

SHD Paraphrased Regulations - Adult Programs

820 Interim Assistance

820-1

Interim assistance is defined as assistance from state or county funds furnished to meet basic needs during the period for which such individual was eligible for SSI/SSP benefits, beginning with the month of application and ending with the receipt of the initial payment. (§46-337.24)

820-2

Federal regulations define interim assistance as the assistance the state gives a GA recipient (including payments to providers of goods and services on behalf of the recipient) to meet basic needs, starting with the month there is an application for SSI and eligibility for those benefits, and ending with and including the month SSI benefits begin. Interim assistance does not include assistance the state gives to or for any other person, nor does it include assistance payments financed wholly or partly with federal funds. (20 Code of Federal Regulations (CFR), §416.1902) This CFR section is based on federal law. The Federal Government has interpreted federal law to preclude the counties from collecting funds from the GA recipient which exceed the prorated SSI payment (when eligibility is initially established after the first of the month) in that same month. (42 United States Code §1383(g)(3))

820-3

Upon receipt of an initial SSI/SSP payment, the county shall deduct the amount of the interim assistance and send the remainder to the recipient or his/her representative payee as quickly as possible but in any event no later than ten working days from receipt of the initial payment. If the county has not forwarded the remittance to the recipient or the representative/payee by the tenth working day from the date of receipt, the county shall send the entire initial payment. When the county has forwarded the remittance within ten working days, mail delays or calculation errors shall not entitle the recipient to the entire initial payment. (§46-337.44)

820-3A ADDED 12/2007

Public Law 109-171, The Deficit Reduction Act of 2005, was enacted by the federal government on February 1, 2006. As a result of this new public law, Interim Assistance Reimbursement (IAR) payments are now more likely to be issued under Social Security Administration (SSA)'s payment pending procedure. Under this payment procedure, the retroactive SSI/SSP payment is not forwarded to the IA agency for disbursement. Rather, it remains pending and SSA sends an IAR accounting form notice to the IA agency advising them of the IAR case and requesting the IA agency to return the form indicating the amount of IA to be reimbursed. Upon receipt of the completed IAR accounting form from the IA agency, SSA will send the IA agency the total requested IA amount and will forward the balance to the client in installments. (ACIN I-62-07, October 25, 2007)

820-4

The county is required to send the recipient or his/her representative payee a Notice of Action showing the initial payment received by the county, the amount deducted as reimbursement for interim assistance, and the amount being sent. The notice shall also include the right of the recipient to request a state hearing. (§46-337.442)

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820-5

The period for which the county may reimburse itself extends from the first of the month in which the SSI/SSP application is made if the applicant was eligible in that month, through and including the month in which SSI/SSP payments begin, providing an individual authorization was signed before the initial payment was issued. (Handbook §46-337.52)

820-6

State hearings involving interim assistance shall follow the procedures in §22-000 et seq. State hearings shall be conducted by CDSS only when the issue is the apportionment of the initial payment received by the county, or when it is alleged the county has failed to comply with the requirements of §46-337.44. (§46-337.6)

820-7 ADDED 12/2007

Public Law 109-171, The Deficit Reduction Act of 2005, was enacted by the federal government on February 1, 2006. One of this Act's provisions addresses the mechanism by which certain initial SSI/SSP benefits are paid directly from the Social Security Administration (SSA) to Interim Assistance Reimbursement (IAR) clients in installments, rather than in lump sums. Prior to this Act, any past-due monthly benefits that exceeded 12 times the maximum monthly SSI plus State Supplementary Program (SSP) payment amount owed to an individual were to be paid in 3 installment payments, six months apart. This Act changed the law so that any past-due monthly benefits that exceeded three times, instead of 12 times, the maximum monthly SSI plus SSP payment must be paid in these same installment increments.

Consistent with the new procedures, the California Department of Social Services (CDSS) has developed the new form SSP 18: Notice of Action and Right to Request a State Hearing on Interim Assistance for Payment Pending Cases. This form provides information regarding procedures for clients who wish to appeal their initial SSI/SSP benefit amounts and/or the amounts SSA sends to the county IA agencies from their initial SSI/SSP benefit payments.

COUNTY IA AGENCY RESPONSIBILITIES

When SSA elects to use the payment pending procedure, IA agencies are to use the new IAR form SSP 18 (12/06).

The completed SSP 18 notice must be mailed to the client within 10 working days from the date the IA agency receives the IAR payment.

When SSA elects not to use the payment pending procedure, IA agencies are to use the existing form SSP 17 (4/99), Notice of Action and Right to Request a State Hearing on Interim Assistance.

(ACIN I-62-07, October 25, 2007)

825-1

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State law provides that the CDSS shall establish and supervise a county-, or county consortia - administered program, entitled the Cash Assistance Program for Immigrants (CAPI). This program shall begin October 1, 1998, and is to provide checks to immigrants who were discontinued from SSI/SSP effective September 30, 1998, as a result of their immigrant status. These initial checks shall be \$10 less than the last SSI/SSP check.

Effective November 1, 1998, counties must begin to accept applications and establish the beginning date of aid. Counties must then determine eligibility and either issue CAPI payments, or authorize the CDSS to issue such payments, by December 1, 1998. (All-County Letter (ACL) No. 98-82, pp. 1-3, October 16, 1998)

825-1A ADDED

7/15The effective date of CAPI benefit payments is the first of the month following the later of the date the application is filed or the date the individual would otherwise become eligible for benefits.

(§49-015.41)

825-1B ADDED

7/15Counties or consortia of counties must administer the CAPI program in accord with federal and state laws that govern the SSI/SSP program as directed by the CDSS in the MPP or other departmental instructions and in accord with interpretation of applicable federal laws and regulations and their amendments contained in policy guidelines or instructions issued by the Social Security Administration, including the Program Operations Manual System (POMS).

(§§49-013.1 and .11)

825-2 ADDED

7/15To be eligible for CAPI, all persons seeking a CAPI benefit must, as part of the CAPI application process, provide all documentation and information requested by the county welfare department.

(§§49-015.1 and .13)

825-3

There are three categories of immigrants who entered the United States on or before August 21, 1996 who are potentially eligible for CAPI benefits. They are:

- (1) Non-citizens whose SSI/SSP benefits were stopped effective September 30, 1998 solely due to their immigrant status.
- (2) Non-citizens who do not meet the definition of "Qualified Alien". These individuals must provide evidence of their Permanent Residence Under Color of Law (PRUCOL) status. Receipt of SSI/SSP prior to August 22, 1996 generally establishes PRUCOL status. These individuals must also establish that they are aged, blind or disabled.

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- (3) Non-citizens lawfully admitted for permanent residence, or who otherwise meet the definition of Qualified Alien, and who are age 65 or older.

(All-County Letter (ACL) No. 98-82, p. 4, October 1, 1998)

825-3A REVISED 4/04

Two different sets of specific eligibility criteria exist for individuals who legally entered the United States on or after August 22, 1996. One set exists for basic CAPI and one for extended CAPI.

To be eligible for basic CAPI the immigrant may be potentially eligible for the CAPI program, if he/she is a sponsored individual and who is able to provide verification that:

- (1) The sponsor has died.
- (2) The sponsor is disabled, as defined in W&IC §11320.3(b)(3)(A).
- (3) The sponsor or sponsor's spouse has abused the individual. ("Abuse" is determined in the same manner as defined in W&IC §§11495.1 and implemented by §42-701.2(d)(3)).

(All-County Letter (ACL) 98-82, p.5, October 16, 1998; §49-020.31, effective July 1, 1999; amended effective January 26, 2000 and amended again effective October 16, 2003)

825-3B

In order to be eligible for CAPI as an aged individual, a person must be 65 years of age or older. The applicant must submit evidence of date of birth by submitting a public record of birth, or a religious record of birth or baptism recorded before age 5. If those records are not available, other evidence may be used to establish the applicant's birth date. If the applicant alleges to be at least age 68, any document submitted that is at least three years old will be sufficient. (§49-025.1, as revised effective January 26, 2000)

825-3C

In order to be eligible for CAPI as a blind individual, a person must meet the requirements set forth in 20 Code of Federal Regulations (CFR) §416.981 and following, which govern eligibility for the Supplemental Security Income (SSI) program. (§49-025.2)

To be eligible for CAPI as a disabled individual, a person must meet the requirements set forth in 20 CFR §416.901 and following, which govern SSI eligibility (§49-025.3) Any person engaging in "substantial gainful activity" at the time of applying for CAPI will not be considered disabled. (§49-025.33)

The CDSS Disability and Adult Programs Division is responsible for making all blindness and disability determinations for CAPI. (§§49-025.22 and .34) A current determination of disability established for Title II Social Security Benefits, for SSI or for Medi-Cal establishes blindness or disability for CAPI (§§49-025.221 and .341)

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825-3D REVISED 9/08

To be eligible for extended CAPI, a non-citizen who meets the definition of a Qualified Alien or Permanently Residing Under Color of Law (as defined in §§49-005(q) and (p)) or who is a victim of human trafficking, domestic violence or other serious crimes as specified in MPP Section 49-020.1, must have entered the United States on or after August 22, 1996 and be ineligible for basic CAPI under any of the conditions described in §49-020.31. (§49-020.32 revised effective July 1, 2008))

For those CAPI persons who are not exempt from deeming provisions, the period for deeming of a sponsor's income and resources shall be the later of ten years (previously five years) from the date of the sponsor's execution of the affidavit of support or the immigrant's arrival in the United States, whichever is later. (W&IC §18940(b), effective July 22, 1999, revised effective July 30, 2001)

825-3E ADDED 3/08

"PRUCOL" means persons who are Permanently Residing Under Color of Law and refers to non-citizens residing in the United States with the knowledge and permission of the Immigration and Naturalization Service (INS), and the INS does not contemplate enforcing their departure. For CAPI purposes, PRUCOL refers to the specific non-citizen categories listed in 20 CFR 416.1618 unless the category is also listed in the definition of Qualified Alien listed below. The PRUCOL categories for CAPI purposes are:

- (A) A non-citizen subject to an Order of Supervision.
- (B) A non-citizen on whose behalf an immediate relative petition (INS Form 1-130) has been approved and who is entitled to voluntary departure and whose departure the INS does not contemplate enforcing.
- (C) A non-citizen who has properly filed an application for an adjustment to lawful permanent resident status under Section 245 of the INA that INS has accepted as "properly filed" and whose departure INS does not contemplate enforcing.
- (D) A non-citizen granted a stay of deportation by a court order, statute, or regulation or by individual determination by INS under Section 106 of the INA and whose departure INS does not contemplate enforcing.
- (E) A non-citizen residing in the United States under an indefinite voluntary departure.
- (F) A non-citizen granted voluntary departure under Section 242(b) of the INA or 8 CFR 242.5 whose departure INS does not contemplate enforcing.
- (G) A non-citizen in deferred action status.

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- (H) A non-citizen who entered and has continuously resided in the United States since before January 1, 1972 or any date established by Section 249 of the INA.
- (I) A non-citizen granted a suspension of deportation pursuant to Section 244 of the INA whose departure INS does not contemplate enforcing.
- (J) A non-citizen granted an indefinite stay of deportation.
- (K) A non-citizen granted lawful temporary resident status under Section 245A of the INA
- (L) A non-citizen not in one of the above categories, who can show that: (1) INS knows he/she is in the United States; and (2) INS does not intend to deport him/her, either because of the person's status category or individual circumstances

(§49-001(p)(3))

825-3F ADDED 3/08

"Qualified Alien" means non-citizens who meet the definition of Qualified Alien as described in Section 431 of Public Law 104-193, as amended. Falling within that definition of Qualified Alien is any non-citizen who is:

- (A) Lawfully Admitted for Permanent Residence (LAPR).
- (B) Granted Cuban/Haitian entrant status. (Section 501(e) of the Refugee Education Assistance Act of 1980).
- (C) A refugee who entered the United States under Section 207 of the INA.
- (D) Granted status as an asylee under Section 208 of the INA.
- (E) A non-citizen whose deportation is being withheld under Section 243(h), or whose removal is being withheld under Section 241(b)(3) of the MA.
- (F) A non-citizen paroled into the United States for a period of at least one year under Section 212(d)(5) of the INA.
- (G) A conditional entrant admitted to the United States under Section 203(a)(7) of the MA as in effect before April 1, 1980.
- (H) A battered non-citizen, child of a battered spouse, or parent of a battered child (as defined in MPP Section 49-005(b)(1) above) with a petition pending under Section 204(a)(l)(A) or (B) or 244(a)(3) of the INA.

(§49-001(q)(1))

825-3G

State regulations deal with a CAPI individual's entry into the United States as follows:

"For purposes of determining eligibility for CAPI under the provisions of Welfare and Institutions Code Sections 18938 and 18940, 'entered the United States' or 'entry date' means the effective date of the non-citizen's current immigration status as determined by the Immigration and Naturalization Service, except in either of the following situations:

- ".41 The non-citizen is a current CAPI recipient whose immigration status was adjusted after he or she began receiving CAPI benefits. In the situation, the same entry date that was used to determine his or her initial CAPI eligibility will continue to be used for redetermination of eligibility.

- ".42 The non-citizen, as of August 21, 1996, had an immigration status that met the definition of "Qualified Alien" [as defined in MPP Section 49-002(q)(1)], and has maintained continuous residence in the United States since at least August 21, 1996. In this situation the effective date of the Qualified Alien status held by the non-citizen on August 21, 1996 will be deemed to be his or her 'entry date' for purposes of determining CAPI eligibility even if the non-citizen later adjusts his or her immigration status."

(§49-020.4, effective January 23, 2003)

825-3H REVISED 3/06

In *Megrabian v. Saenz*, the CDSS was sued because it interpreted the phrase "entered the United States" in Welfare and Institutions Code (W&IC) 18938 and 18940 to mean the date an immigrant attained his or her current immigration status rather than "physical entry." The California Court of Appeal, First Appellate District, reversed the trial court in upholding MPP§49-020.4. The court held that it was reasonable for the DSS to conclude the "triggering event" for selection of the appropriate sponsor-deeming rule under sections 18938 and 18940 is permanent residence, not physical entry. (*Megrabian v. Saenz*, (2005) 130 Cal App. 4th 468)

825-3I ADDED 4/04

"Basic CAPI" refers to the original eligibility component of CAPI, set out in Welfare and Institutions Code (W&IC) §18938(a)(1) and (2). A non-citizen is potentially eligible for basic CAPI if he/she:

Entered the United States prior to August 22, 1996, or

Entered the United States on or after August 22, 1996 and has a dead or disabled (as defined in §49-020.312) sponsor, or is a victim of abuse by the sponsor or sponsor's spouse.

(§49-005 (b))

825-3J ADDED 4/04

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"Extended CAPI" refers to the more recent eligibility component of CAPI as set forth in Welfare and Institutions Code (W&IC) §18938(a)(3) which became effective October 1, 1999. A non-citizen is potentially eligible for "extended CAPI" if he/she entered the United States on or after August 22, 1996 and meets one of the following criteria:

- (A) Does not have a sponsor.
- (B) Has a sponsor who is not dead or disabled.
- (C) Has a sponsor and is not a victim of abuse by the sponsor or sponsor's spouse.

(§49-005(e)(4))

825-3K ADDED 9/08
General requirements

To be eligible for CAPI, a noncitizen must be one of the following:

- A legal immigrant who meets the immigration status requirements in effect for SSI/SSP on August 21, 1996, or
- A victim of human trafficking, domestic violence or other serious crimes as defined in Welfare and Institutions Code Section 18945. Applicants qualified under these provisions will be eligible for benefits and services to the same extent as individuals who are admitted to the United States as refugees.

The previous SSI/SSP requirements for immigrant status, found in 20 CFR 416.1600, stated that a non-citizen had to be a resident of the United States and an alien lawfully admitted for permanent residence in the United States, or an alien permanently residing in the United States under color of law (PRUCOL). This means the individual had to have a status listed under either "Qualified Alien" or "PRUCOL" in Section 49-005.

A victim of trafficking must meet the same eligibility criteria as those used for the State Trafficking and Crime Victims Assistance Program (TCVAP) found in MPP Sections 70-102 and 70-103.1 through .4.

A victim of domestic violence or other serious crimes must meet the same eligibility criteria as those used for the TCVAP found in MPP Section 70-104.1.

(§49-020.1)

825-3L ADDED 3/08

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Specific eligibility requirements exist for individuals whose date of entry into the United States was prior to August 22, 1996. Non-citizens in this category (who meet all other requirements) are eligible for basic CAPI, but not extended CAPI.

Qualified Aliens as defined in MPP Section 49-005(q)(l) who were lawfully residing in the United States on August 21, 1996 must be age 65 or older to be eligible for CAPI.

Non-citizens who do not meet the definition of Qualified Alien must meet the other immigration standards in effect for SSI/SSP/SSP on August 21, 1996, which are known as the PRUCOL categories as defined in MPP Section 49-005(p) to be eligible for CAPI.

(§49-020.2)

825-3M ADDED

5/16Citizens of the Marshall Islands, the Federated States of Micronesia or the Republic of Palau who reside in California meet the immigration requirements to receive Cash Aid Program for Immigrants CAPI) benefits.

(ACL 16-33, May 2, 2016)

825-4

In general, the federal and state laws and regulations governing the SSI/SSP program shall govern the CAPI program. (W&IC §18940) Benefits provided under Chapter 10.3, commencing with W&IC §18937 (the CAPI program) "...shall be equivalent to the benefits provided under the SSI/SSP program, Chapter 3, commencing with Section 12000 of Part 3" except that the benefit levels for individuals shall be reduced by \$10 per month, and for couples shall be reduced by \$20 per month. (W&IC §18941, effective August 21, 1998; §49-050.1, effective July 1, 1999)

825-4A

CAPI payment standards are equivalent to SSI/SSP payment standards, except that:

- .11 The payment standard for individuals is \$10 less than the SSI/SSP payment standard for individuals.
- .12 The payment standard for eligible couples is \$20 less than the SSI/SSP payment standard for eligible couples.
- .13 The payment standard for couples when one member is receiving or applying for CAPI and the other is receiving SSI/SSP is \$10 less than the SSI/SSP payment standard for eligible couples.

(§49-050.1)

825-4B

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A person's living arrangement affects which CAPI payment standard determines the individual's benefit amount. Living arrangements are always determined as of the first moment of the month except in the throughout-a-month rule for institutions or reduced needs living arrangements. (§49-050.2)

"Independent living" means that one of the following conditions applies to the person (or spouse or parent whose income is deemed to the applicant or recipient living in the same home):

.211 Has ownership interest in the home.

.212 Has rental liability.

.213 Lives alone.

.214 Lives with others and pays a pro rata share of the shelter and/or food expenses.

.215 Lives with others and all members of the household receive public income maintenance payments.

(§49-050.21)

Independent living without cooking facilities means that the aged or disabled individual meets one of the criteria in §49-050.21, does not have a stove and refrigerator available for his or her use, and does not have meals provided as part of the living arrangement. (§49-050.22)

825-4C ADDED 03/08

Effective January 1, ____, CAPI payment standard for an individual living independently is ____.

Effective January 1, ____, the CAPI payment standard for a couple who are both CAPI eligible and who live independently is _____.

Effective January 1, ____, the CAPI payment standard for a couple one who receives SSI/SSP and one who receives CAPI is _____.

(ACIN I-_____))

825-4D ADDED 3/06

Under the provisions of Senate Bill (SB) 68 (Chapter 78, Statutes of 2005) the state SSP Cost of Living Adjustment (COLA) is suspended for all of 2006 and the pass-through of the federal SSI COLA is delayed from January 1, 2006 to April 1, 2006. Consequently, there will be no increase for most SSI/SSP or CAPI payment standards in January 2006. The one exception is the Non-Medical Out-of-Home rate, which will increase by the amount of the SSI COLA because

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it was exempted from the delayed COLA pass-through provisions of SB 68 (ACIN I-77-05, December 2, 2005)

825-4E ADDED 3/06

When one member of a couple receives SSI/SSP and the other receives CAPI, counties are to count the SSI/SSP benefits received by one member as income while using a special payment standard that is \$10.00 less than the SSI/SSP payment standard for a couple. The intended result of this policy is that the CAPI/SSI/SSP couple receives combined benefits that total \$10.00 less than the SSI/SSP benefit rate for a couple as required by WIC Section 18941.

However, the intended result will NOT occur for a CAPI/SSI/SSP couple if normal retrospective budgeting of the spouse's SSI/SSP benefit is used to determine CAPI payment in the effective month of a COLA and the subsequent month. Using a January COLA for example, under normal retrospective counting rules the CAPI recipient's January and February payments would be computed using the spouse's SSI/SSP benefit from November and December respectively – before the SSI/SSP COLA in January – resulting in the CAPI/SSI/SSP couple receiving higher combined benefits in January and February than either the SSI/SSP or CAPI couple.

In order to comply with WIC 18941, counties are instructed for CAPI/SSI/SSP couples to prospectively budget the spouse's SSI/SSP benefit in the month that the COLA occurs and the subsequent month. Thus the CAPI recipient's January payment should be computed using the spouse's SSI/SSP payment, and the CAPI recipient's February payment should be computed using the SSI/SSP recipient's February payment.

In 2006, because the SSI COLA is delayed until April, the use of prospective budgeting should be followed for April and May for non-NMOHC cases.

(ACIN I-77-05, December 2, 2005)

825-4F ADDED 3/08

As required by Section 18941 of the Welfare and Institutions Code (WIC), the CAPI payment standards are based on the SSI/SSP payment standards, minus \$10.00 for an individual and \$20.00 for a couple. Under the provisions of Senate Bill (SB) 84 (Chapter 177, Statutes of 2007), the State SSP Cost-of-Living Adjustment (COLA) is delayed from January 1, 2008, until June 1, 2008. Although there will be no increase in the State-funded SSP amount in January, WIC Section 12201.05 does require that the SSI/SSP payment standards be increased by the amount of the federal SSI COLA on January 1, 2008. (ACIN I-75-07, December 11, 2007)

825-4G ADDED 4/09

On February 20, 2009, the Governor signed into law Senate Bill X3 6 (Chapter 13, Statutes of 2009). Under this new law, the Supplemental Security Income/State Supplementary Program (SSI/SSP) payment standards were reduced back to the December 2008 levels, effective May 1, 2009 and subject to a further conditional reduction effective July 1, 2009. As required by

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Welfare and Institutions Code (WIC) Section 18941, the CAPI payment standards are based on the SSI/SSP payment standards, minus \$10.00 for an individual and \$20.00 for a couple.

Consequently, there was a decrease in the CAPI payment standards effective May 1, 2009. The rates for those living in Title XIX medical facilities, and the Non-Medical Out-of-Home Care living arrangements are exempt. The CAPI payment standards that will become effective on May 1, 2009 are the direct result of the new Budget reduction on the SSI/SSP rates.

All-County Information Notice No. I-23-09, announced the possibility of an additional 2.3 percent reduction to the SSI/SSP payment standards effective July 1, 2009. This reduction was subject to rescission by the Director of the Department of Finance (DOF). The DOF has indicated that the additional 2.3 percent reduction provision will NOT be rescinded. As a result, effective July 1, 2009, the SSI/SSP payment standards will be reduced by 2.3 percent thereby causing a reduction in the CAPI payment standards effective the same month. (ACIN I -23-09, March 26, 2009, I-26-09, April 2, 2009)

825-5

CAPI recipients (under the Director's interpretation of W&IC §18937 et seq.) "may be eligible for Medi-Cal, CalFresh benefits (including the California Food Assistance Program) or the In-Home Supportive Services Program." Counties should advise CAPI applicants or recipients of their potential eligibility for the other programs and make the appropriate referrals. (All-County Letter (ACL) 98-82, p.13, October 16, 1998)

825-6

Individuals have the same hearing and appeal rights under CAPI that they have under other state public assistance programs, including the right to adequate and timely notice (as described in Manual of Policies and Procedures Chapter 22), and including those rights set forth on the sample notices (e.g., the right to aid pending, to be represented, to have an interpreter). (All-County Letter (ACL) No. 98-82, p. 13 and Sample Notice NA 691, 9/98, October 16, 1998)

825-6A

The CAPI program must be administered under the administrative standards set forth in §10-001 and following, and under the civil rights standards set forth in §21-101 and following, unless specifically mandated to do otherwise by state regulations "or other departmental instructions." (§49-013.2)

825-6B

Counties or consortia of counties must administer the CAPI program in accord with federal and state laws that govern the SSI/SSP program as directed by the CDSS in the MPP "or other departmental instructions." (§49-013.1, as revised effective January 26, 2000) The counties or their consortia must also adhere to the "interpretation of applicable federal laws and regulations and their amendments contained in policy guidelines or instructions issued by the Social Security Administration, including the Program Operations Manual Systems (POMS)." (§49-013.11, effective January 26, 2000)

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825-7

To be eligible for CAPI, an individual's countable resources cannot exceed \$2000, and a couple's countable resources cannot exceed \$3000. Resource determinations are made as of the first moment of the month, and applicants or recipients whose countable resources are below the allowable limit at that time meet the resource requirement for the entire month. (All-County Letter (ACL) No. 98-82, p. 8, and Attachment 6, October 16, 1998; §49-040.1 and .8, effective July 1, 1999)

825-7A

If a CAPI applicant or recipient sells, exchanges or replaces a resource, the receipts are considered to be resources. (§49-040.83) Other items received during a month are counted under the income rules. Then, if those items are retained, they count as resources as of the first moment of the following month. (§49-040.82)

825-7B

Payments to an individual which are required to be excluded from resources for purposes of determining eligibility for CAPI include those excluded by other federal statutes. (§49-040.3(j); 20 Code of Federal Regulations (CFR) §416.1236)

Excluded resources include, but are not limited to:

- (a) The home and any adjoining land and related outbuildings as long as the recipient resides in the home.
- (b) Household goods and personal effects to the extent their total equity value does not exceed \$2000. Wedding and engagement rings, and any device (e.g., wheelchair, hospital bed) that is needed due to the applicant's physical condition is totally excluded.
- (c) One automobile if it meets one of the following conditions:
 - (1) It is necessary for employment.
 - (2) It is necessary for the medical treatment of a specific or regular medical problem.
 - (3) It is modified for operation by or transportation of a handicapped person.
 - (4) It is necessary to perform essential daily activities.
 - (5) Its current market value does not exceed \$4500. If the market value exceeds \$4500, only the excess counts toward the resource limit.
- (n) Either Title II Social Security, SSI/SSP received by a spouse or parent, or CAPI retroactive payments, for six months following the month of receipt.

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(§49-040.3, as revised effective January 26, 2000)

825-7C

Resources include the resources of a "spouse" (as defined in §49-005(s)(3)) and are considered available whether or not the resources are actually available to the CAPI applicant or recipient. (§49-040.4)

825-7D

Resources of any noncitizen are deemed to include the resources of the noncitizen's sponsor(s), whether or not living in the same household or actually available to the CAPI noncitizen. (§49-040.7) When the sponsor lives with his/her spouse, the resources of both are deemed available. (§49-040.72) The resources excluded under §49-040.3 apply to the sponsor's resources. (§49-040.71) The resources deemed from the sponsor and his/her wife include only those countable resources which exceed \$2000 (for one person) or \$3000 (for a couple). (§49-040.73)

825-8

During the first two months of CAPI eligibility, and during the first two months there is a status change (e.g., from child to adult, or from couple to individual or vice versa), the budget month and the payment month are the same. The CAPI benefit amount is determined by subtracting countable income received in the budget month from the appropriate payment standard in the payment month.

In the third and subsequent months, "retrospective budgeting" is used, and countable income received two months prior to the payment month (i.e., the budget month) is subtracted from the appropriate payment standard in the payment month.

(All-County Letter (ACL) No. 98-82, p.13, October 16, 1998; §§49-055.1, .2, and .3, effective July 1, 1999)

825-8A

The 9th Circuit Court of Appeals has held that in computing the SSI payment, the Social Security Administration must not deduct non-recurring income more than once. (*Jones v. Shalala* (1993) 5 F. 3d 447, interpreting 42 United States Code §1382(c)(2)(A))

The CDSS has adopted regulations which state that nonrecurring income received in the first or second month of eligibility shall not be considered in determining the benefit amount in the third and fourth month of eligibility, respectively. The CDSS has defined "nonrecurring income" to be a type of income received in one month (unearned, earned, deemed, in-kind) but not received at all in the next month. (§§49-055.211, .212, and .213, effective January 26, 2000)

825-8B

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To be eligible for CAPI, an individual's or couple's countable income must be lower than the appropriate CAPI payment standard.

- .11 Countable income means the amount that is left after subtracting any exclusions or disregarded amounts from an individual's gross income, plus that of a spouse or ineligible parent living in the same household. Disregarded amounts can include allocations for ineligible spouses, parents and children in the deeming process.
- .12 Detailed income rules are found in 20 Code of Federal Regulations (CFR), Part 416.

(§49-035.1, as revised effective January 26, 2000)

The definition of income for CAPI purposes is the same as the one used for SSI/SSP and is found in 20 CFR §416.1102.

§49-035 sets forth 20 CFR §416.1102:

"Income is anything you receive in cash or in kind that you can use to meet your needs for food, clothing, and shelter. Sometimes income also includes more or less than you actually receive (see §416.1110 and §416.1123(b)). In-kind income is not cash, but is actually food, clothing, or shelter, or something you can use to get one of these."

(Handbook §49-035.2)

825-8C

For CAPI purposes, earned income consists of wages, net earnings from self-employment, payments for services performed in a sheltered workshop or work activities center, and certain royalties and honoraria.

- .31 Net earnings from self-employment are counted on a taxable year basis. The yearly total is divided by the number of months in the taxable year to arrive at the monthly earnings.
- .32 Other earned income is counted when it is received or set aside for the employee's use.

(§49-035.3, revised effective January 26, 2000)

Earned income exclusions are applied in the following order:

- .41 Earned income excluded by other Federal law.
- .42 Up to \$10 of infrequent or irregular earned income.
- .43 Up to \$400 per month, but not more than \$1,620 per year, for blind or disabled children regularly attending school.

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- .44 Any portion of the \$20 monthly exclusion that has not been applied against unearned income in the same month.
- .45 \$65 of earned income in a month.
- .46 Earned income used to pay impairment related work expenses (IRWE) for disabled (but not blind) individuals under age 65 or persons who received CAPI benefits as a disabled individual for the month prior to age 65.
- .47 One-half of the remaining earned income in a month.
- .48 Earned income used to meet any expenses reasonably attributable to the earning of income for blind individuals who are under age 65 or who received CAPI benefits as a blind individual for the month prior to age 65.
- .49 Earned income used to fulfill an approved plan to achieve self support for blind and disabled persons under age 65 or who received CAPI benefits as a blind or disabled individual for the month prior to age 65.

(§49-035.4)

825-8D

Unearned income consists of all income that is not earned income and includes, but is not limited to, annuities, pensions, alimony, support payments, dividends, interest, rental income, prizes, gifts, gambling winnings, and in-kind support and maintenance (ISM).

- .51 ISM means any food, clothing, or shelter that an applicant receives because someone else pays for or provides it.
 - .511 Shelter includes room, rent, mortgage payments, real property taxes, heating fuel, gas, electricity, water, sewer, and garbage collection services.
- .52 ISM is valued in two different ways:
 - .521 When an applicant or recipient is living in another person's (relative or non-relative) household for an entire calendar month and receives both food and shelter from that person, the applicant or recipient is subject to the reduced needs CAPI payment standard.
 - (a) The reduced needs payment standard is used regardless of the actual value of the ISM received in this situation.

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- (b) A person subject to the reduced needs payment standard cannot be charged with any other ISM income.
- (c) A person who pays a pro rata share of the household's food and/or shelter costs cannot be subject to the reduced needs payment standard.

.522 ISM is charged as unearned income subject to the presumed maximum value (PMV) when it is received in all situations other than the ones described in §49-035.521.

- (a) The value of the ISM income charged equals the lesser of its actual value or the PMV.

(§49-035.5)

PMV means the maximum value that can be attributed to ISM. The value of the PMV equals one-third of the federal SSI benefit level plus \$20. (§49-005(p)(1))

825-8E

One of the unearned CAPI income exclusions is the first \$20 of any unearned income in a month other than income based on need. (§49-035.53(m))

825-8F

"In-kind support and maintenance from within the household must be developed when the individual is living in a non-public-assistance household with someone other than a spouse or minor child and either has rental liability or ownership interest and is receiving contributions from others, or is either purchasing food separately or earmarking food or shelter payments.

"In-kind support and maintenance from outside the household must be developed when a third party who does not live in the household makes a payment to a vendor for an item of the household's shelter or food. Two examples are rent-free shelter and rental subsidy.

"1. Rental subsidy must be developed when the applicant or recipient has rental liability (including room rentals within someone else's home) and someone in the household is related as parent or child to the landlord or landlord's spouse."

(§§49-035.522(b) and (c))

825-8G REVISED 3/08

The presumed maximum value (PMV) of in-kind support and maintenance is one-third of the federal SSI level plus \$20. Effective January 1, 2007 the PMV was \$227.66 for an individual and effective January 1, 2008, the PMV was \$232.33 for an individual. Effective January 1, 2007 the PMV was \$331.33 for a couple and effective January 1, 2008 the PMV was \$338.66 for a

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couple. (All-County Information Notice (ACIN) I-85-06, November 14, 2006, and ACIN I-75-07, December 11, 2007)

825-8H REVISED 3/08

In CAPI deeming situations, the following rules apply:

- (1) To compute the allowance for ineligible children in deeming situations, determine the difference between the federal benefit amount for an individual and for a couple for federal SSI benefits. Effective January 1, 2007 the allowance was \$311. Effective 2008 the allowance was \$319.
- (2) The sponsor's allocation to the alien in deeming situations equals the federal SSI benefit level for an individual. Effective January 1, 2007 the allowance was \$623. Effective January 1, 2008 the allocation was \$637. (All-County Information Notice (ACIN) No. ACIN I I-85-06, November 16, 2006, I-75-07, December 11, 2007)

825-8I

Income excluded from deeming from an ineligible parent or spouse in CAPI includes all of the following:

- 731 All of the income exclusions listed in §§49-035.4 and 49-035.53.
- 732 Any public income-maintenance payments, except SSI/SSP that the ineligible spouse receives, and any income which was counted or excluded in figuring the amount of that benefit.
- 733 Income used to comply with the terms of court-ordered support.
- 734 In-kind support and maintenance (ISM).
- 735 IHSS paid to the ineligible spouse or parent(s) for providing chore, attendant or homemaker services to the applicant or recipient.

(§49-035.7)

825-8J

Immigrants whose sponsor has signed the New Affidavit of Support (New Affidavit or I-864) can be temporarily exempt from regular CAPI sponsor deeming if they meet requirements for the Indigence Exception. These immigrants will also be subject to the sponsor-deeming rules even if their sponsor is their spouse, or parent (for applicant/recipients who are minor children). The new requirements are effective for determining CAPI payments beginning September 1, 2002 or later, under this All-County Letter (ACL).

BACKGROUND

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Sponsor deeming refers to the requirement that a sponsor's income and resources be considered as belonging to the immigrant who is receiving or applying for CAPI. The sponsor is an individual who signs an Affidavit of Support agreeing to support an immigrant as a condition of that immigrant's admission to the United States as a permanent resident.

The sponsor-deeming regulations in 20 Code of Federal Regulations (CFR), §416.1160 (made applicable to CAPI per W&IC §§49-035 and 49-040) require deeming to occur regardless of whether or not income of the sponsor is actually made available to the applicant/recipient. It does not provide for any exception when the sponsor abandons his or her responsibility to support the immigrant. It also states that when two different deeming rules could apply because the immigrant's sponsor is also his or her ineligible spouse or parent (of a minor child), the spouse-to-spouse or parent-to-child deeming rules would apply. (The instructions described above still apply to persons whose sponsor signed the Old Affidavit (I-134)).

The new deeming is contained in the Program Operations Manual System (POMS). The new deeming rules are not reflected in 20 CFR as of the date of this letter. Therefore, the instructions found in POMS will be used, in lieu of 20 CFR, as the basis for the instructions in this ACL that affect sponsor-deeming in CAPI for immigrants whose sponsor(s) signed the New Affidavit.

THE INDIGENCE EXCEPTION (Ref.: 8 United States Code, §§1631 and 1183a; POMS SI 00502.280)

GENERAL POLICY

Generally, if an immigrant's sponsor signed the New Affidavit, the income and resources of the sponsor (and the sponsor's spouse if living in the same household) are deemed to the immigrant for purposes of determining CAPI eligibility. This general rule is suspended under the indigence exception, in which case, the only income from the sponsor that is counted against the immigrant is the amount of cash or in-kind income that the immigrant actually receives from the sponsor. A sponsor's resources are considered to be the immigrant's resources only if the immigrant has an ownership interest in them, can convert them to cash, and is not legally restricted from using them.

NOTE: References throughout this ACL to "sponsor" also include the sponsor's spouse who lives in the same household as the sponsor.

Application of the Exception

The indigence exception applies when:

- > Sponsor-deeming results in denial, suspension, or reduction of CAPI benefits; and
- > The immigrant is unable to obtain both food and shelter; and

- > The immigrant completes and signs the Indigence Exception Statement (form SOC 809); and
- > The county determines that the indigence exception applies.

(Ref.: POMS SI 00502.280 B)

The indigence exception does NOT apply when:

- > The immigrant lives with his or her sponsor. (Assume the sponsor is providing food and shelter.); or
- > The immigrant lives with someone other than the sponsor and receives free room and board, even if the immigrant's income is less than the SSI rate.

(Ref.: POMS SI 00502.280 B)

In determining whether the immigrant is unable to obtain food and shelter consider:

- > All of the immigrant's own income and resources (including SSI and other income that was excluded when determining CAPI, such as General Assistance and CalFresh benefits); and
- > The income and resources of the immigrant's spouse (if living together) or parent(s) (if living with the minor immigrant); and
- > Any cash, food, housing, or other assistance provided by other individuals or agencies (including the sponsor).

(Ref.: POMS SI 00502.280 B)

While income otherwise excludable for CAPI is counted for the indigence test, do not count items that are not income (e.g. medical and social services) under §49-035.6. Also, for the indigence test, in-kind support and maintenance (ISM) should be counted at its actual value, not the presumed maximum value (PMV). In determining the immigrant's resources for the indigence test, include all liquid resources, even excluded liquid resources such as burial funds.
(Ref.: POMS SI 00502.280 B)

If the immigrant is living apart from his or her sponsor and not receiving free food and shelter in another person's household, determine that the immigrant is unable to obtain food and shelter if:

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- > The total income (of all kinds) that the immigrant receives from all sources is less than the federal SSI rate (\$545 for an individual; \$817 for a couple as of January 1, 2002); and
- > The resources available to the immigrant are less than the applicable CAPI resource limit.

(Ref.: POMS SI 00502.280 B)

PERIOD WHEN THE INDIGENCE EXCEPTION APPLIES

When the criteria for this exception are met, deeming is suspended for 12 consecutive months under 8 USC §1631(e)(2). The 12-month period can begin at any time when all of the conditions are met. It can be effective with the first month of eligibility or in a subsequent month. During the 12 consecutive months of suspension (including any non-payment months within that period), sponsor deeming does not apply, even if the non-citizen ceases to meet the indigence test (e.g., the sponsor's support increases). However, any changes in the non-citizen's income, including changes in the amount of income or in-kind support provided by the sponsor, are counted as income and would affect the CAPI payment amount.

HOW INCOME AND RESOURCES ARE COUNTED DURING THE EXCEPTION PERIOD

When deeming is suspended under this exception, the usual income policies (§49-035) are applied to any contributions (cash or in-kind) that the non-citizen receives from the sponsor or any other source. So, only the income that the non-citizen actually receives from the sponsor is counted for CAPI purposes. Under the indigence exception, if the sponsor provides no income or support, no income from the sponsor is chargeable.

Under the indigence exception, the resources policy described in §49-040.2 apply in determining countable resources for CAPI recipients and applicants; the sponsor's resources are not deemed to the immigrant. Resources owned by the sponsor are considered to be the immigrant's resources only if the immigrant: 1) has an ownership interest in them; and 2) has the right, authority, or power to convert the resource to cash; and 3) is not legally restricted from using the resources for his or her support.

(ACL No. 02-63, August 29, 2002)

825-8K ADDED 4/04

"New Affidavit of Support" refers to the INS Form I-864. The new Affidavit is required for all applications for immigrant visas or for adjustment of status filed on or after December 19, 1997.

"Old Affidavit of Support" refers to the INS Form I-134 that was signed prior to the formulation and implementation of the new version of the Affidavit.

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(§49-005(a)(1) and (2))

825-9

State law provides that an individual shall be potentially eligible for CAPI if his or her immigration status meets the eligibility criteria of the SSI/SSP in effect on August 21, 1996 but he or she is not eligible for SSI/SSP benefits solely because of his or her immigration status under Title IV of Public Law 104-193, and any amendments to that law. (W&IC §18938(a)(1); §49-030.1, effective July 1, 1999)

The law goes on to provide, that:

"Any person found to be eligible for federally funded SSI by the department shall be required to apply for SSI benefits. An individual may continue to receive benefits under this article if he or she fully cooperates in the application and administrative appeal process of the Social Security Administration. An individual shall continue to be eligible to receive benefits under this article if he or she receives an unfavorable decision from the Social Security Administration."

(W&IC §18939)

825-9A

In general, it is the responsibility of counties to assist applicants to complete an SSI/SSP application and an Interim Assistance Reimbursement (IAR) agreement concurrently with their CAPI application, and to submit these documents to the SSA. CAPI benefits cannot be issued until these documents have been completed, signed by the applicant, and submitted to the SSA.

CAPI applicants are not required to submit an SSI/SSP application when:

- (1) Verification exists that an SSI/SSP application is currently pending.
- (2 & 3) Verification, including a formal or an informal denial letter, from SSA has been issued after August 1, 1998 and within six months of the CAPI application, stating the individual is ineligible for SSI/SSP based on immigration status.
- (4) The county has determined that the CAPI applicant is not a Qualified Alien (as defined in §49-005(q)(1), which implements Public Law 104-193), and is therefore ineligible for SSI/SSP.

(All-County Information Notice No. I-71-98, December 9, 1998; §§49-015.1 and .2, 49-030.1 and .2, effective July 1, 1999, and revised effective January 26, 2000)

825-10

It is the position of the CDSS, set forth in regulations effective July 1, 1999, that the counties may claim interim assistance reimbursement (IAR) for any month when the counties have provided financial assistance (typically general relief (GR) or general assistance (GA)) and the

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individual subsequently received CAPI benefits for that month, or any part of that month. Federal regulations (20 Code of Federal Regulations (CFR) §§416.1901 through 416.1922) will govern, unless the CDSS provides otherwise in an ACL or in "future instructions" or "future regulations".

The requirements for the county to receive state IAR include:

- (1) There must be a signed IAR authorization from the GA/GR applicant. (§49-065.21, effective July 1, 1999)
- (2) The county or consortium must issue, or request issuance of, a net retroactive CAPI payment (after withholding the IAR owed to the county) within 10 days of the date CAPI eligibility and payment amount have been determined. (All-County Letter No. 99-11, March 4, 1999; §49-065.333, effective July 1, 1999)

It is noted that under 20 CFR §416.1910, the state is required to issue a check (not request issuance), but has 10 working days (not 10 days) to issue such payment. While the CAPI program is required to follow federal and state laws and regulations governing the SSI/SSP program unless exempted from such laws (W&IC §18940.1) the Director of CDSS may implement the CAPI statutory provisions through ACL or similar instructions, through June 30, 1999. (W&IC §18943)

825-11

An Inter-County Transfer (ICT) means the transfer of responsibility for determination and maintenance of eligibility and payments for the CAPI recipient from one county (or consortium) to another when a CAPI recipient moves to another county. The ICT procedures are intended to ensure there shall be no unreasonable delay in the determination of eligibility and no interruption or duplication in payments, when a CAPI recipient moves to another county.

If a recipient moves from one county to another, and both counties are in the same CAPI consortium, then no ICT shall be necessary.

ICT Initiation and Notifications

An ICT shall be initiated by the transferring county (the county where the recipient formerly resided) after receiving notification of the recipient's move to a new (receiving) county. This notification can be from the recipient or the receiving county.

Within 10 calendar days from receiving notification of the recipient's move, the transferring county shall:

1. Notify the receiving county of the initiation of a case transfer and the expected date of discontinuance in its county.

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2. Send copies of all necessary documentation to the receiving county.
3. Notify the recipient that due to his/her move to a new county, his/her CAPI payments and eligibility determination will become the responsibility of the receiving county as of a specific date.

The transferring county shall continue to have responsibility for authorizing and issuing payments until the transfer period is complete, at which time the receiving county becomes responsible. Responsibilities include overpayment recoupment.

Within 10 calendar days of receiving notification of the initiation of an ICT and supporting documentation, the receiving county shall:

1. Notify the transferring county of receipt of the notice of initiation of an ICT.
2. Contact the recipient to begin the process of establishing eligibility in its county.

(All-County Letter No. 99-87, October 7, 1999)

825-12

State regulations require the counties to make certain regulations, laws, and other policy material available to the public. The counties must do the following:

- .1 One set of the regulations and handbook materials (including All-County Letters) of the Department of Social Services, the Welfare and Institutions Code (W&IC), the Health and Safety Code, and other laws relating to any form of public social service must be made available to the public during regular office hours in each central or district county office administering public social services and in each local or regional office of the department. (W&IC §10608)
- .2 These references shall be placed in the waiting or reception room or in a location available and convenient for public use.
- .3 A sign shall be prominently posted in each waiting/room or reception room in appropriate languages as follows:

"Rules and regulations of the State Department of Social Services are available for your use. Please ask for the materials or manuals you wish to see."
- .4 A signout book should be used to prevent loss of regulations or other materials for public use. The maintenance of the reference materials in a current and usable condition is a condition of compliance with the statute.

(Handbook §17-017)

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825-13

It is the position of the CDSS that, despite the express language in W&IC §§18943(a) and (b), which limit CAPI changes made by All-County Letter (ACL) to those changes implemented by July 1, 1999, that the CDSS can still amend regulations (contrary to the provisions of the Administration Procedure's Act, Gov. Code §18940 et seq.) by ACL. Thus, the CDSS position is as follows:

The President signed HR 3443 into law on December 14, 1999. Among its provisions were three changes to the Social Security Act that affect eligibility for the SSI/SSP program. Since SSI/SSP law and regulations govern CAPI eligibility, these changes also affect the CAPI. The three areas of SSI/SSP change affecting eligibility are:

- Ineligibility for certain individuals who dispose of or transfer resources for less than fair market value.
- Assets held in trust may now be counted as a resource.
- A new penalty of SSI suspension for up to 24 months for individuals either found to have made a statement or representation of material fact on an SSI application or redetermination that the individual knew or should have known was false or misleading or found to have omitted a material fact.

Prior to enactment of Public Law (P.L.) 106-169, the Foster Care Independence Act of 1999, if an individual transferred or gave away assets, there was no penalty and that asset was no longer counted as a resource in determining SSI eligibility effective with the month after it was transferred or given away. Previously, a Special Needs or other trust was generally excluded from countable resources, if the individual did not have direct access to the trust. There were no specific eligibility sanctions for making false or misleading statements on an SSI application.

TRANSFER OF RESOURCES

An individual applying for or receiving CAPI who disposes of resources for less than fair market value is now ineligible for CAPI for a period up to 36 months. This provision is effective for resource transfers made on or after December 14, 1999. The provision applies to resource transfers made by the eligible individual (includes applicant), the individual's spouse, or by persons who are co-owners of the resource being transferred.

The look-back period begins with the look-back date, which is the date 36 months before the CAPI application date or the date on which the resources were transferred, whichever is later. This means that any resources transferred up to 36 months prior to the CAPI application date, or anytime thereafter will be subject to this provision. However, the look-back period cannot begin prior to December 14, 1999.

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The period of ineligibility begins on the first day of the month immediately following the month of transfer. For example, if the resource is transferred on February 25th, the period of ineligibility begins on March 1st. The period of ineligibility can last up to, but no more than 36 months.

To determine the number of months of ineligibility, it is first necessary to determine the total, cumulative uncompensated value of any resources disposed of by the individual on or after the look-back date. The uncompensated value is then divided by the maximum CAPI benefit amount based on the individual's living arrangement on the applicable date. In the case of any fraction, round to the nearer whole number. The applicable date is the CAPI application date or, if later, the date on which the individual (or spouse) disposes of the resources for less than fair market value. The maximum CAPI amount is the amount shown on the CAPI Payment Standards chart for the appropriate living arrangement on the applicable date. The result is the number of months of ineligibility up to 36 months.

When one member of a couple receives SSI/SSP, divide the uncompensated value by the maximum "one Cash Assistance Program for Immigrants, one SSI/SSP" couple rate based on the CAPI applicant's living arrangement on the applicable date.

Fair market value is equal to the current market value of a resource at the time of the transfer. Current market value means the price of an item on the open market. Uncompensated value is the difference between the fair market value of a resource and the amount of compensation received by the individual in exchange for the resource.

Procedure Regarding Transfer of Resources

The transfer of resource question is asked on the Medi-Cal forms used for CAPI application -- Question 28 on the MC 210 and Question 34 on the SAWS 2. However, these questions ask if resources have been transferred in the last 30 months. Because of the December 14, 1999 effective date, this question is adequate as worded through May 2002.

Although the question is not on the redetermination form (SOC 804), the same information must be covered during the redetermination process. The SOC 804 will be revised as soon as feasible.

If the question is answered "yes", the county must determine the period of ineligibility, if any, in accordance with the rules described previously in this letter.

Exceptions to the Resource transfer Penalty (Period of Ineligibility)

1. Transfer of a Home

The new transfer of resource penalty does not apply to transfer of an applicant's or recipient's home if the home was transferred to:

- The spouse of the transferor;
- A child of the transferor who is under age 21, or who is blind or disabled (as defined for SSI purposes);
- The sibling of the transferor who has an equity interest in the home and who was residing in the transferor's home for a period of at least one year immediately before the date the transferor is institutionalized; or
- A son or daughter of the transferor (other than a child under age 21 or who is blind or disabled) who was residing in the transferor's home for a period of at least two years immediately before the transferor is institutionalized, and who provided care to the transferor which permitted the transferor to reside at home rather than in such an institution or facility.

2. Transfers to a Spouse or Child

The new transfer of resource penalty does not apply if the resources were transferred:

- To the transferor's spouse, or to another person for the sole benefit of the transferor's spouse;
- From the transferor's spouse to another person for the sole benefit of the transferor's spouse; or
- To the transferor's child who is blind or disabled or to a trust for the benefit of the transferor's child who is blind or disabled.

3. Resources which were transferred to establish a trust solely for the benefit of an individual under age 65 who is disabled (as defined for SSI and CAPI purposes).
4. Evidence is provided that establishes that an individual intended to dispose of the resources either at fair market value or for other valuable consideration.
5. Evidence is provided that establishes that the resources were transferred exclusively for a purpose other than to qualify for SSI or CAPI.
6. Evidence is provided that establishes that all resources transferred for less than fair market value have been returned to the transferor.
7. The county determines under procedures established for SSI purposes that the denial of eligibility would be an undue hardship as determined on the basis of criteria to be established by SSA. (Hardship would likely include deprivation of food and shelter.)

8. Resources Transferred to a Trust Established After January 1, 2000.

The new transfer of resource penalty does not apply to a resource transferred to a trust, which would a) be a countable resource as part of that trust under the SSI rules for counting trusts, or b) be counted as a resource except for a waiver of the rules for counting trusts based on the hardship exemption. (See exceptions to trust rule below.)

However the penalty does apply to such a trust if:

- Payments are made from the trust that are other than to, or for, the benefit of the individual; or,
- The trust does not permit any payment to the individual under any circumstance.

TRUSTS

A trust established by an individual is counted as a resource for purposes of determining CAPI eligibility. An individual is considered to have established a trust if any of the assets of an individual (or the individual's spouse) are transferred to a trust other than by a will. If assets of the individual (or of the individual's spouse) are combined with assets from another person in an irrevocable trust, only the portion attributable to the individual (or spouse) would count as a resource under this provision.

This policy of counting a trust as a resource applies only to trusts established on or after January 1, 2000 and without regard to:

- The purpose for which the trust was established;
- Whether the trustees have or exercise any discretion under the trust;
- Any restrictions on whether distributions may be made from the trust; or
- Any restrictions on the use of distributions from the trust.

In the case of a revocable trust established by an individual, the corpus of the trust will be considered a resource of the individual. In the case of an irrevocable trust, the portion of the trust from which payment to or for the benefit of the individual or the individual's spouse could be made (under any circumstances) is a resource to the individual.

Exceptions

1. The county determines that application of this provision would cause the individual undue hardship under criteria to be established by SSA. (Hardship would likely include deprivation of food and shelter.)

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2. The new provision does not apply to any trust described in §§1917(d)(4)(A) and (C) of the Social Security Act. Section 1917(d)(4)(A) trusts, known as "Medi-Cal pay-back trusts" provide that, upon the individual's death, the state will be reimbursed from the trust for Medi-Cal (Medicaid) expenditures made on behalf of the individual. Section 1917(d)(4)(C) trusts, known as "Medi-Cal pooled trusts" are administered by a nonprofit association and may contain the assets of a large number of individuals, and also require reimbursement to the state, upon the individual's death, for Medi-Cal expenditures made on behalf of the individual.

Definitions

Corpus

The corpus of a trust is all property and other interests held by the trust, including accumulated earnings and any other addition to the trust after its establishment. It does not include earnings or additions that are not counted as a resource in the month they are credited or transferred to the trust.

Asset

For purposes of this trust-counting rule, an asset is any income or resource of the individual or individual's spouse, including:

- Income that would otherwise be excluded under SSI rules (see MPP 49-035.4 and .53);
- Resources that would otherwise be excluded under SSI/SSP rules (see MPP 49-040.3);
- Any other payment or property to which the individual or individual's spouse is entitled, but does not receive or have access to because of action by:
- The individual or individual's spouse;
- A person or entity (including a court) with legal authority to act in place of, or on behalf of, the individual or individual's spouse;
- A person or entity (including a court) acting at the discretion of, or on the request of, the individual or individual's spouse.

Income

Unearned income, as described in MPP §49-035.5, now includes any earnings of, and additions to, the corpus of a trust established by an individual to which these new trust provisions apply.

Procedure Regarding Trusts

These rules and guidelines for counting trusts must be followed while processing a CAPI application or redetermination where the individual (or spouse) has a trust that was established on or after January 1, 2000. Use existing notices and language for excess income or resources when denying eligibility or discontinuing benefits based on the new rules for counting trusts.

PENALTIES FOR FALSE OR MISLEADING STATEMENTS

Any person who, for use in determining any initial or continuing right to or the amount of CAPI:

- Makes, or causes to be made, a statement or representation of a material fact that the person knows or should know is false or misleading;
- Omits a fact that the person knows or should know is material; or,
- Makes such a statement with knowing disregard for the truth is, in addition to any other penalties that may be prescribed by law; is ineligible for CAPI for the appropriate period described below.

Period of ineligibility

When the county determines the applicant/recipient has made a false statement or is guilty of other conduct described in the preceding paragraph, that person is ineligible for CAPI for a period of:

- 6 consecutive months for the first such determination for that person;
- 12 consecutive months for the second such determination for that person;
- 24 consecutive months for the third or subsequent such determination for that person.

Procedure

P.L. 106-169 allows SSA 6 months to develop regulations that will prescribe the process for making the determination that an individual is subject to a penalty under the conditions described above, including when the applicable penalty must begin. Counties must flag cases for which they believe the recipient meets the penalty conditions until SSA establishes its procedures and the Department issues additional instructions to the counties.

Effective Date

The penalties reflected in this subsection apply to statements and representations made on or after December 14, 1999.

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(All-County Letter (ACL) No. 00-27, April 10, 2000; as of December 1, 2002 there are no proposed or adopted regulations to §49-000 et seq., nor has there been any ACL or All-County Information Notice which indicates that the forms given to CAPI applicants or recipients have been changed to reflect these new CDSS rules)

825-13A

It is the CDSS position that it has authority to follow federal laws and regulations in the CAPI even without regulatory changes. Thus, the CDSS has determined that state law (W&IC §18940) requires, with limited exceptions, that the federal and State laws governing the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program must also govern CAPI. Accordingly, the substantive federal laws governing SSI/SSP overpayments must also govern CAPI overpayments. Specifically, the federal overpayment provisions that allow for waiver of SSI overpayment recovery will also apply to CAPI overpayments. These provisions are found in 20 Code of Federal Regulations §416.550, which states:

"Waiver of adjustment or recovery of an overpayment of SSI benefits may be granted when (EXCEPTION: This section does not apply to a sponsor of an alien):

- (a) The overpaid individual was without fault in connection with an overpayment, and
- (b) Adjustment or recovery of such overpayment would either:
 - (1) Defeat the purpose of title XVI, or
 - (2) Be against equity and good conscience, or
 - (3) Impede efficient or effective administration of title XVI due to the small amount involved."

(All-County Letter No. 00-73, October 17, 2000)

825-13B

An overpayment is a payment of more than the amount due for any period. This includes CAPI payments made during a period for which an individual is later determined eligible for SSI/SSP and for which the state or county does not receive federal reimbursement. Payments made on the basis of presumptive disability or blindness are not considered overpayments when an individual is finally determined to be not disabled or blind.

"Waiver (Of Adjustment Or Recovery)" is relief from the obligation of the overpaid person and eligible spouse (and the person's estate after his or her death) to repay the amount of the overpayment covered by the waiver.

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“Without Fault” is the absence of fault in connection with causing or accepting the overpayment. The overpaid individual is not without fault solely because the county or the State may have been at fault in causing the overpayment.

(All-County Letter No. 00-73, October 17, 2000)

825-13C

Prior determinations of eligibility and payment amounts can be revised (and over- or underpayments created) within 2 years prior to the date that the county:

- Receives new and material evidence;
- Determines a clerical error has been made; or
- Determines there is an error on the face of the evidence.

Prior determinations of eligibility and payment amounts can be revised (and over- or underpayments created) within 1 year of discovery of the erroneous payment amount for any reason, such as a change of a policy or legal interpretation upon which the initial determination was made.

Prior determinations of eligibility and payment amounts can be revised (and over- or underpayments created) at any time if there is fraud or similar fault on the part of any person.

(All-County Letter No. 00-73, October 17, 2000)

825-13D

Recovery of overpayments can be accomplished through refund, adjustment of payments or installment payments.

If a full refund is not made, payment adjustment must be used when the overpaid person is receiving benefits and recovery has not been waived. Payment adjustment means the person's CAPI grant will be reduced by the repayment amount to recover the overpayment. The standard repayment amount (payment adjustment) is 10 percent of the CAPI payment standard associated with the overpaid person's living arrangement. The individual can request a higher or lower rate of recovery than the standard rate of 10 percent.

The county may approve a lower rate of withholding if the overpayment will be recovered in full within 36 months, or if the person could not meet his or her ordinary and necessary living expenses if the higher rate of adjustment is applied. The county must complete a Form SOC 807 to assist in the latter determination. The rate of adjustment should be set at a rate that is appropriate for the financial situation of the individual.

A rate should be determined that allows the individual to meet his or her current necessary and ordinary living expenses.

(All-County Letter No. 00-73, October 17, 2000)

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825-13E

In determining if an individual is without fault, the county must consider all available evidence and pertinent circumstances surrounding the overpayment in the particular case. In making the “without fault” determination the county must consider whether the individual:

- Understood the cause of the overpayment at the time it occurred;
- Understood the reporting requirements;
- Agreed to report events affecting payments;
- Was aware of events that should have been reported;
- Attempted to comply with the reporting requirements;
- Had the ability and opportunity to comply with the reporting requirements; and
- Understood the obligation to return payments that were not due.

In considering the factors mentioned above, the county will take into account the person’s age, comprehension, and any physical, mental, educational, or linguistic limitations (including any lack of facility with the English language). Efforts made or failure to have instructed the individual about reporting responsibilities and program eligibility rules in his or her native language must also be considered.

(All-County Letter No. 00-73, October 17, 2000)

825-13F

Although the findings depend on all the circumstances of a particular case, an individual will normally be found to be at fault in connection with an overpayment when the incorrect payment resulted from one of the following:

- Failure by the individual to furnish information the individual knew or should have known was material,
- An incorrect statement by the individual which he or she knew or should have known was incorrect,
- The individual did not return a payment which he or she knew or could have been expected to know was incorrect,
- The individual received and negotiated duplicate payments for the same period, or
- Similar overpayments have occurred in the past for the same individual.

(All-County Letter No. 00-73, October 17, 2000)

825-13G

“Defeat the purpose of CAPI” is deemed to be met by any overpaid person who is still receiving CAPI or SSI/SSP and does not have earned income in excess of \$65 per month. However, recovery will not defeat the purpose when the overpaid individual has any of the incorrectly paid checks, or identifiable proceeds from those checks, in his or her possession. For “Defeat the Purpose” to apply in any other case (e.g., when the person is no longer receiving CAPI or SSI/SSP), the county must determine that:

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- The individual needs substantially all current income to meet current and necessary living expenses, and
- Recovery would reduce the total resources below \$3,000 for a person with no dependents or \$5,000 for a person with one dependent (allow an additional \$600 for each additional dependent).

Adjustment or recovery is considered to be “against equity and good conscience” if an individual changed his position for the worse or relinquished a valuable right because of reliance upon a notice that payment would be made or because of the incorrect payment itself.

(All-County Letter No. 00-73, October 17, 2000)

825-14 ADDED 3/08

W&IC section 18939.5 now provides a conditional continuation of CAPI benefits for recipients who naturalize while in the program. Individuals who naturalize while receiving CAPI benefits will continue to receive those benefits as long as he or she remains otherwise eligible for CAPI, requests conditional benefits by filling out the mandatory Request for Conditional CAPI form (SOC 830), applies for SSI in a timely manner, and fully cooperates in the application and appeal process of the Social Security Administration (SSA). A timely application filing shall be considered a filing within 30 calendar days of signing form SOC 830. (All-County Letter 08-03, January 15, 2008)

825-14A ADDED 3/08

Should the newly naturalized citizen lose his or her CAPI eligibility for any reason other than naturalization, regardless of the status of his or her SSI application, the conditional CAPI will be terminated. (All-County Letter 08-03, January 15, 2008)

825-14B ADDED 3/08

Conditional CAPI benefits begin the month after the month the recipient reports his or her naturalization, provided the person signs form SOC 830 within 30 days of the recipient report. (All-County Letter 08-03, January 15, 2008)

825-14C ADDED 3/08

Any conditional benefits received after the individual has signed form SOC 830, for which the person does not receive SSI/SSP benefits is not an overpayment, provided the person remains otherwise eligible for CAPI and fully cooperates in the SSI/SSP application and appeal process. Failure to fully cooperate in the SSI/SSP application and appeal process results in the individual being overpaid for all conditional CAPI benefits received. (All-County Letter 08-03, January 15, 2008)

826-1 ADDED 4/04

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Income of a sponsor of a non-citizen may be deemed to a CAPI applicant or recipient regardless of where the sponsor is living. The sponsor's income includes the income of the sponsor's spouse if the sponsor and spouse live together.

The length of the deeming period depends on whether the sponsor signed the old or new Affidavit of Support and for a non-citizen who entered the United States on or after August 22, 1996, upon whether the non-citizen is eligible for basic CAPI or extended CAPI.

(§49-035.723)

826-1A ADDED 4/04

"New Affidavit of Support" refers to the INS Form I-864. The new Affidavit is required for all applications for immigrant visas or for adjustment of status filed on or after December 19, 1997.

"Old Affidavit of Support" refers to the INS Form I-134 that was signed prior to the formulation and implementation of the new version of the Affidavit.

(§49-005(a)(1) and (2))

826-1B ADDED 4/04

Sponsor deeming rules apply regardless of whether or not the sponsor actually provides the non-citizen with any support. Sponsor-deeming rules include counting the income and resources of the sponsor as belonging to the non-citizen.

(§49-037.1)

826-1C ADDED 8/05

The steps used in the deeming process are the same as those used to determine SSI/SSP eligibility and benefit amount. These steps are reflected in the CAPI Income and Eligibility – Adult form (SOC 452) for spouse to spouse deeming and in form SOC 454 for sponsor deeming. (§49-035.71)

826-1D REVISED 3/08

Parent-to-Child deeming applies whenever a minor child under age 18 lives with his or her parent(s), including step-parents. The parent-to-child deeming rules are applied through the month in which the child attains age 18. Counties must follow the steps as outlined on form SOC 452A to determine CAPI eligibility and payment amount whenever parent-to-child deeming applies.

The allowance for the year 2007 is \$311 and for 2008 is \$319. This allowance is calculated by determining the difference between the federal SSI benefit amount for a couple (\$934 in 2007 and \$956 in 2008) and the federal SSI benefit amount for an individual (\$623 in 2007 and \$637 in 2008). This allowance can also be used for another immigrant (other than the child/applicant/recipient) if the ineligible parent is also the sponsor of that immigrant who is also

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receiving SSI/SSP or CAPI and is subject to sponsor-deeming from the same ineligible parent. (ACIN I-85-06, November 16, 2006 and ACIN I-75-07, December 11, 2007)

826-2 ADDED 4/04

Deeming from the sponsor who signed a New Affidavit of Support applies to a non-citizen who is eligible for basic CAPI unless the sponsor dies or the non-citizen becomes a naturalized citizen or the non-citizen is credited with 40 quarters of coverage as defined under Title II of the Social Security Act.

For a non-citizen who is ineligible for basic CAPI, deeming from a sponsor who signed a New Affidavit of Support applies for 10 years from the later of the date the sponsor executed the Affidavit or the date the non-citizen arrived in the United States.

Sponsor deeming does not apply to either basic CAPI or extended CAPI if the sponsor signed the New Affidavit of Support and any of the following is true:

- The non-citizen, the minor child of the non-citizen or the parent of the non-citizen child is a victim of abuse as defined in §49-020.313, and the victim is living in a different household than the abuser; or
- The county determines that the non-citizen is a victim of abuse by his/her sponsor or sponsor's spouse; or
- The non-citizen meets indigence exception criteria in §49-037.4.

(§49-037.2)

826-3 ADDED 4/04

Sponsor deeming applies to a non-citizen who is eligible for basic CAPI if the sponsor signed an Old Affidavit of Support unless the sponsor dies or the non-citizen has resided in the United States for three years since the date of admission for permanent residence as established by the INS.

For a non-citizen who is ineligible for basic CAPI, deeming from a sponsor who signed an Old Affidavit of Support applies for 10 years from the later of the date the sponsor executed the Affidavit or the date the non-citizen arrived in the United States.

Sponsor deeming does not apply to either basic CAPI or extended CAPI if the sponsor signed the Old Affidavit of Support and any of the following is true:

- The non-citizen becomes blind or disabled as defined for SSI/SSP purposes after admission to the United States; or
- The non-citizen is not Lawfully Admitted for Permanent Residence to the United States as

determined by INS; or

- The county determines that the non-citizen is a victim of abuse by his/her sponsor or sponsor's spouse.

(§49-037.3)

826-4 ADDED 4/04

The indigence exception applies to a non-citizen whose sponsor signed the New Affidavit of Support.

The indigence exception applies when all of the following are met:

- Sponsor deeming results in a denial, suspension, or reduction of CAPI benefits;
- The non-citizen is unable to obtain both food and shelter;
- The non-citizen completes and signs the (SOC809) CAPI Indigence Exception Statement; and
- The county determines the indigence exception applies.

(§49-037.41)

826-4A ADDED 4/04

The indigence exception does not apply when the non-citizen lives with his/her sponsor or the non-citizen lives with someone other than the sponsor and receives free room and board.

(§49-037.42)

826-4B ADDED 4/04

If the non-citizen is living apart from his/her sponsor and not receiving free food and shelter in another person's household, the non-citizen shall be considered unable to obtain food and shelter if:

- The non-citizen's total gross income from all sources is less than the federal SSI Individual Rate if the non-citizen is not living with his/her spouse, or the SSI Couple rate if the non-citizen is living with his/her spouse, and
- The resources available to the non-citizen are less than the applicable CAPI resource limit.

(§49-037.43)