

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



May 16, 1989

ALL COUNTY LETTER NO. 89-43

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: PUBLIC LAW 100-435, HUNGER PREVENTION ACT
Food Stamp Program - Earned Income Tax Credit

This letter is to provide the County Welfare Departments (CWDs) with instructions to implement a provision of Public Law (PL) 100-435, Hunger Prevention Act, enacted September 19, 1988. The provision pertains to the treatment of earned income tax credit (EITC) payments made as advance payments and is effective January 1, 1989.

Currently, EITC advance payments (received as part of a paycheck) are counted as income. The new Public Law now requires EITC advance payments to be excluded as income but counted as a resource. As a result, the EITC advance payment will now have to be identified so it can be counted as a resource.

CWDs should be able to identify the EITC advance payment received as part of the paycheck from the recipient's pay stub. If the pay stub does not indicate a payment was received, no further action is necessary. However, if it is unclear from the pay stub what amount of EITC the recipient received, the CWD should obtain clarification from the recipient. If the recipient states that he/she is receiving the advance payment, the employer may be contacted by the CWD and/or the recipient to obtain the amount. The CWDs should follow current income verification policy.

The Food and Nutrition Service has directed the State to implement this provision. Therefore, CWDs must implement as soon as administratively possible but no later than July 1, 1989.

For continuing cases this provision shall be implemented and appropriate restoration of benefits made upon request of the household, at recertification, or when the CWD becomes aware that a review is needed, whichever occurs first. Restored benefits to entitled households are to be provided back to the date of application or January 1, 1989, whichever occurred later.

For a household that applied for benefits from January 1, 1989 until June 30, 1989 and was denied, the household is entitled to restored benefits back to January 1, 1989 or date of application, whichever occurred later, if the household: (1) is otherwise entitled to benefits and (2) requests a review of its case or the CWD becomes aware a review is needed.

If you have any questions, please contact the Food Stamp Policy Implementation Unit, at (916) 322-5330.



ROBERT A. HOREL
Deputy Director

cc: CWDA