DEPARTMENT OF BENEFIT PAYMENTS

744 P Street, Sacramento, CA 95814



January 28, 1976

ALL-COUNTY LETTER NO. 76-18

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INFORMATIONAL MEDI-CAL CARD STUFFER ON EARNED INCOME CREDIT -

FEDERAL INCOME TAX

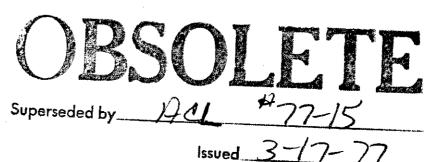
REFERENCE:

Enclosed is a copy of information being sent to AFDC recipients in order to inform them of a new federal earned income credit law. The information, printed in both English and Spanish, will be mailed as a $3 \times 6\frac{1}{2}$ inch stuffer with the February, 1976 Medi-Cal cards. AFDC recipients who are PHP enrollees will be sent the notice by separate mailing. In addition, a supply of the notices is being sent to each county welfare department for distribution to General Assistance recipients in whatever manner deemed appropriate. These supplies will be mailed in early February.

To ensure that all potentially eligible persons are notified of the Earned Income Credit, separate provisions have been made for Food Stamp program applicants and recipients who do not receive other forms of public assistance. Counties are requested to provide notification of the Earned Income Credit in leaflet form to Food Stamp applicants and recipients at Food Stamp Certification and Issuance offices. Supplies of the leaflet and an Internal Revenue Service poster are available on request from:

Bill Tlucek, Assistant Chief State Operation Branch Food Stamp Division FNS, USDA Washington, D.C. 20250

If your records show AFDC recipients that may be eligible for the Earned Income Credit, they should be advised to file a federal income tax return as a possible source of income. (See EAS 44-103.2)



GEN 654 (2/75)

For purposes of AFDC eligibility and grant determination, payments under this law, like ordinary income tax refunds, are to be treated as net nonexempt income in the month received. (See EAS 44-113.23.)

Please insure that the AFDC and Medi-Cal staff in your agency are informed of this information. Contact your AFDC Management Consultant at (916) 445-4458 for questions regarding the Medi-Cal mailing or the supply for General Assistance, or Dave Owens, Food Stamp Policy Coordination Bureau, (916) 445-6907 for questions regarding Food Stamp recipient notification.

Sincerely,

KYUE S. McKINSEY Deputy Director

Enclosure

cc: CWDA

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