

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



June 26, 2001

ALL COUNTY LETTER NO: 01-38

TO: ALL COUNTY WELFARE DIRECTORS
 ALL CalWORKs PROGRAM SPECIALISTS
 ALL COUNTY WELFARE –TO-WORK
 COORDINATORS
 ALL COUNTY WELFARE FISCAL
 OFFICERS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: ASSEMBLY BILL (AB) 1233, GRANT-BASED ON-THE-JOB
 TRAINING (OJT) IN THE CALIFORNIA WORK OPPORTUNITY AND
 RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM

REFERENCE: AB 1233, Chapter 933, Statutes of 2000
 Manual of Policies and Procedures

AB 1233 (Chapter 933, Statutes of 2000) amends the grant-based OJT provisions of the CalWORKs program. Due to an expected increase in the number of CalWORKs recipients that will be required to participate in community service assignments, the California Department of Social Services (CDSS) filed emergency regulations to implement AB 1233, which changes key features affecting the cost of grant-based OJT community service positions. This letter 1) transmits the emergency regulations, which became effective April 1, 2001, and a voluntary consent form; 2) explains the major provisions of AB 1233; and 3) provides guidance to counties that wish to place CalWORKs Welfare-to-Work (WTW) participants in grant-based OJT funded work assignments.

Grant-based OJT is a funding mechanism for subsidized public or private sector employment in which the CalWORKs recipient's cash grant, or a portion of the grant, or the grant savings from employment, is diverted to an employer as a wage subsidy to partially or wholly offset the payment of wages to the participant. AB 1233 amended grant-based OJT provisions to:

- 1) Require that CalWORKs WTW participants only be assigned to a grant-based OJT assignment on a voluntary basis;
- 2) Modify the amount of cash aid that can be diverted to an employer as a wage subsidy;
- 3) Strengthen the participant retention and training requirements for employers;

- 4) Eliminate the earned income disregards for grant-based OJT funded wages; and
- 5) Revise county plan requirements.

Except as noted, the new provisions do not alter any of the existing CalWORKs WTW regulations related to community service activities. Counties who choose to offer grant-based OJT community service positions may give CalWORKs WTW participants the opportunity to participate in a paid placement as an alternative to unpaid community service.

County Community Service Plan Requirements

County welfare departments (CWDs) that intend to offer grant-based OJT as part of their CalWORKs Community Service activities must submit a County Plan Amendment to CDSS and include the following:

- The process by which the CWD will comply with the voluntary consent form requirement; and
- A list of the languages in which the consent form will be available.

Counties are requested to submit their County Community Service Plan Amendments to the Office of the Regional Advisors, M. S. 14-44, for certification. Contact the Office of the Regional Advisors at (916) 654-0617, if you have any questions related to the required plan amendments.

Voluntary Consent Form Requirements

AB 1233 prohibits CWDs from assigning a CalWORKs WTW participant to a grant-based OJT assignment unless the participant has voluntarily agreed to participate, in writing, after they receive an explanation of the potential impact that having their cash grant diverted to an employer and paid as wages may have on his/her net income. CDSS has developed a written consent form (**see Attachment, Grant-Based On-the-Job Training Participation: Voluntary Consent Form**) to be used for this purpose. The Department will translate the consent form into Spanish, Chinese, Vietnamese, Cambodian, Armenian, and Russian. Any other translations that counties need to comply with the informing requirement will be the counties' responsibility.

CWD workers should carefully explain grant-based OJT to CalWORKs WTW participants before they obtain any written agreement from the participant. Participants should also be told about the positive results of working for wages that may entitle them to receive an earned income tax credit (**see the Frequently Asked Questions section of this letter**) or other benefits. Participants shall be given a thorough explanation of the potential impact of the grant-based OJT assignment on their net income as

compared to receiving unsubsidized income and/or participating in an unpaid community service assignment. To the extent possible, the CWD is encouraged to provide the participant with an estimate of the gross wage, net wage, and benefits. CDSS requires that:

- CWDs use an informing sheet (**see Attachments, Voluntary Consent Form and Examples of Family Income**) to explain the effects of grant-based OJT on the net income of several sample assistance units (AUs) and to illustrate potential impacts.
- Participants shall be informed that if they have no other earnings, they may receive less than the maximum aid payment (MAP) in take home pay from their grant-based OJT assignment because of mandatory payroll deductions from their wages.

Diversion of the Participant's Cash Grant, Other Subsidies, and Places of Employment

Before the enactment of AB 1233, the cash grant amount that could be diverted to the employer was effectively limited to the amount of the recipient's grant savings from (grant-based OJT) employment due to the application of the earned income disregards to grant-based wages and the MAP limits. AB 1233 eliminates the earned income disregards for grant-based OJT funded wages (see the Treatment of Income section of this letter) and allows CWDs to divert all or part of the CalWORKs recipient's cash grant or the grant savings from employment, **or both**, to an employer to offset the payment of wages to the recipient, as long as the total amount diverted does not exceed the family's MAP. If an overpayment is being collected against the grant, the amount diverted cannot exceed the family's MAP minus the overpayment collection.

- **Employer Uses of the Diverted Aid Grant.** The employer is required to use all of the grant, and/or grant savings, diverted from the CWD to pay the wages of the CalWORKs recipient in the grant-based OJT assignment, and cannot retain part of the grant and/or grant savings for administration or any other purposes.
- **Places of Employment:**
 - **Before the 18- or 24-month time limit** – Grant-based OJT participants may be placed with public, private nonprofit, or private for profit employers.
 - **After the 18- or 24-month time limit** – Grant-based OJT assignments must be in public or private nonprofit agencies. Manual of Policies and Procedures Section (MPP) Section 42-710.3 requires that adult recipients who have received cash assistance for 18 or 24 months after signing a WTW plan must meet their hours of WTW participation through unsubsidized employment and/or community service. The only form of subsidized employment allowed after the 18- or 24-month time limit is grant-based-OJT. MPP Section 42-

701.2(g)(2) specifies that grant-based OJT may include community service. MPP Section 42-701.2 (c)(3) defines community service as a WTW training activity..., that is performed in the public or private nonprofit sector.

- **Employer Subsidies:**

- **Before the 18- or 24-month time limit** – Prior to a participant reaching his/her 18- or 24-month limit, the CWD may provide wage subsidies in addition to the diverted grant. The CalWORKs single allocation or county performance incentive funds may be used for this purpose.
- **After the 18- or 24-month time limit** - After a CalWORKs WTW participant has reached his/her 18- or 24-month limit, the subsidy provided to an employer by the CWD must be limited to the amount of the participant's grant, and/or grant savings. The CalWORKs statute and regulations do not include subsidized employment as an allowable WTW activity beyond the 18- or 24-month time limit. While the CWD may not use anything other than the grant to directly subsidize participants wages, the CWD may use county performance incentive funds or United States Department of Labor (DOL) Welfare to Work (WtW) Grant funds to contract with an employer to provide grant-based OJT employment opportunities. Please refer to the Hours of Participation section of this letter regarding the conditions under which other WTW activities are allowable after the 18- or 24-month time limit and the Frequently Asked Questions section, Question #5, Page 10 regarding the allowable uses of county incentive and WtW Grant funds.

Assistance Claiming:

- The amount of the cash grant, and/or grant savings, which has been diverted to the employer, plus any cash grant received by the participant cannot exceed the family's MAP for the month.
- A County Fiscal Letter (CFL) will be issued to provide further claiming instructions and appropriate assistance claim forms.

Data Reporting:

- Data reporting instructions will be issued to provide information regarding the data elements and reporting format to be used by counties offering grant-based OJT.
- It is anticipated that counties will be required to collect and report participant social security numbers and monthly amount of cash grant diverted to an employer.

Budgeting of the Aid Grant and Food Stamp Allotment

- **Prospective Budgeting of the Aid Grant** - CWDs shall prospectively budget the AU's cash grant during the grant-based OJT assignment, beginning with the first month the CalWORKs WTW participant is expected to receive his/her first grant-based subsidized wages. Once the grant-based OJT assignment ends prospective budgeting shall continue for two months per MPP Section 42-716.851.
- **Retrospective Budgeting of the Food Stamp Allotment** - The participant's wages are treated as earned income for purposes of determining a household's Food Stamp allotment and as a consequence, CWDs should continue to retrospectively budget the Food Stamp allotment during the grant-based OJT assignment.

- **Corrective Underpayments and Overpayments:**

CWDs must ensure that grant-based OJT positions are administered in a manner that minimizes any breaks or delays in receipt of income by the participant throughout the grant-based OJT assignment. AB 1233 specifically requires that when a grant-based OJT participant experiences a break in income due to the employer's conduct (the employer fails to pay the participant for hours worked), the CWD must ensure that the participant receives 100 percent of the MAP, less any grant-based OJT wages actually paid, and issue a corrective underpayment to the participant. If the participant later recovers the unpaid wages from the employer, the participant must return to the CWD the amount of the corrective underpayment that is received as back wages. If the recipient fails to return the recovered wages to the CWD, this amount will be treated as an overpayment.

- **Sanctions:**

During a grant-based OJT assignment, participants are entitled to due process (compliance and cause determination) and timely notice before an adverse action can be taken to reduce or discontinue their cash grant. During a sanction process, if any of the grant-based OJT participant's cash grant has been diverted to an employer and has not been used for the individual's funded wages, the CWD shall issue directly to the recipient the amount of the diverted cash grant that was not paid in wages. Counties must not reduce the amount of the corrective underpayment in anticipation of a financial sanction. Any cash grant given to the employer that was not used in conjunction with OJT funded wages shall be collected by the CWD.

Treatment of Grant-Based OJT Wages and Other Income

- **No Earned Income Disregards for Grant-Based OJT Funded Wages.** Any portion of the participant's wage that is funded by the diversion of the participant's

cash grant, and/or grant savings, is not entitled to the income disregards (\$225 and 50%) allowed by MPP Section 44-111.23.

Example: Entire wage subsidized placement = 20 hours per week
AU of three people in Region 1, MAP = \$645

- Step 1 \$6.25 x 20 hours = \$125 weekly earnings
- Step 2 \$125 x 4.33 weeks = \$537.50 monthly earnings
- Step 3 \$645 MAP for 3
 - \$537 Gross earnings derived from the diverted aid grant
 \$108 aid grant (**See Hours of Participation section of this letter, Page 7**)

Example: Entire aid grant is diverted to the employer and the entire wage is subsidized. AU of three people in Region 1, MAP = \$645

- Step 1 \$6.25 x 24 hours = \$150
- Step 2 \$150 x 4.33 weeks = \$645 monthly earnings
- Step 3 \$645 MAP for 3
 - \$645 Gross earnings derived from the diverted aid grant
 \$ 0 Aid grant (**See Hours of Participation, Page 7**)

- **Application of Earned Income Disregards to Other Earned Income.** Any of the participant's wages that are not from the diversion of the grant, and/or grant savings, are entitled to the income disregards. For example, an individual may have earnings from unsubsidized employment in addition to the wages resulting from the diversion of his/her grant. In this example, the earned income disregards would apply to the unsubsidized earnings when determining the recipient's net non-exempt income.

Example: The individual is post 18- or 24-month time limit and is employed part time in an unsubsidized job (20 hours per week at \$7.00 per hour). The individual agrees to participate in a grant-based OJT community service assignment for 12 hours per week at \$6.25 per hour. (\$6.25 x 12 = \$75 per week x 4.3 weeks = \$322.50)

- Step 1 \$7.00 x 20 = \$140
- Step 2 \$140 x 4.33 weeks = \$602 monthly earnings

Step 3 \$602 - \$225 (disregard) = \$377
 \$377 ÷ 2 (less 50 percent)
 \$188.50 net nonexempt income from unsubsidized employment

 + \$322.50 gross earnings derived from cash grant (grant-based OJT)
 \$511.00 total net non exempt income

Step 4 \$645 MAP for 3
 - \$511 net nonexempt income
 \$134 cash grant

Total income \$602 (gross unsubsidized wages)
 + \$322.50 (grant-based wages)
 + \$134 (cash grant)
 \$1,058.50

- **Financial Eligibility.** The amount of the diverted aid grant that is paid to grant-based OJT participants as wages are not considered for purposes of determining financial eligibility for the CalWORKs program.

Example: The individual is post 18-or 24-month time limit and has part-time employment in an unsubsidized job (20 hours per week at \$11.00 per hour). In addition, this individual is participating in a grant-based OJT community service assignment for 12 hours per week at \$6.25 per hour. ($6.25 \times 12 = \75 per week 4.33 weeks = \$322.50)

Step 1 \$11.00 x 20 = \$220

Step 2 \$220 x 4.33 weeks = \$946

Step 3 \$946 - \$225 (disregard) = \$721
 \$721.50 (less 50 percent)
 \$360.50 net nonexempt income from unsubsidized employment

 + \$322 gross earnings derived from cash grant (grant-based OJT)
 \$682.50 net nonexempt income

Step 4 \$645 MAP for 3
 - \$682.50 net nonexempt income
 \$0 grant

Although the total countable income (\$682) exceeds the family MAP for three (\$645), the portion of the AU's income that is derived from the diverted grant (\$322)

is not counted for CalWORKs financial eligibility purposes and the AU remains CalWORKs eligible with a zero cash grant.

Hours of Participation

If the hours of grant-based OJT employment are insufficient to meet the required hours (32 or 35) of WTW participation the individual may be assigned to other activities as follows:

- **Before the 18- or 24-Month Time Limit** - The individual may be assigned to any other allowable WTW activity.
- **After the 18- or 24-Month Time Limit** - To the extent possible, the individual should meet his or her required hours of participation through unsubsidized employment and community service. If the total number of hours of unsubsidized employment plus grant-based OJT community service are insufficient to fulfill the individual's CalWORKs participation requirement, he or she must be assigned to unpaid community service in accordance with MPP Section 42-711.93 or .94. When the number of unpaid community service hours to which the individual may be assigned is calculated pursuant to Section 42-711.932 or .942, and the total hours of unsubsidized employment and community service (grant-based plus unpaid) remain less than the CalWORKs participation requirement, the individual may be assigned to other allowable WTW activities. (See MPP Section 42-711.95.)

Retention and Training of Participants

CWDs must monitor and cancel the participation of any employer who demonstrates, over time, any of the following:

- An unwillingness to hire CalWORKs WTW participants who may have participated in grant-based OJT training with that employer; or
- An inability to provide job skills that enable participants to obtain unsubsidized employment with other employers.

Counties are required to collect and maintain records to demonstrate the number of CalWORKs WTW participants who have been retained and hired by the employer who provided the grant-based OJT placement. Additionally, records must be maintained to demonstrate the ability of former CalWORKs WTW participants to obtain unsubsidized employment with other employers as a result of the training received during their grant-based OJT assignments.

Non-Displacement, Employer Agreement Provisions, and Employer Responsibilities

CWDs are required to enter into written agreements with employers who agree to provide grant-based OJT assignments. The agreement between the CWD and employer must include:

- A statement from the employer that he/she understands the diverted grant is solely for the purpose of subsidizing the CalWORKs WTW participant's wages and that the employer will return any portion of the grant, or grant savings, that is not paid as wages to the participant. The agreement must state that the CWD will take action to collect from the employer any diverted cash grants that are not paid as wages to OJT participants.
- A statement that the employer understands that the assignment of a grant-based OJT participant cannot result in the displacement of current employees in accordance with MPP Section 42-720.1. The employer must also agree to comply with labor union and employee notification requirements specified in MPP Section 42-720.3, and all applicable federal and state labor laws and regulations.
- A statement acknowledging that the county may cancel the employer's participation as a grant-based OJT-funded worksite if the employer fails to comply with the participant retention and training requirements specified in MPP Section 42-716.881.
- **Employer Responsibilities:**
 - **Workers' Compensation** – Grant-based OJT participants are considered employees and the employer is responsible for providing Workers' Compensation Insurance coverage (Refer to All County Information Notice I-10-98 dated February 11, 1998).
 - **Unemployment Insurance** – The employer is also responsible for the payment of unemployment insurance taxes that may be incurred in connection with the grant-based OJT participant's employment.

Frequently Asked Questions

1. **Can the CWD use other funds, such as CalWORKs single allocation funds, to further subsidize a participant's wages after the individual has reached his/her 18-or 24-month time limit?**

No. Welfare and Institutions (W & I) Code Sections 11329.9(a)(2) and 11454(a) require recipients who have reached the 18- or 24-month time limit to meet their hours of work participation through unsubsidized employment, community service activities, or a combination of both. MPP Section 42-701.2(s)(2) defines subsidized employment as “employment in which the WTW participant’s employer is partially or wholly reimbursed for wages and/or training costs.” The only alternative means of providing subsidized employment for recipients, who have reached the 18- or 24-month time limit, is grant-based OJT community service placements as provided under W & I Code Section 11322.6(f).

- 2. Can the CWD provide a grant-based OJT participant with a stipend, supplemental payment, or ancillary supportive service payment to cover the cost of employee taxes after the 18- or 24-month time limit?**

No. Under these circumstances, a cash stipend or supplemental payment would be considered an assistance payment and/or unearned income that would require a dollar for dollar reduction of the participant’s aid grant. Federal payroll taxes for Social Security and Medicare are not ancillary expenses specific to a particular work activity or occupation; these taxes are mandatory deductions required of all employees.

- 3. Can the CWD use the CalWORKs single allocation to cover the employer’s share of a CalWORKs WTW participant’s payroll taxes (FICA, Medicare, Unemployment Insurance Benefits, and Workers’ Compensation) after the 18- or 24-month time limit?**

No. See the response to Question #1. Payment of the employer’s share of the CalWORKs participant’s payroll taxes from the single allocation would constitute a subsidy to the employer.

- 4. Can the employer of a grant-based OJT participant contribute additional funds of his/her own to increase the wages of the employee?**

Yes. Employers may use their own funds to pay the wages of grant-based OJT participants before and after the participant has reached the 18- or 24-month time limit.

- 5. What are the allowable uses of county performance incentive and DOL WtW Grant funds in grant-based OJT?**

CWDs cannot use county performance incentive and DOL WtW Grant funds to directly subsidize participants. However, the CWD can enter into an agreement or contract with an employer to provide these funds for the purposes of grant-based

OJT. DOL Welfare to Work Grant match or formula funds can also be used in a similar manner. Employer's funds can be used as suggested in Question #4.

6. How are Food Stamps affected by grant-based OJT assignments?

The CalWORKs WTW participant's Food Stamp allotment would be affected by the wages from the grant-based OJT assignment. AB 1233 does not exempt grant-based subsidized wages from treatment as earned income for purposes of determining a family's Food Stamp allotment. Grant-based OJT wages would be considered earned income and receive the Food Stamp earned income deduction.

7. If the entire aid grant is diverted to an employer, would the diverted grant be considered assistance and count toward the CalWORKs and/or Federal Temporary Assistance for Needy Families (TANF) 60-month time limit?

CalWORKs Time Limit

Diversion of the cash grant does not stop the CalWORKs 60-month "time clock". The diverted cash grant is still considered assistance under W & I Code Section 10052, which defines aid as financial assistance provided to, or in behalf of, needy persons..., including direct money payments and vendor payments. In addition, grant-based OJT participants must be considered recipients to participate in CalWORKs WTW activities. Therefore, since the recipient is aided, CalWORKs time limit requirements would apply.

TANF Time Limit

In accordance with 45 CFR 260.31(b)(2) and TANF Program Policy Question and Answer (Q&A), posted November 1999, participation in a grant-based OJT assignment does not count toward the TANF 60-month time limit if the assignment meets all the following criteria:

- The entire cash grant is diverted to an employer so that no part of the cash grant is paid directly to the recipient and therefore, is not counted as a month of aid; and
- The diverted cash grant subsidizes only **part** of the individual's wage with a portion of the wage paid by the employer; and
- The employer paid portion of the wage is **not** derived from a source that would be considered assistance under TANF, e.g., U.S. Department of Labor Welfare to Work Grant funds used as work subsidies are not considered assistance payments.

However, it is anticipated, that in most instances the TANF “time clock” will continue to run during an individual’s participation in a grant-based OJT assignment. As indicated by the preamble to the TANF regulations at 64 Fed. Reg. 17758, April 12, 1999, wage subsidies will be counted as TANF assistance when:

- Welfare law determines the size of the payments and limits the hours of work, and;
- The payments are based upon cash grants rather than compensation for services performed: The cash grant is provided to the employer, who in turn provides it to the participant; the recipient essentially receives a grant even though it is provided indirectly through the employer.

The following examples demonstrate how a cash grant diverted to an OJT assignment can be considered assistance and nonassistance.

Example: The participant is post 18- or 24-month time limit and required to participate in community service. The individual’s entire wage is subsidized by the diverted cash grant (gross wage = cash grant). Although a wage is paid to the participant, the individual’s hours of work/wage are based on the individual’s cash grant. In essence, the participant is performing community service in exchange for their cash grant and these months would count toward the TANF 60-month clock. Reminder: these months of participation also count toward the CalWORKs 60-month clock.

Example: The participant is post 18- or 24-month time limit and required to participate in community service. The individual is placed with a public agency. The diverted cash grant provides 50 percent of the participant’s wage and the employer pays the other 50 percent of the wage. The diverted cash grant is a work subsidy, as described in the TANF regulations, and would not be considered assistance. Under these circumstances the months of participation would not be counted toward the TANF 60-month time limit. Reminder: these months of participation count toward the CalWORKs 60-month clock.

8. Do grant-based OJT wages qualify for the Earned Income Tax Credit (EITC)?

The federal Department of Health and Human Services and the Internal Revenue Service have indicated that not all grant-based OJT wages will qualify for the EITC. As the basis for this determination, please refer to the preamble to the TANF regulations at 64 Fed. Reg. 17758 (April 12, 1999), which cites Notice 93-3, issued by the Internal Revenue service on December 17, 1998, and the Taxpayer Relief Act of 1997, Public Law 105-34. The preamble quotes the Taxpayer Relief Act, stating

that “earned income for EIC purposes does not include amounts received for [TANF work experience and community service activities] to which the taxpayer is assigned...but only to the extent such amount is subsidized under [TANF].” If the participant’s entire wage is subsidized by their cash grant (TANF) it would appear unlikely that such wages would qualify for the EITC. Given the variety of program designs permitted under AB 1233, the Department strongly recommends that the CWD obtain guidance from the Internal Revenue Service regarding participant eligibility for the EITC.

Please contact Randy Shiroy, Employment Bureau Analyst, at (916) 654-1527 or Milt Yee, Employment Bureau Manager, at (916) 657-3399, for any questions related to the CalWORKs WTW Program. Contact Eden-Marie Eulingborough, CalWORKs Eligibility Analyst, at (916) 653-4992, for questions related to CalWORKs budgeting questions and Charissa Miguelino, at (916) 657-3665 for time limit questions. Contact Rosemary Akhidenor, Food Stamp Analyst, at (916) 654-2116, for questions related to the Food Stamp Program.

Sincerely,

***Original Document Signed By
Bruce Wagstaff on 06/26/01***

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachment (if applicable)

c: CWDA
CSAC
Regional Advisors

**GRANT-BASED ON-THE-JOB
TRAINING PARTICIPATION:
VOLUNTARY CONSENT FORM**

PARTICIPANT NAME

CASE NAME

CASE NUMBER I.D. NUMBER

WELFARE TO WORK WORKER NAME

This form is to help you decide if you want to volunteer to participate in a grant-based on-the-job training (OJT) assignment and provide you information on your rights and responsibilities if you accept the assignment. This assignment is a welfare-to-work activity where all or part of your cash aid and/or grant savings from employment will be given to your employer. The employer will use your cash aid to help pay your wages. If you choose not to participate in a grant-based OJT assignment, you and your Welfare-to-Work Case Manager will determine what your next assignment will be, based on your background, employment plan, and whether or not you have reached your 18- or 24-month time limit.

GRANT-BASED ON-THE-JOB TRAINING (OJT) PARTICIPATION REQUIREMENTS

My initials below show that I have reviewed the following items with my worker and understand the requirements for participation in a grant-based OJT funded assignment.

- Participation in a grant-based OJT assignment is voluntary.
- The county welfare department (CWD) cannot take any action against me for refusing to agree to be assigned to a grant-based OJT position.
- The CWD will give all or part of my cash aid to my employer to pay all or part of my wages.
- I will not receive the earned income disregard for wages that are paid from the cash aid given to my employer.
- When I participate in a grant-based OJT assignment, my total monthly take-home pay may be less than the amount I would usually get as cash aid.
- The amount of my cash grant will be based on the expected earnings from my grant-based OJT assignment.
- The monthly total of my **gross wages** (the amount I am paid before taxes and other payments are taken out) plus my cash aid, if any, should be as much as or more than the amount I would get as cash aid if I did not take the grant-based OJT position.
- If the county pays me a corrective underpayment because my employer does not pay me for all the hours that I work, and I later collect the wages due from the employer, I will pay the county back for as much of the corrective underpayment as I receive in back wages from the employer. If I don't return the money the county will consider this an overpayment.
- I am still a CalWORKs recipient. If this grant-based OJT assignment becomes my required welfare-to-work activity, I must continue to comply with CalWORKs welfare-to-work requirements.
- Failure to comply with the requirements of the grant-based OJT assignment without a good reason will result in a sanction and my cash aid may be reduced. Some reasons why I may be sanctioned and have my cash aid terminated or reduced are: failing to meet my work requirements, failing to show up for work, tardiness, failing to follow procedures, failing to make satisfactory progress in my job, etc.
- If I do not meet the assignment requirements, I have the right to give a good reason for not participating so I do not get sanctioned and have my cash aid lowered. The following are some good reasons for not meeting my participation requirements or completing my assignment:
- Lack of supportive services (such as childcare, transportation, tools, clothing required for the job, books, and other necessary job related costs).
 - Victim of domestic abuse (such as physical, sexual, or psychological abuse).
 - The daily or weekly hours of work are more than the hours in my assignment agreement.
 - Acceptance of a full-time unsubsidized job.
 - The Welfare-to-Work Handbook that is part of my WTW plan gives more information on reasons for not participating in my grant-based OJT assignment.
- I can file for a state hearing to resolve any disagreements that I have with the county welfare department.

Grant-Based On-the-Job Training Assignment

Employer's Name: _____

Employer's Address: _____

Supervisor's Name: _____

Supervisor's Phone Number: _____

Length of Assignment: From _____ to _____

Daily Work Hours: From _____ to _____

Total Hours of Work Assigned Per Week: _____

Hourly Starting Wage: _____

Amount that the CWD will pay to my employer: \$_____. The CWD will subtract this money from my grant, or if my grant is not enough, from the grant savings to the CWD caused by my wages.

I agree to tell my Welfare to Work worker of any changes to my work schedule as soon as possible, but no later than five days after the change.

I understand that the employer will provide the following benefits:

- | | |
|---|--|
| <input type="checkbox"/> None | <input type="checkbox"/> Paid Holidays |
| <input type="checkbox"/> Health Insurance | <input type="checkbox"/> Dental Insurance Coverage |
| <input type="checkbox"/> Sick Leave | <input type="checkbox"/> Vacation |
| <input type="checkbox"/> Others _____ | |

CERTIFICATION

I understand the purpose of the grant-based OJT assignment is to give me work skills and help me find a job. I have read, and had explained to me, the contents of this form. I know that I must meet all my responsibilities as a welfare-to-work participant. I understand that I can ask my Welfare-to-Work worker if I have any questions.

I understand that I must tell my Welfare-to-Work worker right away of changes in my need for welfare-to-work supportive services or if I no longer need them. If I do not report the changes in advance, Welfare-to-Work may not be able to pay for them. I understand that if Welfare-to-Work pays for supportive services that are more than what I need to participate in Welfare-to-Work, I will have to pay Welfare to Work back.

I understand that if this is my first welfare-to-work activity and I want to ask for a change, I have 30 days to contact my worker. If this is not my first welfare-to-work activity, I have 3 days to contact my worker to ask for another activity within my welfare-to-work plan.

I do not wish to participate in a grant-based OJT assignment at this time.

PARTICIPANT'S SIGNATURE

DATE

I want to volunteer for a grant-based OJT assignment. I have read (or had read to me) and understand the information provided above and have received a signed copy of this form.

PARTICIPANT'S SIGNATURE

DATE

WELFARE TO WORK WORKER'S SIGNATURE

PHONE

DATE

You have the right to ask for a state hearing if you disagree with any of the decisions made by the county about participating in Welfare to Work.

EXAMPLES OF FAMILY INCOME (Region 1)

These examples are to give you an idea of the differences in income between cash aid, a regular job, and grant-based on-the-job training (OJT) employment. The amount you receive will vary depending on your family size, how many hours you work, and how much other income you might receive.

Region 1 Assistance Unit Size = 2	Receive Cash Aid Only	Regular Job When Gross Wages Equals Cash Aid Amount	Grant-based OJT When Gross Wages Equals Cash Aid Amount
Cash aid for two people	\$520	\$520	\$520 is diverted to the employer
Monthly gross wage	N/A (does not apply)	\$520	\$520
Earned income disregard Gross wage less \$225	N/A	\$520 - \$225 = \$295	N/A
50% earned income disregard	N/A	\$295 ÷ 2 = \$147	N/A
Nonexempt income	N/A	\$147	\$520
Cash aid for two people	\$520	\$520	\$520
Less nonexempt income	N/A	-\$147	-\$520
Cash aid received	\$520	\$373	\$0
Net wages = gross wages less 8% for social security, Medicare, and SDI taxes	N/A	\$520 - \$41 (taxes) = \$479	\$520 - \$41 (taxes) = \$479
Total take home income	\$520	(\$373 + \$479) = \$852	\$479

Region 1 Assistance Unit Size = 3	Receive Cash Aid Only	Regular Job When Gross Wages Equals Cash Aid Amount	Grant-based OJT When Gross Wages Equals Cash Aid
Cash aid for three people	\$645	\$645	\$645 is diverted to the employer
Monthly gross wage	N/A	\$645	\$645
Earned income disregard gross wage less \$225	N/A	\$645 - \$225 = \$420	N/A
50% earned income disregard	N/A	\$420 ÷ 2 = \$210	\$645
Nonexempt income	N/A	\$210	\$645
Cash aid for three people	\$645	\$645	\$645
Less nonexempt income	N/A	-\$210	-\$645
Cash aid received	\$645	\$435	\$0
Net wages = gross wages less 8% for social security, Medicare, and SDI taxes	N/A	\$645 - \$51 (taxes) = \$594	\$645 - \$51 (taxes) = \$594
Total take home income	\$645	(\$435 + \$594) = \$1,029	\$594

Region 1 Assistance Unit Size = 5	Receive Cash Aid Only	Regular Job When Gross Wages Equals Cash Aid Amount	Grant-based OJT When Gross Wages Equals Cash Aid
Cash aid for five people	\$874	\$874	\$874 is diverted to the employer
Monthly gross wage	N/A	\$874	\$874
Earned income disregard gross wage less \$225	N/A	\$874 - \$225 = \$649	N/A
50% earned income disregard	N/A	\$649 ÷ 2 = \$324	N/A
Nonexempt income	N/A	\$324	\$874
Cash aid for five people	\$874	\$874	\$874
Less nonexempt income	N/A	-\$324	-\$874
Cash aid received	\$874	\$550	\$0
Net wages = gross wages less 8% for social security, Medicare, and SDI taxes	N/A	\$874 - \$69 (taxes) = \$805	\$874 - \$69 (taxes) = \$805
Total take home income	\$874	(\$550 + \$805) = \$1,355	\$805

EXAMPLES OF FAMILY INCOME (Region 2)

These examples are to give you an idea of the differences in income between cash aid, a regular job, and grant-based on-the-job training (OJT). The amount you receive will vary depending on your family size, how many hours you work, and how much other income you might receive.

Region 2 Assistance Unit Size = 2	Receive Cash Aid Only	Regular Job When Gross Wages Equals Cash Aid Amount	Grant-based OJT When Gross Wages Equals Cash Aid
Cash aid for two people	\$495	\$495	\$495 is diverted to the employer
Monthly gross wages	N/A (does not apply)	\$495	\$495
Earned income disregard gross wage less \$225	N/A	\$495 - \$225 = \$270	N/A
50% earned income disregard	N/A	$\$270 \div 2 = \135	N/A
Nonexempt income	N/A	\$135	\$495
Cash aid for two people	495	\$495	\$495
Less nonexempt income	N/A	-\$135	-\$495
Cash aid received	\$495	\$360	\$0
Net wages = gross wages less 8% for social security, Medicare, and SDI taxes	N/A	\$495 - \$39 (taxes) = \$456	\$495 - \$39 (taxes) = \$456
Total take home income	\$495	(\$360 + \$456) = \$816	\$456

Region 2 Assistance Unit Size = 3	Receive Cash Aid Only	Regular Job When Gross Wages Equals Cash Aid Amount	Grant-based OJT When Gross Wages Equals Cash Aid
Cash aid for three people	\$614	\$614	\$614 is diverted to the employer
Monthly gross wage	N/A	\$614	\$614
Earned income disregard gross wage less \$225	N/A	\$614 - \$225 = \$389	N/A
50% earned income disregard	N/A	$\$389 \div 2 = \194	N/A
Nonexempt income	N/A	\$194	\$614
Cash aid for three people	\$614	\$614	\$614
Less nonexempt income	N/A	-\$194	- \$614
Cash aid received	\$614	\$420	\$0
Net wages = gross wages less 8% for social security, Medicare, and SDI taxes	N/A	\$614 - \$49 (taxes) = \$565	\$614 - \$49 (taxes) = \$565
Total take home income	\$614	(\$420 + \$565) = \$985	\$565

Region 2 Assistance Unit Size = 5	Receive Cash Aid Only	Regular Job When Gross Wages Equals Cash Aid Amount	Grant-based OJT When Gross Wages Equals Cash Aid
Cash aid for five people	\$832	\$832	\$832 is diverted to the employer
Monthly gross wages	N/A	\$832	\$832
Earned income disregard gross wage less \$225	N/A	\$832 - \$225 = \$607	N/A
50% earned income disregard	N/A	$\$607 \div 2 = \303	N/A
Nonexempt income	N/A	\$303	\$832
Cash aid for five people	\$832	\$832	\$832
Less nonexempt income	N/A	- \$303	- \$832
Cash aid received	\$832	\$529	\$0-
Net income = gross wage less 8% for social security, Medicare, and SDI taxes	N/A	\$832 - \$66 (taxes) = \$766	\$832 - \$66 (taxes) = \$766
Total take home income	\$832	(\$529 + \$766) = \$1,295	\$766