Amend Section 42-201 to read:

42-201 PROPERTY - GENERAL

.1 (Continued)

.2 Limits on property holdings have been set high enough that a person need not be completely destitute to qualify for aid. ~~On the other hand, these limits insure that persons who own property sufficient to provide themselves with the necessities of life do not receive aid intended for those in greater need.~~ Limits on property which ~~he/she~~ the applicant or recipient can retain and remain eligible for aid are set forth in this chapter.

HANDBOOK .3 (Continued)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063 and 11155, Welfare and Institutions Code.

Amend Section 42-207 to read:

42-207 PROPERTY WHICH MAY BE RETAINED BY AN APPLICANT

.1 An applicant or recipient AU may retain countable resources ~~in an amount equal to the amount allowed in the CalFresh regulations at Manual of Policies and Procedures Section 63-101. The value of real and personal property including resources~~ not excluded elsewhere by regulations, ~~owned by a CalWORKs FG/U family shall~~ not to exceed the ~~CalFresh~~ current CalWORKs resource limit. If the limit is exceeded, the family or child is ineligible.

.11 The resource limit figures are subject to a cost of living increase on January 1 of each year. These updates to the resource limits are published by CDSS through an annual All County Letter (ACL). See the most recent ACL for current resource limits available on the CDSS website (https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/all-county-letters). Select the link for the most recent year, then select "Ctrl+F" from your keyboard and enter "resource limit" in the pop-up search box labeled "Find:" within the tool bar. If no resource limit ACL is located in the most recent year, use the back arrow button and select the prior year in sequence and reperform the above search steps.

~~**HANDBOOK BEGINS HERE**~~

~~.2 CalFresh regulations at Manual of Policies and Procedures Section 63-101.1 allows retention of $3,500 for an AU which includes at least one member aged 60 or older or a disabled member, and $2,250 for all other AUs. These limits may change in accordance with changes in CalFresh resource limits.~~

~~**HANDBOOK ENDS HERE**~~

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11155, 11155.2, and 11257, Welfare and Institutions Code; and 7 U.S.C. 2014(g)(1).

Amend Section 42-211 to read:

42-211 PROPERTY ITEMS TO BE INCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED

.1 Real Property to Be Included

.11 In addition to the items included in the definition of real property in Section 42-203.1, the following are to be evaluated as real property. The items defined in this section which are owned by an applicant or recipient (see Section 42-203.3) are subject to the limits set forth in Section 42-207, unless specifically excluded by Section 42-213.1:

~~a.~~(a) Cemetery property held for profit.

~~b.~~(b) Stocks in a water company not appurtenant to the land in furnishing water for agricultural purposes.

~~c. The items defined in this section which are owned (see Section 42-203) by an applicant or recipient are subject to the limits set forth in Section 42-207, unless specifically excluded by Section 42-213.1.~~

.12 – .2 (Continued)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 11155 (Ch. 270, Stats. of 1997), Welfare and Institutions Code.

Amend Section 42-213 to read:

42-213 PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED

.1 Real Property to Be Excluded (Continued)

.2 Personal Property to Be Excluded: The county shall determine personal property items to be excluded in evaluating property in accordance with methods established under the CalFresh Program (see CalFresh regulations at Manual of Policies and Procedures Sections 63-501.3). In addition to the property exclusions allowed under CalFresh rules, CalWORKs specifically exempts the following:

.21 401(k), 403(b), 457, 529, IRA and ESA accounts shall be excluded for CalWORKs recipients.

.22 401(k), 403(b) and 457 accounts shall be excluded for CalWORKs applicants.

.23 Restricted accounts shall be excluded for CalWORKs recipients.

.231 Restricted Accounts

(a) General

An AU which includes a recipient shall be allowed to retain cash reserves in one or more restricted accounts at a financial institution. There shall be no limit to the amount of money that can be saved in a restricted account.

(1) Additional Funds

The funds shall be in addition to the ~~$2,250~~ property limit specified in Section 42-207.~~2~~11.

(b) Written Agreement

Before an account can be designated as "restricted," the caretaker relative shall sign an agreement with the county welfare department which sets forth the requirements, restrictions and penalties specified in Section 42-213.231.

(1) Advice

The written agreement shall include a statement which advises recipients to first retain resources close to the ~~$2,250 limit~~ property limit specified in Section 42-207.11 to pay for unexpected expenses or emergencies before they enter into a written agreement.

(c) - .519 (Continued)

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11155.2, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11155 , 11155.2, 11155.5, 11253.3(a), 11257, 11265.1, 11265.2, 11450, 11450.5, 11452, 11453, and 18900.2, Welfare and Institutions Code; ~~Supplemental Nutrition Assistance Program (SNAP) Administrative Notices 17-30, 14-55 and 14-56; The Food, Conservation, and Energy Act of 2008, Sections 5(g) and 4104(B)~~; Sidwell v. McMahon, United States District Court (E.D. Cal.) May 7, 1990, civil no. S-89-0445; Public Laws 97-458, 98-64, and 103-286~~, and 110-246; The Food Conservation and Energy Act of 2008, Section 4104(B)~~; and Federal Action Transmittal 91-23, 45 CFR 233.20(a)(3)(i)(B); Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 42-215 to read:

42-215 DETERMINING VALUE OF PROPERTY

.1 - .2 (Continued)

.3 Determination of Value of Personal Property Other than Motor Vehicles: The county shall determine the value of personal property in conformance with methods established under the ~~Food Stamp~~ CalFresh Program. (See ~~Food Stamp~~ CalFresh regulations at Manual of Policies and Procedures Section 63-501.5.) The value of nonexcluded resources shall be their equity value. The equity value is the fair market value less encumbrances.

~~**HANDBOOK BEGINS HERE**~~

~~.31 Food Stamp regulations at Manual of Policies and Procedures Section 63-501.5 states that the value of nonexcluded resources shall be their equity value. The equity value is the fair market value less encumbrances.~~

~~**HANDBOOK ENDS HERE**~~

.312 ~~Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.~~ Renumbered by Manual Letter No. EAS-XX-XX, effective X/X/XX.

.323 ~~Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.~~ Renumbered by Manual Letter No. EAS-XX-XX, effective X/X/XX.

.334 ~~Repealed by Manual Letter no. EAS-98-03, effective 7/1/98.~~ Renumbered by Manual Letter No. EAS-XX-XX, effective X/X/XX.

.4 Determination of Motor Vehicle Value: The county shall determine the value of motor vehicles in conformance with methods established below.

.41 Equity Value of Motor Vehicles

.411 All motor vehicles that are not exempted under Section 42-215.431 ~~that have an equity value of $9,500 or less shall be exempt.~~ are subject to the equity value limits set forth in the WIC Section 11155(d)(2). Any equity value that exceeds ~~$9,500~~ the annual equity value limit amount shall be counted towards the AU's CalWORKs resource limit.

(a) The equity value limit of $25,000 for non-exempt motor vehicles is subject to an adjustment annually on January 1 of every year. The update to the equity value limit is published by CDSS through an ACL. See the most recent ACL available on the CDSS website for updated equity value limit for motor vehicles

(https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/all-county-letters). Select the link for the most recent year, then select "Ctrl+F from your keyboard and enter "resource limit" in the pop-up search box labeled "Find:" within the tool bar. If no resource limit ACL is located in the most recent year, use the back arrow button and select the prior year in sequence and reperform the above search steps.

.412 - .413 (Continued)

.42 Self-Certification Form for Motor Vehicles - CW 80

The CW 80 form (substitutes permitted) is a required form that will be used by applicants and recipients to:

(a) - .431(h) (Continued)

.44 Any equity value of a motor vehicle that is not exempted as specified in Section 42-215.43 and in excess of the ~~$9,500~~ motor vehicle ~~asset~~ value limit will be counted as a resource attributable toward the AU's ~~$2,250 (or $3,500 for families with a member who is age 60 or older or disabled household member)~~ maximum resource limit. Any equity value of a motor vehicle that is not exempted as specified in Section 42-215.43 and in excess of the motor vehicle value limit shall be counted as a resource attributable toward the AU's maximum resource limit.

~~**HANDBOOK BEGINS HERE**~~

~~.441 When computing the value of a motor vehicle which has not been totally excluded, determine the equity value of the motor vehicle which is the FMV amount of the motor vehicle less the encumbrances (amount owed) if any. When the remaining equity value amount is greater than the motor vehicle asset limit, the excess amount is counted in the resource limit.~~

~~Example: Computation of equity value of a non-exempt motor vehicle.~~

~~Computation of Equity Value~~

~~$19,500 FMV~~
~~- 9,250 Amount Owed~~

~~$10,250 Equity Value~~

~~The equity value is $10,250 which is greater than the motor vehicle asset limit of $9,500. The excess amount of $750 is counted against the AU's maximum resource limit.~~

~~**HANDBOOK ENDS HERE**~~

.441 When computing the value of a motor vehicle which has not been totally excluded, determine the equity value of the motor vehicle which is the FMV amount of the motor vehicle less the encumbrances (amount owed), if any. When the remaining equity value amount is greater than the motor vehicle asset limit, the excess amount is counted in the resource limit.

Example: Computation of equity value of a non-exempt motor vehicle.

Computation of Equity Value

$ 40,000 FMV
- 10,000 Amount Owed

30,000 Equity Value

The equity value is $30,000 which is greater than the motor vehicle asset limit of $25,000. The excess amount of $5,000 is counted against the AU's maximum resource limit. (See Section 42-215.41 for the current motor vehicle equity value limit and Section 42-207 for the resource limit.)

.45 - .6 (Continued)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063, 10554, 11155 and 18901.9, Welfare and Institutions Code; and Federal Register Volume 68, No. 168, Page 51933 published on August 29, 2003.

Amend Section 44-111 to read:

44-111 PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME

.1 The Exclusions and Exemptions and the Applicable Programs are Discussed Below

Federal and state statutes exclude or exempt certain types of payments or benefits in whole or in part from consideration as income. These exclusions and exemptions vary widely between programs. However, the federal statutes also provide that any income to an individual which is disregarded in determining ~~his~~ their eligibility under the provisions of one categorical aid program, shall not be taken into consideration in determining the eligibility and/or the amount of assistance paid to a recipient receiving aid under another categorical aid program.

.2 Exemption of Earned Income

(See Section 44-101(e) for the definition of earned income.)

.21 Job Training Partnership Act (JTPA) - Earned Income of a Child

.211 All earnings of a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded from consideration as income for both eligibility and grant determinations.

.212 (Continued)

.22 Student Exemption

.221 All earned income of a child under 19 years old is exempt if:

~~a.~~ (a) ~~He/she is~~ They are a full-time student, or

~~b.~~ (b) ~~He/she has~~ They have a school schedule that is equal to at least one-half of a full-time curriculum, and ~~he is~~ they are not employed full time.

.222 - .223 (Continued)

.224 This exemption is applied:

~~a.~~(a) For financial eligibility purposes, to the earnings of full-time student applicants and recipients and part-time student recipients. This exemption does not apply to earnings of a part-time student applicant. See Section 44-207.321.

~~b.~~(b) For purposes of grant determination whether or not the student has received aid previously.

.23 ~~$225/225 and 50%~~Disability-Based Unearned and Earned Income Disregards

.231 A family shall have ~~$225~~ a set amount of disability-based unearned income (DBI) specified below and up to ~~$225~~ that set amount of any unused amount of the DBI disregard plus 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the computation method outlined in Section 44-113.2. ~~If the disability-based unearned income is:~~

(a) ~~Greater than $225, the difference is added to any other nonexempt income.~~ Effective June 1, 2020, the DBI disregard is $500.

(b) ~~Less than $225, up $225 of the remaining disregard is subtracted from any earned income.~~ Effective June 1, 2021, the DBI disregard is $550.

(c) ~~Zero, $225 is applied against any earned income.~~ Effective June 1, 2022, the DBI disregard is $600.

(d) If the disability-based unearned income is:

(1) Greater than the set disregard amount, the difference is added to any other nonexempt income.

(2) Less than the set disregard amount, up to the set disregard amount of the remaining disregard is subtracted from any earned income.

(3) Zero, the set disregard amount is applied against any earned income.

.232 (Continued)

.233 Wages derived from a diverted grant and/or grant savings and paid to CalWORKs recipients who are participants in the grant-based OJT programs specified in Sections 42-716.1(f) and (g) shall not be eligible for the ~~$225~~ disability-based unearned income disregard and the 50 percent earned income disregard.

.24 - .251 (Continued)

.3 Exemption of Payments from Public Sources

~~a.~~ (a) A relocation assistance benefit, paid by a public agency to a public assistance recipient who has been relocated as a result of a program of

area redevelopment, urban renewal, freeway construction or any other public development, involving demolition or condemnation of existing housing, is exempt income.

~~b.~~ (b) (Reserved)

~~c.~~ (c) Job Training Partnership Act (JTPA)

(1) Payments, other than earnings, to a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded as income for both eligibility (including the 185 percent income limit) and grant determinations. There is no time limit for this disregard. This disregard does not apply to earnings paid under the Act (see Section 44-111.21).

(2) Payments to an adult which are derived from participation in JTPA programs shall be exempt as income to the extent the payment reimbursements do not exceed actual expenses. This exemption does not apply to earnings paid under the Act.

~~d.~~ (d) (Reserved)

~~e.~~ (e) (Reserved)

~~f.~~ (f) Payments made by CalWORKs for child care costs pursuant to Section 47-420.2.

~~g.~~ (g) (Reserved)

~~h.~~ (h) (Reserved)

~~i.~~ (i.) (Reserved)

~~j.~~ (j) Payments made for out-of-pocket expenses of persons serving on advisory group(s) set up by the Department of Social Services and/or the Health and Welfare Agency are exempt.

~~k.~~ (k) Exempt the following payments or funds received from the California Franchise Tax Board:

(1)-(3) (Continued)

~~l.~~(l) Special Tax Rebates and Credits

Tax rebates, credits or similar temporary tax relief measures which state or federal law ~~for AFDC~~ specifically exclude from consideration as income are exempt.

The state shall promptly advise county welfare departments on the exempt status of other special tax rebates and credits in each program and shall prescribe the method of notifying recipients. Recipients must cooperate with county personnel by providing necessary information or documentation such as Form W-2 and Form 1040 to compute the correct grant amount. This section does not apply to annual refunds of income tax.

~~m.~~ (m) Payments received under the California Victims of Crimes Program are exempt.

~~n.~~ (n) The allowance for training expenses paid to recipients participating in Department of Rehabilitation training programs.

~~o.~~ (o) Payments received under the Energy Crisis Assistance Program or the Low Income Energy Assistance Program.

~~p.~~ (p) (Reserved)

~~q.~~ (q) Repealed by Manual Letter No. EAS-92-01, effective 1/1/92.

.4 Exclusions or Exemptions of Other Payments and Income

.41 - .411 (Continued)

.42 County Supplementation and Voluntary Contributions

.421 County supplementation and/or voluntary contributions from persons or organizations having no liability for the support of the recipient, are not considered income when:

~~a.~~(a) The service to be provided is designated as a need by the State Department of Social Services, and

~~b.~~(b) The contribution would not be available for expenditure unless used in accord with conditions imposed by the donor, and

~~c.~~(c) The recipient's grant and other income are not sufficient to meet ~~his~~ their total need within the limitations specified in the Need chapter for the particular program, or the designated need is one, all or a

portion of, which is not included in the assistance standard for the particular program and thus cannot be met from the recipient's grant and income.

.422 Designated needs within the meaning of this section include:

~~a.~~(a) Housing Approved for Federal Rent Supplements Under the Housing Act of 1965.

.43 (Continued)

.431 (Continued)

HANDBOOK (Continued)

.432 Loans or grants made under Title IV of the Higher Education Act or under the Bureau of Indian Affairs student assistance program.

~~a.~~(a) This includes student loans and grants that are partially funded under these programs, e.g. 50 percent Title IV funds and 50 percent state funds.

~~**HANDBOOK BEGINS HERE**~~

~~b. Examples of Title IV and Bureau of Indian Affairs loans and grants include:~~

~~1. Supplemental Educational Opportunity Grant Program~~

~~2. Carl D. Perkins Loans (NOTE: Differs from the student financial assistance provided under the Carl D. Perkins Vocational Act).~~

~~3. Robert C. Byrd Honors Scholarship Program~~

~~4. National Science Scholars Program~~

~~5. State Student Incentive Grants~~

~~A. Cal Grant Program~~

~~6. Paul Douglas Teacher Scholarship Program~~

~~7. College Work Study (See Section 44-111.25.)~~

~~8. Income Contingent Loan (ICL) Program~~

~~9. Bureau of Indian Affairs Higher Education Grant~~

~~10. Indian Health Service Scholarship Program~~

~~11. Pell Grant~~

~~12. Federal Family Education Loan (FFEL) Program~~

~~A. Guaranteed Student Loan (GSL) Program~~

~~B. Stafford Loan Program~~

~~C. Consolidation Loan Program~~

~~D. Supplemental Loans for Students (SLS) Program~~

~~E. Parent Loans for Students (PLUS) Program~~

~~HANDBOOK ENDS HERE~~

(b) Examples of Title IV and Bureau of Indian Affairs loans and grants include, but are not limited to:

(1) Supplemental Educational Opportunity Grant Program

(2) Carl D. Perkins Loans (NOTE: Differs from the student financial assistance provided under the Carl D. Perkins Vocational Act).

(3) Robert C. Byrd Honors Scholarship Program

(4) National Science Scholars Program

(5) State Student Incentive Grants

(A) Cal Grant Program

(6) Paul Douglas Teacher Scholarship Program

(7) College Work Study (See Section 44-111.25.)

(8) Income Contingent Loan (ICL) Program

(9) Bureau of Indian Affairs Higher Education Grant

(10) Indian Health Service Scholarship Program

(11) Pell Grant

(12) Federal Family Education Loan (FFEL) Program

(A) Guaranteed Student Loan (GSL) Program

(B) Stafford Loan Program

(C) Consolidation Loan Program

(D) Supplemental Loans for Students (SLS) Program

(E) Parent Loans for Students (PLUS) Program

.433 (Continued)

.434 Educational grants to undergraduate students when awarded on the basis of the student's need.

~~a.~~(a) The recipient shall provide a certification from an official at the student's school (preferably from the Financial Aid office) concerning the student's eligibility for this income exemption. The certification shall state that the award is based on need and that the Public Assistance grant was considered in making the award.

.435 Educational grants other than those excluded in Sections 44-111.432, .433, and .434 only to the extent that the proceeds are used to meet educational expenses, such as fees, equipment, special clothing needs, transportation to and from school, childcare services necessary for school attendance, etc.

~~a.~~(a) The necessary costs of transportation to and from school shall be allowed based on the mode most economically available and feasible in the particular circumstances. If it is determined that personal car usage meets the criteria above, all actual transportation costs will be prorated based on the percentage of miles driven to and from school to total miles driven. Allowable transportation costs include, but are not limited to, car payments, car insurance and registration and gasoline.

~~b.~~(b) The student must appropriately document ~~his/ her~~ their educational expenses for the county in order to receive this exemption.

.436 (Continued)

.437 Loans other than those excluded in Sections 44-111.431 and .432 shall be exempt. A loan is defined as specified in Sections 44-111.437~~a.~~(a), ~~a.~~(a)(1) and ~~a.~~(a)(2):

~~a.~~(a) A written agreement signed and dated by the lender and applicant/recipient as parties to the agreement that clearly specifies:

(1)-(2) (Continued)

.44 Infrequent Income

.441 Income that is received in prospectively budgeted months and is received too infrequently to be reasonably anticipated, shall be exempt from consideration.

.45 Income in Kind

.451 Home Produce

Home produce such as from garden, orchard, livestock, and poultry utilized by a recipient and ~~his~~ their household for their own consumption is not income.

.452 - .454 (Continued)

.46 - .61 (Continued)

~~a.~~(a) (Continued)

~~b.~~(b) (Continued)

~~c.~~(c) (Continued)

~~d.~~(d) (Continued)

~~e.~~(e) (Continued)

~~f.~~(f) (Continued)

~~g.~~(g) (Continued)

~~h.~~(h) (Continued)

~~i.~~(i) (Continued)

~~j.~~(j) (Continued)

~~k.~~(k) (Continued)

~~l.~~(l) (Continued)

~~m.~~(m) (Continued)

~~n.~~(n) (Continued)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011, Section 42), ~~Section 42 and~~ Senate Bill 1041 (Chapter 47, Statutes of 2012) and Senate Bill 80 (Chapter 27, Statutes of 2019, Section 136).

Reference: Sections 10553, 10554, 11008.15, 11250.9, 11265.2, 11322.6, 11322.6(f)(3), 11322.85, 11157, 11450.5, 11450.12, and 11451.5, Welfare and Institutions Code; Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(1)(ii); 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(x) and (a)(3)(xxi)~~,~~; 45 CFR 233.20(a)(4)(ii)~~;~~ and (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 400.66; 45 CFR 401.12; Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1; ~~45 CFR 233.20(a)(1)(ii); 45 CFR 233.20(a)(3)(x);~~ and Cadaret v. Wagner (Super. Ct. Sacramento County, 2011, No. 34-2009-80000302, Stipulation for Settlement and Order).

Amend Section 44-113 to read:

44-113 NET INCOME

.1 Property

Net income from property (including that from property in which a life estate is held), produce or business enterprises is determined by deducting from gross income all normal items of expenses incident to its receipt. Principal payments on encumbrances are not considered a necessary item of expense. If property is sold, the interest portion of any payment received is income.

Interpretation -- Net income from property, crops and livestock is computed as follows:

Source	Computation
~~a.~~ (a) (Continued)	~~1.~~ (1) (Continued) ~~2.~~ (2) (Continued) ~~3.~~ (3) (Continued) ~~4.~~ (4) (Continued) ~~5.~~ (5) (Continued)
~~b.~~ (b) (Continued)	
~~c.~~ (c) (Continued)	
~~d.~~ (d) (Continued)	
~~e.~~ (e) (Continued)	
~~f.~~ (f) (Continued)	~~1.~~ (1) (Continued) ~~2.~~ (2) (Continued) ~~3.~~ (3) (Continued) ~~4.~~ (4) (Continued) ~~5.~~ (5) (Continued) ~~6.~~ (6) (Continued) ~~7.~~ (7) (Continued) ~~8.~~ (8) (Continued) ~~9.~~ (9) (Continued)
~~g.~~(g) (Continued)	

.2 Earnings

.21 Computation of Net Nonexempt Earned Income for CalWORKs

To determine the amount of Net Nonexempt Earned Income for the month, the following steps shall be taken:

~~(SAR)~~ .211 Determine the total amount of commissions, wages or salary earned as an employee that the AU received in the Data Month and any reasonably anticipated (see Section 44-101(c)(1)~~(SAR)~~) changes to this income in the next SAR/AR/CO Payment Period (i.e., total income irrespective of expenses, voluntary or involuntary deductions). Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

~~(AR/CO) Determine the total amount of commissions, wages or salary earned as an employee that the AU received in the Data Month and any reasonably anticipated (see Section 44-101(c)(1)(AR/CO)) changes to this income in the next AR/CO Payment Period (i.e., total income irrespective of expenses, voluntary or involuntary deductions). Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.~~

~~(SAR)~~ .212 Determine the total monthly profit reasonably anticipated to be earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the Data Month business expenses against the Data Month gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income. Unless the recipient reasonably anticipates a change, use this income amount to calculate the grant for the upcoming SAR/AR/CO Payment Period.

~~(AR/CO) Determine the total monthly profit reasonably anticipated to be earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the Data Month business expenses against the Data Month gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income. Unless the recipient reasonably~~

~~anticipates a change, use this income amount to calculate the grant for the upcoming AR/CO Payment Period.~~

(a) – (b) (Continued)

~~(SAR)~~ .213 Combine the total monthly earnings for the family determined in Section 44-113.211~~(SAR)~~ with the monthly net self-employment income determined in Section 44-113.212~~(SAR)~~.

~~(AR/CO)~~ ~~Combine the total monthly earnings for the family determined in Section 44-113.211(AR/CO) with the monthly net self-employment income determined in Section 44-113.212(AR/CO).~~

.214 Apply, as specified in section 44-111.23, the ~~$225~~ disregard to the reasonably anticipated total monthly disability-based unearned income for the family.

~~(SAR)~~ .215 Apply up to ~~$225 of~~ the remainder of the ~~$225~~ disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213~~(SAR)~~.

~~(AR/CO)~~ ~~Apply up to $225 of the remainder of the $225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213 (AR/CO).~~

.216 –. 217 (Continued)

.218 Add together the amounts remaining after application of the above sections for each recipient. This total is net nonexempt earned income for the ~~FBU~~ AU.

HANDBOOK (SAR).22 (Continued)

.3 Net Income from Social Security, Railroad Retirement Benefits and Other Pensions

~~(SAR)~~ .31 Net income from Social Security or from Railroad Retirement Benefits is the amount determined to be paid to or on behalf of a member of the assistance unit in the SAR/AR/CO Payment Period except:

~~(AR/CO)~~ ~~Net income from Social Security or from Railroad Retirement Benefits is the amount determined to be paid to or on behalf of a member of the assistance unit in the AR/CO Payment Period except:~~

.311 (Continued)

~~(SAR)~~ .32 Net income from other types of pensions and similar sources is the amount reasonably anticipated for the SAR/AR/CO Payment Period or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

~~(AR/CO) Net income from other types of pensions and similar sources is the amount reasonably anticipated for the AR/CO Payment Period or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.~~

.4 Unrelated Adults, Including Unrelated Adult Males, Living in the Home

.41 Net income to the ~~Family Budget Unit (FBU)~~ AU from an unrelated adult living in the home including an Unrelated Adult Male (UAM) is the sum of:

~~(SAR)~~ .411 cash reasonably anticipated to be given to the AU in the SAR/AR/CO Payment Period which is available to meet the needs of the AU and:

~~(AR/CO) cash reasonably anticipated to be given to the AU in the AR/CO Payment Period which is available to meet the needs of the AU and:~~

~~(SAR)~~ .412 the value of full items of need reasonably anticipated to be provided in-kind to the AU in the SAR/AR/CO Payment Period. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

~~(AR/CO) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the AR/CO Payment Period. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.~~

~~(SAR)~~ .42 Cash that is reasonably anticipated to be given to the AU in the SAR/AR/CO Payment Period does not include:

~~(AR/CO)~~ ~~Cash that is reasonably anticipated to be given to the AU in the AR/CO Payment Period does not include:~~

.421 Cash which is conditioned on its use for non-need items for the ~~FBU~~ AU, unrelated adult, or any other person.

.422 Cash designated by the unrelated adult to meet (1) ~~his/her~~ their needs and expenses, including work-related expenses defined in Section 44-113, and/or (2) the needs and expenses of the unrelated adult's child(ren) or other unaided persons in the home the UAM is supporting.

.423 Cash which the CalWORKs mother and unrelated adult have specifically agreed constitutes the unrelated adult's share of the cost-of-living arrangement. For example, assume a UAM is required to make a financial contribution of $182 to the ~~FBU~~ AU. (See Section 43-109.1 and .2.) If the UAM and CalWORKs mother agree that the UAM's share of the cost-of-living is $200 and the UAM gives the mother his $200 share, no part of this $200 is available to meet the needs of the ~~FBU~~ AU.

.424 Any other amounts which the unrelated adult designates as not available to the ~~FBU~~ AU.

.43 When the unrelated adult's income is pooled with those of the ~~FBU~~ AU, the pooled income is treated as if cash were given to the ~~FBU~~ AU~~.~~

.44 The value of full items of need provided to the ~~FBU~~ AU is determined according to Section 44-115.3. For example, assume that a UAM and his child live with a CalWORKs mother and her two children. If the UAM pays the entire $300 rent to the landlord, the value of the full item of need to the ~~FBU~~ AU is the lesser of (1) the in-kind income table amount for housing for three; or (2) 3/5 of $300 ($180). If the in-kind income table amount were $163, the amount of in-kind income for housing to the ~~FBU~~ AU would be $163.

~~(SAR)~~

.5 Child/spousal support which is reasonably anticipated to be paid during the SAR/AR/CO Payment Period to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

~~(AR/CO)~~ ~~Child/spousal support which is reasonably anticipated to be paid during the AR/CO Payment Period to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.~~

.6 - .7 (Continued)

.8 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property and is recurring in nature is income. If that portion of the payment that is to be received is nonrecurring it shall be treated as property (see Section 42-209.2).

Net income is that income which remains after deducting the following expenses if the recipient shows the expenses were paid by the recipient while ~~he was~~ they were a recipient and were directly related to the receipt of the payment.

.81 - .84 (Continued)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011, Section 42), ~~Section 42~~ and Senate Bill 80 (Chapter 27, Statutes of 2019, Section 136).

Reference: Sections 10063, 10553, 10554, 10790, 10791, 11008, 11008.19, 11017, 11155.3, 11157, 11265.1, 11265.2, 11265.3, 11450, 11450.5, 11450.12, ~~and~~ 11451.5~~,~~ and 11453, Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(iv)(B);45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(3)(xxi); ~~45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi);~~ 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

Amend Section 44-207 to read:

44-207 INCOME ELIGIBILITY

.1 The following financial eligibility test shall be applied to applicant cases.

.11 An applicant family shall not be eligible for cash aid unless the family's income, exclusive of the first ninety dollars ($90) of earned income for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC) for the family.

.111 An individual who applies for CalWORKs after leaving aid due to expanded subsidized employment income as described in Section 42-716.81 shall be considered a current recipient for the purpose of determining CalWORKs financial eligibility.

(a) During the three-calendar month period after the subsidized employment ends, the county shall apply the recipient earned income disregards as described in Section 44-111.23.

(b) If an individual applies for CalWORKs after this three-month period has passed, ~~he or she~~ they shall be considered an applicant for the purpose of determining CalWORKs financial eligibility as described in Section 44-207.11.

HANDBOOK (Continued)

.112 - .113 (Continued)

.12 (Continued)

.2 The following financial eligibility test shall be applied to both applicant and recipient cases.

.21 The AU is financially eligible as follows:

~~(SAR)~~.211 An applicant AU is financially eligible for the SAR/AR/CO Payment Period if the family's combined reasonably anticipated monthly net non-exempt income for the SAR/AR/CO Payment Period, after the income and needs of the family are considered (pursuant to Sections 44-133 and 44-315.3), is less than the MAP for the AU.

~~(AR/CO).211 An AU is financially eligible for the AR/CO Payment Period if the family's combined reasonably anticipated monthly net non-exempt income for the AR/CO Payment Period, after the income and needs of the family are considered (pursuant to Sections 44-133 and 44-315.3) is less than the MAP for the AU.~~

~~(SAR)~~.212 A recipient AU will remain financially eligible during the SAR/AR/CO Payment Period if the family's combined monthly ~~net non-exempt~~ gross income does not exceed the ~~family's MAP level~~ AU's Tier Two Income Reporting Threshold (IRT) for more than one month of the SAR/AR/CO Payment Period in accordance with Section 44-316.324.

~~(AR/CO).212 A recipient AU will remain financially eligible during the AR/CO Payment Period if the family's combined monthly net non-exempt income does not exceed the family's MAP level for more than one month of the AR/CO Payment Period in accordance with Section 44-316.324.~~

HANDBOOK (Continued)

.22 (Continued)

~~(SAR)~~.23 Once financial eligibility is established for the SAR/AR/CO Payment Period, financial eligibility continues for the AU for the entire SAR/AR/CO Payment Period unless the family's income exceeds the IRT (see Section 44-316.324) and the family's reasonably anticipated~~, net non-exempt~~ gross monthly income continues to exceed the ~~MAP~~ Tier Two IRT for the AU for more than one consecutive month.

~~(AR/CO) Once financial eligibility is established for the AR/CO Payment Period, financial eligibility continues for the AU for the entire AR/CO Payment Period unless the family's income exceeds the IRT (see Section 44-316.324) and the family's reasonably anticipated, net non-exempt monthly income continues to exceed the MAP for the AU for more than one consecutive month.~~

~~(SAR)~~.24 If ~~aid~~ CalWORKs is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the SAR/AR/CO Payment Period, and the AU reports that the monthly reasonably anticipated income will no longer exceed the ~~MAP amount~~ Tier Two IRT for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.

~~(AR/CO) If aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the AR/CO Payment Period and the AU reports that the monthly reasonably anticipated income will no longer~~

~~exceed the MAP amount for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.~~

.25 (Continued)

NOTE: Authority cited: Sections 10553, 10554, 11450, 11450.025, and 11453, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11017, 11157, 11255, 11265.1, 11265.2, 11265.3, 11280, 11322.64(f), 11450.025, 11450.5, 11450.12, 11450.13, and 11451.5, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(vii); 45 CFR 233.20(a)(2)(i) and (xiii); (a)(3)(ii)(F), (a)(3)(vi)(B), (a)(3)(xiv), and (a)(3)(xiv)(B); and Darces v. Woods (1984) 35 Cal. 3d 871; Petrin v. Carlson Court Order, Case No. 638381, May 12, 1993; Rutan v. McMahon, Case No. 612542-L (Alameda Superior Court) February 19, 1988; Letter from Department of Health and Human Services (DHSS), December 5, 1990; Johnson v. Carlson Stipulated Judgment; Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. ACF-AT-95-10 dated September 19, 1995; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

Amend Section 44-316 to read:

44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS

.1 (Continued)

~~(SAR)~~

.2 Prior to the end of each SAR/AR/CO Payment Period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount from the current SAR/AR/CO Payment Period and any known income changes in the next SAR/AR/CO Payment Period.

~~(AR/CO) Prior to the end of each AR/CO Payment Period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount from the current AR/CO Payment Period and any known income changes in the next AR/CO Payment Period.~~

~~(SAR)~~.21 For all CalWORKs recipients, such information shall be reported on the SAR 7 for SAR Assistance Units (AUs), or the annual redetermination form~~s~~ (SAWS 2 PLUS/Statement of Facts) for SAR and AR/CO Assistance Units (AUs). If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.214 and/or Section 40-181.22(SAR), then the recipient's grant will be terminated in accordance with Section 22-072.

~~(AR/CO).21For all CalWORKs recipients, such information shall be reported on the annual redetermination forms (SAWS 2). If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.214, then the recipient's grant will be terminated in accordance with Section 22-072.~~

~~(SAR)~~.22 The county shall use the SAR 7 for SAR AUs and ~~or~~ SAWS 2 PLUS/Statement of Facts for SAR and AR/CO AUs to determine continued eligibility as specified in Section 40-181.

~~(AR/CO).22The county shall use the SAWS 2 to determine continued eligibility as specified in Section 40-181.~~

~~(SAR).~~23 Additionally, the county shall compare the SAR 7 or SAWS 2 PLUS/Statement of Facts submitted for that SAR/AR/CO Payment Period to all mid-period reports that were received during that SAR/AR/CO Payment Period to ensure that mid-period circumstances reported are consistent with the circumstances reported on the SAR 7 or SAWS 2 PLUS/Statement of Facts.

~~(AR/CO).23Additionally, the county shall compare the SAWS 2 submitted for that~~

~~AR/CO Payment Period to all mid-period reports that were received during that AR/CO Payment Period to ensure that mid-period circumstances reported are consistent with the circumstances reported on the SAWS 2.~~

~~(SAR).~~231 If the information reported on the SAR 7 or SAWS 2 PLUS/Statement of Facts is inconsistent with the information provided in any mid-period reports made during the SAR/AR/CO Payment Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the SAR 7 or SAWS 2 PLUS/Statement of Facts shall be considered incomplete.

~~(AR/CO) .231 If the information reported on the SAWS 2 is inconsistent with the information provided in any mid-period reports made during the AR/CO Payment Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the SAWS 2 shall be considered incomplete.~~

~~(SAR)~~
.3 Mid-Period Actions

~~(SAR)~~ The county shall act on specified changes that occur mid-period. Mid-period changes to ~~cash aid~~ CalWORKs shall be acted on separately and sequentially under ~~semi-annual reporting/~~ SAR and AR/CO prospective budgeting rules and include:

~~(AR/CO) Mid-Period Actions~~

~~(AR/CO) The county shall act on specified changes that occur mid-period. Mid-period changes to cash aid shall be acted on separately and sequentially under annual reporting/prospective budgeting rules and include:~~

~~(SAR).~~31 Recipient Mid-Period Voluntary Reports

~~(SAR)~~ Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the SAR/AR/CO Payment Period. The county shall also accept a report of decreased income on the SAR 7 (for SAR AUs) or SAWS 2 PLUS/Statement of Facts (for SAR and AR/CO AUs) as a voluntary mid-period report when the SAR 7 or SAWS 2 PLUS/Statement of Facts is received in the Submit Month of the SAR/AR/CO Payment Period. When a voluntary report of decreased income is received in the Submit Month outside of the SAR 7 or SAWS 2

PLUS/Statement of Facts report, the county shall also treat this information as updated SAR 7 or SAWS 2 PLUS/Statement of Facts income information (see Section 44-315.314~~(SAR)~~) when determining cash aid for the next SAR/AR/CO Payment Period.

~~(SAR)~~ The county shall take action on voluntary reports that increase cash aid or recipient requests to ~~voluntary~~ voluntarily discontinue their aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report, the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12. Recipients must provide all verifications within ten days of a voluntary report prior to county action.

~~(AR/CO) .31 Recipient Mid-Period Voluntary Reports~~

~~(AR/CO) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the AR/CO Payment Period. The county shall also accept a report of decreased income on the SAWS 2 as a voluntary mid-period report when the SAWS 2 is received in the Submit Month of the AR/CO Payment Period. When a voluntary report of decreased income is received in the Submit Month outside of the SAWS 2 report, the county shall also treat this information as updated SAWS 2 income information (see Section 44-315.314(AR/CO)) when determining cash aid for the next AR/CO Payment Period.~~

~~(AR/CO) The county shall take action on voluntary reports that increase cash aid or recipient requests to voluntary discontinue their aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report, the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12. Recipients must provide all verifications within ten days of a voluntary report prior to county action.~~

~~(SAR)~~.311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the SAR/AR/CO Payment Period, the county must request verification in writing, allowing 10 days.

~~(SAR)~~(a) If the recipient provides verification within the 10 days given in the request for verification notice, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)~~(SAR)~~.

~~(SAR)~~(b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.

~~(SAR)~~(c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of the voluntary report.

(SAR)(d) If the recipient reported the change in income over the Income Reporting Threshold (IRT) for the first through fifth months of a current semiannual reporting period and the county was unable, before the first of the month following the change, to provide 10-day notice of the termination or reduction of benefits, the county shall not assess an overpayment for the month following the change.

~~(AR/CO) .311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the AR/CO Payment Period, the county must request verification in writing, allowing 10 days.~~

~~(AR/CO)(a) If the recipient provides verification within the 10 days given in the request for verification notice, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)(AR/CO).~~

~~(AR/CO)(b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.~~

~~(AR/CO)(c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of the voluntary report.~~

(AR/CO)(d) If the recipient reported the change in income over the IRT or household composition for an AU that does not include an eligible adult ~~for the first through fifth months of a current semiannual reporting period~~ and the county was unable, before the first of the month following the change, to provide 10-day notice of the termination or reduction of benefits, the county shall not assess an overpayment for the month following the change.

.312 Recipient voluntary reports include, but are not limited to, the following:

(a) Decreases in Reasonably Anticipated Income

(1) (Continued)

~~(SAR)~~ (A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the SAR/AR/CO Payment Period. The new grant amount shall be calculated using the existing income that didn't change and the recalculated income (the income that decreased).

~~(AR/CO) (A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the AR/CO Payment Period. The new grant amount shall be calculated using the existing income that didn't change and the recalculated income (the income that decreased).~~

(B) When an AU consists of more than one person with income and one person experiences a decrease in income, only the changed income shall be recalculated. The new grant amount shall be based on that person's recalculated income along with the existing AUs reasonably anticipated monthly income that did not change.

(2) When cash aid would increase due to a voluntary reported decrease in reasonably anticipated monthly income, the county shall determine a new monthly grant amount based on the report of decreased income.

~~(SAR)~~(3) The county shall use the new reasonably anticipated income for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income determined for the rest of the SAR/AR/CO Payment Period in recalculating cash aid for the month in which the change was reported and remaining months of the SAR/AR/CO Payment Period.

~~(AR/CO) (3)~~ ~~The county shall use the new reasonably anticipated income for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income determined for the rest of the AR/CO Payment Period in recalculating cash aid for the month in which the change was reported and remaining months of the AR/CO Payment Period.~~

~~(SAR)~~(4) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs, whichever is later, and when all verification has been provided (see Section 44-340.3(SAR/AR/CO).

~~(AR/CO) (4)~~ ~~The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs, whichever is later, and when all verification has been provided (see Section 44-340.3(AR/CO)).~~

~~(SAR)~~ (5) The county shall increase the grant amount for the remainder of the SAR/AR/CO Payment Period based upon the newly calculated grant in Section 44-316.312(a)(3)~~(SAR)~~.

~~(AR/CO) (5) The county shall increase the grant amount for the remainder of the SAR Payment Period based upon the newly calculated grant in Section 44-316.312(a)(3) (AR/CO).~~

HANDBOOK (Continued)

(6) (Continued)

(SAR)(b) Adding Persons to an Existing AU

(SAR)(1) – (SAR)(4) (Continued)

(SAR)(5) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person until the first day of the next SAR Payment Period that follows the mandatory reporting of the new

person on the SAR 7 or SAWS 2 PLUS/Statement of Facts, after all verification has been provided and all eligibility conditions have been met (except as provided in Section 82-832.3(SAR)).

HANDBOOK (Continued)

(SAR)(6) If adding a new person would render the existing AU ineligible, the county shall not take action mid-period to discontinue the existing AU. The county shall discontinue the existing AU, with timely and adequate notice, at the end of the SAR Payment Period in which the new person is mandatorily reported on the SAR 7 or SAWS 2 PLUS/Statement of Facts.

(SAR)(c) – (3)(SAR)(B) (Continued)

(d) Request for Recurring Special Needs

~~(SAR)~~(1) Recurring special needs that have been requested mid-period and have been verified and approved will begin the first of the month in which either the need was reported or the verification substantiates that the need exists, whichever is later, and shall remain in effect until the end of the ~~SAR~~ Payment Period in which the special need is expected to end, except as provided in Section 44-211.641 (SAR/AR/CO).

~~(AR/CO) (1) Recurring special needs that have been requested mid-period and have been verified and approved will begin the first of the month in which either the need was reported or the verification substantiates that the need exists, whichever is later, and shall remain in effect until the end of the AR/CO Payment Period in which the special need is expected to end, except as provided in Section 44-211.641(AR/CO).~~

(SAR)(2) – (AR/CO)(A) (Continued)

~~(SAR)~~.32 Recipient Mid-Period Mandatory Reports

~~(SAR)~~ Recipients shall report in person, verbally or in writing, specific changes during the SAR/AR/CO Payment Period within ten (10) days of when the change becomes known to the AU.

~~(AR/CO) .32 Recipient Mid-Period Mandatory Reports~~

~~(AR/CO) Recipients shall report in person, verbally or in writing, specific changes during the AR/CO Payment Period within ten (10) days of when the change becomes known to the AU.~~

.321 The following occurrences shall be reported by the recipient to the county:

(a) – (d) (Continued)

(e) Income exceeding the lowest of ~~three~~ two levels of the Income Reporting Threshold (IRT)

(AR/CO)(f) (Continued)

.322 - .323 (Continued)

.324 Income Reporting Threshold (IRT)

(a) The level of income that triggers the need for a CalWORKs AU to report a mid-period change in income. There are ~~three~~ two tiers of the IRT under ~~semi-annual and annual reporting~~ the SAR and AR/CO Payment Periods, the lowest of which will be the AU's current IRT amount (These figures are updated annually. Updates are published by CDSS through an All County Letter. See the most recent All County Letter available on CDSS's website for the current figures at https://cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/all-county-letters. Select the link for the most recent year, then search for "Income Reporting Threshold." If no IRT ACL is located in the most recent year, select the prior year in sequence and reperform the above search steps):

(1) Tier One: 55 percent of the Federal Poverty Level for a family of three, plus the amount of income last used to calculate the AU's monthly grant amount.

(A) Income over Tier One of the IRT will usually result in a decrease to the grant amount and will not usually result in the AU losing eligibility for CalWORKs.

~~(2) The amount of income likely to render the AU ineligible for CalWORKs benefits.~~

~~(3)~~ (2) Tier Two: 130 percent of the Federal Poverty Level or the level at which a household becomes financially ineligible

for federal SNAP benefits (called CalFresh in California).

(A) Income over Tier Two of the IRT that is reasonably anticipated to continue for more than one month will result in CalWORKs discontinuance.

~~**HANDBOOK BEGINS HERE**~~

~~There are three tiers of the IRT under SAR and AR/CO, the LOWEST of which will be the AU's current IRT:~~

~~1) **Tier one:** 55 percent of the monthly income of a family of three at the Federal Poverty Level (FPL) plus the amount of income last used to calculate the AU's grant. (100 percent of the current FPL for a family of 3 as of 12-1-13 is $1,628. 55 percent of $1,628 = $895. This figure will be updated annually when the FPL is updated.)~~

~~a. This tier is an INCREASE in income of $895.~~
~~b. This tier is the same for all AU sizes, exempt and non-exempt, in Region 1 and 2.~~
~~c. Income over tier one of the IRT will usually only result in a decrease to the benefit amount and will not usually result in the AU losing eligibility for aid.~~

~~**Example:** Tier One of the CalWORKs IRT based on various income amounts~~

~~**Income**~~	~~**IRT ($895 + income)**~~
~~$0~~	~~$895 ($895 + $0 = $895)~~
~~$50~~	~~$945 ($895 + $50 = $945)~~
~~$100~~	~~$995 ($895 + $100 = $995)~~
~~$200~~	~~$1,095 ($895 + $200 = $1,095)~~
~~$300~~	~~$1,195 ($895 + $300 = $1,195)~~
~~$400~~	~~$1,295 ($895 + $400 = $1,295)~~
~~$500~~	~~$1,395 ($895 + $500 = $1,395)~~
~~$600~~	~~$1,495 ($895 + $600 = $1,495)~~
~~$750~~	~~$1,645 ($895 +$750 = $1,645)~~
~~$1,000~~	~~$1,895 ($895 + $1,000 = $1,895)~~
~~$1,500~~	~~$2,395 ($895 + $1,500 = $2,395)~~

2) **Tier two**: The level likely to render an AU ineligible for CalWORKs benefits:

Assistance Unit Size	*Maximum Earned Income Limit Region 1, Non-Exempt	*Maximum Earned Income Limit Region 1, Exempt
0	$ 227	$ 227
1	$ 892	$ 964
2	$1,310	$1,438
3	$1,566	$1,726
4	$1,826	$2,008
5	$2,044	$2,254
6	$2,268	$2,506
7	$2,470	$2,730
8	$2,670	$2,958
9	$2,868	$3,176
10 or more	$3,064	$3,398

Assistance Unit Size	*Maximum Earned Income Limit Region 2, Non-Exempt	*Maximum Earned Income Limit Region 2, Exempt
0	$ 227	$ 227
1	$ 856	$ 928
2	$1,256	$1,382
3	$1,502	$1,656
4	$1,748	$1,924
5	$1,958	$2,164
6	$2,170	$2,400
7	$2,360	$2,614
8	$2,554	$2,828
9	$2,742	$3,040
10 or more	$2,926	$3,248

*Formula: MAP X 2 + $225 + 1
(Example: Non-exempt MAP for an AU of 3 in Region 1 is $670. $670 x 2 + 225 + 1 = $1,566.)

3) **Tier Three:** The level likely to render a family ineligible for federal SNAP benefits. (130 percent of FPL. This Chart will be updated annually.)

Household Size	Income Reporting Threshold
1	$1,245
2	$1,681
3	$2,116
4	$2,552
5	$2,987
6	$3,423
7	$3,858
8	$4,294
9	$4,730
10 or more	$5,166

HANDBOOK ENDS HERE

(SAR)(b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the SAR/AR/CO Payment Period.

(AR/CO)(b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the AR/CO Payment Period.

(1) – (2) (Continued)

(SAR)(c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility and grant amount for the SAR/AR/CO Payment Period.

(AR/CO)(c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility and grant amount for the AR/CO Payment Period.

(SAR)(1) When the AU reports income in excess of the IRT in the first through fifth month of the current SAR Payment Period, or in the first through eleventh month of the current

AR/CO Payment Period, the county shall first determine if the reported income is reasonably anticipated to continue ~~and whether the AU's net nonexempt monthly income determined for the remainder of the current SAR Payment Period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to continue to result in a lower grant amount for the remainder of the SAR Payment Period, the county shall recalculate the AU's grant amount for the remainder of the SAR Payment Period.~~ If the income is reasonably anticipated to continue to exceed the AU's ~~income eligibility limits~~ Tier Two IRT for the remainder of the SAR/AR/CO Payment Period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's ~~eligibility limits~~ Tier Two IRT, with timely and adequate notice (see Section 44-207.23(SAR) and (AR/CO)).

If the income is reasonably anticipated to continue and will not exceed the AU's Tier Two IRT, the county shall determine whether the AU's net nonexempt monthly income determined for the remainder of the current SAR/AR/CO Payment Period will result in a lower grant amount. If the income is reasonably anticipated to continue to result in a lower grant amount for the remainder of the SAR/AR/CO Payment Period, the county shall recalculate the AU's grant amount for the remainder of the SAR/AR/CO Payment Period.

~~(AR/CO)(1) When the AU reports income in excess of the IRT in the first through eleventh month of the current AR/CO Payment Period, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income determined for the remainder of the current AR/CO Payment Period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to continue to result in a lower grant amount for the remainder of the AR/CO Payment Period, the county shall recalculate the AU's grant amount for the remainder of the AR/CO Payment Period. If the income is reasonably anticipated to continue to exceed the AU's income eligibility limits for the remainder of the AR/CO Payment Period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which~~

~~the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice (see Section 44-207.23(AR/CO)).~~

(A) (Continued)

~~(SAR)~~(B) If the AU requests restoration of cash aid after the SAR/AR/CO Payment Period in which they were discontinued for income over the IRT, financial eligibility shall be determined in accordance with Sections 40-125.91 and .92(SAR).

~~(AR/CO)(B) If the AU requests restoration of cash aid after the AR/CO Payment Period in which they were discontinued for income over the IRT, financial eligibility shall be determined in accordance with Sections 40-125.91.~~

~~(SAR)~~(2) When an AU reports income in excess of the IRT in the sixth month of the current SAR Payment Period, or in the twelfth month of the current AR/CO Payment Period, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the SAR 7 or SAWS 2 PLUS/Statement of Facts information to prospectively determine eligibility and cash aid amount for the next SAR/AR/CO Payment Period.

~~(AR/CO)(2) When an AU reports income in excess of the IRT in the twelfth month of the current AR/CO Payment Period, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the SAWS 2 information to prospectively determine eligibility and cash aid amount for the next AR/CO Payment Period.~~

~~(SAR)~~(d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to decrease or discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the SAR/AR/CO Payment Period, the county shall treat this additional information as a mid-period report.

~~(AR/CO)(d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not~~

~~continue to exceed the IRT, the county shall not take action to decrease or discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the AR/CO Payment Period, the county shall treat this additional information as a mid-period report.~~

HANDBOOK (Continued)

(AR/CO).325 – .331(AR/CO)(v) (Continued)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; and Assembly Bill 2062 (Chapter 795, Statutes of 2016, Section 3).

Reference: Section 10063, 11251.3, 11265, 11265.1, 11265.2, 11265.3, 11265.45, 11265.47, 11450.5, 11454, and 11454.2, Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12 (a)(1)(vii)].