

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

February 22, 1991

ALL COUNTY LETTER NO. 91- 18

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: CHANGE IN THE TREATMENT OF STATE DISABILITY INSURANCE PAYMENTS IN THE AFDC PROGRAM - NOTICES AND PROSPECTIVE IMPLEMENTATION INSTRUCTIONS

**REFERENCE: MPP 44-111.2 AND 44-113.2
ACL No. 91-14**

This letter is to provide County Welfare Departments (CWDs) with instructions regarding the prospective implementation of the Sallis consent decree and to transmit Notices of Action (NOA) related to this policy change. In accordance with All County Letter (ACL) No. 91-14, State Disability Insurance (SDI) benefits will be counted as earned income effective with the April 1, 1991 payment month. Please refer to ACL No. 91-14 for the authority for this policy change and in order to review the consent decree.

Treatment of \$30 AND 1/3 EARNED INCOME DISREGARD

MPP 44-111.232(b) precludes the allowance of the \$30 & 1/3 disregard for any individual who received this disregard in any Assistance Unit (AU) for four consecutive months without an intervening twelve-consecutive-month period when he/she was not an AFDC recipient. In order to avoid potential overpayments when implementing the Sallis court case prospectively, Counties should review the case to determine if the individual will be eligible to the \$30 and 1/3 disregard for four consecutive months during the retroactive period (June 1, 1987 through March 1991). Individuals who will receive four consecutive months of the \$30 and 1/3 disregard prior to April 1, 1991 or who have previously exhausted this disregard should only receive the \$30 disregard (MPP 44-111.24) during the prospective period as otherwise eligible.

Standard Work Expense (SWE) and Dependent Care Disregard

Recipients are entitled to receive the SWE and Dependent Care Disregards if the conditions in MPP 44-113.214, 44-113.217 and 44-113.218 are met.

NOTICE OF ACTION MESSAGES

Attached are two NOA messages to be used to notify clients with SDI benefits of a change in cash aid based on earned income disregards. The NOA message M44-113B will be used when there are no earned income disregards for SDI benefits. The NOA message M44-113C will be used when the earned income disregards for SDI benefits are counted.

These NOA messages are provided in both typeset and language only formats. Translated copies in Spanish and the four Indo-Chinese languages will follow under separate cover.

IMPORTANT NOTICE

The Important Notice is a temporary reminder to inform clients that SDI benefits will be counted as earned income and that they can get disregards. This notice is to be sent at the same time and in the same situation as the NA 960X or NA 960Y is sent for the March CA 7. This notice is to go to those clients with SDI benefits but can be sent to all clients receiving a NA 960X or NA 960Y.

Because of the short timeframe, this notice will not be translated.

If you have any questions regarding the treatment of the \$30 and 1/3 disregard or regarding implementation of the policy change of treating SDI as earned income, please contact Ms. Sandra Poole-Taylor of the Welfare Policy Implementation Bureau (WPIB) at (916) 324-2661 or ATSS 8-454-2661. If you have any questions regarding the notices, please contact Mr. Dennis Ragasa of WPIB at (916) 324-2658 or ATSS 8-454-2658. If you have any general questions regarding the Sallis consent decree or the upcoming retroactive implementation, please contact Mr. Vincent Toolan of the AFDC Policy Bureau at (916) 324-2007 or ATSS 8-454-2661.



ROBERT A. HOREL
Deputy Director

Attachments

cc: CWDA

IMPORTANT NOTICE

On April 1, 1991, State Disability Insurance (SDI) benefits will be counted as earned income due to the Sallis Court Case. If you get SDI benefits, you can get disregards and may get more cash aid. But you won't get more cash aid if you don't turn in a complete CA 7 form by the 11th of the report month. If there is a good reason for missing this deadline, tell your worker.

TEMP 1788 (4/91) SALLIS COURT CASE

IMPORTANT NOTICE

On April 1, 1991, State Disability Insurance (SDI) benefits will be counted as earned income due to the Sallis Court Case. If you get SDI benefits, you can get disregards and may get more cash aid. But you won't get more cash aid if you don't turn in a complete CA 7 form by the 11th of the report month. If there is a good reason for missing this deadline, tell your worker.

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TEMP 1788 (4/91) SALLIS COURT CASE

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

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Questions? Ask your Worker.

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State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of _____, the County is changing your cash aid from \$ _____ to \$ _____.

Here's why:

Your State Disability Insurance (SDI) benefits are now counted as earned income which means you can get disregards. This means you may get more cash aid.

Your new cash aid amount is figured on this notice.

Monthly Cash Aid Amount

Your Countable Income in _____ (MONTH)

Total Earned Income	\$	_____
Work Expense Disregard	-	_____
\$30 Disregard	-	_____
\$30 and 1/3 Disregard	-	_____
Dependent Care Disregard	-	_____
Other Countable Income (list sources)		_____
	+	_____
	+	_____
	+	_____
Court Ordered Support Paid	-	_____
Net Countable Income	=	_____

Your Cash Aid In _____ (MONTH)

Basic Aid for _____ Persons	\$	_____
Special Needs	+	_____
Subtotal	=	_____
Net Countable Income	-	_____
Cash Aid Subtotal	=	_____
Overpayment adjustment (separate page)	-	_____
Monthly Cash Aid Amount	\$	_____

Rules: These rules apply; you may review them at your welfare office.

MPP 44-113.21, 44-101

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

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Questions? Ask your Worker.

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State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of _____, the County is changing your cash aid from \$ _____ to \$ _____.

Here's why:

We didn't allow the earned income disregards you could get for your State Disability Insurance (SDI) benefits. You didn't give us a complete CA 7 by the 11th of _____ with your SDI benefit information.

Your cash aid amount goes down when we don't allow your disregards.

Your new cash aid amount is figured on this notice.

Monthly Cash Aid Amount

	Your Countable Income in _____ (MONTH)
Total Earned Income	\$ _____
Work Expense Disregard	- _____
\$30 Disregard	- _____
\$30 and 1/3 Disregard	- _____
Dependent Care Disregard	- _____
Other Countable Income (list sources)	_____
	+ _____
	+ _____
	+ _____
Court Ordered Support Paid	- _____
Net Countable Income	= _____

	Your Cash Aid In _____ (MONTH)
Basic Aid for _____ Persons	\$ _____
Special Needs	+ _____
Subtotal	= _____
Net Countable Income	- _____
Cash Aid Subtotal	= _____
Overpayment adjustment (separate page)	- _____
Monthly Cash Aid Amount	\$ _____

Rules: These rules apply; you may review them at your welfare office.

MPP 44-113.218, 40-181.22