



JOHN A. WAGNER  
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)



ARNOLD SCHWARZENEGGER  
GOVERNOR

June 7, 2010

**ERRATA**

ALL COUNTY INFORMATION NOTICE I-84-09E

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOOD STAMP COORDINATORS  
ALL CalWORKs PROGRAM SPECIALISTS

SUBJECT: CORRECTION TO FOOD STAMP QUESTIONS AND ANSWERS (Q&As)

REFERENCE: ACIN I-84-09

The purpose of this errata is to transmit corrections to ACIN I-84-09, dated December 21, 2009, regarding the question on “Severance Pay” on page one. The answer was changed to clarify the determination and treatment of vacation pay.

Also, wording in the scenario on page ten is changed from CalWORKs or Transitional Food Stamp (TFS) Benefits Received Out Of State to TFS/Child Placed in Another Home.

Should you have any questions, please contact Alicia Thomason of the Policy Implementation Unit at (916) 657-2630, or by e-mail at [alicia.thomason@dss.ca.gov](mailto:alicia.thomason@dss.ca.gov).

Sincerely,

***Original Document Signed By:***

CHRISTINE WEBB-CURTIS, Chief  
Food Stamp Branch  
Welfare to Work Division

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

## **SEVERANCE PAY**

### **SCENARIO:**

A household received severance pay in the amount of \$1,111 bi-weekly from November 1<sup>st</sup> to January 31, 2009.

### **QUESTION:**

Do we treat it as lump-sum in the month received or as earned income? What if it is ongoing? What if vacation pay was paid out in the same way, would it be considered a one-time lump-sum payment?

### **ANSWER:**

Since this severance payment is paid over a period of time, it is considered earned income. (Manual of Policies and Procedures [MPP § 63-503.242(a)(1)]. Vacation paid out in a one-time payment at the time a job ended would be considered a non-recurring lump-sum payment. [MPP § 63-503.242(b)(1)]. The determination of whether vacation pay is considered income or a resource is based on how it is received. If received in the form of recurring payments (bi-weekly), it is counted as income. If received in the form of a non-recurring lump-sum payment, it is counted as a resource in the month received.

## **DEFERRED INCOME**

### **SCENARIO:**

A school employee opts to have a portion of earnings deferred to cover summer school break months. During the normal school schedule, the gross income was counted in full in the food stamp budget.

### **QUESTION:**

How should deferred income issued during the school break be treated? Is this income exempt since it was counted previously? Should the original deferred amount be considered a resource in the month following (original) receipt?

### **ANSWER:**

If the employee opted to defer income, anticipated income over the summer months must be based on what amount of income is anticipated to be received as, stated by the household on the Quarterly Report and/or by a mid-quarter report of decreased income. [MPP § 63-503.242(b)(1)]. The income anticipated previously when gross income was counted in full remains as income and no look back to restore benefits is necessary unless the county knew the household's income was deferred and did not act on that information.

## **CASINO DISBURSEMENT/FOOD ALLOWANCE AND PER CAPITA**

### **SCENARIO:**

A Band of Native Americans received a \$200 food allowance instead of a per capita payment from casino earnings. The detailed information from both the check stub and letter from the Coyote Valley Band of Pomo Indians is as follows:

Check stub says: "Food Allowance" and that is all. The check for the food allowance has a statement on it: "non gaming revenue". The letter the household received states: "This letter shall serve as notification that Coyote Valley Band of Pomo Indians did not distribute per capita payments to its members for the month of August, also shall be advised there will be no per capita distributions for the next 2 months. Members did receive a \$200 food allowance for the month of August and will continue to receive the \$200 food allowance for the next 2 months."

### **QUESTION:**

How is this payment treated: excluded as a casino per capita payment or as income? Also, are households not eligible for food stamp benefits due to duplicate participation in food programs if they receive a food allowance?

### **ANSWER:**

The food allowance is not considered a per capita casino disbursement. It is to be treated as unearned income in determining food stamp benefits, if the food allowance is not considered duplicate participation, as in this circumstance.  
(MPP section 63-502.14)

## **RESIDENTS OF DRUG/ALCOHOL TREATMENT CENTERS**

### **SCENARIO:**

A local private non-profit drug and alcohol resident treatment center passed and has been signed off for the city to operate the facility and has submitted their paperwork. They are not currently in receipt of the appropriate State Department of Alcohol and Drug Program (ADP) documents. They are waiting for the home visit to be completed and do not know when that will take place. The center has three residents 24/7 and live-in staff who eat all their meals with the residents. One staff person is paid and the others are unpaid interns. The center purchases the food with funds contributed from various sources.

### **QUESTIONS:**

1. Can this center receive food stamps as one group while they are pending the ADP documents which would allow them to have separate food stamp cases?
2. Would the live-in staff need to be included in the food stamp household?

### **ANSWER:**

1. No, since meals are provided by the facility and the facility is not yet authorized to apply for benefits on behalf of each resident. MPP section 63-503.471 states that residents of drug and alcohol treatment programs may be eligible for benefits when the facility provides meals; however, MPP section 63-503.472 goes on to explain that the facility must be certified by FNS to act as a retailer for food stamp benefits and that certification for food stamp benefits must be accomplished through an authorized representative of the facility.
2. No, there is no provision in regulations that would classify live-in staff as residents for food stamp benefit purposes.

## **TAY PROGRAM AKA RCS TRANSITION PROGRAM**

### **SCENARIO:**

The Transitional Age Youth (TAY) Program aka “RCS Transition Program” provides financial, housing and life skills assistance. The funding for the program is through the Mental Health Services Act and is under Proposition 63. TAY Program qualifications/assistance is based on need per the California Code of Regulations at 50528. No regulations governing the program have been developed yet.

The monthly income for a single person is as follows:

\$225 food and household  
\$ 30 transportation  
\$ 30 personal use  
\$ 15 entertainment  
\$125 utilities  
\$ 25 telephone  
\$ 25 clothing & laundry  
\$ 50 savings  
\$525 monthly income

### **QUESTION:**

How do we treat the \$225 that includes, in part, a food stipend? Is the person not eligible for food stamps due to receipt of the food allowance?

### **ANSWER:**

Consider the payment unearned income. Per MPP section 63-502.141, unearned income includes CalWORKs, General Assistance, Refugee Cash Assistance, Entrant Cash Assistance, or other assistance programs based on need except as specified in MPP section 63-501.111 (lump-sum income). TAY is paid as a benefit based on need and the individual is eligible for food stamp benefits, if otherwise eligible.

## **OVERISSUANCE (O/I) – HOUSEHOLD MEMBERS AGE/LIABLE FOR O/I CLAIMS**

### **QUESTIONS:**

1. At what age is a child considered an adult in the food stamp program? If under age 18, is the child under parental control or would it be over the age of 21?
2. If we have a 20 year old child who received food stamp benefits as part of their parents' household and an overissuance occurs, can we collect the over issuance if the child begins receiving food stamps on his/her own case?
3. Would someone over the age 18, but under the age of 22, be considered an "adult child" and be liable for any overissuances which occurred while they were in the household or would that 18 to 21 year old be considered a "minor" and not liable?

### **ANSWER:**

1. In the Food Stamp Program, a household member over the age of 18 is considered an adult. (MPP § 63-402.)
2. If a 20-year-old household member is receiving food stamp benefits as part of his/her parents' household and an overissuance occurs, all adult household members residing in the household when the overissuance occurred, including the 20-year-old child, are considered to be liable for repayment of the overissuance claim. If the 20-year-old household member begins to receive food stamps on his/her own case, the county can collect repayments from the 20-year old's benefits. (MPP § 63-801.1.)
3. Any household member over the age of 18 through the age of 21 is considered to be an "adult child" and shall be jointly and individually liable for the value of any overissuance of benefits to the household. If the 18-to-21-year-old is living with a parent, she/he cannot have separate household status.

## **TRANSITIONAL FOOD STAMPS (TFS) AND KIN-GAP**

### **SCENARIO:**

A needy caretaker relative was discontinued from CalWORKS for herself and her grandchild. There are also three Kin-GAP children in the home and they also receive food stamp benefits.

### **QUESTION:**

Is there eligibility for TFS since Kin-GAP continues to be received for the children?

### **ANSWER:**

Yes, the household would receive TFS [MPP § 63-504.132(a)]. Kin-GAP is funded through Title IV-E funds, unlike CalWORKs which is funded from Title IV-A funds. The TFS case is set up based upon the CalWORKs household discontinuance for the existing food stamp members in the scenario. Benefits are issued in the amount of the allotment received in the last month of CalWORKs eligibility, adjusted for the change in household income as a result of termination in the CalWORKs program.



**RE-PRORATING BUDGET WHEN TRANSITIONAL FOOD STAMP (TFS) HOUSEHOLD MEMBER VACATES**

**SCENARIO:**

The TFS household consists of five members: a mother on SSI, a father and 3 children. The father moves out of the household on January 25, 2009 and this is not reported to the County Welfare Department (not required). The father is approved for CalWORKs (CW) and food stamps on February 5, 2009 in another case.

**QUESTION #1:**

When a vacating TFS household member is approved for benefits in another household/assistance (HH/AU) unit, if proration was part of the original TFS budget due to pooled income with the SSI mother, will that continue after the vacating TFS household member is removed as long as the proration factors remain?

**ANSWER:**

Proration will continue based on the remaining household members [MPP § 63-504.13(2)(c) and 7 CFR 273.12(f)(4)(iii)].

**QUESTION #2:**

- a) When a vacating TFS household member is approved for benefits in another HH/AU, when is the vacating household member removed?
- b) Is there an overissuance?
- c) Is the TFS budget also recomputed for the housing expenses to accommodate the proration of the rent [total rent =  $\$1500/4 \times 3 = \$1125$ ]?

**ANSWER:**

- a) The TFS household composition and budget must be readjusted effective March 1, 2009 for the remaining household members. In this case a 10-day notice would be required if there is a decrease in TFS benefits.
- b) There is not a TFS overissuance since there are no reporting requirements for TFS (See ACIN I-75-05 #8 and ACL 03-66 #4).
- c) Yes. The food stamp budget included prorated housing expenses (rent) due to the pooled income (total rent =  $\$1500/5 \times 4 = \$1200$  used in the budget). The father leaves the TFS household and is approved for CW food stamps on another case. The TFS budget is recomputed removing the vacating member's (father's) income and expenses/deductions. (ACL 08-22E)

**TRANSITIONAL FOOD STAMP/MOTHER ON SOCIAL SECURITY INCOME/SOCIAL SECURITY STATE SUPPLEMENTARY PROGRAM (SSI/SSP) AND THE ONLY CHILD MOVES OUT-OF-STATE**

**SCENARIO:**

The household consists of a mother who is on SSI, and one child. The child moves out of California; therefore, CalWORKs (CW) is discontinued because the only eligible child is no longer in the household.

**QUESTION:**

Is the household eligible for TFS benefits?

**ANSWER:**

No. TFS is for former CW and food stamp benefit recipients. The California SSI mother would not have been a food stamp benefit recipient due to her receipt of SSI/SSP (MPP § 63-402.226). However, if there were other former CW/FS benefit recipients in the household, i.e., it wasn't a two-person household, the other household members could be eligible for TFS. In this scenario, there is no eligibility for the child since the child moved out of the state [MPP § 63-504.131(a)].

## **TFS/CHILD PLACED IN ANOTHER HOME**

### **SCENARIO:**

The client was receiving TFS for herself and one child. The child was removed from the home and placed in another home. The other household applied for CalWORKs (CW) only for the child and not food stamps. Since the child was approved for CW, he was removed from the TFS household.

### **QUESTION:**

Should the child have been removed from the TFS household?

### **ANSWER:**

Yes. The child should be removed because the individual cannot receive CW and TFS at the same time. TFS is based upon receiving CW and regular food stamp benefits in the last month of CW benefits. TFS is set up as a transition away from CW; therefore, TFS cannot continue with the child's receipt of CW benefits. Welfare and Institutions Code section 18901.6 indicates TFS issuance is based upon household's terminating its participation in the CW program. MPP section 63-504.13 states that TFS eligibility occurs when CW is terminated; receipt of CW by the TFS household will end TFS eligibility. In this case, since a TFS recipient remains who is not on CW (the mom), TFS continues for her.

ACIN I-84-09E

**PARENT IS INCARCERATED/ANSWER REVERSAL**

**REFERENCE:** MPP section 63-504.13  
Reversal of ACIN I-75-05, Question #11

**QUESTION #1:**

Does the county approve TFS if the parent is incarcerated and the child is now living with relatives and receiving CalWORKs with those relatives?

**ANSWER:**

Yes. The parent would receive TFS (MPP § 63-504.13), but the children would not be eligible for TFS due to the receipt of CalWORKs in the other household.