

**County of Orange Social Services Agency  
Family Self-Sufficiency**

**Program/Area:** CalWORKs/Welfare-To-Work

**Title:** TREATMENT OF INCOME FROM AU/NON-AU FAMILY MEMBERS

**Number:** 100-B2

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**PURPOSE**

To provide instructions on the treatment of income from family members and identify whose income is to be considered for eligibility and grant computation.

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**FAMILY**

Regulations identify the following as family members when living in the same home: Parent(s), spouse, and children who are siblings, half-siblings or step-siblings to the applicant/recipient child(ren).

Evaluate the children first; then the relationship of the other family members to the children.

There are three categories of family members who live in the home:

- **Assistance Unit (AU)** family members
- **Non-Assistance Unit (Non-AU)** family members

**Other** family members excluded from the AU/Non-AU family

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**“AU FAMILY MEMBERS”  
LIVING IN THE HOME**

AU family members are relatives living in the home who are included in the Assistance Unit based on their relationship to the eligible child. The AU family member's inclusion in the AU may be either mandatory or optional, if eligible.

**Mandatory:**

- Age eligible child
- Child's age eligible sibling(s) and half-sibling(s)
- Parent(s) of the age eligible child and that child's age eligible sibling(s)
- Parent(s) of that child's age eligible half-sibling(s)

**Optional:**

- Parent serving jail time at home (Alternately Sentenced Parent – ASP)
- Spouse of the age eligible child's parent (step-parent with no child in common)
- Caretaker relative other than the parent

Age eligible child(ren) who are related to the caretaker parent or other caretaker relative (i.e., niece, nephew)

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**NON-AU “FAMILY MEMBERS” LIVING IN THE HOME**

Non-AU family members are relatives who are excluded from the AU but live in the same home, such as:

- Ineligible undocumented noncitizen parent(s) and ineligible undocumented noncitizen child(ren)
- Step-parent
- Step-siblings of the aided child(ren)
- Parent(s) excluded by law from getting cash aid, such as a father of an unborn
- Unmarried parent with a child in common for whom there is no deprivation
- Senior parent(s)
- Drug felons and fleeing felons
- Spouse of an eligible child, living in the senior parent(s) home with no child in common for whom deprivation exists

**Note:** A step-parent and/or step-sibling or senior parent who is otherwise eligible still has the option to be included in the AU.

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**“OTHER FAMILY MEMBERS” IN THE HOME EXCLUDED FROM THE AU/NON-AU FAMILY**

Other family members are relatives living in the home who are not counted when determining the size of the Minimum Basic Standard of Adequate Care (MBSAC) or Maximum Aid Payment (MAP) for financial eligibility and the grant determination, such as:

- SSI/SSP family member
- Maximum Family Grant (MFG) child
- AU member(s) sanctioned or penalized
- Timed Out Adults

Income of the SSI/SSP family member is exempt from consideration as income and is not counted unless he/she makes a contribution. However, no contribution will be required of the SSI/SSP recipient.

Any nonexempt income, other than Child Support, received by the MFG child is to be included in the financial eligibility tests and grant computation.

**Note:** Death benefits and/or survivor benefits are not considered child support for purposes of the MFG child as they are not based on an absent parent’s disability or retirement, therefore, death and survivor’s benefits are considered income.

AU member(s) sanctioned or penalized include, but are not limited to, any one of the following:

- Committing an Intentional Program Violation (IPV)

- Failure or refusal to comply with Welfare-to-Work Program requirements without good cause and compliance efforts have failed
- Refusing to assign support rights
- Failure to submit verification of immunization for pre-school child(ren)
- Child(ren) not regularly attending school

Any nonexempt income received by the timed out, sanctioned, or penalized family member who is removed from the AU is to be counted in the financial eligibility tests and grant computation.

The following chart lists when the Non-AU/Other family member's income should be counted and needs are to be considered for financial eligibility determination and grant computation.

Do not apply these rules to any case that involves ineligible undocumented noncitizen family member(s) who are otherwise eligible, as their needs shall be considered even if the ineligible undocumented noncitizen family member(s) have no income to be contributed to the AU.

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INDIVIDUAL	INCOME COUNTED	NEEDS CONSIDERED
Unaided step-parent	Yes	Yes, if the step-parent has income
Step-sibling & unaided half-sibling of an eligible child ( <b>Example 1</b> )	No	Yes, if the step-parent has income
Father of an unborn (no other eligible child)	Yes	Yes
Drug or fleeing felon parent	Yes	Yes
Penalized or sanctioned & removed from AU for failing to comply with CalWORKs*	Yes	No*
Unmarried parent with a child in common for whom there is no deprivation ( <b>Example 2</b> )	No	No
Senior parent(s)	Yes	Yes
Senior parent's other children	No	Yes, if the senior parent has income
Timed Out Adult	Yes	No

\*Except for persons in an AU that are being penalized for failure to cooperate with Child Support, their needs are considered.

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**EXAMPLE 1:  
STEP-SIBLING**

Married couple, her two separate children, his separate child and their common child. The step-father is the primary earner (PE) parent and is employed full-time; no deprivation for the common child. His separate

**AND UNAIDED  
HALF-SIBLING OF  
AN ELIGIBLE  
CHILD**

child receives Social Security Death benefits based on the deceased mother.

The AU includes the mother and her two separate children (AU of 3). The Non-AU includes the step-father, his separate child and their common child (Non-AU of 3).

**Note:** The step-father and his separate child have the option to be included in the AU.

The entire family's needs (AU+Non-AU=6) are considered when determining the size of the MBSAC/MAP. The step-father's income is counted because he is responsible for his spouse. However, the separate child's income is not counted.

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**EXAMPLE 2:  
UNMARRIED  
PARENT WITH A  
CHILD IN  
COMMON FOR  
WHOM THERE IS  
NO DEPRIVATION**

Unmarried couple applies for cash aid for her separate child and their common child. Unmarried father is the PE parent and is employed over 100 hours per month; no deprivation for the common child (half-sibling to the aided child).

Cash aid is approved for the unmarried mother and her separate child based on absent parent deprivation. The unmarried father's income is not counted because his child is not included in the AU and their needs are not considered in the MBSAC/MAP.

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**Ortega v. Anderson Court Order**

Ineligible undocumented noncitizen family member(s) are considered to be Non-AU family member(s). However, his/her income and needs are treated differently than other Non-AU member(s) due to the Ortega v. Anderson court order.

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**INELIGIBLE  
UNDOCUMENTED  
NONCITIZEN  
FAMILY  
MEMBER(S)**

The Ortega v. Anderson court order identifies the following as ineligible undocumented noncitizen family member(s) when living in the same home, and are not included in the AU:

- Children who are siblings, half-siblings or step-siblings to the applicant/recipient child(ren)
- Parent(s) of the above child(ren) in the AU

Spouse of the above parent, the aided parent or aided child(ren)

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**TREATMENT OF  
INCOME FOR**

The ineligible undocumented noncitizen family member(s) shall be included in the family size when determining the MBSAC/MAP for financial eligibility and grant

**INELIGIBLE  
UNDOCUMENTED  
NONCITIZEN  
FAMILY  
MEMBER(S)  
LIVING IN THE  
HOME**

amount. The nonexempt income of ineligible undocumented noncitizen family members, **including the income of the children**, shall be counted (allow disregards, if appropriate). See example below.

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**TREATMENT OF  
NEEDS FOR  
INELIGIBLE  
UNDOCUMENTED  
NONCITIZEN  
FAMILY  
MEMBER(S)  
LIVING IN THE  
HOME**

This court order also requires that the unmet needs of an ineligible undocumented noncitizen live-in spouse, in addition to the ineligible undocumented noncitizen child(ren), must be considered when determining the amount of countable income for the AU.

The needs of the ineligible undocumented noncitizen family member(s) shall be considered even if the ineligible undocumented noncitizen family member(s) have no income to be contributed to the AU.

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**EXAMPLE:  
INELIGIBLE  
UNDOCUMENTED  
NONCITIZEN  
SPOUSE AND  
CHILD(REN)**

Recipient mother receives aid for herself and one child. The mother has \$600 gross earnings. Also living in the home is:

1. An ineligible undocumented noncitizen child of the aided mother who receives \$150 per month directly from the absent father;
2. The ineligible undocumented noncitizen spouse of the aided parent who has \$375 earned income;
3. A child in common who has no deprivation
4. An ineligible undocumented noncitizen separate child of the spouse.

### Eligibility/Grant Computation

\$ 975	Family's Gross Earnings
- 225	\$225 Income Disregard
<b>\$ 750</b>	<b>Net Nonexempt Earned Income</b>
- 375	50% Earned Income Disregard
<b>\$ 375</b>	<b>Net Earned Income</b>
+ 150	Unearned Income of Ineligible Non-Citizen Child
<b>\$ 525</b>	<b>Total Family Net Nonexempt Income</b>
\$ 972	MAP for Six (AU and Non-AU Family Members)
- 525	Total Family Net Nonexempt Income
<b>\$ 447</b>	<b>Potential Grant</b>
<b>\$ 516</b>	<b>MAP for Two (AU)</b>
<b>\$ 447</b>	<b>Aid Payment (Lower of MAP for AU and Potential Grant)</b>

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#### FINANCIAL ELIGIBILITY TESTS

Financial eligibility tests are based on the total nonexempt income from all family members (AU+Non-AU+Other), which is compared to the MBSAC or MAP for that family (AU+Non-AU).

For the purpose of computing financial eligibility and grant amount, the family includes all members of the AU and those family members who are excluded from the AU (Non-AU family members).

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#### APPLICANT RECIPIENT

##### **Applicant Financial Eligibility Test (MBSAC)**

An applicant family's **gross nonexempt income**, excluding the first \$90 of earned income for each employed person, cannot exceed MBSAC for the family (AU+Non-AU).

An applicant family who passes the MBSAC test and is determined otherwise eligible for CalWORKs, must then pass the Recipient Financial Eligibility (MAP) test prior to the authorization of aid.

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#### RECIPIENT

##### **Recipient Financial Eligibility Test (MAP)**

A recipient family's **net nonexempt income** cannot exceed the MAP for the family (AU+Non-AU).

The \$225 Income Disregard (Disability-Based Unearned Income and/or Earned Income) and 50% Earned Income Disregard are used to figure the recipient family's net nonexempt income. The recipient family's eligibility,

including the financial eligibility test and AU composition, is determined prospectively each Semi-Annual/Annual Period.

An AU is financially eligible for the Semi-Annual/Annual Payment Period if the family's combined reasonably anticipated monthly net non-exempt income for the Semi-Annual/Annual Period is less than the MAP for the AU. A recipient AU will remain financially eligible during the Semi-Annual/Annual 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 Semi-Annual/Annual Payment Period. Once financial eligibility is established for the Semi-Annual/Annual Payment Period, financial eligibility continues for the AU for the entire Semi-Annual/Annual Payment Period unless the family's income exceeds the Income Reporting Threshold (IRT) that renders them ineligible to CalWORKs benefits.

Refer to [CalWORKs Policy 100-B14 IRT for SAR](#) and [CalWORKs Policy 100-E13 AR/CO](#) for more information on IRT.

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**GRANT  
COMPUTATION/  
AID PAYMENT**

The recipient family's net nonexempt, including the AU, Non-AU and Other, will get a total income disregard of \$225 from any disability-based unearned income and/or earned income. This disregard is first subtracted from any disability-based unearned income. Any remainder of the \$225 Income Disregard (Earned Income Disregard was \$112 from July 1, 2011 through September 30, 2013) is then subtracted from the earned income of the AU, Non-AU and Other family members. If there is a remainder of earned income, 50 percent of the earned income is disregarded. The remaining net nonexempt earned income plus unearned income is the family's total net nonexempt income.

The total net nonexempt income is subtracted from the MAP for the family, including AU and Non-AU members, resulting in a potential grant.

The actual grant amount is the lower of the potential grant amount or the sum of the MAP plus special needs for the AU members only. Refer to [Worker Tool 21 CalWORKs Payment Standards Chart](#) for the MAP amounts.

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**REFERENCES**

EAS Manual 40-188, 44-133, 44-207, 44-315, 82-820, 82-828, 82-832  
ACL 97-29, 97-59, 97-57, 98-17, 12-25, 12-49  
[CalWORKs Policy 100-B14 IRT for SAR](#)  
[CalWORKs Policy 100-E13 AR/CO](#)

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**RESOURCE**

[Earned Income, Self Employment Income, and Rental Income](#)

**GUIDES**

[Maintenance](#)

[Unearned Income Maintenance](#)

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