

March 08, 2021

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 21-16

This ACL provides processing guidance to County Welfare Departments regarding additional months of earned income reported from a Third-Party Payroll Source that is not in conjunction with an Income Eligibility and Verification System match.



KIM JOHNSON
DIRECTOR

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

March 08, 2021

ALL COUNTY LETTER NO. 21-16

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CALWORKS PROGRAM SPECIALISTS
ALL COUNTY IEVS COORDINATORS
ALL COUNTY SPECIAL INVESTIGATIVE UNIT CHIEFS

SUBJECT: INFORMATION FROM THIRD-PARTY PAYROLL SOURCES

REFERENCE: [FOOD AND NUTRITION SERVICES POLICY MEMO ON USING INFORMATION FROM THIRD PARTY PAYROLL SOURCES](#); 7 CFR §273.12(c)(3); [MANUAL OF POLICES AND PROCEDURES \(MPP\)](#), [MPP § 20-006. 543](#), [MPP § 20-006. 543\(b\)\(1\)](#), [MPP § 40-115. 22](#); [MPP § 40-157.3](#), [MPP § 44-316. 231](#), [MPP § 44-350.16](#); [ACL 16-118](#), [ACL 19-08](#), [ACL 18-20](#)

The purpose of this All-County Letter (ACL) is to instruct County Welfare Departments (CWDs) on how to act on information received from a third-party payroll source.

Recipient IEVS Match Information Requiring Independent Verification

The CWDs must verify all discrepant Income Eligibility and Verification System (IEVS) match information in accordance with [MPP § 20-006.54](#). Clients are given the first opportunity to verify discrepant IEVS information. This is done by sending a 10-day client verification letter, such as the [CW 2200 form](#).

If a client fails or refuses to respond to the 10-day letter, the CWD must contact the appropriate income or benefit source. The California Department of Social Services (CDSS) considers employers and third-party payroll sources, such as the Work Number, to be appropriate income sources for the purpose of verifying IEVS discrepancies. If the source provides information to verify the IEVS discrepancy, the CWD must take case actions or document that no action is required on the case.

For the CalFresh program, if the client does not respond and the income source does not provide sufficient information to verify a discrepant IEVS match, the CWD must send a Notice of Action (NOA) terminating the household's participation in the CalFresh program ([MPP § 20-006.543\(b\)\(1\)](#) & [7 CFR § 273.12\(c\)\(3\)](#)).

For the California Work Opportunities and Responsibility for Kids (CalWORKs) program, if the income source and third-party payroll sources do not provide sufficient information to verify a discrepant IEVS match the client's sworn statement under penalty of perjury will be considered sufficient ([MPP § 40-115.22](#)). If the client fails to respond to the CWD's attempts to assist in clearing the IEVS discrepancy, the CWD must document the discrepancy for resolution with the client by their next semiannual report (SAR 7) or redetermination ([MPP § 20-006. 543](#)). If the client does not provide sufficient information to clear the discrepancy, the SAR 7 or redetermination will be considered incomplete and CalWORKs benefits will be discontinued ([MPP § 44-316.231](#)).

Processing Additional Unverified Information from Third-Party Payroll Sources for CalWORKs and CalFresh

If an appropriate third-party payroll source provides information beyond what was reported in an IEVS match showing the client potentially missed a mandatory report (i.e. over IRT), the CWD must attempt to verify the discrepancy by sending a client verification letter in accordance with [MPP § 20-006.543](#). If the client fails or refuses to respond with sufficient information to clear the discrepancy, the CWD must consider the income reported by the appropriate third-party payroll source as verified and determine its effect on eligibility in accordance with program rules. The CWD must assess any overissuances (OIs) and/or overpayments (OPs) in accordance with program rules for the months the client failed to report income over their IRT. If the third-party payroll source information shows current income, the CWD must apply program rules to determine if the income affects current benefit levels.

Guidance provided in ACLs [16-118](#) and [19-08](#), regarding the Work Number® being used in conjunction with, but not in lieu of, existing required income and eligibility sources, is superseded by the above guidance.

If you have any questions regarding this letter, contact the CalFresh Policy Bureau at (916) 651-8047 or the Data Stewardship and Integrity Bureau at (916) 654-2125.

Sincerely,

Original Document Signed By:
Natasha Nicolai, Chief Data Strategist
Deputy Director
Research, Automation and Data Division