

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



April 9, 2008

ALL COUNTY INFORMATION NOTICE NO. I-27-08

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CALWORKs PROGRAM SPECIALISTS
ALL FOOD STAMP PROGRAM COORDINATORS
ALL TRIBAL TANF PROGRAM ADMINISTRATORS

SUBJECT: CalWORKs AND FOOD STAMPS: TREATMENT OF TAX REBATES
PROVIDED BY THE ECONOMIC STIMULUS ACT OF 2008

REFERENCE: MANUAL OF POLICIES AND PROCEDURES (MPP) SECTIONS
44-111.3 (I); 63-505.31, and 63-505.516

The purpose of this notice is to provide instructions regarding the treatment of the tax rebate that CalWORKs and Food Stamp applicants/recipients may receive as a result of the Economic Stimulus Act of 2008.

Congress enacted the Economic Stimulus Act of 2008 (the Act) on January 3, 2008. The Act provides in part that any federal, state, or local program financed in whole or in part with federal funds should not count the rebate as income for their applicants/recipients. It further states that the rebate shall not be taken into account as a resource for the month of receipt and the following two months for the purposes of determining eligibility.

CalWORKs

In addition, per MPP Section 44-111.3(I), tax rebates, credits, or similar temporary tax relief measures which state or federal law specifically exclude, are treated as exempt income in the CalWORKs Program. Therefore, these rebates are not counted as income. These rebates will not be taken into account as a resource for the month of receipt and two months following for the purposes of determining eligibility. Any unused portion of the rebate after month three shall be treated as property and evaluated per Quarterly Reporting rules.

Food Stamps

If the rebate is held in cash, it does not count as income or resources for the first three month period. If it is held in cash beyond the three month period, it becomes a resource. If combined with other resources and resources then exceed the resource limit, it must be reported. The three-month period consists of the month the rebate was received and the following two months. For households that receive a rebate and deposit it into an account (with or without other funds), the county will reduce the value of that account by the amount of the rebate for a three-month period.

At the end of the three-month period, if the household indicates it has exceeded its resource limit due to the rebate amount, the county must take action to terminate the household's benefits in accordance with ongoing reporting rules. For Quarterly Reporting households, the resource amount is reported on the QR 7 Income Report (MPP Section 63-505.31). For Change Reporting households, the resource must be reported within 10 days of the change in resource amount (MPP Section 63- 505.516).

If you have any CalWORKs questions regarding this notice, contact your CalWORKs County Consultant. For assistance with Food Stamp questions, contact Alicia Thomason, Policy Implementation Unit at (916) 657-2630.

Sincerely,

Handwritten signature of Charr Lee Metsker in cursive script.

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

c: CSAC
CWDA