

October 26, 2021

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 21-125

The purpose of this All County Letter is to provide County Welfare Departments with the revised CW 86 Agreement – Restricted Account form for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, related to property limit changes.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

October 26, 2021

ALL COUNTY LETTER (ACL) NO. 21-125

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CALWORKS PROGRAM SPECIALISTS
ALL CALFRESH PROGRAM SPECIALISTS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY CONSORTIA REPRESENTATIVES

SUBJECT: REVISED CW 86 AGREEMENT – RESTRICTED ACCOUNT
FORM TO REFLECT THE CHANGES TO THE PROPERTY LIMIT
ADOPTED IN ACCORDANCE WITH SENATE BILL (SB) 80
(CHAPTER 27, STATUTES OF 2019)

REFERENCE: SENATE BILL (SB) 80 (CHAPTER 27, STATUTES OF 2019);
WELFARE AND INSTITUTIONS CODE (W&IC) SECTION 11155;
W&IC SECTION 11155.2 AND W&IC SECTION 11257; MANUAL
POLICIES AND PROCEDURES (MPP) SECTION 42-207, MPP
SECTION 69-201.4, MPP SECTION 69-301 AND MPP SECTION
70-105; ALL COUNTY LETTER (ACL) NO. 08-11, ACL NO. 19-67
AND ACL NO. 21-56; ALL COUNTY INFORMATION NOTICE NO.
1-59-11.

The purpose of this All County Letter is to provide County Welfare Departments (CWDs) with the revised version of the CW 86 Agreement - Restricted Account form, relating to changes to the CalWORKs property limit, adopted in accordance with SB 80 (Chapter 27, Statutes of 2019). SB 80 required increases to the CalWORKs maximum property limits on June 1, 2020, July 1, 2021, and will provide annual increases beginning January 1, 2023, if there is an increase to the California Necessities Index.

REVISED FORM

The CW 86 Agreement – Restricted Account form has been revised to eliminate the citations to property value limits of \$2,000 and \$3,000, remove gender-specific pronouns, remove language indicating restricted accounts have a maximum limit amount in accordance with Welfare and Institutions Code (W&IC) Section 11155.2, and to improve the clarity of the form. The CW 86 Agreement – Restricted Account form is used to outline the rules and responsibilities CalWORKs recipients have to start and keep a restricted account. The revised October 2021 version of the CW 86 Agreement – Restricted Account form replaces the version dated September 2011 and CWDs must begin using the revised form immediately.

We remind CWDs that a new form must be completed each time there is a break in the assistance unit's aid. The new form must be completed and signed by both the CalWORKs recipient and the CWD worker who is completing the redetermination.

TRANSLATIONS:

For general questions about forms, contact the California Department of Social Services (CDSS) Forms Management Unit at fmudss@dss.ca.gov. You may obtain these forms from the CDSS webpage at: [CDSS Forms and Brochures Website](#).

The CWDs are required to provide CDSS translation to applicants and recipients in their primary languages when they are or become available. Until translations are available, recipients who have elected to receive materials in languages other than English must be sent the English version of the form or notice along with the [GEN 1365 - Notice of Language Services](#) and a local contact number.

The CWDs shall ensure that effective bilingual services are provided. When the percentage of non-English cases in a program and/or office location is less than five percent, this requirement may be met through utilization of paid interpreters, qualified bilingual employees, and qualified employees of other agencies or community resources. When the percentage of non-English cases in a program and/or office location is equal to or more than five percent, the CWD must assign a sufficient number of qualified bilingual employees to public contact positions in that program or location, as calculated pursuant to [MPP Section 21-115.1](#). Language services shall be provided free of charge to the applicant/recipient.

More information regarding languages services, which includes both interpretation and translations, can be found in [MPP Section 21-115](#).

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CONTACT

If you have any questions or need additional guidance regarding the information in this letter, contact the Early Engagement and Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

JENNIFER HERNANDEZ
Deputy Director
Family Engagement and Empowerment Division

Attachment

AGREEMENT - RESTRICTED ACCOUNT CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM

WHAT IS A RESTRICTED ACCOUNT?

A “restricted account” is a savings account where a family who is getting cash aid can keep money to be spent for certain purposes. The savings account can be in any financial institution, such as a bank, credit union, savings and loan, etc. You can have more than one restricted account.

Money in your restricted account does not count against your CalWORKs property limit. You can have a restricted account and keep getting cash aid. Property limits may change every year (The county will tell you what the limits are). Money in a restricted account DOES count against your property limit if you are applying for cash aid.

Money saved in a restricted account can only be spent for the on or more allowable expenses directly related to:

- Cost associated with securing permanent rental housing or to make rent payments to overcome an episode of homelessness.
- Buying a home for you to live in.
- Starting up a new business.
- Education or job training for the account holder and their dependents.

FACTS YOU SHOULD KNOW ABOUT STARTING A RESTRICTED ACCOUNT

Before starting a restricted account, you should have cash and other resources (such as bank accounts, stocks, real estate, etc.) close to your family’s property limit, available outside of the restricted account to pay for unexpected expenses or emergencies.

Here’s why:

You cannot use any of the money in your restricted account(s) for a reason other than an allowable expense. This means that the money in your restricted account cannot be used for emergencies, even when the emergency is due to a death or life-threatening situation.

RULES FOR A RESTRICTED ACCOUNT:

- You must sign an Agreement-Restricted Account before starting each restricted account.
- **Within 30 calendar days** after you sign and date the Agreement, you must give the county:
 - the name and address of the bank, credit union, etc.
 - the name(s) as shown on the account(s)
 - the account number(s)
 - all account balance(s) and activity since the date you signed this agreement. Attach proof of the account.
- You must be getting cash aid.
- You must keep the money in a licensed financial institution, such as a bank, credit union, savings and loan, etc.
- You can **only** spend the money on an allowable expense. (See page 2 for allowable expenses.)
- You must keep the money, and any interest earned, in a restricted account(s) separate from any other account.
- Interest earned on the restricted account(s) must be deposited directly into the account(s) by the bank, credit union, etc.
- Interest sent to you and not deposited into the restricted account within 30 days will be counted as a withdrawal that is not allowable.
- **Within 30 calendar days** after an allowable withdrawal, you must give the county proof of the withdrawal and how you spent the money. (See Page 2 for types of proof.)
- **If money from a restricted account is spent on an expense that is not allowable, your cash aid can stop for a period of time called a period of ineligibility. The more money you had in the restricted account(s) before the withdrawal that was not allowable, the longer your family will not get CalWORKs, since this amount will be considered in calculating the period of ineligibility. (See Pages 2 and 3 for facts about a period of ineligibility.)**

ALLOWABLE EXPENSES

You have the right to spend the money from the restricted account(s) for one or more allowable expenses directly related to the:

- **Purchase Of A Home For You To Live In**

Allowable expenses include:

- deposits, fees, down payment, principal payment
- closing costs
- repairs and fixtures

Allowable expenses do not include the purchase of furniture or household goods.

- **Education Or Job Training For The Account Holder(s) And their Dependent(s)**

Allowable expenses include:

- fees, tuition, books, school supplies, equipment, special clothing needs
- student housing and meals
- cost of transportation to and from school/vocational training
- child care services needed to attend school.

- **Starting Up A New Business**

Allowable expenses include:

- purchase, repair and upkeep of business equipment
- tools, uniforms or other protective or required clothing and shoes
- payment on loan principal and interest for business assets or durable goods
- rent and utility payments for office or floor space
- employee salaries
- inventory; shipping and delivery costs
- business fees, taxes, insurance, bookkeeping or other professional services.

Allowable expenses do not include personal expenses, such as entertainment.

- **Cost Related With Getting Permanent Rental Housing**

- overdue rent payments
- deposits, such as cleaning deposits
- first and last month rent deposits
- utility deposits

Allowable expenses do not include the purchase of furniture or household goods.

PROOF

You need to give the county proof about the restricted account(s) and how you spent money withdrawn from the account(s).

Examples of proof include:

Passbook, bank statement, or receipt from a bank, credit union, etc., that shows the name and address of the bank, the name(s) on the account(s), account number(s), and all account balances and activity since the date you signed this Agreement.

Examples of proof to show how you spent the money include: A receipt, canceled check, or a signed statement from the provider of goods or services that shows the type and amount of expense(s) paid.

PERIOD OF INELIGIBILITY

A period of ineligibility stops your CalWORKs for a period of time. You will have a period of ineligibility if anyone:

- withdraws money from the restricted account(s) for an expense(s) that is not allowable.
- within 30 calendar days after an allowable withdrawal:
 - does not spend the money on allowable expenses.
 - does not put back into the restricted account(s), any money that wasn't spent when the allowable expense didn't happen or was less than expected.
 - does not give proof to the county of the amount withdrawn; the balance before the withdrawal; and what the money was spent on.
- gets interest from a restricted account sent by the bank, credit union, etc. **and does not put the interest** back into the restricted account within 30 calendar days after getting it.

HOW TO FIGURE A PERIOD OF INELIGIBILITY

A family of 3 saved \$8,000 in a restricted account.
The family withdrew \$4,500. They only spent \$3,000
on allowable expenses and did not put the remaining
\$1,500 back in the restricted account. The county will:

- a. **Take the balance** in their restricted account
just before withdrawal\$8,000
- b. **Subtract** the amount they spent for allowable
Expense(s).....- \$3,000
Difference= \$5,000
- c. **Divide** the \$5,000 difference by the
minimum basic need amount (for example,
if the basic need amount for an assistance
unit of 3 is \$1,539. The minimum basic need
amount is based on fiscal year 2021-2022
and is subjected to change. Please check
with the county for the most updated
figure amount.).....= 3.24
months
- d. **Round down** to the nearest whole number of
months 3
months

**This family's cash aid stops for 3 months starting
the first day of the month after the withdrawal. And
if this family gets a cash aid payment for any months
after the withdrawal, the family will be overpaid and
will owe the county for that payment(s).**

AGREEMENT - RESTRICTED ACCOUNT**California Work Opportunity And Responsibility To Kids (CalWORKs) Program**

Case Name:	Case Number:	Worker Name:	Worker Number:
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SECTION A: Read and initial each of the rules for starting, keeping and ending a restricted account before signing this Agreement. You must fill out an Agreement - Restricted Account (CW 86) for each restricted account.

I have read the coversheet. I understand the rules and my responsibilities for starting and keeping a restricted account; the rules for a period of ineligibility; and the need to keep enough funds outside of the restricted account to pay for unexpected expenses or emergencies before I start a restricted account. I understand and agree that:

- _____ Money saved in a restricted account can **only** be spent for one or more allowable expenses directly related to:
- Caretaker
Relative's
Initials
- Purchase of a home that I will live in.
 - Costs associated with getting permanent rental housing or to make payments to overcome a episode of homelessness.
 - Starting up a new business.
 - Education or job training for the account holder and their dependent(s).
- _____ Money must be kept in a financial institution, such as a bank, credit union, savings and loan, etc., and all money in my restricted account must be kept separate from any other account.
- _____ If my cash aid stops for any reason, and if I reapply for cash aid, my total countable personal property, cannot be more than the property limit.
- _____ I will get a period of ineligibility if money from my restricted account(s) is withdrawn and is not spent for an allowable expense, even when I have expenses for a death or life-threatening emergency.
- _____ I will get a period of ineligibility if the balance in my restricted account(s) before the nonallowable withdrawal is more than my minimum basic need standard and I do not follow the rules:
- I must spend any money on an allowable expense(s) within 30 calendar days of the date of the withdrawal.
 - I must give proof to the county of the amount withdrawn, the balance prior to the withdrawal, and how spent the money within 30 calendar days of any withdrawal.
 - If the expense did not happen or was less than expected, I must put back any unspent money within 30 calendar days of the date of the withdrawal.
 - Interest earned on my restricted account(s) must be deposited directly into the account(s). If interest is sent to me, I must put it back into the restricted account(s) within 30 calendar days of getting the interest.
 - I will ask the county if I'm not sure what is an allowable expense, what proof I need, or when the proof must be given to the county.

This Agreement stops when:

- _____ • I don't give the county proof about the restricted account(s) within 30 calendar days from the date I signed this Agreement.
- _____ • My family is discontinued from cash aid for two or more months.
- _____ • The restricted account is closed.
- _____ • The law about restricted accounts changes.

Signature of Parent or Caretaker/Relative:		Date of Agreement:
Signature of Other Parent (If Living In The Home):		Date:
Signature of Witness to Mark or Interpreter:		Date:
I certify that the parent(s)/caretaker relative has been given a copy of the CW 86, "Agreement - Restricted Account." The parent(s)/caretaker relative say they understand the rules and their responsibilities for starting, keeping and ending a restricted account(s). The parent(s)/caretaker relative also say they understand the rules for a period of ineligibility.		
Signature of County Worker:		Date:
SECTION B: You must fill in the information below when you start the restricted account. Sign, date, and give the original of this Agreement to the county <u>with proof</u> of the account within 30 days from the "Date of Agreement" in Section A above.		
Account Holder(s) (Name(s) on the Account):		
Name and Address of Bank, ECT.:	Account Number:	Current Balance:
Signature of Parent(s)/Caretaker Relative:		Date: