

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



October 1, 2002

ALL COUNTY LETTER NO. 02-74

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS**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: TRACKING CHILD SUPPORT COLLECTION AND  
OVERPAYMENTS FOR THE CALIFORNIA WORK OPPORTUNITY  
AND RESPONSIBILITY TO KIDS (CalWORKs) 60-MONTH TIME  
LIMITREFERENCE: ALL COUNTY LETTERS (ACL) 97-65, 99-90, 00-48, 03-01, 01-66  
AND 02-33; ALL COUNTY INFORMATION NOTICE (ACIN) I-52-99  
AND I-47-02

This letter provides instructions for implementing the statutory requirement for counties to exempt monthly aid for child support collected in the current month or in arrears and to track the recoupment of aid for the CalWORKs 60-month time limit exemption. This letter also sets out requirements for tracking overpayments for the CalWORKs and TANF 60-month time limits. For additional guidance, this letter also provides responses to questions regarding implementation of the CalWORKs child support time limit exemption and transmits a child support collections survey provided by the State Department of Child Support Services (DCSS).

**60-MONTH TIME LIMIT EXEMPTION FOR CHILD SUPPORT RECOUPMENT**

State law and regulations [Welfare and Institutions Code Section 11454.5(b)(3) and Manual of Policies and Procedures (MPP) Section 42-302.21(g)] requires that any month in which cash aid is fully reimbursed as a result of child support collection, whether collected in that month or any subsequent month, shall be exempt from the CalWORKs 60-month time limit.

**TRACKING MONTHS EXEMPT BY CHILD SUPPORT RECOUPMENT**

In order to comply with the requirement that both current and subsequent child support collections are applied to reimburse and exempt monthly aid, counties will be required to track the recoupment of aid through child support collections. All child support recoupment, including collections for a current month, arrearages, and lump sum payments, collected from January 1998 forward, shall be cumulatively applied to repay aid payments in the following manner:

1. The cumulative child support recoupment (i.e., child support that has been assigned and collected to repay aid) will be applied to each month of aid, starting with the earliest unreimbursed month(s) of aid, on or after January 1998, and moving forward as each month's grant is abated.
2. Each month of aid that is fully reimbursed by child support shall be exempt and therefore not counted toward the CalWORKs 60-month time limits of the mandatory aided adults in the Assistance Unit (AU), including parents and/or caretaker relatives residing in the home of the child(ren).
3. The child support recoupment amount will be applied to all month(s) of aid whether or not the month had been previously exempted for any other reason, including any month(s) exempt because the individual was unaided due to a sanction or other reasons.
4. The child support recoupment amount will be reviewed to determine if the cumulative amount is sufficient to reimburse and exempt a monthly grant amount. Any child support amount that remains but is insufficient to fully reimburse a monthly grant, whether collected in the current month or for a previous period of time, shall be carried forward and used for any subsequent unreimbursed month(s) of aid.
5. Records of the aid payments and the cumulative child support recoupment amounts will be retained until the months of aid have been fully reimbursed and the exempt months are recorded and validated. (See ACL 03-01, dated January 12, 2001, for detailed instructions on records retention and validation of time limit tracking information.)
6. As recipients transfer to other counties, information regarding the balance of the child support recoupment and number of months exempt due to child support recoupment must be reported to any subsequent county(ies) to continue reimbursement of the subsequent months of aid.
7. For purposes of tracking this exemption, counties will use the Welfare Data Tracking Implementation Project (WDTIP) system to "untick" the months of aid for the exemption. Counties are required to send the exemption transaction to WDTIP so the system can reflect the exempt months. However, because this exemption is applied to the first month of aid (on or after January 1998) onward, a county that did not aid the recipient during the time that the exemption is applied will be required to provide the exemption information to the "county of record" (i.e. the county that provided the aid to the recipient) so that county can send the exemption transaction to the WDTIP system.

### **TRACKING OVERPAYMENTS FOR CalWORKs AND TANF 60-MONTH TIME LIMITS**

As provided in MPP Section 44-350.15, a cash aid overpayment is any amount of aid paid to an AU, to which the AU was not eligible. An overpayment may be all or a portion of a cash aid payment. This includes, but is not limited to, an immediate need payment, a special need payment or aid paid pending a state hearing.

For purposes of the 60-month time limit, an overpayment month (i.e. an entire month of aid in which the recipient was not entitled to the cash aid) that is fully repaid by grant reduction or any other means, does not count toward the CalWORKs/TANF 60-month time limit. When it is determined that an overpayment occurred, the county must calculate the amount of the overpayment and determine the period of time for which the recipient was not entitled to the cash aid. Counties will continue to follow overpayment recovery procedures as provided in state regulations (MPP Section 44-352).

For the state CalWORKs clock, once the recipient has repaid the amount of aid for the totally ineligible month(s), the month(s) will not be counted toward the CalWORKs 60-month time limit. However, for the federal TANF clock, the month(s) will continue to be counted toward the TANF 60-month time limit if the amount of aid for the ineligible month(s) is repaid but supportive services provided to the recipient during that period of time is considered TANF “assistance.” For example, an unemployed recipient who received transportation and aid during an ineligible month and completely repaid the month of aid, will have the month counted toward her/his TANF 60-month clock. (See ACL 99-90, ACL 00-48 and federal regulations at 45 CFR Section 260.31 for additional information on the TANF definition of “assistance.”)

Counties are required to “untick” only the repaid overpayment months, in which the family was entirely ineligible for the period. For all other overpayments that occur in partially eligible months, those months will continue to count toward the 60-month time clocks.

### **START-UP PROCEDURES FOR EXEMPTING MONTHS DUE TO CHILD SUPPORT RECOUPMENT AND REPAID OVERPAYMENTS**

The following start-up procedures have been developed to apply the child support recoupment for this exemption.

- Since counties have previously applied child support recoupment to offset overpayments at the time the overpayments were initially established (in accordance with MPP Section 44-352.123), counties will need to reduce the accumulated total child support recoupment amount by the recoupment amount previously applied to offset the overpayments prior to applying it to the months of aid.
- Initially, counties will be applying the cumulative total child support recoupment that was collected during the entire span of time from 1998 to the present. Once all previously collected child support recoupment has been used to exempt months of aid, counties need only apply the child support as it is collected on an on-going monthly basis.

Examples, provided in Attachment A, demonstrate how child support recoupment is applied to exempt months of aid for the CalWORKs 60-month time limit and how overpayments are tracked for purposes of the 60-month time limit.

## **INFORMING RECIPIENTS OF THEIR TIME ON AID**

As provided in the emergency regulations effective March 1, 2002, and readopted effective June 28, 2002, (see ACL I-47-02), counties are required to inform recipients of their time on aid at specific intervals. The attached notice of action (NOA) messages have been revised to reflect information regarding the child support time limit exemption. The addendum to the NOA messages must be included if the child support time limit exemption is applicable to the recipient.

## **CHILD SUPPORT COLLECTIONS AND DISTRIBUTIONS**

In accordance with MPP 12-425(o)(3), the local child support agencies (LCSAs) provide, and will continue to provide, their local IV-A agencies with all pertinent information regarding the amount collected for child support and the amount that can be recouped for cash aid. The county welfare departments have the responsibility of applying the child support recoupment to reimburse months of aid for the CalWORKs child support time limit exemption.

The DCSS has provided the attached survey (attachment D) that identifies, by county: the child support collection and distribution information sent to the welfare department, the county contact person to whom this information is sent, the format (electronic or paper) by which the child support information is sent to the welfare department, the frequency that the information is provided and the contact person in the LCSA. The LCSAs will provide collection and distribution information to county welfare departments at a minimum on a monthly basis. The LCSAs provide the following data elements to county welfare departments, which are to be used to determine the reimbursement of month(s) of aid to apply this exemption:

- Aid case number (FBU and/or serial number)
- Name of custodial parent/caretaker relative
- Current recoupment amount (child support collected and distributed to repay aid)
- Disregard amount

However, since the LCSAs completed conversion of their automated legacy systems to one of six consortia systems at various points in time, some LCSAs may not be able to readily provide the recoupment data from January 1998. Therefore, for situations where the county welfare department has not retained the monthly recoupment information or the information is not readily available, the county welfare department should contact Charissa Miguelino from the CDSS to assist in coordination with the DCSS for possible retrieval of the information.

## **CAMERA-READY COPIES AND TRANSLATIONS**

After you receive a copy of an English form, or a Notice of Action (NOA) message, please allow two to three weeks for the form or message to be translated and mailed to your CalWORKs Forms Coordinator. Language Translation Services (LTS) will mail camera-ready copies of Spanish, Chinese, Vietnamese and Russian translations as soon as they become available. You do not need to initially request forms or messages from LTS. To order additional camera-ready forms or messages in Spanish, Russian and Asian languages fax your request to LTS at (916) 657-3429 or e-mail your request to [lsu@dss.ca.gov](mailto:lsu@dss.ca.gov). For a camera-ready copy and/or additional copy of an English form please call Forms Management Unit (FMU) at (916) 657-1907 or CALNET at 437-1907. If your office has Internet access, you may obtain various forms from the CDSS web page at <http://www.dss.cahwnet.gov>. FMU is currently in the process of making forms available on the Internet. If the name, mailing address or e-mail address of your CalWORKs Forms Coordinator changes, please contact FMU by telephone at (916) 654-1282 or by e-mail to [fmud@dss.ca.gov](mailto:fmud@dss.ca.gov).

Your CalWORKs Forms Coordinator is to distribute translated forms and messages to each program and location. Each county shall provide bilingual/interpretive services and written translations to non-English or limited English proficient populations as required by the Dymally Alatorre Bilingual Services Act (Government Code Section 7290 et seq.) and by the state regulations in MPP Division 21, Civil Rights Nondiscrimination, Section 115.

If you have any questions regarding this letter or need additional information regarding the 60-month time limits, please contact Charissa S. Miguelino, CalWORKs Eligibility Bureau, at (916) 657-3665.

Sincerely,

*Original signed by  
Bruce Wagstaff*

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Attachments

c: CWDA  
CSAC

## EXAMPLE OF APPLYING CHILD SUPPORT TIME LIMIT EXEMPTION

### Example 1

#### **Previously Established Overpayments - Balance of Child Support Applied for the Child Support Time Limit Exemption**

Monthly aid in the amount of \$600 was received from January 1998 through May 2000. A total of \$3,000 in child support was collected for recoupment for the same period. Child support recoupment in the amount of \$450 was previously applied to reduce the overpayments that occurred during January 1998 through May 1998 period.

#### **Steps for Application of Child Support Recoupment**

1. Determine the total child support recoupment from January 1998 to the present.
2. The total child support recoupment must be reduced by the amount previously applied to establish the overpayments during the aided period.
3. The balance of child support recoupment is applied to months of aid beginning January 1998 for the child support time limit exemption.
4. Retain any remaining child support recoupment that is insufficient to abate a full monthly grant, to use for subsequent months of aid.

#### **Calculation of Exempt Months of Aid**

$\$3000 - \$450 = \$2,550$  (child support recoupment from January 1998 to present, less the amount applied to establish overpayments)

$\underline{\$2,550}$  (child support balance to be applied for exemption)  
 $- \underline{\$2,400}$  (applied to four months of aid for exemption)  
 $= \$ 150$  (remainder of child support carried forward)

<b>Months of Aid</b>	<b>Jan 98</b>	<b>Feb 98</b>	<b>Mar 98__</b>	<b>Apr 98</b>	<b>May 98__</b>
<b>Child Support Balance</b>	\$2550	\$1950	\$1350	\$750	\$150
<b>Grant Amount</b>	\$600	\$600	\$600	\$600	\$600 <sup>1</sup>
<b>Exempt Months</b>	<b>Jan 98</b>	<b>Feb 98</b>	<b>Mar 98</b>	<b>Apr 98</b>	

<sup>1</sup> Child support reduces the May 1998 grant to \$450 but does not yet exempt it.

## EXAMPLE OF APPLYING CHILD SUPPORT TIME LIMIT EXEMPTION AND TRACKING REPAID OVERPAYMENT

### Example 2

#### **Child Support Used for Established Pre-1998 Overpayment - Child Support Recoupment Amount after 1998 Used for the Child Support Exemption**

The recipient was eligible to receive monthly aid in the amount of \$500 from February 1998 through December 2000. The recipient was overpaid \$200 in November 1997 and \$500 in January 1998. (No child support recoupment was collected in January 1998 so the overpayment in that month was not previously reduced by child support. The pre-1998 overpayment (November 1997) was previously reduced by the child support collection received in 1997.) The overpayment in January 1998 is a totally ineligible month (i.e. an entire month of aid in which the recipient was not entitled to the cash aid). Subsequent grant amounts beginning February 1998 are reduced to repay the overpayment. The total child support recoupment collected since February 1998 is \$1,500.

#### **Steps for Application of Child Support Collection**

1. Determine the accumulated amount of child support recoupment collected since February 1998 to present.
2. The county need not subtract the child support recoupment amount that was used to establish the pre-1998 overpayment because the collection includes only the amount since February 1998.
3. Apply the child support recoupment to the months of aid for the child support time limit exemption.
4. Retain any remaining child support recoupment that is insufficient to abate a full monthly grant, to use for subsequent months of aid.

#### **Calculation of Exempt Months of Aid**

\$1500 (child support recoupment from February 1998 to present, which does not include the amount used to previously establish the pre-1998 overpayment)

-\$1425 (applied to three months of aid for exemption)  
\$ 75 (remainder of child support carried forward)

#### **Calculation for Recovery of Overpayment**

\$500 – \$25.00 (5% grant reduction) = \$475.00 (monthly grant)

**Example 2 (continued)**

<b>Months of Aid</b>	<i>Jan 98</i>	Feb 98	Mar 98	Apr 98	May 98
<b>Child Support Balance</b>		\$1500	\$1025	\$550	\$75
<b>Grant Amount</b>	\$ 500 <sup>2</sup>	\$475	\$475	\$475	\$475 <sup>3</sup>
<b>Exempt Months</b>		<b>Feb 98</b>	<b>Mar 98</b>	<b>Apr 98</b>	

<sup>2</sup> January 1998, the overpayment month, has been decreased due to grant reduction, but will continue to count toward the 60-month time limits until it is completely repaid.

<sup>3</sup> Child support reduces the May 1998 grant to \$400 but does not yet exempt it.



## **CHILD SUPPORT TIME LIMIT EXEMPTION QUESTIONS AND ANSWERS**

The following questions and answers have been developed to respond to county requests for additional guidance on implementing the child support time limit exemption. Unless specified, all questions and scenarios pertain to the child support time limit exemption and do not involve overpayments.

**1. Can the child support collected be applied to aid when the child support was paid on behalf of an unaided child?**

No. Children who are not part of the AU, (e.g. a SSI recipient) are to receive their child support directly. Pursuant to W & I Code 11477, a recipient of aid assigns their rights to support as a condition of receiving aid. If the child is not part of the AU, there is no requirement that the child assign their rights to support. The child support that is received on behalf of the child who is not part of the AU is forwarded to the family. Since the child support is provided directly to the family, it is not considered child support recoupment used to reimburse the grant and therefore, LCSAs will not report it to counties as child support recoupment.

**2. Are counties obligated to apply the entire amount of the child support recoupment (including cents) to the grant amounts or may the counties round off the child support recoupment prior to applying it to the grant amounts?**

In order to simplify the process of abating monthly aid by the child support recoupment, counties can round off the child support recoupment to the nearest dollar, (i.e. 50 cents and above, is rounded up, 49 cents and below is rounded down) prior to applying the recoupment to exempt months of aid.

**3. If the child support recoupment was intended for a previous period of time (a previously assigned arrearage payment) prior to January 1998, can that amount be used to reimburse months of aid beginning January 1998?**

Yes. Permanently assigned arrearage payments are not assigned to a specific period of time. The policy for the child support time limit exemption requires counties to apply any child support recoupment collected from January 1998 forward whether it is current or arrears.

**4. How is a child support collection case set up and to whom is the child support collection information provided?**

A IV-D case is defined as a custodial party (CP), noncustodial parent (NCP) and a dependent child or children that the noncustodial parent is obligated to support.

The CP/payee is provided monthly information on child support collection for the dependent child(ren). The county welfare agencies are provided monthly reports that include the child support collection for each CP/payee.

**5. If a needy non-parent caretaker relative has custody of the child, is the child support recoupment used to “untick” her/his months of aid?**

Yes. The amount of child support recoupment for the child who is living in the needy caretaker relative’s household should be applied to the caretaker relative’s monthly grant amounts. The IV-D case is established for the needy caretaker relative and the child support recoupment will be reported on her/his case. When the monthly grant amount is repaid, the month is exempt from her/his CalWORKs 60-month time clock.

**6. Are optional persons in the AU (e.g., stepparents) given the benefit of the child support recoupment to exempt a month of aid?**

No. A stepparent is an optional person in the AU and is not the custodial parent of the child for whom the child support is collected. Therefore, when months of aid are reimbursed by the child support recoupment, only the mandatory adults in the AU, (parent and/or needy caretaker relative) shall receive the exempt months of aid.

**7. Does the LCSA staff combine child support payments together if the CP is receiving several payments from multiple NCPs for the children in the AU, or are the amounts reported separately?**

Each child support collection case is set up for a mother, father, and their children in common. If there are multiple NCPs, there will be multiple cases. If all children are residing with the CP, then the child support amounts that are collected from each of the NCPs for the collection month are combined and reported based on the AU. However, if one of the children is residing with a needy caretaker relative (e.g. grandmother), a separate child support case is set up for the grandmother, NCP and child. The child support amount that is collected from the NCP for the child living with the grandmother is reported based on the grandmother’s AU.

**8. Case Scenario - Child support is collected for two children in a Zero Parent case, (the children live with their grandmother who is a non-needy caretaker relative). At a later point in time, the mother returns to the home and is aided and the case becomes an All Families case.**

**a) Will the child support recoupment for the children in a Zero Parent case be applied to a month of aid?**

Yes. If the LCSA is aware that the grandmother has custody, the child support is retained by the LCSA for recoupment for the grandmother’s case because the children are aided and therefore their support is assigned to the State for reimbursement. The child support recoupment will be applied to the months of aid of the Zero Parent case. However, since there is no aided adult in the AU because the grandmother is a non-needy caretaker relative, no month of aid will be counted for the grandmother, so there will be no months to exempt from the CalWORKs 60-month time limit.

**b) Will the child support arrearage be used to “untick” the 60-month time clock on the All Families case?**

Any arrearage amount that is collected to recoup the unreimbursed assistance will be reported to the county welfare department. The amount that is available to reimburse the grant should be accumulated and used to “untick” the months of aid for the adult who has custody of the child, if that adult is part of the AU. Because the policy requires that child support recoupment be applied to the earliest month of aid, the mother may or may not have been included in the month(s) of aid that were reimbursed by the child support recoupment and therefore she may or may not have month(s) “unticked.”

**9. If child support is collected during the period that the recipient is not receiving cash aid, is the child support amount sent directly to the CP?**

Current child support collected will be sent to the family once they are no longer aided. However, if the parent is no longer receiving aid, but the children are, the child support is assigned to the State and child support collections will be used to recoup the amount of public assistance allocated to the family.

**10. Do child support arrearages become part of the recoupment when a case is no longer a welfare case?**

All arrearage payments that are due to be paid to the family must be satisfied before the collection is given to the county for recoupment.

**11. Case Scenario – A family is discontinued from CalWORKs aid, but continues to receive Medi-Cal while residing in County A. The family then relocates to another county (County B) and applies for CalWORKs aid in county B. Is the child support that is collected reported to the original county (County A) where the case was opened or is that child support amount reported to the County B where the custodial party is now receiving CalWORKs aid?**

Although the family's CalWORKs assistance is discontinued, the LCSA in County A will continue to enforce the child support order. Therefore, if during the time the family is residing in County A, the LCSA obtains a child support collection that is used as recoupment, it will be reported to the County A welfare department. Once the family moves to County B and the county welfare department refers the case, County B LCSA will open a case and request the transfer of the family's County A case. Once the case has been transferred, the County B LCSA assumes case management responsibility of the case.

However, each county is responsible for maintaining its own Unreimbursed Assistance Pools (UAPs). When County B LCSA receives a child support recoupment, it will be reported to County B welfare department. If County B LCSA collects a sufficient amount of child support to repay both County A's and B's UAPs, then County B LCSA will reimburse their UAP and forward the money owing to County A LCSA to reimburse their UAP. Both LCSAs will report this as recoupment to their respective county welfare departments.

**12. Are counties required to apply the total amount of child support that was specifically used to repay the aid? Is the disregard or the interest income included in the child support recoupment that reimburses cash aid?**

Yes. In order to apply the time limit exemption, counties must apply the total amount of child support recoupment (which includes the disregard and interest) that reimburses the monthly cash aid. Beginning October 1998, the \$50 disregard payments are considered as part of the collection to repay the cash grant.

Prior to October 1998, the disregard and the pass-on amounts were not considered part of the collection to reimburse cash aid. Therefore, prior to October 1998, counties should not include the disregard and pass-on amounts for reimbursement of the cash aid.

**13. Will child support that is provided directly to the family (excluding the disregard payments) be used to “untick” the adult recipient’s clock?**

No. Child support that is provided directly to the family is not considered part of the reimbursement for cash aid. The child support amount received by a family is regarded as income for the AU.

**14. How is the child support time limit exemption applied when child support is collected for an AU with a Maximum Family Grant (MFG) child?**

Child support that is received for a MFG child is not considered part of the collection to reimburse a month of aid for the child support time limit exemption. The following examples demonstrate the application of the child support time limit exemption for an AU including a MFG child.

- a) An AU of 2 consists of the mother and her two children, one of which is a MFG child. The monthly grant amount is \$548. The child support for the two children is collected monthly in the amount of \$100. The \$50 portion that is collected for the MFG child is provided directly to the family.**

The \$50 for the MFG child would not be applied to exempt the AU’s grant amount of \$548. It is not assigned and, therefore, not considered child support recoupment. However, the \$50 portion for the non-MFG child would be applied to the AU’s grant amount. When the monthly child support that is collected has been accumulated to fully reimburse a month of aid (\$548) then the month would be exempt from the mother’s CalWORKs 60-month time clock.

- b) An AU of 5 consists of the senior Mom, minor parent with the MFG child, and her 3 siblings. The monthly grant amount is \$920. The child support for the minor parent and her siblings is collected monthly, in the amount of \$200, but no child support is collected for the MFG child.**

The \$200 would be applied to the AU’s grant amount of \$920. When the monthly child support has been accumulated to fully reimburse a month of aid (\$920) then the month would be exempt from the senior Mom’s CalWORKs 60-month time clock.

- c) **An AU of 3 consists of the senior Mom, minor parent with the MFG child, and the minor parent's sibling. The monthly grant amount is \$679. The child support for the MFG child is collected monthly in the amount of \$100 and is provided directly to the family. The child support for the minor parent and her sibling is collected monthly in the amount of \$125.**

Only the child support amount of \$125 that is collected for the minor parent and the sibling would be applied to the AU's grant amount of \$679. Any child support that is provided directly to the family for the MFG child is not considered part of the collection to repay the cash grant, because it does not reimburse the aid payment.

- 15. Case Scenario - Case is discontinued. The NCP continues to pay arrearages for child support. Will the arrearages be used to "untick" the clock?**

Yes. The LCSA will provide the county welfare department with the amounts of child support payments that are used to recoup the cumulative unreimbursed assistance. The county welfare agency will determine whether the amount (collected in and after 1998) is sufficient to "untick" the month(s) of aid.

- 16. Case Scenario - The clock is "unticked," as the child support recoupment equals the aid payment for the month. A couple of months later, it is discovered that there is an underpayment and a retroactive payment is issued. Is the clock re-ticked?**

Yes. The exemption must be applied when the month of aid is fully reimbursed by child support recoupment. Based upon the case scenario provided, when the retroactive payment was issued, the month was no longer considered fully reimbursed. Therefore, the month cannot be exempt from the CalWORKs 60-month time limit until additional child support recoupment can be applied to reimburse the retroactive payment. If the county knows of this circumstance in advance, it can allow the recipient to choose whether to receive the underpayment and have the clock re-ticked or waive the underpayment and use the additional month of aid.

- 17. Case Scenario - An adult has been discontinued from aid because she reached the CalWORKs 60-month time limit but the children continue to be aided as part of the safety net. Several months later the county is notified of a large child support recoupment amount, which results in months of aid exempted from the 60-month time limit.**

- a) Is the county required to add the adult back into the AU? If yes, at what point should the adult be added back into the AU?**

The county is required to add the adult into the AU, if the family is otherwise eligible. The adult received the cumulative 60 months of CalWORKs cash aid, but the subsequent child support recoupment credited back some months that were used. She is therefore entitled to the additional months of aid. Since the child support recoupment occurred after the adult was discontinued from aid due to reaching the time limit, the county cannot retroactively add the adult back into the AU and provide

a retroactive payment to the family. The county shall add the adult into the AU when the county is notified of the child support recoupment and it is determined that the adult is eligible for additional months of aid due to the exemption. The adult shall be mandatorily included as of the first of the month in which additional months become available. The county will be required to send a NOA informing the recipient of the exempt months due to child support recoupment and the increase in the cash aid payment. When the recipient reaches redetermination, the county will send a time limit NOA (M40-107b) to inform her of the number of months of aid that she used, the specific exempt months, and the remaining months on aid.

**b) If the adult is added back into the AU, is the individual subject to CalWORKs WTW requirements? If yes, in what WTW activities must the person participate?**

Because the adult is added back to the AU, and is an aid recipient again, she or he is subject to applicable CalWORKs WTW requirements, including those regarding the 18- or 24-month time limit, hours of participation, satisfactory participation, and sanctions. Generally, the adult in this situation has reached the 18- or 24-month time limit; therefore, he or she must participate in unsubsidized employment and/or community service, and other allowable activities, as specified in MPP Section 42-711.9. Please refer to ACL 02-07, dated January 22, 2002, for procedures on implementing MPP Section 42-711.9.

**18. Case Scenario – An adult is discontinued from aid because she reached the CalWORKs 60-month time limit but the children continue to be aided as part of the safety net. After a period of 6 months, her earnings increase, which causes the family to be ineligible and the entire AU is discontinued from aid. After the AU is discontinued, an assigned arrearage is collected from the NCP and is reported as recoupment to the county, which resulted in months of aid exempted from the 60-month time limit. Since the family is now ineligible for aid due to an increase in income, how will the adult receive the aid for the months that had been exempt?**

The county made the determination to discontinue the adult from aid because she received a cumulative total of 60 months of CalWORKs aid. The child support recoupment occurred after the family became ineligible for aid. Although she must be granted the exempt months for which she is entitled, the family is no longer eligible for aid, therefore the county cannot grant aid to the AU.

The county must apply the child support recoupment amount to the months of aid to determine if any additional months can be exempt from her CalWORKs 60-month time limit. The county must “untick” and record the exempt months. If she reapplies for aid and is determined to be eligible, then she is entitled to the remaining number of months of aid until she again reaches the cumulative total of 60 months. At the time of application, the county is required to send her a time limit NOA (M40-107b) to inform her of the number of months of aid that she used, the specific exempt months, and the remaining months on aid.

**19. When applying a child support recoupment, should counties apply it to months in which the recipient is sanctioned?**

Yes. County welfare departments must apply child support recoupment amounts reported by the LCSAs to all months of aid chronologically whether or not the recipient is sanctioned. Although a sanctioned recipient is excluded from the AU and the month is not counted toward the recipient's "time clock" because she/he is unaided, aid is still provided to the AU and the child support recoupment amount is distributed to the county to reimburse the month(s) of aid. Since a month of aid is not counted toward the recipient's CalWORKs 60-month time clock because she/he was previously excluded from the AU, the child support recoupment will have no effect to the recipient's 60-month time clock for that month.

**20. Is the custodial parent given notification of the child support collection?**

Yes. The CP is provided the information on the child support collection, including the amount of child support recoupment.

**21. Case Scenario - The county applies child support recoupment to a month of aid, according to the child support time limit exemption process. It is later determined that the month was an overpayment month, (i.e. an entire month of aid in which the recipient was not entitled to the cash aid.) Since the child support recoupment was used to reimburse the overpayment month, can the county consider the overpayment month to have been repaid and not counted toward the 60-month time limit?**

Yes. Child support recoupment may be applied to overpayments if this occurs during the application of the child support recoupment as part of the CalWORKs 60-month time limit exemption tracking process. It is likely that counties will naturally apply child support recoupment to overpayments because it is not known that overpayments occur until after the fact. An overpayment month (i.e. an entire month of aid in which the recipient was not entitled to the cash aid) that is repaid shall be "unticked" and the month must be credited back to the individual's 60-month time clock.

**CalWORKs NOTICE OF ACTION (NOA) LANGUAGE AND NA FORM**

The following NOA messages and NA form are provided to counties for informing recipients of their time limit information.

- **M40-107 - CalWORKs 60-Month Time Limit, Time on Aid (No Previous NOA)**
- **M40-107b (7-1-02) – CalWORKs 60-Month Time Limit, Time on Aid at Redetermination or Application**
- **M40-107c (7/1/02) – CalWORKs 60-Month Time Limit, Time on Aid at 54<sup>th</sup> and 58<sup>th</sup>**

The NOA messages listed above have been revised to include information regarding the child support time limit exemption. Counties are required to check the appropriate box to indicate whether the number of months have been adjusted due to the child support time limit exemption, and include the addendum to explain the number of exempt months.

- **Child Support Time Limit Exemption Addendum (7-1-02)**

This addendum is used to inform the adult recipient of the method used to determine the number of months that are exempt due to child support collection. The NOA message explains how the child support collection is applied to reimburse months of aid for the CalWORKs 60-month time limit exemption. Counties are required to indicate the amount of child support collected and the month(s) of aid for the exemption.

- **NA 530 (10/02) – 60-Month Time Limit**

This new NA form for the 60-month time limit is the required form for all time limit NOA messages that inform the adult recipient of the number of months of aid that accrued. It has been specifically designed for the purpose of informing recipients of their right to appeal the county's decision if they disagree with the number of months reported on the NOA and must include the NA Back so recipients are provided the instructions to request a hearing.