

November 29, 2021

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 21-130**

The purpose of this All County Letter is to provide the County Welfare Departments (CWDs) with guidance on the implementation of Assembly Bill (AB) 135 (Chapter 85, Statutes of 2021). AB 135 updates the Applicant Earned Income Disregard (EID) for the California Work Opportunity and Responsibility to Kids program effective July 1, 2022. This letter also transmits the new and revised forms related to recipient income disregard changes effective June 1, 2022, pursuant to Senate Bill 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](http://www.cdss.ca.gov)



**GAVIN NEWSOM**  
GOVERNOR

November 29, 2021

ALL COUNTY LETTER NO. 21-130

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

**SUBJECT:** IMPLEMENTATION OF THE CALIFORNIA WORK  
OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)  
INCREASE TO THE APPLICANT EARNED INCOME DISREGARD  
AUTHORIZED BY ASSEMBLY BILL (AB) 135 (CHAPTER 85,  
STATUTES OF 2021); AND NEW AND REVISED FORMS TO  
REFLECT THE RECIPIENT INCOME DISREGARD INCREASE  
TO \$600 IN ACCORDANCE WITH SENATE BILL (SB) 80  
(CHAPTER 27, STATUTES OF 2019)

**REFERENCE:** [ASSEMBLY BILL \(AB\) 135 \(CHAPTER 85, STATUTES OF 2021\);](#)  
[SENATE BILL \(SB\) 80 \(CHAPTER 27, STATUTES OF 2019\);](#)  
[WELFARE AND INSTITUTIONS CODE \(WIC\) SECTIONS](#)  
[11451.5; ALL COUNTY LETTER \(ACL\) NOS. 19-76; 19-76E; 19-](#)  
[76EII; 20-110 AND 20-144](#)

The purpose of this All County Letter (ACL) is to provide County Welfare Departments (CWDs) with guidance on the implementation of an increase to the earned income disregard (EID) for CalWORKs applicants pursuant to Assembly Bill (AB) 135 (Chapter 85, Statutes of 2021), signed by the Governor on July 16, 2021. Effective July 1, 2022, the applicant EID increases from \$90 per employed person to \$450 per employed person. New and revised forms necessary to implement these applicant changes are included.

This letter also transmits the new and revised forms necessary to implement the June 1, 2022 changes to the CalWORKs recipient income disregards, pursuant to SB 80, signed by the Governor on June 27, 2019, which added section 11451.5 to the WIC. As a reminder, WIC section 11451.5 mandates increases of the CalWORKs recipient

disability-based and EID thresholds on an annual basis. This increase to \$600 is the final increase mandated by WIC section 11451.5 and will take effect June 1, 2022.

### **APPLICANT EARNED INCOME DISREGARD**

Under current law, an applicant family shall not be eligible for cash aid unless the family's income, exclusive of the first ninety dollars (\$90) of earned income for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC) for the family size.

AB 135 increases the CalWORKs EID for applicants from \$90 per each employed person to \$450 per each employed person. Beginning July 1, 2022, the new \$450 (per each employed person) EID will be used to calculate if the applicant family's total net nonexempt income is less than the MBSAC for the family size.

### **NEW APPLICANT EID EXAMPLES**

#### **Scenario 1: Applicant Family with Single Earner**

A parent applies for CalWORKs for themselves and one child. The parent works part-time, earns \$600 per month and has no other income. The family is non-exempt and lives in Region 1.

\$600	Earned Income
- \$450	\$450 Earned Income Disregard
= \$150	Total Net Nonexempt Income

\$1242      MBSAC for 2 (Region 1)

The family passes the MBSAC test (Total Net Nonexempt Income is less than MBSAC) and can proceed to the second step in the financial eligibility test to determine the family's CalWORKs grant amount.

#### **Scenario 2: Applicant Family with More Than One Earner**

A family of three (two parents and one child) applies for CalWORKs. The first parent works part-time and earns \$650 per month. The second parent also works part-time and earns \$700 per month. The principal earner has not worked more than 100 hours in the four weeks prior to the application. The family is non-exempt and lives in Region 1.

\$1350	Total Earned Income for Both Earners
- \$900	\$450 Earned Income Disregard Per Working Person (\$450 x 2)
= \$450	Total Net Nonexempt Income

\$1539            MBSAC for 3 (Region 1)

The family passes the MBSAC test (Total Net Nonexempt Income is less than MBSAC) and can proceed to the second step in the financial eligibility test to determine the family's CalWORKs grant amount.

### **RECIPIENT INCOME DISREGARDS**

Beginning June 1, 2020, WIC section 11451.5 implemented annual increases to the income disregard from \$225 to the current \$550 for CalWORKs recipients. The net non-exempt income (NNI) that is used to determine how the Assistance Unit's (AU) Maximum Aid Payment (MAP) is calculated by disregarding the first \$550 of disability-based unearned income (DBI) then disregarding any unused portion of the DBI to any earned income plus 50 percent of any remaining earned income. If the AU has earned income only, the first \$550 and 50 percent of the remaining earned income is disregarded when calculating the MAP.

Effective June 1, 2022, WIC section 11451.5 further increases the income disregard from \$550 to \$600. The county must reevaluate the grants for CalWORKs recipients receiving disability-based and/or earned income. The county must conduct this reevaluation with sufficient time to provide a timely and adequate notice of any change to the grant. If unable to complete the reevaluation timely, the county must issue a supplement, as appropriate. CalFresh income and reporting rules for how to consider income changes in all other circumstances remain unchanged.

### **FORMS AND NOTICES OF ACTION TEMPLATES (NA FORMS)**

The use of these forms have not changed. They have been revised to reflect changes to the applicant and recipient disregards. The regulations and legislative references have also been added.

### **REVISED FORMS AND NOTICES OF ACTION TEMPLATES**

#### **[CW 29 \(10/21\) – APPLICANT TEST](#)**

This form was revised to reflect the changes to the applicant income disregards. This form will not be translated because it is used by county workers only.

**CW 2166 (11/21) – WORK PAYS NOTICE - Multilingual**

This form was revised to reflect the changes to the recipient income disregards. Simple language was added to inform recipients about the state EITC and minor wording changes were also made for readability purposes.

**NA 200 (7/21) MULTIPURPOSE INCLUDES BUDGET**

This NOA template was revised to reflect the changes to the recipient income disregards.

**NA 213 – (10/21) – DENY – FINANCIAL ELIGIBILITY**

This NOA Template is used when the applicant family fails the MBSAC test. Use the M44-207J message with this NA form. If a continuation page is needed, use the NA 301 instead.

**NA 213A (7/21) DENY – INITIAL FINANCIAL ELIGIBILITY**

This NOA template was revised to reflect the changes to the income disregards for the initial recipient financial eligibility test. The M44-207M message is printed on this NA form when the applicant family passes MBSAC but fails the recipient eligibility (MAP) test.

**NA 271 (7/21) CONTINUATION PAGE FAMILY INCOME COMPUTATIONS - CASH AID**

This NOA template was revised to reflect the changes to the recipient income disregards.

**NA 274I (7/21) CONTINUATION PAGE – OVERPAYMENT OWED FOR OVERPAYMENTS OCCURING BETWEEN 6/1/2021 AND 5/31/2022**

This NOA template has been modified in title to “Continuation Page – Overpayment Owed For Overpayments Occurring Between 6/1/2021 and 5/31/2022.” It was previously for overpayments occurring on or after 6/1/2021.

**NA 281D (7/21) CONTINUATION PAGE - UNDERPAYMENT COMPUTATIONS FOR UNDERPAYMENTS OCCURRING BETWEEN 6/1/2021 AND 5/31/2022**

This NOA template was revised in title to “Underpayment Computations For Underpayments Occurring Between 6/1/2021 AND 5/31/2022.” It was formerly for underpayments occurring on or after 6/1/2021.

**NA 300 (10/21) CONTINUATION PAGE - RECIPIENT – INITIAL FINANCIAL ELIGIBILITY TEST**

This NOA template was revised to reflect the changes to the recipient income disregards. The title was also changed to make clear the difference between the initial financial eligibility test for new recipients immediately after passing the applicant test to determine new recipient financial eligibility vs ongoing eligibility.

**NA 301 (7/21) CONTINUATION PAGE – APPLICANT FINANCIAL ELIGIBILITY TEST**

This NOA template was revised to change the applicant EID from \$90 for each employed person to \$450 for each employed person to determine the Net Non-exempt Income for applicant families. This NA form is used when the applicant family fails the MBSAC and can be used as a continuation page. If a continuation page is not needed, the NA 213 should be used.

**NA 531 (7/21) CONTINUATION PAGE - 60-MONTH TIME LIMIT INCLUDES BUDGET**

This NOA template was revised to reflect the changes to the recipient income disregards.

**NA 532 (11/21) CONTINUATION PAGE - 48-MONTH TIME LIMIT DISCONTINUE- INCLUDES BUDGETS**

This NOA template was revised to reflect the changes to the recipient income disregards.

**NA 1239 AR (8/21) – CONTINUATION PAGE – ANNUAL REPORTING BUDGET**

This NOA template was revised to reflect the changes to the recipient income disregards. Minor wording changes were also made for readability purposes.

**NA 1239 SAR (8/21) - CONTINUATION PAGE- SEMI-ANNUAL REPORTING BUDGET**

This NOA template was revised to reflect the changes to the recipient income disregards.

**TEMP 2252 (11/21) STATE LAW CHANGES THE CALWORKS EARNED INCOME DISREGARD**

This form was revised to reflect the changes to the recipient income disregards. Minor wording changes were also made for readability purposes.

**REVISED NOTICE OF ACTION (NOA) MESSAGES**

**M44-315A (8/1/21) - \$10 MINIMUM PAYMENT, CHANGE**

This NOA message was revised to change the CalWORKs time limit reference from 48 to 60 months. Language was added noting that the collection of child support continues even if the AU is receiving a Zero Basic Grant. Otherwise, the purpose of this NOA message has not changed. Instructions for use are included on the NOA message.

**NEW NOTICES OF ACTION**

**NA 274J (8/21) CONTINUATION PAGE - OVERPAYMENT OWED FOR OVERPAYMENTS OCCURING ON OR AFTER 6/1/2022**

This new NOA template has been created to use and show the budget for overpayments occurring on or after 6/1/2022.

**NA 281E (7/21) CONTINUATION PAGE - UNDERPAYMENT COMPUTATIONS ON OR AFTER 6/1/2022**

This New NOA template has been created to use and show the budget for underpayments occurring on or after 6/1/2022.

**NOT INCLUDED IN THIS ACL**

There are two forms not included in this ACL due to the amount of time it takes to process forms changes with the new accessibility rules for government agencies

publishing items to a public-facing website. These forms are near final and will be released in the immediate near future using an erratum to this ACL.

### **WTW 16A (X/21) GRANT BASED OJT INCOME EXAMPLE FOR REGION 1**

This form is being revised to reflect the changes to the recipient income disregards and will be released in a forthcoming erratum to this ACL. Minor wording changes were also made for readability purposes.

### **WTW 16B (X/21) GRANT BASED OJT INCOME EXAMPLE FOR REGION 2**

This form is being revised to reflect the changes to the recipient income disregards and is being released in a forthcoming erratum to this ACL. Minor wording changes were also made for readability purposes.

### **NO SUBSTITUTES PERMITTED FOR FORMS AND NOTICES**

These forms and notices are categorized as Required Forms – No Substitutes Permitted. As instructed in ACL 21-02 by the CDSS Forms Management Unit, the Manual of Policies and Procedures (MPP) section 23-400.11 states that forms in the Required Forms – No Substitute Permitted category may not be modified or restructured. No changes may be made to a required form unless the modifications or restructuring is required to accommodate an Electronic Data Processing (EDP) system.

The MPP section 23-400.212 allows County Welfare Departments (CWD)/agencies to reformat or restructure a required form for the purpose of accommodating an EDP system, provided that prior Departmental approval is obtained. For the purposes of this letter and CalWORKs forms, “agency” shall mean the Statewide Automated Welfare Systems (SAWS) as SAWS is the agency responsible for programming and maintaining forms and NOAs for CWD use.

### **Overprinting Required Forms**

In relation to required forms, overprinting is a process by which the CWD/SAWS prints additional information over a current required form without modifying the format, structure, or legal content of the form. This can be done either by overprinting an actual Department form or by printing a Department form locally with the CWD/SAWS information added to it. The CWDs/SAWS may overprint required forms provided that the information added does not conflict with program policy/regulation. The following have been identified as acceptable overprinting purposes and do not require prior state approval: (a) to identify the CWD/SAWS, (b) to add information to the "County Use



Only" section, or (c) to add EW instructions. Overprinting for purposes other than those specified above must be approved by the Department before CWD/SAWS use.

### **EDP Modifications**

CWDs/SAWS may reformat or restructure required Department forms for the purpose of accommodating individual CWD/SAWS EDP systems, provided that prior Department approval is obtained.

To obtain approval for reformatting and/or restructuring of CalWORKs forms or NOAs, send the request and a description with a draft proposal of the changes by email to Shawn Dorris, CalWORKs Program Manager at: [shawn.dorris@dss.ca.gov](mailto:shawn.dorris@dss.ca.gov).

### **FORMS AND TRANSLATIONS**

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

For questions on translated materials, please contact the CDSS Language Services at (916) 651-8876. 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](#).

This ACL and other CDSS Letters and Notices are available on the internet at: <http://www.cdss.ca.gov/inforesources/Letters-and-Notices>.

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If you have any questions or need additional guidance regarding the information in this letter, contact the CalWORKs Early Engagement and Eligibility Bureau at [CWEligibilityPolicy@dss.ca.gov](mailto:CWEligibilityPolicy@dss.ca.gov).

Sincerely,

***Original Document Signed By***

JENNIFER HERNANDEZ  
Deputy Director  
Family Engagement and Empowerment Division

Attachment

State of California  
Department of Social Services

Noa Msg Doc No. : M44-315A Page 1 of 2

Action : Change  
Issue : Aid Payments  
Title : \$10 Minimum Payment

Auto ID No. :

Source :

Issued by :

Use Form No. : NA 200  
Original Date : 05-01-87  
Revision Date : 08-01-21

Reg Cite : 44-315.5, 40-181.214(a),  
40-181.22 (SAR)

#### MESSAGE:

As of \_\_\_\_\_, the County is changing  
your cash aid from \$\_\_\_\_\_ to \$0.00.

Here's why:

The monthly cash aid amount figured on this  
notice is less than \$10.00.

We can't pay aid for an amount less than \$10.00.

Months in which we do not pay aid do not  
count against your 60-month time limit,  
unless:

- we are collecting an overpayment, or
- you are eligible for less than \$10  
because of a penalty, or
- you get a non-recurring special  
need payment.

Contact the County if you would like more  
details about time on aid.

You can still get other CalWORKs programs  
and services, if you are eligible, including:

- Welfare to Work;
- Child care;
- Transportation supportive services to go  
to work, school, training or approved  
activities;
- Being paid back for work and school  
related expenses; and
- Homeless assistance

Contact the County for specific details about  
the above programs or services.

Although you won't get a cash aid payment, you are still on the CalWORKs program and must continue to send in your reports by the dates the County tells you they are due, and you must do this to keep your Medi-Cal. If child support is being collected, the County will continue to collect it and you can always contact the County if things change to see if you can get a cash aid payment.

INSTRUCTIONS: Use to reduce the grant to zero when another change in the case reduces the grant to less than \$10. This message will always be used with another, which explains the change in the monthly grant.

This message replaces M44-315A dated 05-01-20 and is to be used starting May 1, 2022.