

33. Financial Eligibility

33.1 Financial Eligibility Determination

All linking and non-linking factors of eligibility must be evaluated at application and on a semi-annual basis. Any time the EW receives information which may affect a recipient's eligibility, a prospective determination must be made as to whether the AU has continuing eligibility. Prospective budgeting requires interaction between the EW and the client to determine the best available information to determine the AU's reasonably anticipated income.

A prospective financial eligibility determination is used:

- At the point of application AFTER passing the Applicant Gross Income Test.
- When processing the SAR 7 with income to determine if the recipient will be financially eligible in the payment period based upon the information reported on the SAR 7.
- At any other time to determine if there is ongoing eligibility when the recipient has made a voluntary or mandatory Mid-Period report, or if the EW becomes aware of a change in the recipient's situation.



Example:

A recipient, who receives CalWORKs for herself and two children (AU of 3), reports on her March SAR 7, received on April 7th, that she started working full-time on April 1st. She also reports she will have gross monthly earnings of \$3,000 per month beginning May. The EW determines the AU ineligible for the next payment period because her monthly income is in excess of Tier 2 for an AU of 3. CalWORKs is discontinued on April 30th. Continuing eligibility for Transitional Medi-Cal (TMC) is determined and the client must be referred to the Child Care Hotline 793-1204.



Note:

Based on SAR regulations, there is no Overpayment for March or April.

33.2 Income Eligibility [EAS 44-207.1]

33.2.1 MBSAC

The Minimum Basic Standard of Adequate Care (MBSAC) is the amount of money which is necessary to provide an AU with:

- Housing
- Clothing
- Food
- Utilities
- Items for household operations, education and incidentals, recreation, personal needs, and insurance
- Essential medical and dental care not covered by public expense.

The MBSAC figure is only used in the Applicant Gross Income Test. It is not used in the Recipient Financial Eligibility Test or for grant computation.

33.2.2 Source of Income

Apply the Applicant Gross Income test at the time of application:

- To determine financial eligibility for the current month, or
- To determine financial eligibility for the next month when the applicant does not pass the test in the current month.

33.3 Applicant Gross Income Test [W & I Code 11267 and 11450.12]

At the time of application, an AU is not eligible for the current or future month if the total reported or anticipated gross income for that month exceeds MBSAC plus special needs. Gross income includes:

- Total gross earnings from employment - less \$90 for each employed person.

- Disability Based Income.
- Net earnings from self-employment income - Allow the actual business deductions or the 40% disregard. [Refer to "Self-Employed", Section 31.]
- Child Support whether received directly by the client or collected by the county (less the \$50 disregard).
- Unearned Income.
- Any other nonexempt income of persons in the "family" whose income must be counted towards the AU.

33.3.1 Exception to Applicant Gross Income Test

Former recipients whose cash aid was discontinued due to Transitional Subsidized Employment (TSE) earnings, shall now be considered recipients when reapplying for benefits within three calendar months of the TSE ending. However, if an individual applies for CalWORKs after this three-month period has passed, he or she shall be considered an applicant for the purpose of CalWORKs eligibility.



Example:

Client was discontinued earlier in the year due to increased earnings received from their TSE. Client's TSE ended on April 18 and he or she re-applies for CalWORKs on June 8. The three month period for the client to reapply and be treated as a recipient is from April 18 (last date of employment) to July 18. Because June 8, is within the three month time period, the client must be treated as a recipient and allowed the current Income Disregard and 50% deduction. Because they are considered a recipient, the 100-hour work rule does not apply.

Income Tests

The Applicant Gross Income Test and the 100 Hour Work Rule shall not be applied to the former TSE client who was discontinued due to income and is applying within three months of their TSE termination. The Recipient Net Income Test must be used for these clients.

33.3.2 Financial Ineligibility in Month of Application

When the AU is determined financially ineligible for the month of application, but the EW determines the AU will become financially eligible within 60 days of the application date, the EW MUST enter the reasonably anticipated income for the payment period in CalWIN. If the AU is financially eligible for the

second month, CalWIN will approve aid for the AU on the 1st day of the second month. The grant amount will be based on the reasonably anticipated income for the next six months (including the month of approval).

If Financially Eligible in the 2nd Month, AND...	Then the CalWIN...
Food Stamps are approved in the month of application (1st month),	<ul style="list-style-type: none"> • Will approve CalWORKs effective the 1st day of the second month. • Calculates the grant amount based on the reasonably anticipated income. • Will use the report cycle established by the Food Stamp approval.
Food Stamps are NOT approved in the month of application (1st month),	<ul style="list-style-type: none"> • Will approve CalWORKs effective the 1st day of the second month. • Calculates the CW grant amount based on the reasonably anticipated income for the months following the original application date. • Establish the report cycle based on the date of the CalWORKs approval (1st day of the month following the month of application).

33.3.3 Computation of Applicant Gross Income Test

To determine if the family passes the Applicant Gross Income test, the EW must follow these steps:

Step	Action
1.	Determine the applicant family (AU and Non-AU members) gross income, including earned, unearned, disability based and self-employment income.
2.	Disregard up to \$90 of earned income for each employed family member. The remainder equals the net non-exempt income.
3.	Determine MBSAC plus Special Needs for family (AU and Non-AU members).
4.	Compare the figure obtained in Step 2 with Step 3. If the net nonexempt income (Step 2) exceeds the MBSAC plus Special Needs (Step 3) then the AU is ineligible. If the net nonexempt income (Step 2) is less than the MBSAC plus Special Needs (Step 3) then the AU has passed the Applicant Gross Income Test.

33.3.4 Examples of Applicant Gross Income Test



Example:

A family of four applies for CalWORKs in January. The mother is pregnant. The family has no income. The Applicant Gross Income Test is determined as follows:

MBSAC for 4 (Effective 7/1/20)	\$1788.00
Pregnancy Special Need	+ 47.00

TOTAL NEED	\$1835.00
Income	000.00
Applicant Gross Income Test Met.	Family is eligible.

If this AU has net nonexempt income (or is expected to receive income) in an amount in excess of \$1788, the AU is not eligible.



Example:

A family of five applies for CalWORKs. Mom is employed and earns \$2200 a month:

MBSAC for 5 (Effective 7/1/20)	\$2040.00
Special Need	0

TOTAL NEED	\$2040.00
Income	\$2200.00
Less \$90 disregard	-90.00

Net nonexempt income	\$2110.00

The Net non-exempt income is in excess of the total need for an AU of 5. They fail the Applicant Gross Income Test and the AU is ineligible.

33.4 Recipient Net Income Test [WIC 11267 and 11450.12]

Once it is determined that an applicant AU's total gross income meets the Applicant Gross Income Test, the Recipient Net Income Test (RNIT) is determined prospectively (i.e., income anticipated to be received in the next payment period is used to determine financial eligibility for the next payment period).

- When the Net Non-Exempt is over the MAP amount, the **application must be denied**, sent the appropriate notice of actions and the case must be evaluated for Medi-Cal and CalFresh eligibility.

**Note:**

Applicants and recipients must meet the RNIT when adding a new person to an existing AU. The AU is subject only to the recipient net income test, not the applicant gross income test.

**Example:**

An AU consists of a parent and 1 child. They have disability based income of \$500. They also have special needs of \$20. Since the disability based income of \$500 is less than \$898 [\$878 MAP (Effective 10/1/19) plus \$20 special needs], the AU is financially eligible.

**Example:**

An AU consists of 2 parents and 3 children. The Principal Earner (PE) gets a full-time job and his income exceeds the IRT. He reports the change to his EW timely and the EW determines that the income exceeds the RNIT. CalWORKs must be discontinued at the end of the month in which a timely and adequate notice of action can be sent.

33.4.1 Use of Income Disregard in the Recipient Net Income Test

The Income Disregard is allowed **per family not** per individual. The Income Disregard is applied first to the disability based income. The remaining balance of the Income Disregard is then applied to any earned income and 50% of any remaining earned income. The total net income is any remaining disability based income plus the remaining earned income plus any unearned income.

These deductions are applied to the income of:

- The AU
- Non-AU members and
- Penalized/Sanctioned persons.

When two (2) people in a family have earned income, the earned income is combined and the balance of the Income Disregard is applied along with 50% of any remaining earned income.

33.4.2 Recipient Net Income Determination

To determine if the Recipient Net Income Test is passed, use either actual nonexempt income (if known), or a reasonable estimate of the income expected to be received. The estimate is based on all relevant information known to the EW and the recipient.

- Nonexempt income is gross income minus all applicable income disregards and exemptions. This includes the Income Disregard for disability based income and the remainder of the Income Disregard and 50% of the remaining earned income.
- Child support less the disregard, whether received by the county or directly by the client, must be included in the recipient net income determination.

33.4.3 Required Actions

When anticipated nonexempt income exceeds the CalWORKs Tier 2 amount:

- Recipient cases must be discontinued as follows:
 - For Mandatory Change Reports (i.e. Earnings over IRT), at the end of the month in which a timely and adequate notice can be provided,
 - For voluntary Change Reports, at the end of the current payment period,
 - For SAR 7 Changes, at the end of the current payment period.



Reminder:

If the AU reports a change in earnings on the SAR 7 that should have been reported earlier as a Mandatory Change Report (i.e. earnings over IRT), the EW must determine if an overpayment has occurred. [\[Refer to “Overpayments General \[MPP 44-350\],” page 51-1\]](#)

33.4.4 Computation of Recipient Net Income Test

To determine if the family passes the Recipient Net Income Test, the EW must follow these steps:

	Action
1.	Determine the total disability based income of both the AU and Non-AU members.
2.	Subtract the Income Disregard.

	Action
3.	Determine the gross earned income of both the AU and Non-AU members.
4.	Subtract any remainder of the Income Disregard.
5.	Deduct 50% of the remaining income.
6.	Add any remaining disability based income after the Income Disregard was deducted.
7.	Add any other nonexempt unearned income of both the AU and Non-AU members. The Net Non-exempt Income is rounded to the next lower dollar.
8.	Subtract this amount from MAP plus Special Needs for the family (AU and Non-AU members). The remainder equals potential grant # 1.
9.	Determine MAP plus Special Needs for AU members only.
10.	The grant to be paid is the lesser of potential grant #1 (# 8 above) or MAP plus Special Needs (# 9 above).

33.4.5 Examples of Recipient Net Income Determination



Important:

Current Income Disregard and MAP values must be used in calculations. Income Disregard and MAP values in these examples may **not** reflect current values.



Example:

The AU consists of a mother and her 2 children. She has been working full-time. She reports on her SAR 7 that she has received a promotion and her gross weekly wage will be \$550. There is no other income to the AU. Her average gross monthly income anticipated for the next payment period is \$2,381 (\$550 x 4.33/conversion factor used for weekly income = \$2381). She receives the Income Disregard plus 50% of remainder.

\$2381.00	Gross Anticipated Wages
- 500.00	Income Disregard
- 940.00	50% Earned Income Disregard

\$ 940.00	Recipient Net Income

Her total nonexempt income is above MAP for 3 of \$878 (Effective 10/1/19). However, the AU's income is less than the CalWORKs Tier 2 amount for 3, \$2,311 (130% of FPL) and AU remains eligible with a Zero Basic Grant.



Example:

AU consists of father and two children. He has gross non-exempt earned income of \$600 per month. The children each receive \$172.50 per month in non-exempt unearned income from the non-custodial parent’s disability.

\$ 345.00	DBI
- <u>500.00</u>	DBI Disregard
(155.00)	Remaining EID
\$600.00	Earned Income
- <u>155.00</u>	Remaining EID
\$445.00	Subtotal
- <u>222.50</u>	50% EID
\$222.50	Net Non-exempt Income
\$878	MAP for three
- <u>222</u>	Net Non-exempt Income
\$656	Grant amount



Example:

A non-exempt AU of three has gross non-exempt earned income of \$600 per month. The children each receive \$337 per month in DIB from non-custodial parent’s disability claim.

\$ 674.00	DBI
- <u>500.00</u>	DBI Disregard
\$ 174.00	Non-exempt Disability Income
\$600.00	Earned Income
- <u>300.00</u>	50% EID
\$300.00	Subtotal
+ <u>174.00</u>	Non-exempt Disability Income
\$474.00	Net Non-exempt Income
\$878	MAP for three
- <u>474</u>	Net Non-exempt Income
\$404	Grant amount



Example:

An AU consists of the father and two children. He has gross income of \$1,000 monthly. There is no other income to the AU. His recipient net income is computed below:

\$1,000.00	Gross Anticipated Wages
- <u>500.00</u>	EID
\$500.00	Subtotal
- <u>250.00</u>	50% Earned Income Disregard
\$ 250.00	Net Non-exempt Income

\$878	MAP for three
-250	Net Non-exempt Income
\$628	Grant amount

33.4.6 Reasonably Anticipated Income (RNI)

When the EW makes a reasonable estimate that the AU's reasonably anticipated non-exempt income will be equal to or in excess of the CalWORKs Tier 2 IRT amount for the future payment period, the AU becomes ineligible for aid at the end of the current payment period. [Refer to “Budgeting [EAS 44-313],” page 44-1]] on how to determine RNI.

If aid is discontinued because anticipated income is expected to result in financial ineligibility, and this amount of income is NOT actually received, the discontinuance must be rescinded, and the correct grant issued.

Once a reasonable estimate has been made that an AU is financially eligible, they CANNOT be considered financially ineligible for that payment period, if actual income later exceeds MAP.



Exception:

Earnings in excess of IRT (130 % of FPL) [Refer to “Income Reporting Threshold (IRT),” page 33-11]]



Example:

An AU consists of a mother and 3 children. She is employed full-time. She reports to her EW that her ex-husband has told her he will start sending child support the following month. Her net nonexempt income, plus anticipated child support, exceed the Income Reporting Threshold (IRT) level. This is a mandatory recipient mid-period report and the EW must discontinue her cash grant at the end of the month with a timely NOA. Her case is evaluated for continuing Medi-Cal. The next month she calls to report no child support was actually received. Without the anticipated child support, her AU is financially eligible. The discontinuance of her cash grant must be rescinded, and the correct grant paid.



Example:

A father applied for CalWORKs on July 6th for himself and his child. His Unemployment Insurance Benefits (UIB) stopped on June 16th and it is anticipated that he will have no income July or August. He applied for an extension of his UIB. The verification from the UIB office states that they cannot anticipate if the extension will be approved. The case is established effective July 6th and it is anticipated that he will pass both the Applicant Gross Income Test and the Recipient Net Income Test for July. When the SAR 7 for November is received in December, he reports that his extension was granted and he received UIB in excess of MAP in August. Because reasonably anticipated income is NOT reconciled with actual income, there is no

overpayment for this payment period. However, the EW will need to contact the client to determine the amount of UIB anticipated for the future payment period in order to determine ongoing eligibility for the future.

33.5 Income Reporting Threshold (IRT)

CalWORKs recipients subject to report verbally or in writing within 10 days when their income exceeds the IRT for their AU size, even if the income is received mid-year.

A CalWORKs case with income exceeding the IRT may be discontinued or the grant may be decreased depending on how much income is reported.

There are two tiers for the CalWORKs IRT under SAR and AR/CO rules. If any member of the AU or any member of the family MAP has earned income, the CalWORKs AU is required to report when the total combined gross monthly income, earned and unearned, of all persons included in the family MAP exceeds the lesser of the following two amounts:

- **Tier 1** - \$996 (55% of the Federal Poverty Level (FPL) for a family of three) **plus** the amount of income that was last used to calculate the recipient's benefits, or
- **Tier 2** - 130% of the Federal Poverty Level

Because each family will have different amounts of earned and unearned income, the exact amount of income that will make each family ineligible for CalWORKs varies.

If the AU has...	Then they are required to report within 10 days when...
No income or unearned income only,	They receive earnings that, once combined with other household income, exceeds IRT.
Earnings only or a combination of earned and unearned income,	The household's total income exceeds the IRT.
Unearned income only (including disability-based unearned income),	They receive gross earnings that, once combined with unearned income, exceeds IRT. Note: AU's with unearned income only, are NOT required to report when that income by itself exceeds the IRT mid-period.

When income exceeds the IRT limit, the EW MUST determine if the AU remains financially eligible for CalWORKs.

If Income Exceeds the IRT Level. . .	Then the EW Will. . .
And is expected to continue at the same level in future months,	Discontinue the case at the end of month following the report with a timely 10-day NOA. Note: If there is no time for a timely NOA, the CalWORKs benefits MUST be issued at the previous level and the EW MUST NOT establish an overpayment.
But is only expected to exceed the IRT level for that one month,	NOT take action to discontinue CalWORKs benefits.

When the combined earned and unearned income is over MAP but under the CalWORKs Tier 2 amount, then the AU may remain eligible for supportive services and/or CalWORKs special needs with a Zero Basic Grant (ZBG). Cases with a ZBG must adhere to the same reporting requirements as cases receiving a cash grant and that recipients may request discontinuance at any time.

The informing notice that provides a family’s IRT **must be individualized** for each AU using “Reporting Changes for Cash Aid and CalFresh” (SAR 2) or (AR 2). The AU must be informed at Intake and at least once per SAR Payment Period or AR/CO Payment Period, or whenever the AU’s IRT changes.

IRT Reporting

When income in excess of the IRT is reported, the worker must determine if the AU remains financially eligible for benefits and if so, recalculate the grant amount for the remainder of the SAR or AR/CO period using the new amount of reasonably anticipated income. A decrease to the grant can only be made after timely and adequate notice is provided. Additionally, the AU’s new IRT amount must be calculated and provided on the SAR 2 or AR 2 required forms. The calculation used by the EW to determine the IRT level for each AU must be clearly documented in the **Maintain Case Comments** window of CalWIN.

If a recipient reports income that exceeds the IRT, a determination is required whether the income will continue at that level. If it is determined that the income will not continue at that level, no action can be taken to discontinue or decrease benefits.

If the AU reports an increase in income mid-period report that is not over the IRT, the change will be treated as voluntary and will not result in any decrease in benefits. A “No Change” NOA must be sent.

Example 1

An AR/CO non-exempt family of 4, AU of 3, with no income. Their current IRT is \$996 (55% of the current FPL). Mom reports mid-period she got a new part-time job and expects to receive \$500/month.

Step 1

Determine if the reported income (\$500) is over her current IRT amount (\$996). Benefits are not reduced since the monthly anticipated income is lower than IRT amount and a No Change NOA must be issued..

Step 2

Calculate the new IRT amount for the next SAR or AR/CO payment period as follows:

\$500 (income)
+996 (55% of the FPL for a AU of three)
 \$1496 (Tier 1)

The Tier 1 amount must be compared to the Tier 2 amount to determine the lesser.

The AU's new IRT is \$1496, the lesser of Tier 1 and Tier 2. A SAR 2 or AR 2 with the new IRT amount must be sent to the AU after the next SAR 7 or RRR is processed, whichever comes first.

Example 2

An SAR non-exempt AU of 4, with earnings of \$800 per month. Their current IRT is \$1796 (55% of the current FPL \$996 plus current income of \$800 per month). Mom reports mid-period she got a new job and expects to receive \$1800/month.

Step 1

Determine if the reported income (\$1800) is over the current IRT amount (\$1796). Because the income is over the IRT, benefits would be recalculated.

Step 2

Redetermine benefits for the remaining months in the SAR period.

\$1800 (income)
- 500 (earned income disregard)
 \$1300

\$1300
- 650 (50% of \$1300)
\$650 (total net non-exempt income)

\$1060 (MAP for AU of 4)
- 650(NNI)
\$410 (CalWORKs grant amount)

Although recipient was over the IRT she remains eligible for CalWORKs benefits.

Step 3

Calculate the new IRT amount as follows:

\$1800 (income)
+996 (55% of the FPL for a family of three)
\$2796

The Tier 1 amount (\$2796) must be compared to the Tier 2 amount (Tier 2 for an AU of four is \$2839) to determine the lesser of the two. A SAR 2 or AR 2 with the new IRT amount must be sent to the AU.

The AU's new IRT is \$2796, which is the lower of the two Tiers.

Zero Basic Grants (ZBG)

A ZBG occurs when an AU is considered to have received a cash aid payment even when:

- The payment is not sent due to penalty which reduced the payment to zero,
- The grant amount is less than \$10,
- The grant for the AU is reduced to zero to adjust for a prior overpayment, or
- The grant based on On-The-Job Training is diverted to the employer as a wage subsidy to offset the participant's wages.
- The AU's countable earnings exceed the MAP but the gross earnings remain below the Tier 2 IRT.

Benefits of a ZBG case, provided all eligibility requirements are met include:

- Housing and Homeless Assistance;
- WTW supportive services including transportation assistance;
- CalWORKs Stage 1 Child Care;
- Pregnancy and other recurring and non-recurring special needs;
- Home Visiting Program services; and
- Eligibility to CalFresh and cash-linked Medi-Cal.



Note:

AUs receiving a ZBG should also be reminded that as CalWORKs **recipients**, the AU continues to be required to make mandatory reports. Any changes to household circumstances, including the addition of a new member or changes in income, made outside of the SAR 7 and annual redetermination processes, are treated as mid-period reports and would not require a reapplication of aid.

Applicants should **not** be approved with a ZBG.

33.6 MAP Levels

The correct Maximum Aid Payment (MAP) for each AU is determined based upon the ability of the parent(s) and/or caretaker relative in the home to accept employment and take advantage of the work incentives for their AU. There are two MAP levels: the higher level for an "Exempt" AU and a lower MAP level for a "Non-exempt" AU.

33.6.1 Regionalization

The counties in California have been divided into two regions, based upon the lowest quartile rents as reported in the 1990 Census. Region 1 Counties have a higher MAP and MBSAC than do Region 2 Counties.

Santa Clara County is a Region 1 county and therefore uses the higher MAP and MBSAC levels. [Refer to [Refer to Chart Book, “CalWORKs and RCA/ECA Charts,” page 1-1 and “Exempt (Unemployable) AU Standard Chart Region 1 - MAP Effective 10/1/16 and MBSAC effective 7/1/18,” page 1-2.]

33.7 Exempt AUs [EAS 89-110.2]

An AU meets the “Exempt” criteria when each and every parent (including any minor parents), aided stepparent, and/or aided caretaker relative living in the home with an aided child is disabled and receiving benefits from:

- Supplemental Security Income/State Supplemental Payments (SSI/SSP), or
- In-Home Supportive Services (IHSS), or
- State Disability Benefits (SDI), or
- Temporary Workers Compensation (TWC), or
- Temporary Disability Indemnity (TDI).



Reminder:

If the AU contains both a minor parent and a senior parent, both individuals must meet the above criteria in order for the AU to be determined as “Exempt”.

33.7.1 Non-needy Caretaker

An AU is eligible to receive the “Exempt” MAP when the non-needy caretaker relative is not included in the AU.

33.7.2 AUs Without Aided Children

The “Exempt” determination also applies to AUs without aided children when:

- The AU consists of parent(s) and/or caretaker relatives who meet the above criteria AND are receiving aid because they are caring for an unaided excluded child (i.e. SSI/SSP child or a Employment Services sanctioned child).
- The AU consists of the caretaker relative of a Foster Care child and the caretaker meets the above criteria.

- The AU consists of the relative caregiver who is the court appointed legal guardian of a Kin-GAP child and the caregiver meets the above criteria.
- A pregnant woman only AU of One, when she meets the above criteria.
- A Refugee Cash Assistance (RCA) AU, when the aided individuals meet the above criteria.

33.8 Non-Exempt AUs [EAS 89-110.2]

If each parent living in the home and/or the aided caretaker relative does not meet the criteria for the AU to be determined “Exempt”, the AU is a “Non-Exempt” AU.

33.9 MAP Level Case Concerns [EAS 89-110.2]

33.9.1 Status Change

The EW ensures that CalWIN determines the correct status of “Non-Exempt” or “Exempt”:

- At initial application (Intake).
- At the annual redetermination (RD).
- When the SAR 7 is processed and there is a change reported which would affect the AU’s status.
- When a request is received to add a person to an AU.
- When the parent or caretaker relative requests a review or reports a possible change of status.

33.9.2 EW Action

When a client requests consideration for “Exempt” status, the EW must:

- Issue the "CalWORKs and Welfare to Work Time Limit Exemption Request Form" (CW 2186A).
- Request verification of the criteria which makes the client “Exempt,” allowing the individual a minimum of 10 working days to provide the required information. If the recipient does not cooperate in providing the requested verification, the request for “Exempt” status must be denied.
- Either approve or deny the request for the “Exempt” determination, once the verification is provided.

- The EW has 15 calendar days from the date all information is received to make a decision on the request and send the appropriate NOA.
- Determine if the change to exempt status results in an increase to the grant.
 - If the change results in an increase, the status **MUST** be changed effective the month it is reported.
 - If the change results in a decrease, the status will **NOT** be changed mid-period. A timely NOA must be sent to decrease the grant based on the new status effective the 1st day of the next payment period.

[Refer to “Exemption Request,” page 55-1]



Note:

When the AU is entitled to the higher MAP level based upon the receipt of specific types of income or by being a non-needy non-parent caretaker, the EW must use the higher MAP level in the grant computation. The recipient does not need to make a specific request for the “Exempt” MAP.

33.9.3 Effective Date

An AU is determined “Exempt” if that AU meets the appropriate criteria and is eligible for CalWORKs during any part of the payment period. However, the effective date cannot precede the month of request or discovery.



Example:

A “Non-Exempt” AU consists of a father and his child. Their Semi-Annual Reporting (SAR) Cycle is Aug/Sept/Oct/Nov/Dec/Jan. The father begins receiving SDI in August and submits a “Mid-Period Form” (SAR 3) on September 6th. The EW fails to take appropriate action and the AU continues to receive the lower “Non-Exempt” MAP level. In January, an RRR is completed and at that time the EW discovers the mistake. Since the AU’s “Exempt” status is based upon information known to the EW, rather than the recipient’s request, the EW must process the case based upon the actual report of income. The “Non-Exempt” MAP status must be changed to “Exempt” effective September (month in which change is reported) if the change results in an increase of grant. If the change results in a decrease, the “Exempt” status is effective February (1st day of the next payment period). The budgets are recomputed to determine if there are overpayments or underpayments. Any supplements the AU may be eligible for must be issued.



Example:

A “Non-Exempt” AU consists of a mother and her two children. She starts to receive Private Disability Insurance (PDI) benefits based on her disability. She does not report this on her SAR 7 or otherwise request a review of her status. On November 20th, during the annual RRR, the recipient informs the EW that she is disabled and received her first PDI benefits on July 1st. Since the first month of “Exempt” status cannot precede the month in which the AU requested review, the first month of status change would be November.

33.9.4 Budgeting

Use the “Non-Exempt” or “Exempt” MAP, as appropriate.

If the AU’s Status...	Then...
Is “Exempt” for any month of the payment period and they report the change in status in the same month, and the grant will INCREASE,	The AU is eligible for the higher MAP (the “Exempt” MAP) in that month and the future months if the status continues.
Is "Exempt" for any month of a payment period and they report the change in status in the same month, and the grant will DECREASE	Do NOT change status until the future payment period.
Changes to "Non-Exempt" during a payment period,	The AU’s MAP status must be adjusted for the future payment period.

33.9.5 Semi-Annual Determination

Eligibility for the appropriate MAP is a semi-annual determination. The MAP amount is not prorated, based upon the date an AU’s status changes.



Example:

A “Non-Exempt” AU with a SAR Cycle of Apr/May/June/July/Aug/Sept submits a SAR 3 on June 13th indicating they are now receiving SDI. A budget calculation by the EW determines their SDI income combined with their new "Exempt" status results in a decrease in the CAIWORKs grant. The EW will send the client a "No Change" NOA and remind the client to report the change on their August SAR 7 in September. In June, the EW will make the appropriate budget entries, change the "Non-Exempt" MAP status to "Exempt" and send a timely 10-day NOA for the next payment period.

33.10 Examples of MAP Status - Intake/Application



Example:

An AU applies for CalWORKs in June and consists of a mother, father and two children. Both parents are receiving SDI. This is an “Exempt” AU as long as both parents continue to meet the “Exempt” criteria.



Example:

On August 13th, a pregnant woman with an Expected Date of Confinement (EDC) of September 24th applies for CalWORKs for herself and her unborn as she is unable to work. She reports she receives SDI. Her medical verification states that she is unable to work from August 5th through September 24th. She is determined to be exempt from CWES due to her disability through the end of September. She qualifies for “Exempt” MAP status in her first SAR Cycle of Aug/Sept/Oct/Nov/Dec/Jan because she receives SDI. Her child is born on September 18th. She will continue to receive SDI for an additional 6 weeks, through the end of October. Effective February, her MAP level will change to “Non-Exempt” as her SDI is anticipated to stop in October and “Exempt” status will not continue. Even though the AU no longer qualifies for the “Exempt” MAP level, mom is exempt from CWES registration because she is caring for a child under the age of 1 year.



Example:

The caretaker relative of a Foster Care child applies on September 4th and it is verified that this person has been receiving Temporary Workers Compensation (TWC) but she will receive her last payment on September 25th. Her TWC has stopped and she is now able to work. She qualifies as an “Exempt” AU for her first SAR Cycle, Sept/Oct/Nov/Dec/Jan/Feb. Effective March 1st the AU will be considered a “Non-Exempt” AU. A 10-day NOA must be sent in February to notify the client of the change in MAP levels and the decrease of her CalWORKs grant effective March 1st.



Example:

An undocumented non-citizen mother, citizen father and two citizen children apply for CalWORKs. The father receives SDI and the mother is able to work. This is determined to be a “Non-Exempt” AU as the mother is able to work and is a parent living in the home with her aided children.

33.11 Examples of MAP Status - Continuing Case

**Example:**

An “Exempt” AU consists of a mother and four children. She receives Social Security Disability payments based upon her disability. In July, she reports that her 17-year old daughter, who graduated from high school, gave birth on June 17th. Since the minor child is now considered a parent but does not meet the criteria to be “Exempt,” the AU’s status must be changed to “Non-Exempt” effective the 1st of the following payment period.

**Example:**

An “Exempt” continuing AU consists of a child. The child’s father, who is the caretaker, receives SSI/SSP. He moves out and the paternal grandmother, who is 68 but employed full-time, assumes responsibility for the child. She becomes the unaided, non-parent caretaker relative. The AU continues to be considered “Exempt.”

**Example:**

An “Exempt” continuing AU consists of a father and his two children. On September 19th, the father marries and the stepmother moves in. She applies to be added to the AU as an essential person. She has no income and is able to work. Since she is the aided stepparent and is able to work, the AU no longer qualifies for the “Exempt” MAP level. The MAP level for the AU must be changed effective the 1st day of the payment period in which the stepmother is added to the AU.

33.12 Federal Financial Participation

Once financial eligibility has been determined and a payment is to be issued, the EW must determine whether the persons in the AU are to be paid as federal. For purposes of this determination, the following groups are used:

- Federally eligible persons.
- Essential persons — claimed as federally eligible.

Below is a brief description of each group.

33.12.1 Federally Eligible Children

Federally eligible children are those:

- Who are deprived of parental support and care because one or both of their parents are deceased, incapacitated or absent.
- Whose parent (both parents in a two-parent family) are CalWORKs time-expired.
- Whose parents meet the criteria to be a federally eligible unemployed parent.

33.12.2 Federally Eligible Adults

A federally eligible adult is:

- The caretaker relative of a federally eligible child or of a child who is receiving SSI/SSP, Foster Care, or Kin-GAP who would otherwise meet the conditions to be a federally eligible child.
- The second parent of any federally eligible child or of a child who is receiving SSI/SSP who would otherwise meet the conditions to be a federally eligible child, when the deprivation of at least one child is the incapacity or unemployment of a parent who meets the federal eligibility conditions.
- The spouse of an incapacitated caretaker relative when the caretaker relative is a parent of a federally eligible child.

33.12.3 Pregnant Woman AU of One

A pregnant woman in an AU of One is federally eligible if all of the following conditions are met:

- She is not federally eligible in another AU.
- The medical verification of her pregnancy has been provided.
- She has reached the second trimester of her pregnancy (beginning of the fourth month to the end of the sixth month of pregnancy).
- Her child, if born and living with the mother, would have been eligible for CalWORKs in the month of payment.



Note:

Teen mothers, in a pregnant woman only AU of One, are federally eligible for the entire length of their pregnancy, once CalWORKs eligibility is established.

33.12.4 Essential Persons

An essential person is the stepparent or the Alternatively Sentenced Parent (ASP) who is not an otherwise federally eligible person and who:

- Is related to a federally eligible child, or
- Is related to a child who is either receiving SSI/SSP or sanctioned by Employment Services who would otherwise be a federally eligible child.



Example:

The family consists of a mother, her 2 children by a previous marriage, and her husband. They have no common children. He is not the children's father so there is no U-parent linkage. Deprivation is absent father. However, he is an optional person when determining the AU and he can be included in the AU as an essential person if the mother chooses.

33.13 State-Only Payments [EAS 44-209.4]

There are instances when the federal regulations do not consider a person eligible for federal funding, but because of State Law the person is eligible for the state-only CalWORKs program. This difference may occur due to a court decision, legislative action or a threatened law suit. Some examples are the:

- Technical overpayment laws
- Excess property overpayment regulations, or
- "Qualified Non Citizen" regulations for those whose date of arrival is on or after 8/22/96 and receive CalWORKs during their first five years in the U.S.



Note:

"State-Only" is often referred to as non-federal.