

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 19, 1993

ALL COUNTY INFORMATION NOTICE NO. I- 31-93

TO: ALL COUNTY WELFARE DIRECTORS

| REASON FOR THIS TRANSMITTAL | |
|-------------------------------------|---|
| <input type="checkbox"/> | State Law Change |
| <input type="checkbox"/> | Federal Law or Regulation Change |
| <input type="checkbox"/> | Court Order |
| <input checked="" type="checkbox"/> | Clarification Requested by One or More Counties |
| <input type="checkbox"/> | Initiated by CDSS |

SUBJECT: ONGOING \$30 AND 1/3 EARNED INCOME DISREGARDS BEGINNING SEPTEMBER 1, 1993

REFERENCE: ACL 93-49
MPP 44-111.2, 44-207.3 and 44-313

The purpose of this letter is to clarify the budgeting, financial eligibility and grant computation of AFDC cases with the elimination of the time limits for the \$30 and 1/3 earned income disregards.

As you know, one of the provisions in the recent State Budget (Senate Bill 35, Chapter 69, Statutes of 1993) mandates that the 4 and 12 month time limitations of the \$30 and 1/3 income disregards will no longer apply to earned income received on or after September 1, 1993.

BUDGETING

Several counties have called requesting clarification on budgeting the \$30 and 1/3 earned income disregards prior to implementing these provisions. Therefore, we have developed an attachment with examples to explain the treatment of different AFDC cases with earned income during this implementation period.

FINANCIAL ELIGIBILITY (MPP 44-207.322)

MPP 44-207.322 states that in determining financial eligibility, the \$30 and 1/3 earned income disregards shall be applied subject to MPP 44-111.23 (the 4 month and 12 month time limitations) and "ONLY IF THE PERSON . . . WAS ELIGIBLE FOR AND RECEIVED AN AFDC PAYMENT . . . DURING AT LEAST ONE OF THE IMMEDIATELY PRECEDING FOUR MONTHS"

The 4 month and 12 month time limitations in MPP 44-111.23 are waived. The requirement that he/she was on aid during at least one of the immediately preceding four months IS NOT WAIVED.

So, if an applicant had not been on aid in one of the prior four months, he/she would not get the \$30 and 1/3 earned income disregards when determining financial eligibility.

GRANT COMPUTATION

Having passed the financial eligibility requirements, an applicant/recipient who received earned income on or after September 1, 1993, will be eligible to receive the \$30 and 1/3 earned income disregards when computing the grant.

Also please note, the 12 month break-in-aid requirement imposed in MPP 44-111.23 (b) has been waived.

CONTACTS

If you have any questions regarding budgeting, please contact Dennis Ragasa of the AFDC Policy Implementation Bureau (PIB) at (916) 654-1063 or CALNET 464-1063. If you have any questions on the \$30 and 1/3 income disregards, you may contact Julie Lopes of the AFDC PIB at 654-1786 or CALNET 464-1786.

Sincerely,



MICHAEL C. GENEST
Deputy Director
Welfare Programs Division

Attachment

ATTACHMENT

BUDGETING \$30 AND 1/3 EARNED INCOME DISREGARDS

Ongoing Cases

Example 1:

A working recipient in retrospective budgeting has exhausted all the \$30 and 1/3 earned income disregards after the April 1993 budget month. The recipient continues to work. There will be no earned income disregards for the payment months of July, August, September and October. He/she will get the \$30 and 1/3 earned income disregards in the September budget month which will be reflected in the November payment month.

Example 2:

A recipient drawing State Disability Insurance (SDI) benefits while in retrospective budgeting has exhausted the 4 months of the \$30 and 1/3 earned income disregards after the July 1993 budget month. The recipient continues to receive SDI benefits and will get the \$30 and 1/3 earned income disregards for the August and September payment months. However, the recipient will get only the \$30 income disregard for the October payment month. Then he/she will get the \$30 and 1/3 earned income disregards for the November payment month.

Example 3:

A working recipient in retrospective budgeting exhausts the 4 months of \$30 and 1/3 earned income disregards after the budget month of July 1993. The recipient continues to work. This results in excess income in the August budget month. Therefore, the October payment month is a suspense month. No new application is needed to restore AFDC benefits for November. The case continues in retrospective budgeting. The recipient will get the \$30 and 1/3 earned income disregards for the September and the November payment months.

Reapplication Cases

Example 4:

A working recipient exhausted the 4 months of \$30 and 1/3 earned income disregards and was discontinued on March 31, 1993. The former recipient reapplies in August 1993, is working and is eligible for AFDC. The client will get the \$30 income disregard for the prospective month of August and the retrospective payment month of October. The client will get the \$30 and 1/3 earned income disregards for the prospective month of September and the retrospective payment month of November.

Example 5:

A working recipient exhausted the \$30 and 1/3 earned income disregards and was discontinued March 31, 1993. The former recipient reapplies in September 1993. The applicant will not be eligible to receive the \$30 and 1/3 earned income disregards for purposes of determining Financial Eligibility because he/she has not been eligible for or received AFDC in one of the four months immediately preceding application. However, if the applicant is determined to be financially eligible, he/she would get the \$30 and 1/3 earned income disregards budgeted for the prospective months of September and October.

New Case

Example 6:

A client is working, applies and is eligible for AFDC in June 1993. He/she is eligible for the \$30 and 1/3 earned income disregards for the payment months of June, July, August and September. For the October payment month, he/she would get only the \$30 income disregard. For the November payment month, the client would get the \$30 and 1/3 earned income income disregards again.