

July 26, 2019

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 19-67

The purpose of this ACL is to inform County Welfare Departments (CWD) of increases to the maximum asset and vehicle value limits for CalWORKs applicants and recipients pursuant to Senate Bill (SB) 80 (Chapter 27, Statutes of 2019).



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



GAVIN NEWSOM
GOVERNOR

July 26, 2019

ALL COUNTY LETTER NO. 19-67

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

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
KIDS (CalWORKs): CHANGES TO ASSET AND VEHICLE VALUE
LIMITS

REFERENCE: [SENATE BILL \(SB\) 80](#) (CHAPTER 27, STATUTES OF 2019);
WELFARE AND INSTITUTIONS CODE (WIC) SECTIONS [11155](#)
AND [11257](#); MANUAL OF POLICIES AND PROCEDURES (MPP)
SECTIONS [42-207](#), [42-213.2](#) AND [42-215.4](#); ALL COUNTY
LETTERS (ACL) No. [08-11](#), [13-16](#), [13-97](#), [13-111](#), [14-107](#), [17-61](#),
[17-108](#), AND [18-76](#); and ALL COUNTY INFORMATION NOTICES
(ACIN) No. [1-33-19](#), [1-59-11](#), AND [1-43-19](#).

The purpose of this ACL is to inform County Welfare Departments (CWD) of increases to the maximum asset and vehicle value limits for CalWORKs applicants and recipients pursuant to Senate Bill (SB) 80 (Chapter 27, Statutes of 2019), signed by the Governor on June 27, 2019. Effective June 1, 2020, or when the Department notifies the Legislature that the Statewide Automated Welfare Systems (SAWS) can perform the necessary automation, whichever is later, the maximum resource limit will be \$10,000, or \$15,000 for assistance units AUs that include a member who is 60 years of age or older or disabled. Also effective June 1, 2020, or when the Department notifies the Legislature that the SAWS can perform the necessary automation, whichever is later, the maximum equity value of any nonexempt motor vehicle will be \$25,000 for all applicants and recipients. There are no changes to the amount of resources that can be held in restricted accounts. These increased asset and vehicle value limits encourage healthy financial decision-making by allowing CalWORKs applicants and

recipients the opportunity to increase savings. California's most vulnerable will be able to augment or maintain existing resources, allowing greater economic independence and self-sufficiency.

CURRENT RULES

CalWORKs defines cash, bonds, mortgages or similar assets as personal property, while real property is specified as immovable property on land and improvements.

Currently, CalWORKs determines personal property items, such as retirement and education accounts, in accordance with CalFresh rules when evaluating property, except for the treatment of motor vehicles. Additionally, CalWORKs rules specifically exclude resources held in restricted accounts.

Resources

CalWORKs families are currently allowed to retain countable resources in an amount equal to the amount allowed under federal Supplemental Nutrition Assistance Program (SNAP) regulations (administered in California as CalFresh). Most CalFresh households do not have a resource limit because California was approved to operate a system of modified categorical eligibility (which allows CalFresh households that have incomes below 200 percent of the federal poverty level to be financially eligible for CalFresh), but federal law under SNAP does set a limit on resources. The property provisions in CalWORKs regulations (which incorporate SNAP/CalFresh property limits) allow all members of a family to have no more than \$2,250 in resources unless an AU member 60 years of age or older or disabled, in which case the limit is \$3,500.

Motor Vehicles

Current CalWORKs rules exempt the entire value of any motor vehicle in the AU when it is used for employment (even if temporarily not in use due to being unemployed), transporting a physically disabled family member, carrying fuel for heating, carrying water for home use, being transferred as a gift, donation, or family transfer, and/or used as a family's residence. All of these exemptions remain in law. Any nonexempt vehicle is evaluated for the vehicle's equity value, not to exceed a limit of \$9,500. Any equity value that exceeds \$9,500 is counted against the AU's resource limit of \$2,250, or \$3,500 for an AU with a member 60 years of age or older or disabled.

Restricted Accounts

Current CalWORKs rules state that property evaluation shall follow CalFresh rules, except for the treatment of motor vehicles and certain restricted accounts. In addition to the property exclusions allowed under CalFresh rules, assets held in 401(k), 403(b), 457, and ABLE accounts shall be excluded from consideration in property evaluation. For CalWORKs recipients, assets held in 529, IRA and ESA accounts shall also be excluded.

NEW RULES

The CalWORKs definitions of real and personal property and treatment of resources and vehicles, including the determination of their value, remain unchanged under SB 80, apart from the increases described below.

These changes are effective June 1, 2020, or when the Department notifies the Legislature that the SAWS can perform the necessary automation, whichever is later.

Resources

The CalWORKs resource limits will no longer be based on CalFresh program regulations. The maximum asset limit for CalWORKs households will be increased from \$2,250 to \$10,000, or, for CalWORKs AUs that include at least one member who is aged 60 or older or disabled, from \$3,500 to \$15,000. Effective January 1, 2021, and annually thereafter, the resources thresholds will increase by an amount equal to the increase in the California Necessities Index for the most recent fiscal year.

Vehicles

All exemptions listed above will remain in place. The maximum allowed non-exempt vehicle equity value is increased from \$9,500 to \$25,000. Any equity value that exceeds \$25,000 is counted against the AU's resource limit of \$10,000, or \$15,000 for an AU with a member who is aged 60 years or older or disabled.

Effective June 1, 2020, or when the Department notifies the Legislature that the SAWS can perform the necessary automation, whichever is later, non-exempt vehicles with an equity value of \$25,000 or less will not be attributed to the AU's resource limits. For each motor vehicle with an equity value of more than \$25,000, the equity value in excess of \$25,000 shall be counted toward the AU's resources. Commencing January 1, 2021, or the date automation is complete in the SAWS, whichever is later, the \$25,000 equity threshold for vehicles will be adjusted upward annually by the increase, if any, in the United States Transportation Consumer Price Index for All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics.

Restricted Accounts

The rules regarding restricted accounts remain unchanged under SB 80.

REVISED NOTICE OF ACTION (NOA)

[M44-316C – No change/mid-period report of property](#)

The CDSS has revised NOA message M44-316C to increase the cited property value limits from \$2,250 and \$3,500 to \$10,000 and \$15,000, to be used for both Semi-Annual

Reporting (SAR) and Annual Reporting/Child Only (AR/CO) cases. This NOA message is used to inform clients that information reported about property during the reporting period has resulted in no change to their benefit amount. This message replaces M44-316C SAR dated October 1, 2017. CWDs must begin using the revised NOA message no later than June 1, 2020, or when the Department notifies the Legislature that the SAWS can perform the necessary automation, whichever is later.

The Rights, Responsibilities and other Important Information for the Cash Aid and CalFresh Programs, and/or Medi-Cal/34-County Medical Services Program (CMSP) [SAWS 2A SAR (4/15)] also requires revisions to reflect the changes to the asset and vehicle value thresholds. The revised SAWS 2A SAR will be released under separate cover.

AUTOMATION

Automation is necessary to implement these asset and vehicle value increases, which shall become operative on June 1, 2020, or when the Department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement these changes, whichever date is later.

If you have any questions regarding this letter, please contact the CalWORKs Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

MARCELA RUIZ
Acting Deputy Director
Family Engagement and Empowerment Division

Attachment

State of California
Department of Social Services

Auto ID No. :
Source :
Issued by : ACL No. 19-XX
Reg Cite : 44-316.3,
40-181.1(a)(1)
SB 80 (Chapter 27, Statutes of 2019)

NOA Msg Doc No. : M44-316C Page 1 of 1
Action : Inform
Issue : Voluntary Report
Title : No Change/Mid-period Report
of Property
Use Form No. : NA 290
Original Date : 05-01-03
Revision Date : 08-01-19

MESSAGE:

You told the County about a change in property.

In most cases, the amount of property you reported would make you ineligible for cash aid. The rules say the County only looks at your property [] every six months/[] annually. This means that we will not change your cash aid at this time, but you must report all property at your next report.

[] Your next report is at your annual redetermination. All information and property must be reported and verified on your redetermination form.

[] Your next report is the Semi-Annual Report (SAR 7)

☐ You gave us proof of the property and its value. You do not need to re-report this property, unless there is a change.

☐ You didn't give us proof of the property when you reported it. You must report the property on the SAR 7 and attach proof. If you no longer have the property, report that and what happened to it (sold, spent down, etc.).

The property limit is \$10,000, or \$15,000 if someone in your assistance unit is 60 years of age or older or disabled.

To stay eligible for cash aid, you must sell the property for a fair price then put it into a restricted bank account, or spend the money to below the property limit. You cannot give it away or get a price lower than what is fair.

A restricted bank account protects savings for education, housing, homeless prevention or to start a business. Call your worker to get the CalWORKs paperwork filled out and approved and then open a separate bank account for these types of savings.

INSTRUCTIONS: Use this notice to inform clients that information reported about property during the semi-annual or annual period has resulted in no change to their benefit amount.

This message replaces M44-316C SAR dated 10-01-17.