SSA Intranet

100-B14

02/01/05 (R11/09)

Income Reporting Threshold for QR/PB

Approved: ***Signature On File***

PURPOSE

Assembly Bill (AB) 444 (Chapter 1022, Statues of 2002) established a Quarterly Reporting/Prospective Budgeting (QR/PB) system for the CalWORKs and Food Stamp (FS) programs, which replaced the Monthly Reporting/Retrospective Budgeting (MR/RB) system.

The purpose of this policy is to outline the rules for the Income Reporting Threshold (IRT) for the QR/PB process that was implemented April 1, 2004 in Orange County.

DEFINING IRT

The IRT is a level of income that triggers the requirement for a CalWORKs Assistance Unit (AU) to make a mandatory mid-quarter report of a change in income.

If any member of the AU or any member of the Family Maximum Aid Payment (MAP) has or begins receiving earned income, the AU must report at any time during the quarter when the total combined gross earned or unearned monthly income, exceeds the IRT which is the greater of:

- 130% of Federal Poverty Level (FPL) for that family size; or
- The level which an AU of that Family MAP size becomes financially ineligible

INCOME THAT MUST BE REPORTED FOR IRT

Income that must be reported for IRT purposes is the same as income that is required to be reported for determining cash eligibility and grant amount. This includes:

- Aided AU members
- Sanctioned, penalized, excluded, and timed-out individuals

The income to the AU includes the income and/or needs of persons not in the AU who were included in the determination of income eligibility and grant amounts in the Family MAP.

Example: Mom, Dad, and two children are living in the home. Mom is an undocumented noncitizen and is not aided. Dad is not aided due to being sanctioned for failing to comply with WTW requirements.

The two children are aided. In this case, we have an AU of two (the children) and a Family MAP of three (mom's needs are included in the Family MAP.) If Dad is working or has other income, his income counts, but his needs are not considered, because he is sanctioned and he is not included in the Family MAP. The IRT size for this family will be three, but the family must report income from all four household members. If Dad's income combined with all other income exceeds the IRT standards for a family of three, the family must report it.

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IRT REPORTING REQUIREMENTS

Required to Report IRT Mid-Quarter

The AU is **required** to make a mid-quarter report of income changes in the following instances:

• AUs that have earnings only or a combination of earned and unearned income must report within 10-days when the household's total monthly income exceeds the IRT.

• AUs that have no income or have unearned income only must report if they begin to receive earned income that, combined with other household income, exceeds the IRT.

When an AU reports income that exceeds the IRT, the worker must take action to determine if the AU continues to be financially eligible.

Note: If CalWORKs benefits are discontinued due to the increased income and the family is also receiving Food Stamps, CalWIN automatically determines eligibility to Transitional Food Stamps (TFS) for up to 5 months beginning with the month following the CalWORKs discontinuance. The allotment amount is adjusted for the loss of the CalWORKs grant.

Not Required to Report IRT Mid-Quarter

The AU is **not** required to make a mid-quarter report of income changes when:

• The AU has unearned income only (including disability-based unearned income) and that income by itself exceeds the IRT.

• A new AU member (who has not been added to the AU) has income in excess of the IRT if that person was not included in the current AU or Family MAP for the current QR Payment Quarter. If the AU makes a voluntary report to add a new person and his/her income exceeds the IRT for the current AU, the worker will not take action until the next QR 7 is processed.

Reference Policies *100-B3, Income Eligibility and Grant Computation* and *100-C4.A, Adding A Person to the Assistance Unit*.

INCOME IS OVER THE IRT

Reporting Income Over IRT

The AU must report within 10 days when the total combined income exceeds the IRT at any time during the month.

Continued Financial Eligibility When Income Is Over IRT

When the AU reports income over the IRT, the worker must determine if the reported income is reasonably anticipated to continue and whether the AU's net non-exempt monthly averaged income for the remainder of the current QR quarter will exceed the family's MAP.

To determine if the AU continues to be financially eligible for the QR Payment Quarter after a report that they are over the IRT:

1. Determine if the family's combined monthly net non-exempt income exceeds the family's MAP level for more than one month of the QR payment quarter. If yes, then go to #2.

Example: The AU reports an increase in income that is over the IRT for the 1st month of the quarter but has been notified by the employer that he will be laid off at the end of the month. Since the income will terminate and will not be over IRT next month do not take action in CalWIN to discontinue the case. Evaluate to determine if a supplement must be issued for the remaining months of the quarter and make appropriate entries in CalWIN for the voluntary Mid-Quarter report of decreased income.

1. Calculate if the monthly income exceeds the Family MAP

• Include income of persons in the AU and all of the income and/or needs of persons not in the AU who were included in the determination of income eligibility and grant amounts in the Family MAP.

• Add actual income for the remaining months of the quarter; and

• Divide the total income by the number of months left in the quarter, determine the reasonably anticipated average monthly income, and apply appropriate disregards to determine if the AU remains financially eligible.

• When calculating if income exceeds the Family MAP level, do not apply the conversion factor when the income start/stops for the quarter.

ACTIONS IF OVER THE IRT

When the AU reports income over the IRT in the third month of the current QR Payment Quarter, the worker must use that information together with the QR 7 information to prospectively determine eligibility and grant amount for the next QR Payment Quarter.
If it is determined that the family is over the IRT for more than one month and the increased income results in financial ineligibility, the case must be discontinued at the end of the month. A 10-day IRT Discontinuance notice is required. CalWIN will auto-generate notice CW Discontinue- Financial Eligibility Income M44-207K.
If the AU reports increased income that exceeds the IRT, which results in ineligibility, but it is too late to provide a 10-day notice, CalWIN income entries must be made and EDBC must be run so that benefits are released for the next month at the previous higher level. CalWIN will correctly discontinue the case next month and auto-generate the 10-day IRT discontinuance notice.
Based on the income entries, CalWIN will determine an overpayment as follows:

- **CalWORKs:** An overpayment will be established for benefits that were released when an AU was ineligible and a 10-day notice could not be provided, regardless of whether the AU reported the change timely or not.
- **Food Stamps:** If income exceeding the IRT is reported timely and causes CalWORKs and Food Stamps benefits to be discontinued, but it is too late to provide a 10-day notice, the Food Stamp benefits must be released for the next month at the previous higher level. There is no overissuance as long as the change was reported timely.

IRT INFORMING REQUIREMENTS

An IRT Informing Notice, which is individualized for each CalWORKs case, must be provided to each household to inform the AU of the IRT limit, reporting requirements, and consequences for failing to report. The IRT Informing Notice: Reporting Changes for Cash Aid and Food Stamps (QR 2) must be mailed:

- At least once per quarter – CalWIN auto-generated and mailed in the last week of 1st month of QR Payment Quarter
- At Approval – CalWIN auto-generated to the Search/View for Client Correspondence in Print Queue
- With any Change NOA when Family MAP changes occur –CalWIN auto-generated to the Search/View for Client Correspondence in Print Queue
- At Redetermination/Recertification/Review (RRR) – CalWIN auto-generated to the Search/View for Client Correspondence in Print Queue
- Upon client request – In CalWIN, the worker requests *Form QR 2* in the Client Correspondence Subsystem/Print a Form/Other Correspondence manually
- At anytime the IRT Chart is updated – Federal Poverty Levels change

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ATTACHMENTS

1. IRT Chart

RESOURCES

1. Bends 2449 Quarterly Reporting Budget Template for CalWORKs No-Change Notice of Action
2. 100 B-3 Income Eligibility and Grant Computation
3. 100 C-4.A Adding A Person to the Assistance Unit

REFERENCES

1. ACL 09-55

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