind income for the AU, the amount of income from a sponsor available to a sponsored non-citizen, the period of ineligibility for non-qualifying withdrawals from restricted accounts and transfer of assets. The MBSAC amounts are set forth in Welfare and Institutions Code Section 11452.

- (a) See Section 44-315.311 for the MBSAC amounts as of July 1, 2012. (The MBSAC figures are subject to a cost-of-living adjustment on July 1 of every year. These updates to the MBSAC figures are published by CDSS through an annual All County Letter.)

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.12 When estimating income for eligibility, all relevant information available to the county and the recipient shall be taken into consideration. See Section 44-113.21 for computations.

.2 The following financial eligibility test shall be applied to both applicant and recipient cases.

.21 The AU is financially eligible as follows:

(SAR) .211 An AU is financially eligible for the SAR Payment Period if the family's combined reasonably anticipated monthly net non-exempt income for the SAR Payment Period, after the income and needs of the family are considered (pursuant to Sections 44-133 and 44-315.3), is less than the MAP for the AU.

(AR/CO) .211 An AU is financially eligible for the AR/CO Payment Period if the family's combined reasonably anticipated monthly net non-exempt income for the AR/CO Payment Period, after the income and needs of the family are considered (pursuant to Sections 44-133 and 44-315.3) is less than the MAP for the AU.

(SAR) .212 A recipient AU will remain financially eligible during the SAR Payment Period if the family's combined monthly net non-exempt income does not exceed the family's MAP level for more than one month of the SAR Payment Period in accordance with Section 44-316.324.

(AR/CO) .212 A recipient AU will remain financially eligible during the AR/CO Payment Period if the family's combined monthly net non-exempt income does not exceed the family's MAP level for more than one month of the AR/CO Payment Period in accordance with Section 44-316.324.

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(SAR) Example:

Recipient receives aid for herself and her four children. Also living in the home is the recipient's spouse (unaided stepparent). Stepparent earns \$1612 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU is exempt and resides in Region 2.

Eligibility/Grant Computation:

\$ 300	Disability-Based Unearned Income
<u>- 225</u>	\$225 DBI Disregard
\$ 75	Net Nonexempt Disability-Based Unearned Income
\$1612	Gross Family Earned Income
<u>- 806</u>	50% Earned Income Disregard
\$ 806	Net Nonexempt Income
<u>+ 75</u>	Disability-Based Unearned Income
\$ 881	Total Net Nonexempt Income
\$1087	Exempt MAP for Six
<u>- 881</u>	Total Net Nonexempt Income
\$ 206	Potential Grant
\$ 969	Exempt MAP for AU of Five
\$ 206	Potential Grant
\$ 206	Aid Payment (Lower of Potential Grant and MAP for AU)

(AR/CO) Example:

Timed out recipient mother receives aid for her five children. Also living in the home is the recipient's spouse (unaided stepparent). Stepparent earns \$1612 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU is exempt and resides in Region 2.

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Eligibility/Grant Computation:

\$ 300	Disability-Based Unearned Income
<u>- 225</u>	\$225 DBI Disregard
\$ 75	Net Nonexempt Disability-Based Unearned Income
\$1612	Gross Family Earned Income
<u>- 806</u>	50% Earned Income Disregard
\$ 806	Net Nonexempt Earnings
<u>+ 75</u>	Disability-Based Unearned Income
\$ 881	Total Net Nonexempt Income
\$1087	Exempt MAP for Six
<u>- 881</u>	Total Net Nonexempt Income
\$ 206	Potential Grant
\$ 969	Exempt MAP for AU of Five
\$ 206	Potential Grant
\$ 206	Aid Payment (Lower of Potential Grant and MAP for AU)

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.22 Net Nonexempt Income

.221 Net Nonexempt Income is gross income for the AU and other family members (if applicable), minus all applicable income exemptions (listed in Section 44-111) and income disregards (listed in Section 44-113).

- (a) Gross income includes: 1) earnings by part-time student applicants; and 2) current child support payments collected by the county, but does not include child support payments collected by the county for a child subject to MFG (see Section 44-314.6).

(SAR).23 Once financial eligibility is established for the SAR Payment Period, financial eligibility continues for the AU for the entire SAR Payment Period unless the family's income exceeds the IRT (see Section 44-316.324) and the family's reasonably anticipated, net non-exempt monthly income continues to exceed the MAP for the AU for more than one consecutive month.

<b>44-207</b>	<b>INCOME ELIGIBILITY (Continued)</b>	<b>44-207</b>
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(AR/CO) Once financial eligibility is established for the AR/CO Payment Period, financial eligibility continues for the AU for the entire AR/CO Payment Period unless the family's income exceeds the IRT (see Section 44-316.324) and the family's reasonably anticipated, net non-exempt monthly income continues to exceed the MAP for the AU for more than one consecutive month.

(SAR) .24 If aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the SAR Payment Period and the AU reports that the monthly reasonably anticipated income will no longer exceed the MAP amount for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.

(AR/CO) If aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the AR/CO Payment Period and the AU reports that the monthly reasonably anticipated income will no longer exceed the MAP amount for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.

.25 Adding Persons to the Assistance Unit

When adding persons to an existing AU, the AU is subject to the recipient financial eligibility test.

NOTE: Authority cited: Sections 10553, 10554, 11450, 11450.025, and 11453, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11017, 11157, 11255, 11265.1, 11265.2, 11265.3, 11280, 11322.63(b), 11450.025, 11450.5, 11450.12, 11450.13, and 11451.5, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(vii); 45 CFR 233.20(a)(2)(i) and (xiii); (a)(3)(ii)(F), (a)(3)(vi)(B), (a)(3)(xiv), and (a)(3)(xiv)(B); and Darces v. Woods (1984) 35 Cal. 3d 871; Petrin v. Carlson Court Order, Case No. 638381, May 12, 1993; Rutan v. McMahan, Case No. 612542-L (Alameda Superior Court) February 19, 1988; Letter from Department of Health and Human Services (DHSS), December 5, 1990; Johnson v. Carlson Stipulated Judgment; Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; 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; Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. ACF-AT-95-10 dated September 19, 1995; 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.

**44-211 SPECIAL NEEDS IN CALWORKS 44-211**

.1 General

(SAR).11 A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs. See Section 44-316.312(d) (SAR).

(AR/CO) A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs. See Section 44-316.312(d) (AR/CO).

.12 Repealed by Manual Letter 83-27, 5/5/83.

.13 Before a payment is made which includes a special need allowance, evidence is required to establish:

.131 That the conditions set forth below under which the need may be allowed are met,

.132 the total cost of the need and the payment plan,

.133 the proportion of the cost which should be borne by the recipient if the need is shared by others in the household,

.134 the period over which the need will continue.

<b>44-211</b>	<b>SPECIAL NEEDS IN CALWORKS (Continued)</b>	<b>44-211</b>
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.2 Recurring Special Needs

(SAR) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.

(SAR) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified every six months on the SAR 7 or the SAWS 2 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need must be resubstantiated at least annually upon redetermination of eligibility and may be required more often considering the type of need and potential for change.

(SAR) The total allowance which is available for each AU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the AU.

(AR/CO) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.

(AR/CO) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified at redetermination on the SAWS 2 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need may be resubstantiated more often considering the type of need and potential for change.

(AR/CO) The total allowance which is available for each AU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the AU.

<b>44-211</b>	<b>SPECIAL NEEDS IN CALWORKS (Continued)</b>	<b>44-211</b>
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.63 Eligible Applicants

(SAR) .631 A pregnant woman with no eligible children who has applied for CalWORKs, is in her third trimester, and is eligible to receive CalWORKs shall be entitled to receive the pregnancy special need payment from the date of application through the end of the semi-annual period in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Sections 44-316.312(d)(SAR) and 44-318.15(SAR)).

(SAR) .632 A pregnant teen with no other eligible children in an AU of one who is under the age of 19, has not obtained a high school diploma or its equivalent and is otherwise eligible to receive CalWORKs, shall receive the pregnancy special need payment from the date of application through the end of the semi-annual period in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.312(d)(SAR) and 44-318.15 (SAR)).

(SAR) .633 A pregnant woman who has applied for CalWORKs as part of an AU with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the end of the semi-annual period in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.312(d)(SAR) and 44-318.15 (SAR)).

(AR/CO) A pregnant mother who has applied for CalWORKs as part of an AU with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the end of the AR/CO Payment Period in which the child is expected to be born once required verification has been provided. When the birth of the child is reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.312(d)(AR/CO) and 44-318.15 (AR/CO)).

<b>44-211</b>	<b>SPECIAL NEEDS IN CALWORKS (Continued)</b>	<b>44-211</b>
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.64 Eligible Recipients

(SAR) .641 The pregnancy special need payment for a pregnant woman who is receiving CalWORKs in an AU with eligible persons shall be granted from the month of the request continuing through the end of the semi-annual period in which the child is expected to be born or the end of the month prior to the newborn being added to the AU, pursuant to Section 44-318.15(SAR), once required verification has been provided.

(AR/CO) The pregnancy special need payment for a pregnant teen mother who is receiving CalWORKs in an AU with eligible persons shall be granted from the month of the request continuing through the end of the AR/CO Payment Period in which the child is expected to be born or the end of the month prior to the newborn being added to the AU, pursuant to Section 44-318.15(AR/CO), once required verification has been provided.

.642 The recipient is only required to verify pregnancy initially (when the pregnancy is reported) and when the pregnancy continues beyond the originally estimated date of birth.

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.65 A pregnancy special need payment is \$47 per month.

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**HANDBOOK ENDS HERE**

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, and 11450(f) and (g), Welfare and Institutions Code. Reference: Sections 11056, 11155.2(a), 11265.1, 11265.2, 11265.3, 11266(a)(2), 11271, 11272, 11273, and 11273(b), 11450(a)(1), (b), (c), and (f), 11450(f)(2)(A)(i), 11450(f)(2)(B), 11450(f)(2)(C), 11450(f)(2)(E)(i), (ii), (iii), (v), and (vi), 11450.5, 11452.018(a), and 11453.2, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(ii), 45 CFR 206.10(a)(8), 45 CFR 233.10(a)(1)(iv), 45 CFR 233.20(a)(2)(v)(A), 45 CFR 234.11, 45 CFR 234.60; and 42 U.S.C.A., Section 606(b).

**44-212 MINIMUM BASIC STANDARD OF ADEQUATE CARE 44-212**

- .1 Definition -- The Minimum Basic Standard of Adequate Care is set forth in W&I Code Section 11452, as the amount which is necessary to provide an Assistance Unit with the following:
  - .11 Housing
  - .12 Clothing
  - .13 Food
  - .14 Utilities
  - .15 Items for household operation, education and incidentals, recreation, personal needs, and insurance.
  - .16 Essential medical, dental, or other remedial care not otherwise provided at public expense
  - .17 Has been deleted per Manual Letter No. 77-045.
- .2 The Minimum Basic Standard of Adequate Care set forth in Welfare and Institutions Code Section 11452 and previously distributed to the counties for each size AU (see Chapter 82-800 for composition of the AU) is in Section 44-207.212.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.20(a)(1)(i) and Sections 10553, 10554, and 10604, Welfare and Institutions Code.

<b>44-213</b>	<b>MEDICAL NEEDS - GENERAL</b>	<b>44-213</b>
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Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

<b>44-215</b>	<b>PERSONS WHO DO NOT MEET REQUIREMENTS FOR INCLUSION IN THE FAMILY BUDGET UNIT</b>	<b>44-215</b>
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Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

<b>44-217</b>	<b>SUBSTANDARD HOUSING</b>	<b>44-217</b>
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Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

<b>44-223</b>	<b>A MOTHER IN A MATERNITY HOME</b>	<b>44-223</b>
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Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

<b>44-267</b>	<b>SPECIAL NEED PAYMENT FOR CHILD'S RETURN HOME FROM FOSTER CARE</b>	<b>44-267</b>
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Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.