

SHD Paraphrased Regulations - CalWORKs
120 Budgeting-and-Warrants

120-1 REVISED 1/14

The CalWORKs grant for the AU, in general, is determined as follows:

- (1) Determine the correct MAP for the family in the payment month. The MAP shall be based on the number of family members, the status of the family (exempt or nonexempt) and the Region (1 or 2). The county shall use reasonably anticipated monthly income to determine cash aid for the payment period.
- (2) Add any special need payment amounts for the family to the MAP.
- (3) Determine net nonexempt income for the family. Round to the next lower dollar the net nonexempt income from the budget month including in-kind income. Nonexempt income is computed by adding all nonexcluded income of the family, and allowing the following deductions:
 - A. Allow a deduction, up to \$225, for any disability based unearned income.
 - B. If the family has earned income, allow any or all of the \$225 (in A.) which has not been deducted. Then allow a deduction for 1/2 of the remaining earned income.
- (4) Subtract the net nonexempt income from the MAP plus special need amount for the family. This is the potential grant.
- (5) Determine the MAP for the eligible AU. Add any special needs to which AU members are eligible.
- (6) The actual grant is the lesser of the "potential grant" and the MAP plus special needs.

(W&IC §§11451.5, 11450.12, 11450(a) and (e), 11452; §§44-315.31 - .38, 44-113.213 - .217, as modified July 1, 1998)

120-1A ADDED

5/16 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. (§40-039.1)

120-2

For purposes of computing the eligibility and grant amount in CalWORKs, family income is to be used. "Family" includes all AU members, plus certain non-AU members living in the home and specified in W&IC §11008.14.

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§44-133.5, as revised effective July 1, 1998)

120-3

An AU is considered to have received a "cash aid payment" per §44-315.9, even when:

- .911 No payment is sent because of a penalty which reduced the aid payment to zero.
- .912 The grant amount is \$10 or less.
- .913 The grant for the AU is reduced to zero to adjust for an overpayment.
- .914 The grant based on On-The-Job Training is diverted to the employer as a wage subsidy to offset the participant's wages, per §42-701.2.

120-4

After appropriate notice, documentation must be provided that all children in the AU who are not required to be enrolled in school have received all age appropriate immunizations. If there is no evidence of exemption from immunization requirements, then the needs of all parents or caretaker relatives in the AU shall not be considered in determining the AU's grant. (W&IC §11265.8(a); All-County Letter No. 97-70, October 28, 1997; §§40-105.4(c) and (g), effective July 1, 1998)

120-5 ADDED 6/04

If the amount determined in §44-315.37 is less than \$10, no payment shall be paid for that month, including cases where the prorated amount is less than \$10 in a beginning month. Such cases shall be considered to have received a payment for all other purposes. (§44-315.5)

121-1B REVISED 7/12

Effective July 2011 through September 2013, the CalWORKs grant for the AU, in general, was determined as follows:

- (1) Determine the correct MAP for the family in the payment month. The MAP shall be based on the number of family members, the status of the family (exempt or nonexempt) and the Region (1 or 2). Under quarterly reporting or semi-annual reporting, the county shall use reasonably anticipated monthly income to determine cash aid for the payment months.
- (2) Add any special need payment amounts for the family to the MAP.
- (3) Determine net nonexempt income for the family in the budget month. Round to the next lower dollar the net nonexempt income from the budget month including in-kind income. Nonexempt income is computed by adding all nonexcluded income of the family, and allowing the following deductions:
 - A. Allow a deduction, up to \$225, for any disability based unearned income.

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- B. If the family has earned income, allow a deduction of \$112 (or the remainder of the \$225 allowed in step A which has not been deducted, not to exceed \$112). Then allow a deduction for 1/2 of the remaining earned income.
- (4) Subtract the net nonexempt income from the MAP plus special need amount for the family. This is the potential grant.
- (5) Determine the MAP for the eligible AU. Add any special needs to which AU members are eligible.
- (6) The actual grant is the lesser of the "potential grant" and the MAP plus special needs.

(W&IC §§11451.5, 11450.12, 11450(a) and (e), 11452; §§44-315.31 - .38, 44-113.213 - .217, as modified July 1, 1998, All County Letter 11-33, April 29, 2011, Welfare and Institutions Code Section 11451.5 as amended by SB 72, January 2011)

121-1C REVISED 1/14

The CalWORKs grant for the AU, in general, is determined as follows:

- (1) Determine the correct MAP for the family in the payment month. The MAP shall be based on the number of family members, the status of the family (exempt or nonexempt) and the Region (1 or 2). Under quarterly reporting, the county shall use reasonably anticipated monthly income to determine cash aid for the quarter.
- (2) Add any special need payment amounts for the family to the MAP.
- (3) Determine net nonexempt income for the family in the budget month. Round to the next lower dollar the net nonexempt income from the budget month including in-kind income. Nonexempt income is computed by adding all nonexcluded income of the family, and allowing the following deductions:
- A. Allow a deduction, up to \$225, for any disability based unearned income.
- B. If the family has earned income, allow any or all of the \$225 (in A.) which has not been deducted. Then allow a deduction for 1/2 of the remaining earned income.
- (4) Subtract the net nonexempt income from the MAP plus special need amount for the family. This is the potential grant.
- (5) Determine the MAP for the eligible AU. Add any special needs to which AU members are eligible.
- (6) The actual grant is the lesser of the "potential grant" and the MAP plus special needs.

(W&IC §§11451.5, 11450.12, 11450(a) and (e), 11452; §§44-315.31 - .38, 44-113.213 - .217, as modified July 1, 1998)

121-F ADDED 6/11

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Effective July 2011, the earned disregard has been reduced to \$112.00 plus one half of the remainder. The disregard for Disability-Based Unearned Income remains at \$225.00. If a recipient has both earned income and Disability Based Unearned income, the disregard is limited to the remainder of the \$225 or \$112, whichever is less.

All County Letter 11-33, April 29, 2011, Welfare and Institutions Code Section 11451.5 as amended by SB 72, January 2011.

122-1

The beginning date of CalWORKs aid shall not precede the date of application. Aid shall begin on the date of application or the date on which the applicant meets all eligibility conditions, whichever is later. (§44-317.11)

122-2

When the mother of a newborn child is being aided, as a pregnant woman under §44-205.6 (now §88-410 for the state program, and §82-836.1 for the federal program), or is receiving a pregnancy special need payment in the month of birth, aid for the otherwise eligible newborn begins on the date of birth, even though verification or documentation of the conditions of eligibility is received at a later date. (§44-317.22)

122-3

The first payment for the addition of a child or a needy relative to the existing AU is classified as an initial payment. (§44-319.13)

122-4

When the beginning date of aid is after the first of the month, the total CalWORKs (formerly AFDC) grant shall be prorated. The prorated grant shall be computed by determining the total monthly grant amount and the actual number of days in the month. The county shall divide the number of days in the month into the monthly grant amount to determine the daily grant. The county shall determine the total number of days for which the recipient is eligible in that month, including the first and last day of aid in that month. The county shall multiply the number of eligible days by the daily grant amount to determine the prorated grant. If the prorated grant amount is not a whole number, then the prorated amount shall be rounded to the next lower whole dollar. (§44-315.72)

122-8

When the CalWORKs (formerly AFDC) individual, family, or child is ineligible at the time of application as provided in W&IC §11052 but it appears that there will be eligibility within 60 days, action on the application is withheld. The applicant should then be notified of the withholding and the date when action is to be taken. If the applicant is subsequently determined to be eligible, the beginning date of aid is determined in accordance with §44-317. (§40-171.11)

122-11A REVISED 7/12

Under prospective budgeting, when a person is added to an existing AU, the following establishes the beginning date of aid.

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- (1) For a mandatorily included person or an optional person:
 - If aid would increase, the first of the month after the change was reported and all eligibility conditions have been met;
 - If aid would decrease, the first day of the payment period following the required reporting of the individual on the QR 7 or SAR7 provided all conditions of eligibility have been met.
- (2) For a sanctioned or noncooperating person, the first of the month following the date the person contacted the county to indicate his/her desire to end the sanction after all conditions of eligibility have been met and the person has completed all Welfare to Work activities required in accordance with §44-721.43
- (3) For a mandatorily included person for whom aid was not requested, the first day of the month of the payment period following the period in which the individual was required to be reported on the QR 7 or SAR7 provided that the individual meets all requirements for eligibility when he/she was required to be included in the AU but was not reported on the QR 7 or SAR7. Eligibility conditions are considered to have been met from the first day of the month following the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.
- (4) For a newborn:
 - If aid would increase, the first of the month after the birth is reported after all eligibility conditions have been met. When the mother has been receiving a pregnancy special need (PSN) payment, the county shall discontinue the PSN payment at the end of the month the birth was reported. The newborn will be added after the PSN payment has been discontinued.
 - If aid would decrease, the first day of the next payment period after the change was reported and all eligibility conditions are met. When the mother has been receiving a PSN payment, the county shall discontinue the PSN at the end of the payment period in which the child is expected to be born. The newborn will be added after the PSN payment has been discontinued.
- (5) When an MFG newborn child added results in no change or a decrease in cash aid:
 - The first of the month following the report of the birth provided that the mother has not been receiving a PSN and the grant will not decrease as a result of adding the newborn.
 - The first day of the next payment period following the report of the birth and all verification has been provided, when the mother has been receiving a PSN or the grant would otherwise decrease as a result of adding the newborn. The county shall discontinue the PSN payment at the end of the payment period in which the MFG child is expected to be born.
- (6) For the father of a newborn:
 - For increases, the first of the month after the report of the birth and all eligibility conditions have been met.

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- For decreases, the first day of the next payment period after the report of the birth and all eligibility conditions have been met.

(§§44-318.11 through .16 effective February 9, 2009; ACIN I-30-09, effective February 9, 2009,)

122-11B ADDED 11/05

Under prospective budgeting, the unaided father of a pregnant woman who receives aid as an AU of one 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 payment period, if all eligibility conditions have been met and verification provided. (§44-205.122(QR))

122-12 ADDED 6/04

When a child is transferring from AFDC-FC to AFDC-FG/U, or vice versa, but remains in the home of the same related caretaker, the effective date of program transfer is the first of the month following the request for change of program. (§44-317.623)

122-13 ADDED 1/13

When an application is made for cash aid or CalFresh benefits for a child who is currently aided in another assistance unit or household, the county is responsible for insuring that aid be provided to the new applicant as soon as possible. If the county determines that pursuant to the relevant program rules, the child should be aided in the applicant household; the county discontinues aid for the child in the former assistance unit or household mid-payment period and grants cash aid and CalFresh benefits to the new assistance unit or household. If the child was the only eligible child in the former assistance unit, and the remaining adult is not an eligible pregnant woman, both cash aid and CalFresh benefits are discontinued for the entire assistance unit or household and Transitional CalFresh benefits are provided to the remaining member(s) in order to prevent duplicate aid for the child that moved to the new assistance unit or household. (ACIN No. I-21-12, April 23, 2012)

123-3

An immediate need payment may be made if eligibility for CalWORKs (formerly AFDC) is apparent but not yet verified; there is an emergency situation; resource limitations in §40-129.22 are not exceeded; and technical conditions for CalWORKs are met. (§40-129.21)

123-3A ADDED

7/15"Apparent Eligibility" means that the information provided on the Statement of Facts and information otherwise available to the county indicates that the applicant would be eligible for aid if the information on the Statement of Facts were verified. (40-129.11)

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An immigrant applicant who does not provide verification of his/her eligible immigration status is not apparently eligible. A woman with no eligible children who does not provide medical verification of pregnancy as specified in MPP 44-205.642 is not apparently eligible. (40-129.211)

123-3B ADDED

7/15 Applicants whose emergency is an eviction shall be given the choice of an Immediate Need payment or an Expedited Determination of Eligibility, if:

- The applicant is in receipt of a notice of eviction, including a three-day notice to pay or quit; and
- The applicant has insufficient funds to pay the rent owing; and
- The applicant is currently residing in his/her home.

Before the applicant chooses between the two options, the county shall inform the applicant in writing of the information and verification known to be necessary to determine eligibility for aid. The expedited eligibility determination shall be completed and payment issued within three working days from the date of the Immediate Need payment request. (40-129.7).

123-4

The amount of the immediate need payment shall be the pro-rata grant for the month computed from the date the immediate need payment is authorized, or \$200, whichever is less. (§40-129.23)

123-4A ADDED

7/15 The family shall be eligible for a second Immediate Need payment when: a second request is made; and the applicant remains apparently eligible; CalWORKs aid has not been issued yet; and the family emergency continues or a new emergency has arisen; and the Immediate Need payment issued in the previous month was approved for an amount less than \$200. (40-129.24)

123-5

When an immediate need payment has been issued, the county shall verify the applicant's eligibility for aid within 15 working days from the date of the receipt of the immediate need request. This 15-working-day time frame shall apply to immediate need denials when the need was met by another public program or private resource, or when the need for housing was met by issuance of a homeless assistance payment. (§40-129.91)

123-6

If verification of eligibility is completed, and the immediate need applicant is eligible, aid will begin in accord with the beginning date of aid rules at §44-317.1. The amount of the aid payment shall be the grant amount minus the immediate need payment. (§40-129.9)

The county shall issue the payment as soon as administratively possible. (§§40-129.2-.4)

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124-1

If a child is living with a caretaker relative, the CalWORKs (formerly AFDC) warrant shall be paid only to the caretaker relative unless such relative has a legally appointed guardian or conservator or there is a substitute payee or there is a vendor designated to receive payment. If the caretaker relative is temporarily absent from the home, the warrant may be paid to a person designated by the caretaker relative. (§44-305.12)

124-3

Aid payment schedules are set forth in §44-304. Except for counties with alternate payment systems, the county shall select either monthly or semimonthly delivery of payments. (Subsection .2) The warrant in any payment system due on the first of the month shall be mailed or forwarded to the electronic fund transfer (EFT) account so it shall be received on the first of the month (unless the CA 7 is received in the last 10 days of the report month). In semimonthly delivery counties, the second warrant shall be mailed or forwarded to the EFT so as to be received by the 15th of the month. (Subsection .5)

In monthly payment systems the county may opt to offer recipients the option of receiving semimonthly payments on a case-by-case basis. (Subsection .4)

(§44-304.2, .4 and .5, as revised effective December 1, 2001 to provide for EFTs)

124-4 ADDED 2/14

Recipients are instructed to immediately contact the EBT contractor [Citicorp Electronic Financial Services, Inc. (CEFS)] by calling the automated response unit or customer service center, or the county to report that their card has been lost or stolen. At the time of such report, the recipient is issued a replacement card, the lost or stolen card is immediately deactivated and no further use of the deactivated card is possible. Any benefits accessed prior to the report of the loss or theft of the original card cannot be replaced. If the original card is not deactivated (due to inaction by CEFS or the county), any benefits accessed subsequent to the report shall be replaced. (All County Information Notice I-25-03, April 16, 2003)

124-5

An electronic fund transfer means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. (§25-301.131, effective December 1, 2001)

124-6

Any recipient eligible to receive a public assistance (PA) payment may authorize his/her grant to be directly deposited by electronic fund transfer at the financial institution of his/her choice, as long as the institution is a participant in the Automated Clearing House. (§25-301.14, effective December 1, 2001)

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PA programs include, but are not limited to, CalWORKs, Refugee Resettlement Program, and Kin-GAP. (§25-301.141)

124-7

Enclosures mailed with public assistance payments are restricted to those matters relating to the administration and purpose of the program under which the payment is issued. (§25-330.9)

124-10

An on-line Electronic Benefit Transfer (EBT) is an issuance system in which benefits [CalFresh benefits or cash benefits] are stored in a central computer database and electronically accessed by cardholders at a POS terminal, ATM, or other electronic transfer fund device using a reusable plastic card. (Handbook §16-001.1, eff. May 1, 2002)

124-11

Counties shall use the EBT system to issue CalFresh and CFAP benefits. Counties may use the EBT system to issue CalWORKs payments, or other benefits with CDSS approval. (§§16-001.2, .3, eff. May 1, 2002)

124-12

Counties shall ensure EBT issued benefits are available to the recipient in compliance with benefit issuance time frames established by the benefit program regulations, e.g., a CalFresh household entitled to expedited service shall receive CalFresh benefits in accord with §63-301.531. (§16-215.1)

124-13

The county shall immediately provide the EBT cardholder with the toll-free number to call to report a lost or stolen EBT card. (§16-515.1) The county shall provide a replacement EBT card within three business days following a cardholder's request to the county for an EBT replacement card. (§16-517.1)

124-14

Recipients are instructed to immediately contact the EBT contractor [Citicorp Electronic Financial Services, Inc. (CEFS)] by calling the automated response unit or customer service center, or the county to report that their card has been lost or stolen. At the time of such report, the recipient is issued a replacement card, the lost or stolen card is immediately deactivated and no further use of the deactivated card is possible. Any benefits accessed prior to the report of the loss or theft of the original card cannot be replaced. (All County Information Letter (ACIN) I-25-03, April 16, 2003)

124-15 ADDED 8/14

Pursuant to AB 2035, the CDSS has established a protocol for recipients who believe their EBT cash benefits have been stolen via electronic theft, to be able to report this, and if determined to meet the requirements established in this ACL, to have the stolen benefits promptly restored

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into their EBT account. The protocol includes a reporting form, timelines for county review, instructions regarding when a referral for investigation is made, and notice of action language. The AB 2035 statute does not apply to food benefits issued via the CalFresh and California Food Assistance Program (CFAP). If a recipient believes that their CalFresh or CFAP benefits have been stolen as a result of electronic theft, they are to call the California EBT Customer Service Helpline to report the stolen benefits and file a dispute claim. (All County Letter 13-67, August 30, 2013)

125-1

An applicant family shall not be eligible for CalWORKs unless the family's income, excluding the first \$90 of earned income for each employed person, is less than the MBSAC for the family. (W&IC §11450.12; All-County Letter (ACL) No. 97-59, October 14, 1997; §44-207.1, effective July 1, 1998)

125-2 ADDED 6/11

After an AU has passed the applicant income eligibility test, or has become a recipient AU, that AU must still meet a recipient net income test.

To determine net income for these AUs, add together all non-excluded income of all family members. Subtract \$225 from any disability-based unearned income.

If the family has earned income, allow a deduction of \$112 (or the remainder of the \$225 disability deduction which has not been deducted, not to exceed \$112). Net income has been determined. (§§44-113.213 - .217, effective July 1, 1998)

Compare this net income with the MAP for the family, plus special needs. If net income exceeds the MAP plus special needs, the AU is ineligible on a prospective basis.

(W&IC §§11451.5, 11450.12, 11450(a) and (e), 11452; All-County Letter (ACL) No. 97-59, October 14, 1997; §§44-207.1, .2, and 44-113.21, effective July 1, 1998)

The applicant or recipient "AU" is financially eligible for any month in which on the first of the month the countable income pursuant to §44-113 is less than the Maximum Aid Payment (MAP) for the AU plus the value of any special need(s). (§44-207.21, effective July 1, 1998)

125-2A

Effective prior to July 1, 2011, after an AU has passed the applicant income eligibility test, or has become a recipient AU, that AU must still meet a recipient net income test.

To determine net income for these AUs, add together all nonexcluded income of all family members. Subtract \$225 from any disability-based unearned income.

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If the family has earned income, allow a deduction of \$225 (or the remainder of the \$225 disability deduction which has not been deducted). Net income has been determined. (§§44-113.213 - .217, effective July 1, 1998)

Compare this net income with the MAP for the family, plus special needs. If net income exceeds the MAP plus special needs, the AU is ineligible on a prospective basis.

(W&IC §§11451.5, 11450.12, 11450(a) and (e), 11452; All-County Letter (ACL) No. 97-59, October 14, 1997; §§44-207.1, .2, and 44-113.21, effective July 1, 1998 as modified July 1, 1998, All County Letter 11-33, April 29, 2007, Welfare and Institutions Code Section 11451.5 as amended by SB 72, January 2011)

The applicant or recipient "AU" is financially eligible for any month in which on the first of the month the countable income pursuant to §44-113 is less than the Maximum Aid Payment (MAP) for the AU plus the value of any special need(s). (§44-207.21, effective July 1, 1998)

125-3

The MBSAC for ____ person(s) as of _____, _____, is \$____. (Handbook §44-315.311(a))

125-3A

Effective January 1, _____, the MBSAC for _____ person(s) in Region 1 counties is \$_____. (Handbook §44-315.311(a))

125-3B

Effective January 1, _____, the MBSAC for _____ person(s) in Region 2 counties is \$_____. (Handbook §44-315.311(a))

125-3C

As of January 1, 1997, California has characterized its counties as Region 1 and Region 2 counties for CalWORKs (formerly AFDC) purposes.

The following are Region 1 counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura. All other counties are Region 2 counties. (W&IC §11452.018(b))

125-4A

The MAP for an Exempt AU of _____ person(s), as of _____, _____, was \$_____. (Handbook §44-315.311(a))

125-4B

The MAP for a nonexempt AU of _____ person(s), as of _____, _____, was \$_____. (Handbook §44-315.311(a))

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125-4C

Effective _____ 1, _____, the MAP for an exempt AU of _____ person(s) in a Region 1 county is \$_____. (Handbook §44-315.311(a))

125-4D

Effective _____ 1, _____, the MAP for a nonexempt AU of _____ person(s) in a Region 1 county is \$_____. (Handbook §44-315.311(a))

125-4E

Effective _____ 1, _____, the MAP for an exempt AU of _____ persons in a Region 2 county is \$_____. (Handbook §44-315.311(a))

125-4F

Effective _____ 1, _____, the MAP for a nonexempt AU of _____ persons in a Region 2 county is \$_____. (Handbook §44-315.311(a))

125-4G ADDED 11/05

The MAP cost of living adjustment (COLA) was suspended from August 2005 through June 2007. MAP levels from June 2005 remain in effect through June 2007. However, there was a COLA for the month of July 2005 only.

125-5

Prior to July 1, 1998 for _____ person(s), 185% of the MBSAC, as of _____, 199_, was \$____. (Handbook §44-207.113), formally repealed effective July 1, 1998)

As of January 1, 1998, there is no 185% test for CalWORKs applicants or recipients. (All-County Letter No. 97-59, October 14, 1997, implementing Assembly Bill No. 1542)

125-6 ADDED 8/04

The following financial eligibility test applies to both applicant and recipient cases.

An AU is financially eligible for the payment period if the family's combined reasonably anticipated monthly net non-exempt income, after the income and needs of the family are considered is less than the MAP for the AU.

A recipient AU will remain financially eligible during the 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 payment period in accordance with §44-316.324)

(§44-207.21)

125-8A ADDED 8/04

Once financial eligibility is established for the payment period, financial eligibility continues for the AU for the entire payment period unless the family's income exceeds the IRT and the

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family's reasonably anticipated monthly income for the remainder of the payment period exceeds MAP for the AU. (§44-207.23 effective July 1, 2004)

125-11 REVISED 2/05

Under monthly reporting, if aid is discontinued because estimated net nonexempt income is expected to result in financial ineligibility and this amount of income is not actually received, the county shall rescind the CalWORKs (formerly AFDC) discontinuance and issue the correct grant. (§44-207.24)

Under prospective budgeting, if aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the 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. (§44-207.24(QR))

125-12 REVISED 8/04

Under monthly reporting the income received during the budget month by an individual deleted from the CalWORKs (formerly AFDC) AU shall not be income to the AU for retrospective budgeting in any payment month following the individual's deletion except when the individual remains in the home following the deletion and has income which is considered available to the AU. (§44-313.42 prior to implementation of prospective budgeting in the county)

125-12A ADDED 8/04

Under prospective budgeting the income of an individual deleted from an AU shall not be considered income to the AU for budgeting purposes in any month(s) following the individual's deletion except when the individual remains in the home following the deletion and has income which is considered available to the AU. In that case, prospective budgeting shall continue. (§44-313.42 effective July 1, 2004)

125-14A

Kin-GAP children shall be treated as "recipients", not applicants, when transferring to Kin-GAP. This status continues even if the case is discontinued and later re-established. (ACL No. 99-97, November 4, 1999)

125-15

The Maximum Aid Payment (MAP) for the Kin-GAP child is the same as the basic foster care rate in the county of responsibility. (All-County Letter (ACL) No. 99-97, November 4, 1999, p. 2) The county of payment responsibility is the county which had the dependency of the Kin-GAP child at the time the guardianship was established. (ACL No. 99-97, p. 1)

125-16

The needs of the following persons are considered in the family MAP (recipient cases) or MBSAC (applicant cases). The family MAP/MBSAC shall include:

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- .521 The needs of ineligible aliens who are related to the AU and who would be eligible for aid except for their alien status. These ineligible aliens are: the spouse of an AU member; the parent of a child in the AU; the parent of an ineligible alien child in common who is deprived of parental support or care; the child of an AU member, and the child who is the (half) sibling to a child in the AU.
- .522 The needs of AU members other than those specified in §44-133.4 (which deals with sanctioned or penalized individuals).
- .523 The needs of persons excluded from the AU, set forth in §44-133.51 whose income is being considered.
- .524 The needs of any excluded children identified in §§44-133.51 and .521 whose income is being considered, or other persons living in the home who could be claimed by the person for tax purposes.
- .525 The needs of any excluded spouse of the persons identified in §§44-133.51 and .521 whose income is being considered.

(§44-133.52, as revised July 30, 1999)

125-16A ADDED 2/14

CDSS procedure which does not include the MFG child in the "family MAP" for purposes of allocating income is correct. (*Sneed v. Saenz*, 16 Cal. Rptr. 3d 563 - Cal: Court of Appeal, 4th Appellate Dist., 1st Div. 2004)

126-1

When the minor parent is not exempt from the Minor Parent Requirement, aid shall be paid on behalf of the minor parent to the adult living in the home, or to the group maternity home, per §89-201.1. (§89-201.4)

126-2

Counties shall issue vouchers or vendor payments for at least rent and utilities payments for any AU in which any parent or caretaker relative is in sanction status for at least three consecutive months. A county shall establish when to begin to issue vouchers or vendor payments after this three-month period. This timeframe shall be included in a county's written policies and procedures.

The voucher or vendor payments shall continue until the sanction is lifted. (W&IC §11453.2; §44-307.12; ACL 08-38)

A "sanction" must be known in advance to be of three months in duration before W&IC §11453.2 applies. Thus, sanctions imposed on a month-by-month basis, such as those related to immunization or school attendance, do not result in the issuance of vouchers or vendor payments, while those with a fixed period of at least three months, such as second or third instances of welfare-to-work noncompliance, result in that type of restricted issuance. (All-

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County Letter No. 97-66, p. 3, October 29, 1997) Welfare to Work ceased durational sanctions effective June 30, 2008 so no vendor payment would result after that date.

126-3

As effective prior to April 2015, counties must issue vouchers or vendor payments for at least rent and utilities when an otherwise mandatorily included person is determined to be a drug felon under W&IC §11251.3. However, this restricted issuance is not required if the exclusion is due to fleeing felon status. (All-County Letter No. 97-66, p. 5, October 29, 1997; W&IC §§11251.3 and 11486.5; §44-307.11, effective July 1, 1998)

126-4 REVISED

7/15

Vendor payments are payments made directly to a person or agency supplying goods or services to the recipient or family. (§44-303.3)

Vendor payments are applicable:

- .31 In all aids, for payments on home repairs under special shelter payment provisions.
- .32 In CalWORKs, for use in certain Homeless Assistance cases.
- .33 Prior to April 2015, in CalWORKs, when an adult who would otherwise be a member of the AU becomes ineligible for aid due to a felony conviction (after December 31, 1997, per §44-307.11) related to the use or distribution of a controlled substance.
- .34 In CalWORKs, when a parent or caretaker relative has been in sanction status for at least three consecutive months. A county shall establish when to begin to issue vouchers or vendor payments for at least rent and utilities after this three-month period. This timeframe shall be included in a county's written policies and procedures.

(§§44-303.31 - .34)

126-5

When vouchers or vendor payments are issued per §§44-307.11 or .12, counties have the option to issue additional vouchers or vendor payments for other need items if they deem it in the best interest of the recipient child(ren). (§44-307.31)

128-1A REVISED

5/16An Exempt AU is one in which the following persons:

Parent/Relative: Each parent, aided stepparent, and caretaker relative of a child who lives in the home of the aided child;

Aided Parent of Unaided Child: Each parent receiving aid because of an unaided excluded child;

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Pregnant Woman Only: The pregnant woman in an AU consisting of Only the woman only; or

Refugee Cash Assistance (RCA) AU: Each adult or parent of a child aided under RCA in a RCA AU.

Receives at least one of the following benefits:

Supplemental Security Income/State Supplemental Payments (SSI/SSP);

In-Home Supportive Services (IHSS);

State Disability Insurance (SDI); or

Temporary Worker's Compensation (TWC - Temporary Disability Indemnity - TDI).

or

Is an unaided, non-parent caretaker relative.

(§89-110.21)

128-1B

Exempt MAPs, as the CDSS interprets W&IC §11450.019, include those when every parent or caretaker relative in the AU is disabled and receiving: SSI/SSP; IHSS; SDI; TWC; or TDI; or those where the individual is a nonparent caretaker not included in the AU. (ACL No. 97-59, Attachment 3)

Emergency regulations were filed effective January 1, 1998 to delete receipt of SSDI and determinations of incapacity, GAIN exemptions, and students under 19 as bases of Exempt status. (§§89-110.225, .24)

128-3

When exempt AU status results from a request for review by the AU, the county shall not treat the AU as an exempt AU prior to the month the county receives the request.

(§89-110.271; All-County Letter No. 96-28, May 23, 1996, Attachment 1, p. 5)

Exempt AU status can be determined three ways: 1) Conditions Established by the CWD Independent of an AU Request; 2) Conditions Established by Receipt and Verification of Qualifying Income; and 3) Conditions Verified by the CWD Pursuant to AU Request.

Situations in the first group are a county determination of eligibility based upon an incapacitated parent, unaided non-parent caretaker relative, CalLEARN enrollment, based on information

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already known to the county. Situations in the second group are automatically Exempt. Situations in the last group require a county determination whether the AU qualifies as Exempt, but is based on information previously not known to the County.

It is only for the last category that the Exempt AU status is granted prospectively only.

All-County Letter No. 96-28, May 23, 1996, Attachment 1, p. 4-5)

128-5 REVISED 8/04

Under prospective budgeting, the county shall use the Exempt or Nonexempt AU MAP status corresponding to the AU's MAP status that is reasonably anticipated for the payment period. (§§89-110.28 and .29)

Under monthly reporting, except during the first four months of assistance, an AU which is subject to retrospective budgeting shall have its status as an exempt or nonexempt AU based on the AU's status two months prior to the payment month. (§§89-110.292, .283, .293 prior to the implementation of prospective budgeting in the county)

128-6

When an AU has requested exempt status, the county must make a status determination by the 16th calendar day after receipt of the request. (All-County Letter No. 96-28, May 23, 1996)

128-7

A caretaker relative is a relative who lives with a child who is part of the filing unit and exercises responsibility for the day-to-day care and control of the child. (§80-301c.) The caretaker relative may be any relative by blood, marriage, or adoption who is within the fifth degree of kinship to the eligible child. (§82-808.1)

128-9

When exempt AU status is established based on county review--such as when the required AU members are GAIN exempt under §§42-793 or 42-795, AFDC incapacitated parent, unaided nonparent caretaker relative, under 19 years old and in a program leading to a high school or equivalent diploma, or in receipt of qualifying income--then the AU is exempt the month in which the qualifying conditions are met. The claimant need not make a request, nor, in the case of qualifying income, is a timely report required. (All-County Letter No. 96-28, May 23, 1996, pp. 3-4, interpreting §§89-110.26, .27 and 44-340.31)

128-11

It is the position of the CDSS that when a minor parent is living with a senior parent, exempt AU status can be established as follows:

1. If the minor parent (whether excluded or included in the AU) is the only caretaker relative in the AU, only the minor parent must meet the exemption criteria.

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2. If both the senior parent and the minor parent are included in the AU, both must meet exemption criteria.

(All-County Letter No. 97-17, March 14, 1997)

129-0 ADDED 8/14

State law provides that to the extent permitted by federal law, regulations, waivers, and directives, the California Department of Social Services shall implement the prospective budgeting, semiannual reporting system provided in W&IC sections 11265.1, 11265.2, and 11265.3, and related provisions, regarding CalFresh, in a cost-effective manner that promotes compatibility between the CalWORKs program and CalFresh, and minimizes the potential for payment errors; and that CDSS shall seek all necessary waivers from the United States Department of Agriculture to implement the CalFresh semi-annual reporting system. (W&IC §18910(a) and (c))

129-1 ADDED 9/13

The county will use information on the SAR 7 and SAWS 2 to determine continuing eligibility and future benefit amounts based on all eligibility factors. Based on information provided on these documents, the county will determine continuing eligibility as it relates to property, income deprivation (CalWORKs only), and household composition using prospective budgeting rules. (§40-181.1)

129-1A ADDED 2/04

The county will use information on the QR 7 to determine continuing eligibility and future benefit amounts based on all eligibility factors. Based on information provided on the QR 7, the county will determine continuing eligibility as it relates to property, income deprivation (CalWORKs only), and household composition using prospective budgeting rules. (All-County Letter No. 03-18, April 29, 2003, p.16)

129-1AA ADDED 2/04

The prospective budgeting system uses anticipated income/prospective budgeting to determine a recipient's benefits. Prospective budgeting requires the county to use income that the recipient *reasonably anticipates* it will receive during the payment period. (§44-313)

129-1B REVISED 8/04

Income is "reasonably anticipated" when the county determines that the recipient will receive a specified amount of income during any month of the payment period. Income is considered reasonably anticipated if the county determines that the income has or will be approved or authorized within the upcoming payment period, or the assistance unit/household is reasonably certain that the income will be received within the payment period; and the amount of the income is known. (§44-313)

129-1C ADDED 2/04

Counties are required to determine what is reasonably anticipated income when:

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- An assistance unit/household first applies for benefits;
- A recipient assistance unit/household reports new income on the QR 7;
- A recipient assistance unit/household reports on the QR 7 that income is expected to change;
- A recipient assistance unit/household has fluctuating income; and
- A recipient makes a mid-payment period report of an income change.

(All-County Letter No. 03-18, April 29, 2003, p.21)

129-1D ADDED 2/05

After an AU has passed the applicant income eligibility test, or has become a recipient AU, that AU must still meet a recipient net income test.

An AU is financially eligible for the payment period if the family's combined reasonably anticipated monthly net non-exempt income for the payment period, after the income and needs of the family are considered pursuant to §44-133 and §44-315.3 is less than the MAP for the AU.

A recipient AU will remain financially eligible during the 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 payment period in accordance with §44-316.324.

(§§44-207.211, .212)

129-1DD

An AU is financially eligible for the payment period if the family's combined reasonably anticipated monthly net non-exempt income for the payment period, after the income and needs of the family are considered pursuant to §44-133 and §44-315.3 is less than the MAP for the AU.

A recipient AU will remain financially eligible during the 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 payment period in accordance with §44-316.324.

(§§44-207.211, .212)

129-1E

Prospective budgeting is the method of computing an aid payment for a payment period using an estimate of the income reasonably anticipated to be received in that payment period except

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for those mid-payment period changes where actual income is used as specified in §44-316.311.

Prospective budgeting shall be used to compute the CalWORKs grant for each month in a payment period.

(§§44-313.11 and .121)

129-1F ADDED 2/05

At the initial application the applicant test would be applied using actual income for the initial application month only. If the AU passes the applicant test based on the first month's actual income level, go on to determine the monthly grant for each month of the payment period using averaged monthly income (that includes reasonably anticipated future income and actual income). (All County Information Notice I-84-03, December 24, 2003 answer to question 1)

129-1G REVISED 9/13

Income from the Data Month, anticipated changes in income from the data month and mid-period income changes as specified in §44-316 shall be considered when determining eligibility and cash aid for a payment period. Documentation shall be entered in the case that explains how income was projected in determining cash aid calculations. Case narrative entries shall include, but are not limited to, the following:

- Income the recipient received in the data month.
- Any changes in income from the Data Month that the recipient reasonably anticipates receiving in the payment period as reported on the SAR 7/QR 7 or annual redetermination
- Documentation of reasons for not accepting the recipient's reasonably anticipated income if the information is questionable.
- Other information used to determine what income is used to calculate cash aid such as verifications, employer's statements case history etc. if the recipient's reasonably anticipated income is not used.

(§44-313.111)

129-1H ADDED 11/05

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

(§44-316.231)

129-2 REVISED 2/05

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If the county establishes that income is received weekly and it is reasonably anticipated that it will continue to be paid weekly throughout the payment period, weekly income shall be converted to monthly income by using a 4.33 conversion factor.

If the county establishes that income is received bi-weekly and it is reasonably anticipated that it will continue to be paid biweekly throughout the payment period, bi-weekly income shall be converted to monthly income by using a 2.167 conversion factor.

For income received monthly or semi-monthly (two times a month), the county shall use total monthly income reported on the SAR 7/QR 7 for the data month to calculate cash aid for the next payment period.

(§44-315.315)

129-2A ADDED 2/05

Under the following circumstances the county shall add weekly or bi-weekly data month income amounts reported on the QR 7/SAR 7/SAWS 2 and divide the total by the number of pay periods in the data month to arrive at a weekly or bi-weekly income amount to which the (2.167 or 4.33) conversion factor shall be applied:

- An AU reports on the QR 7/SAR 7/SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming payment period compared to the Data Month income actually reported on the QR 7/SAR 7/SAWS 2 and the county agrees with the AU's report.
- An AU reports on the QR 7/SAR 7/SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in the upcoming payment period, but the county determines in its follow-up review that the AU's reasonably anticipated income in the next payment period will not change from what was reported in the data month on the QR 7/SAR 7/SAWS 2.

The conversion factors can only be used if reasonably anticipated weekly and bi-weekly payments are reasonably anticipated to be paid throughout the entire payment period.
(§§44-315.315(a) and (c))

129-2B ADDED 4/10

Can you re-clarify when counties use the weekly and bi-weekly conversion multipliers?

Answer: If the recipient is going to be paid weekly *every week* for the entire quarter, use the weekly multiplier. If the recipient is going to be paid *every other week* for the entire quarter, use the bi-weekly multiplier. If the recipient gets a fixed monthly pay, whether in one or more pay periods, use the monthly amount and no multiplier. If the person does not anticipate getting paid regularly for the entire quarter, don't use the multiplier, just count the anticipated income.
[Income averaging rules, including conversion multipliers are explained in ACL 04-19 and in MPP §44-315.315(a)].

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For example, someone who reports getting \$200 every week for the whole quarter is treated differently than someone who reports that he or she will work only the first three weeks of each month, and be paid \$200 per week worked. In the first example, the weekly multiplier of 4.33 would be used, for a total of \$866 averaged monthly income; in the latter case, \$600 is budgeted as the monthly income throughout the quarter. If a recipient reports that he or she will receive a paycheck every other week in the amount of \$300 for the entire quarter, then the bi-weekly multiplier of 2.167 would be used, for a monthly total of \$650.

(ACL 10-10, March 26, 2010)

129-2C

Each paycheck does not need to be the same amount; however, the AU/household must anticipate that their monthly income will continue, in order to convert the income into a monthly average. For example, if a recipient reports receiving four checks in the Data Month and explains that one of the checks was higher or lower than usual, but that the other three checks are representative of their weekly income and they expect that amount to continue, the CWD can use the conversion factor to convert the three representative weekly paychecks into a monthly average. In that situation, the conversion factor would be applied to the reasonably anticipated income, rather than the Data Month income because the Data Month income is not expected to continue.

(All County Letter 12-25, May 17, 2012)

129-2D

If the AU/household receives weekly or bi-weekly paychecks, but their income fluctuates month to month and they cannot reasonably anticipate that their Data Month income will continue at the same amount, the conversion multipliers will not be used to convert the Data Month income into a monthly average. In this case, the CWD should accept the AU/household's estimate of reasonably anticipated income or when that estimate is questionable, contact the AU/household to determine what monthly income (if any) can be reasonably anticipated.

(All County Letter 12-25, May 17, 2012)

129-3A ADDED 9/13

Income is "reasonably anticipated" when the recipient and CWD determines it is reasonably certain that the recipient will receive a specified amount of monthly income in the SAR Payment Period. If the amount of income that will be received or when it will be received is uncertain, the portion of the AU/household's income that is uncertain shall not be counted. This definition applies to earned and unearned income.

(All County Letter 12-25, May 17, 2012, MPP 44-101(c))

129-3B ADDED 9/13

Under SAR, recipients will no longer be required to report an exact amount of anticipated monthly income for each month of the SAR period. Instead, recipients will be required to provide information for the Data Month and any anticipated changes in the six months following the Submit Month. The income received in the Data Month will be considered reasonably anticipated and will be used in the budget calculation unless the recipient reports that they anticipate a change in the upcoming SAR Period.

(All County Letter 12-25, May 17, 2012)

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129-3C ADDED 9/13

If an AU/household anticipates receipt of new income from a new source in the upcoming SAR Payment Period, such as a new job or UI benefits, this income shall only be considered reasonably anticipated if the CWD determines that:

1. The AU/household verifies that the income has been or will be approved or authorized within the upcoming SAR period, or the household is otherwise reasonably certain that the income will be received within the SAR period;
2. The anticipated amount of the income is known and verified, or the AU/household is otherwise reasonably certain of the amount of the income; and
3. The start date of the income is known and verified, or the AU/household is otherwise reasonably certain of the start date of the income.

(All County Letter 12-25, May 17, 2012)

129-3D ADDED 9/13

If an AU/household anticipates receipt of new income in the upcoming SAR Payment Period, but does not have reasonable certainty of the dates and amounts expected to be received, this income cannot be considered reasonably anticipated and therefore shall not be used in determining the benefits for the upcoming SAR Payment Period. If the new income exceeds the IRT mid-period, then the recipient would have to report it and benefits will be recalculated as necessary.

(All County Letter 12-25, May 17, 2012)

129-3E ADDED 9/13

If the AU/household's monthly income fluctuates or they expect the income received in the Data Month to change in the upcoming SAR Payment Period, the CWD must attempt to find out the amount of income the AU/household reasonably expects to receive, in order to determine what income, if any, can be reasonably anticipated and used in the next SAR Payment Period's benefit calculation. Only that portion of income that the AU/household reasonably anticipates it will receive can be used in the benefit calculation. If, for example, a recipient has fluctuating income, but agrees that she usually makes at least a minimum of \$200 a month, the minimum anticipated income can be anticipated. If however, a recipient can't anticipate an amount or if she will get paid in the upcoming semi-annual period, then no income can be reasonably anticipated. (All County Letter 12-25, May 17, 2012)

129-3F ADDED 9/13

If the recipient states that the Data Month income is not typical, explains why, and lists an estimate of future income, barring any information to the contrary, the recipient's estimate of future income should be used.

(All County Letter 12-25, May 17, 2012)

129-3G

When the AU/household reports anticipating fluctuations from their Data Month income, the determination of whether income is reasonably anticipated will require additional steps and thorough case documentation. In situations where the recipient expects a change or has fluctuating income, and either cannot or does not provide an estimate of what is reasonably

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anticipated, the following guidelines can be helpful to the CWD in working with the recipient to determine what income, if any, can be reasonably anticipated for the upcoming semi-annual period:

- Take into account any changes in income from the Data Month that the AU/household reasonably anticipates for the upcoming SAR Payment Period. If the AU/household reports that they expect changes from the income received in the Data Month, but do not know how much their income will change or when the changes will take place, Data Month income shall be used until the recipient reports a reasonably anticipated change.
- If the AU/household reports that their income fluctuates significantly month to month that they cannot reasonably anticipate any income, and that in some months they don't receive any income, barring any information to the contrary, the CWD should accept this statement and no income should be budgeted.

- If the AU/household is unable to estimate future income with the CWD's assistance, the CWD, with written authorization from the recipient, may contact the employer or other source of income.

- If unable to obtain additional source information, the CWD may take into account past income received by the AU/household to determine whether or not the Data Month income is representative of the AU/household's typical pay but past income shall not be used as an indicator of anticipated income if changes to the income have occurred or are anticipated.

(All County Letter 12-25, May 17, 2012)

129-3H

If income fluctuates to the extent that a 30-day period alone cannot provide an accurate projection of future income, the CWDs may look back to the prior semi-annual period for historical income information.

(All County Letter 12-25, May 17, 2012)

129-3I

In the CalFresh Program, households which, by contract or self-employment, derive their annual income in a period of time shorter than one year shall have that income averaged over the SAR period (contingent upon federal waiver approval) provided the income from the contract is not received on an hourly or piecework basis. These households may include school employees, sharecroppers, farmers, and other self-employed households. However, these provisions do not apply to migrant or seasonal farm workers. Contract income which is not a household's annual income and is not paid on an hourly or piecework basis shall be prorated over the period the income is intended to cover. CalWORKs does not have special rules for the treatment of income for AU's that derive their annual income in a period of time shorter than one year; however, in order to align with CalFresh, CalWORKs cases that are also receiving CalFresh will follow the budgeting rules explained above.

(All County Letter 12-25, May 17, 2012)

129-3J

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Income that the recipient anticipates will begin or end in one of the months of the upcoming SAR Payment Period will only be counted in the months that the income is reasonably anticipated to be received.

(All County Letter 12-25, May 17, 2012)

129-3K

If the AU/household is certain that their income will be ending or new income will be starting in a certain month of the SAR Payment Period, this income will only be used to determine benefit amounts for the months in which it is reasonably anticipated to be received. In these situations, the CWD shall calculate two different benefit levels for the semi-annual period: one benefit amount for the months in which the income will be received and one benefit amount for the months in which the income will not be received.

(All County Letter 12-25, May 17, 2012)

129-3L ADDED 11/09

Question: Often in Part 3 (now 1b) of the QR 7 (anticipated changes), recipients will write that they have “no idea” what income they expect to receive in the next quarter or “\$0” income, when the county knows the recipients often do occasional work. Can the county reject a QR 7 filled out this way as incomplete and tell the recipient that they MUST anticipate something?

How do counties treat anticipated income when the recipient’s income fluctuates greatly?

Answer: Recipients are only required to report income that they reasonably anticipate to receive in the upcoming quarter. “Reasonably anticipated” income is that which the person is reasonably certain as to the amount and payment date to be received (MPP §44-101(c)(1); 44-315.311(a); 63-509(QR)(a)(2)). This means that even when recipients do occasional work, if they can’t anticipate how much they will get paid or that they will get paid within any of the three months of the upcoming quarter, they may be unable to reasonably anticipate that income. If a recipient reports they have “no idea” of anticipated income, counties should not return the QR 7 to the recipient as incomplete, but should contact the recipient and discuss their potential income for the next few months and decide if any income can be reasonably anticipated. The county has several options for obtaining more reliable information:

- 1) If the recipient is unable to estimate future income with the county’s assistance, then with the recipient’s written permission, the county may contact the employer or source of income.
- 2) If unable to obtain additional source information, counties can also look at past income (current quarter for CalWORKs and past 12 months for CalFresh benefits per MPP §63-509(a)(6)(B)) and may use this past income as an indicator of income that will be received over the next quarter, as long as no change in income has occurred or is anticipated to occur over the next quarter (see MPP §44-315.312; 63-509(a)(2)(C)(3)(f)).

(All County Letter 09-41, September 2, 2009)

129-3M ADDED 2/04

Except when specified, counties must average income that the assistance unit/household expects to receive over the quarter based on what the assistance unit/household reports on the

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QR 7 and use average monthly income to determine monthly benefits. Once the level and frequency of pay has been determined, the county must take the following income averaging steps to determine monthly average income:

- Add reasonably anticipated gross earned income for each month of the quarter and divide by three.
- Add reasonably anticipated disability based unearned income for each month and divide by three (CalWORKs only).
- Add reasonably anticipated gross unearned income for each month of the quarter and divide by three.
- Apply all applicable disregards for each income to averaged income amounts.
- Total all income of each type to determine average net non-exempt income.

For both CalWORKs and CalFresh benefits, averaged income is rounded down to the next lower dollar.

(All-County Letter No. 03-18, April 29, 2003, pp.24-25; All-County Information Notice I-54-03, question and answer 9)

129-4 REVISED 2/05

Under prospective budgeting, for purposes of calculating CalFresh benefits, the county shall not average the CalWORKs grant. The actual CalWORKs grant must be used. (§63-509(a)(4)(A)5.)

129-5 ADDED 2/04

The county shall recalculate the current quarter's CalWORKs and CalFresh benefits when a recipient reports a decrease or discontinuance of income. In calculating such benefits, the county shall determine the month in which the decrease or loss of income was reported. The county shall add additional income the assistance unit/household reasonably anticipates for the current and remaining months of the quarter. The county shall then determine a new average monthly income for the current payment period by dividing the total income by the amount of months equal to the current and remaining months of the quarter.

The county shall do the above calculation for earned income, disability based unearned income and unearned income. In these calculations the county shall apply all applicable income disregards and/or CalFresh allowances for each income type to the new average gross income amounts to generate average net non-exempt income (NNI) for each month.

The county shall then recalculate benefits for the quarter by subtracting the newly averaged NNI from the applicable Maximum Aid Payment for CalWORKs. To determine the CalFresh allotment, the county shall refer to the coupon allotment issuance chart using the net income for appropriate household size.

(All-County Letter No. 03-18, April 29, 2003, pp.43-44)

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129-5A ADDED 2/04

In the CalWORKs program, prospective budgeting does not provide for reconciling the first two months of aid that are prospectively budgeted. Under prospective budgeting reasonably anticipated income is not reconciled with actual income. (All-County Letter No. 03-18, April 29, 2003, p.66)

129-6 ADDED 8/04

To determine what income is reasonably anticipated for the next payment period, if necessary the county may require the recipient to provide one or more months of the previous payment period's income. (§44-315.312)

That portion of the AU's income which is uncertain or cannot be reasonably anticipated in accordance with §44-101(c), will not be counted when determining eligibility and grant amount. (§44-315.313)

129-6A ADDED 8/04

The county shall determine whether reasonably anticipated monthly income is expected to be different from the income reported for the data month for one or more months during the next payment period or whether monthly income reported for the data month is expected to continue during each month of the next payment period. (§44-315.314)

129-6B ADDED 9/13

For income that is reasonably anticipated to change during the SAR Payment Period, the current monthly income amount shall be used to calculate the grant for the months in which it is reasonably anticipated to be received. When a change in income is reported, the new amount of income shall be used to calculate the grant for the months of the SAR Payment Period in which it is reasonably anticipated to be received. If this income is paid on a weekly or bi-weekly basis, the county shall convert the income into a monthly amount as described in Section 44-315.315(a) to compute the reasonably anticipated income to use for each month of the SAR Payment Period. (§44-315.316)

129-6Bo ADDED 8/04

For income that is reasonably anticipated to be different for one or more months of the quarter, the monthly income amounts shall be averaged over the months of the quarter by adding each month's total income and dividing that total by the number of months in the quarter.

If this income is paid on a weekly or bi-weekly basis, the county shall determine the number of pay periods and their amounts reasonably anticipated to be received during each month of the quarter to compute reasonably anticipated income total for each month. (§44-315.316 effective July 1, 2004)

129-6C

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The income of a new person who is added to an existing AU shall be budgeted prospectively in accordance with §44-316.312 for each month of the payment period. (§44-313.21)

In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated income for the new person and the existing AU's income for the month in which the new person was voluntarily reported in the home and the remaining months of the payment period. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed. §44-316.312

129-7 ADDED 8/04

When a recipient mid-quarter report or a county initiated action changes the amount of cash aid, except as provided in §44-316.12(a)(3), the county shall determine the grant amount by adding the monthly income of the remaining months of the payment period then dividing by the number of months remaining in the payment period. The county shall use the reasonably anticipated monthly income to calculate cash aid for the remainder of the payment period. (§44-315.317)

129-8 ADDED 8/04

Mid-payment period changes to cash aid under prospective budgeting include recipient mid-payment period voluntary reports, recipient mid-payment period mandatory reports and county-initiated mid-payment period changes. (§44-316.31-33)

129-9 REVISED 11/05

Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the payment period. The county shall also accept a report of decreased income on the QR 7/SAR 7/SAWS 2 as a voluntary mid-payment period report when the report is received in the submit month. When the voluntary report of decreased income is received in the submit month, the county shall also treat this information as updated report information when determining cash aid for the next payment period. The county shall take action on changes that cause the cash aid to increase, but not act on changes that cause cash aid to decrease unless the recipient voluntarily requests discontinuance of aid. (§44-316.31)

129-9A REVISED 11/05

When a recipient voluntarily reports changes in income and/or circumstances mid-payment period, the county must request verification in writing.

If the recipient provides verification within 10 days of the voluntary mid-payment period report, the change is generally effective the first of the month following the voluntary report. If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU. If the recipient provides verification after 10 days, the date the verification is provided shall be considered the date of the voluntary report.

The county shall issue a supplement within 10 days of receiving verification based on the difference between the recalculated cash aid and the cash aid that was paid for the month the

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decrease in income is reported or the month in which the change actually occurred, whichever is later and when all verification has been provided. (§§44-316.31, .311, and .312(a)(4))

129-9B ADDED 8/04

When the AU voluntarily reports a new person in the home mid-payment period, the county must determine if the new person is CalWORKs eligible; if the new person was added to the AU would the AU still meet eligibility conditions; and if the addition of the new person would increase or decrease the CalWORKs grant.

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

(§§44-316.312(a) and (b))

129-9C ADDED 8/04

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

When adding a new person would result in an increase in aid, but the new person does not meet all eligibility conditions before aid is authorized, the county shall not add the person nor discontinue the existing AU mid-payment period.

If adding a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person to the AU until the first day of the next payment period after the AU has a mandatory duty to report the new person in the home.

(§§44-316.312(c)-(e))

129-9D ADDED 8/04

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

If the voluntary request is verbal, the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided. If the request for discontinuance is in writing, the county shall discontinue cash aid at the end of the month with adequate notice.

(§§44-316.313))

129-9E

For both CalWORKs and CalFresh benefits, if the person moving into the home has income that once considered would result in the assistance unit/household being financially ineligible for aid,

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the county shall not take any action to change the assistance unit/household's benefits in the current quarter. The new person would not be entitled to receive Medi-Cal. (All-County Letter No. 03-18, April 29, 2003, pp.54-55)

129-9F ADDED 9/09

What should the county do if the client reports two different changes on a voluntary report where one change would result in increased benefits and the other would result in decrease benefits? Should the net action be taken or should each change be evaluated independently?

Answer: The county must determine if the changes are two separate changes independent of each other or if they are two events that are part of one change. If the changes are separate, the county must act on them individually, in the sequence in which they occurred, and in accordance with the prospective budgeting rules. The CWD would act on changes that result in an increase, but not on changes that could result in decreased benefits.

If the changes are two events that are part of one change (e.g. new person reported in the home who has income or who starts getting income), the required action would depend on the timing of the changes.

- The county should follow the general rules of prospective budgeting:
 1. Do not decrease benefits mid-quarter unless it is as a result of a change that is mandatorily required to be reported or a county-initiated action and
 2. Only act on "known-to-county" changes if the recipient was required to report the change.

(All County Information Notice I-54-03, question and answer 3)

129-9G REVISED 04/10

Question: How do counties treat a report of decreased income that is received in the Submit Month (i.e. the month the QR 7 is due)?

Answer: Per MPP §44-316.31 and 63-509(a)(2), the county must treat a report in the Submit Month (either on the QR 7 or a separate report) as a voluntary mid-quarter report, and adjust/supplement the benefit amount for the month the decrease took place if verified timely). If the decreased income is expected to continue into the next quarter, the report of decreased income on the QR 7 will also be used to determine the next Payment Quarter's cash aid and CalFresh benefit amount.

Example 1: Jan/Feb/Mar quarter. Mom submits a timely and accurate QR 7 on March 4th stating that her actual income for the month of March will be lower than previously anticipated and budgeted for and that this decrease in income will continue through the upcoming Payment Quarter. She provides written verification of her decreased income on March 7th. The county shall refigure this assistance unit (AU)/household's cash aid and CalFresh benefits for the month of March and make any necessary supplemental payments to the AU/household. The county shall also use this new reasonably anticipated income to figure the AU/household's cash aid and CalFresh benefits for the upcoming Payment Quarter if it is anticipated to continue.

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In the above example, assume mom reported the decreased income for the upcoming Payment Quarter, but didn't report that the current month's income would also be decreased. If on March 25th, she reports that her March income will also be at the lower amount and provides timely verification on April 2, her March cash aid and CalFresh benefits would be redetermined and a supplemental grant must be issued for the difference. If however, she doesn't provide verification of the decreased income until April 10th (more than 10 days after the report date) the date of the verification will be considered the new report date and so the March grant would not be supplemented.

Benefits will be supplemented for the month the decrease occurred or was reported, whichever is later, if verification is provided timely. If verification is provided more than 10 days after the report date, that the verification date will be considered the new report date. The grant will not be supplemented for a month prior to the report

(All County Letter 09-41, September 2, 2009; ACL 10-10, March 26, 2010)

129-10 ADDED 8/04

Recipients shall report in person, verbally or in writing, specific changes during the payment period within ten days of when the AU knows of the change. The AU must report the following changes during the quarter within ten days:

- Drug felony convictions/fleeing felon status/probation or parole violations
- Address changes
- Income in excess of the IRT

The county shall discontinue cash aid to the recipient at the end of the month in which timely and adequate notice can be provided for drug felon, fleeing felon and probation/parole violation cases.

(§§44-316.321 and .322)

129-10A REVISED

1/15 Under semi-annual reporting, if any member of the AU or person included in the family MAP when the AU's current grant was determined has earned income, or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the payment period. The report must be made within 10 days the income has been received.

There are three "tiers" of IRT which will require a mandatory mid-payment period report:

- 1) Income which exceeds 55% of the Federal Poverty Level for a family of three, plus the amount of income last used to calculate the AU's monthly grant amount.

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- 2) The amount of income likely to render the AU ineligible for CalWORKs benefits.

- 3) 130 percent of the Federal Poverty Level or the level at which a household becomes financially ineligible for federal SNAP benefits (called CalFresh in California).

A mandatory mid-payment period report is required if a recipient has income which exceeds any of these levels. If the income is expected to continue, eligibility and benefit amounts must be redetermined effective the first of the month following the receipt of the income over IRT. (§44-316.324, All County Letter 14-77, October 15, 2014, Question #3)

129-10Ao ADDED 8/04

Under quarterly reporting, if any member of the AU or person included in the family MAP when the AU's current grant was determined has earned income, or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the quarter. The report must be made within 10 days the change is known to the recipient.

The IRT is the greater of 130% of the Federal Poverty Level or the level at which the AU becomes financially ineligible. (§§44-316.324(a) and (b))

129-10B1 ADDED 9/13

Effective _____, the first tier IRT for an AU of _____ is \$ _____ plus the amount of previously calculated income. (§44-316.32

129-10B2 ADDED 9/13

Effective _____, the second tier IRT for an AU of _____ is \$ _____. (§44-316.32

129-10B3 ADDED 9/13

Effective _____, the third IRT for an AU of _____ is \$ _____. (§44-316.32

129-10Bo ADDED 11/05

Effective _____, the IRT for an AU of _____ is \$ _____. (§44-316.32

129-10C ADDED 11/05

When the AU reports income in excess of the IRT in the first through fifth month of the current SAR Payment Period, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income determined for the remainder of the current SAR Payment Period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to continue to result in a lower grant amount for the remainder of the SAR Payment Period, the county shall recalculate the AU's grant amount for the remainder of the SAR Payment Period. If the income is reasonably anticipated to continue to exceed the AU's income eligibility

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limits for the remainder of the SAR Payment Period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice (see Section 44-207.23(SAR)).

If it is determined that income will not continue to exceed the IRT the county shall rescind the decrease or discontinuance. (§§44-316.324(c)(1))

129-10Co REVISED 11/05

When the AU reports income in excess of the IRT in the first or second month of the current quarter, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net non-exempt monthly averaged income for the remainder of the quarter will exceed the AU's MAP. If the averaged income is reasonably anticipated to continue to exceed the AU's MAP for the remainder of the quarter, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's MAP, with timely and adequate notice.

If it is determined that income will not continue to exceed the IRT the county shall rescind the discontinuance. (§§44-316.324(c)(1))

129-10D ADDED 11/05

When an AU reports income in excess of the IRT in the last month of the payment period, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use the information together with QR 7/SAR 7/SAWS 2 information to prospectively determine eligibility and cash aid amount for the next payment period.(§44-316.324(c)(2))

129-11 REVISED 11/05

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

County initiated mid-payment period actions include:

- An adult in the AU reaches the 60-month time limit;
- A sanction or financial penalty;
- The county removes a sanction or penalty after the AU member complies with the necessary requirement;
- A Cal-Learn bonus or sanction;
- A child in the AU reaches the age limit;
- A child is in another AU or in foster care;
- An RCA recipient reaches the eight-month time limit;
- Aid is authorized for an individual currently aided in another AU;

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- A late QR 7 adjustment;
- A state hearing decision results in a mandatory mid-quarter change;
- An AU becomes a family reunification case;
- An AU member is no longer a California resident
- County acts on redetermination information in accordance with §40-181.1
- Adjustments to correct erroneous payments caused by recipient error or failure in reporting or county error on QR 7 or mid-quarter information reported by recipient;
- When county learns an AU member is deceased;
- When AU is transferred to Tribal TANF program;
- MBSAC, MAP and Social Security COLAs;
- When county learns that individual is confined to a correctional facility on first of the month and is expected to remain for at least one full calendar month.

(§§44-316.33 and .331)

129-11A ADDED 11/09

If the only eligible child moves out and is otherwise eligible for aid in another case is the county required to discontinue the first AU, or should they continue to aid the parent(s)?

Answer: The county shall take action to discontinue aid to the existing AU/household at the end of the month in which timely and adequate notice can be provided. The county shall aid the child in the new AU effective the first of the following month.

Cash aid cannot be approved until the child has been discontinued from the first AU/household. The county would delete the child out of the CalFresh household at the same time the child is discontinued from the first CalWORKs AU. CalFresh benefits would continue for the adult(s) at least until the end of the quarter. (ACIN I-84-03, question and answer #11)