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DEPARTMENT OF SOCIAL SERVICES
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ARNOLD SCHWARZENEGGER
GOVERNOR

November 23, 2009

ALL COUNTY LETTER NO. 09-75

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

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
KIDS (CalWORKs) PROGRAM: IMPLEMENTATION OF ASSET
EXCLUSION REGULATIONS

REFERENCE: AB 2466 (CHAPTER 781, STATUTES OF 2006)
AB 1078 (CHAPTER 622, STATUTES OF 2007)
ALL COUNTY LETTER (ACL) 08-11

REASON FOR THIS TRANSMITTAL

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

The purpose of this letter is to transmit final regulations that amend CalWORKs restricted account and asset exclusion rules due to the enactment of AB 2466 (Chapter 781, Statutes of 2006) and AB 1078 (Chapter 622, Statutes of 2007). The relevant provisions of AB 2466 and AB 1078 were initially implemented through ACL 08-11, dated April 23, 2008. The attached final regulations were approved by the Office of Administrative Law, filed with the Secretary of State on September 22, 2009, and became effective on October 22, 2009. These updated regulation pages and the accompanying EAS manual letter 0904 is posted on the internet at:
<http://www.dss.cahwnet.gov/ord/PG1943.htm>.

AB 1078, in part, amended Section 11155.2 of the Welfare and Institutions (W&I) Code to remove the \$5,000 limit on the amount of money that a recipient of CalWORKs may save in a restricted account. AB 2466 and AB 1078, in part, amended W&I Code Section 11155.6 to exclude the principal and interest in 401(k), 403(b) and 457 plan accounts from consideration as property for both CalWORKs applicants and recipients and to exempt Individual Retirement Accounts (IRAs), 529 college savings plans and Coverdell Educational Savings Accounts (ESAs) from consideration as property for CalWORKs recipients only. Lastly, AB 1078, in part, added W&I Code Section 11322.5 to mandate that counties outreach to CalWORKs recipients about the Earned Income Tax Credit (EITC).

NEW OR AMENDED CalWORKs REGULATIONS

- Removes the \$5,000 limit on the amount of money that a recipient of CalWORKs may save in a restricted account.
- Moves the restricted account regulations from the demonstration project area of the regulations to the property section of the regulations.
- Excludes the principal and interest in 401(k), 403(b) and 457 plan accounts from consideration as property for both CalWORKs applicants and recipients.
- Exempts IRAs, 529 college savings plans and Coverdell ESAs from consideration as property for CalWORKs recipients only.
- Mandates that counties outreach to CalWORKs recipients about EITC.

FOOD STAMP PROGRAM

Pursuant to food stamp regulations at MPP Section 63-501.3(r), the Food Stamp Program follows CalWORKs rules regarding restricted accounts. Therefore, the removal of the \$5,000 limit also applies to food stamp recipient households. Retirement and student accounts as described in this letter are also excluded as resources in the Food Stamp Program.

The CW 86 Restricted Account Agreement is being updated and will be released in a separate ACL. This updated form should be used as soon as it is available.

If you have any questions regarding this letter, please contact your CalWORKs county consultant directly or call the CalWORKs Eligibility Bureau at (916) 654-1322. For questions regarding the Food Stamp Program, please call the Food Stamp Branch at (916) 651-8047.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

Attachment