DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, California 95814

December 17, 1998

ALL COUNTY INFORMATION NOTICE NO:I-77-98

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

[ ] State Law Change
[ ] Federal Law or Regulation Change
[ ] Court Order or Settlement Agreement
[ ] Clarification Requested by One or More Counties
[X] Initiated by CDSS

SUBJECT: JANUARY 1999 COST OF LIVING ADJUSTMENTS (COLA) THAT AFFECT THE CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)

This All County Information Notice provides the new CAPI Payment Standards, effective January 1, 1999. The attached chart details these standards.

Pursuant to Section 18941 of the Welfare and Institutions Code, the CAPI payment standard is based on the Supplemental Security Income/State Supplementary Payment (SSI/SSP) standards, minus $10.00 for an individual and $20.00 for a couple. These CAPI increases are a result of a COLA for SSI/SSP, effective January 1, 1999.

The SSI COLA also affects the following values that can impact CAPI eligibility and benefit amounts:

- VALUE OF ONE-THIRD REDUCTION (VTR)

  To compute this value, take 1/3 of the federal SSI rate and add $20.00. This changes the value from $164.66 to $166.66 for an individual and from $247.00 to $250.33 for a couple. These amounts have already been computed in the Reduced Needs Column on the attached chart.

- PRESUMED MAXIMUM VALUE OF THE IN-KIND SUPPORT AND MAINTENANCE

  To compute this value, add $20.00 to the VTR. This changes the value from $184.66 to $186.66 for an individual and from $267.00 to $270.33 for a couple.

- ALLOWANCE FOR INELIGIBLE CHILDREN IN DEEMING SITUATIONS

  To compute this allowance, determine the difference between the federal benefit amount for an individual and couple for SSI. This changes the allowance from $247.00 to $251.00.

- SPONSOR'S ALLOCATION IN ALIEN DEEMING SITUATIONS

  This allocation equals the federal SSI rate for an individual. This changes The allocation from $494.00 to $500.00.

Any questions regarding these adjustments should be directed to your Operations Analyst at (916) 229-4000.

Sincerely,

Original Document Signed By
Donna L. Mandelstam On 12/17/98

DONNA L. MANDELSTAM
Deputy Director
Disability and Adult Programs Division

Attachment

STATE OF CALIFORNIA
DEPARTMENT OF SOCIAL SERVICES
ADMINISTRATION DIVISION

ESTIMATES BRANCH
November 1998
December 4, 1998

CAPI PAYMENT STANDARDS
EFFECTIVE JANUARY 1, 1999
BASED ON JANUARY 1999 SSI/SSP STANDARDS
SECTION 18941 WELFARE AND INSTITUTIONS CODE

CNI: 2.84% (a)
CPI: 1.30% (a)

	INDEPENDENT LIVING		REDUCED NEEDS		NON-MEDICAL OUT-OF-HOME CARE 1/ (NMOHC)			
	RESIDING IN OWN HOUSEHOLD		HOUSEHOLD OF ANOTHER WITH IN-KIND ROOM & BOARD		HOUSEHOLD OF RELATIVE WITH IN-KIND ROOM & BOARD		IN LICENSED FACILITY OR HOUSEHOLD OF RELATIVE WITHOUT IN-KIND ROOM & BOARD	
	TOTAL CAPI	TOTAL SSI/SSP	**TOTAL CAPI**	TOTAL SSI/SSP	**TOTAL CAPI**	TOTAL SSI/SSP	**TOTAL CAPI**	TOTAL SSI/SSP
INDIVIDUAL:								
AGED OR DISABLED	**666.00**	676.00	**507.00**	517.00	**653.00**	663.00	**817.00**	827.00
- without cooking facilities (RMA) 2/	**737.00**	747.00	N/A	N/A	N/A	N/A	N/A	N/A
BLIND	**722.00**	732.00	**575.00**	585.00	**653.00**	663.00	**817.00**	827.00
DISABLED MINOR								
- living with parent(s)	**569.00**	579.00	**401.00**	411.00				
- living with non-parent relative or non-relative guardian					**653.00**	663.00	**817.00**	827.00
COUPLE:								
AGED OR DISABLED								
- per couple	**1,181.00**	1,201.00	**963.00**	983.00	**1,344.00**	1,364.00	**1,634.00**	1,654.00
- without cooking facilities (RMA) 2/	**1,323.00**	1,343.00	N/A	N/A	N/A	N/A	N/A	N/A
BLIND								
- per couple	**1,371.00**	1,391.00	**1,154.00**	1,174.00	**1,344.00**	1,364.00	**1,634.00**	1,654.00
BLIND/AGED OR DISABLED								
- per couple	**1,300.00**	1,320.00	**1,082.00**	1,102.00	**1,344.00**	1,364.00	**1,634.00**	1,654.00

TITLE XIX MEDICAL FACILITY

	Individual	Couple
Total CAPI	$33	$66
SSI/SSP	43	86

2/ RMA - Restaurant Meals Allowance
$71 Individual; $142 Couple

CAPI STANDARDS ARE $10.00 LESS THAN THE TOTAL SSI/SSP STANDARDS ACCORDING TO CHAPTER 329, STATUTES OF 1998.

ATTACHMENT A

CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)

INCOME GUIDE

INCOME DEFINITION

Income is defined as anything received in cash or in-kind which can be used or sold to meet the recipient's needs for food, clothing and shelter. In-kind income is actually food, clothing or shelter, or something the recipient can use, through sale or trade, to get any of these.

COUNTABLE INCOME

Countable income is the individual's gross income, plus that of a spouse or ineligible parent, minus any exclusions. An individual's countable income is used to determine eligibility and the amount of the CAPI payment. To be eligible, an individual's or couple's countable income must be less than the appropriate CAPI rate. The actual CAPI amount is determined by subtracting an individual's countable income from the payment rate.

INCOME EXEMPTIONS

Certain items received are not income because they are not, nor can they be used to obtain, food, clothing or shelter. Additionally, anything received from the sale or exchange of the individual's personal property is not income. The following are some items that are not income:

- Medical care and services
- IHSS or personal care services provided to the recipient, or money restricted to paying for such services
- Receipts from the sale, exchange or replacement of a resource (this is not income, but rather resources that have changed their form, i.e., proceeds from the sale of a car)
- Income tax refunds
- Payments by a credit life or credit disability insurance policy
- Proceeds of a loan--money borrowed or money received as a repayment of a loan is not income
- Replacement of income already received--if income is lost, stolen or destroyed, the replacement is not income
- Weatherization Assistance

INCOME EXEMPTIONS (Continued)

- Certain non-cash items--any item except shelter, food or clothing which would be an excluded non-liquid resource is not income, i.e., receipt of an excludable vehicle is not income

EARNED INCOME

Earned income includes wages, net earnings from self-employment, wages for work performed in a sheltered workshop, in-kind earned income, royalties and honoraria. Wages are counted for each month when they are received. The monthly average of the annual net self-employment income (SEI) is counted for each month of the taxable year.

EARNED INCOME EXCLUSIONS/DEDUCTIONS

Earned income exclusions are applied to earned income (gross wages or average net SEI) in the following order:

1. Earned income excluded by other Federal law
2. Earned income tax credits
3. Up to $400/month, but no more than $1,620/year, for blind or disabled children regularly attending school
4. Any portion of the $20/month general exclusion not applied against unearned income
5. Earned income of $65/month
6. Earned income used to pay impairment related work expenses (IRWE) for disabled individuals under age 65
7. One-half of the remaining earned income in a month
8. Blind Work Expenses (BWE) for blind individuals under age 65
9. Earned income used to fulfill an approved Plan to Achieve Self Support (PASS) for blind and disabled individuals under age 65

Plan for Achieving Self Support (PASS)

A blind or disabled individual may set aside income or resources, and have them excluded, in order to fulfill a Plan for Achieving Self Support (PASS). A PASS must be in writing and approved by the County. The initial duration of the PASS shall be no longer than expiration (sunset) date of the program. The individual must outline and ultimately verify how the money was spent. Any money saved for a PASS must be kept separate from other resources. Common examples of PASS money usage are vocational training, buying a vehicle, or buying computer equipment--any of which could reasonably be expected to assist the individual to become employed.

EARNED INCOME EXCLUSIONS/DEDUCTIONS (Continued)

Blind Work Expenses (BWE)

Any work-related item paid by a blind individual may be deducted from gross earnings as a BWE. Some of the more common deductions include Federal and local income taxes, cost of at-work meals, and transportation.

Impairment Related Work Expenses (IRWE)

Impairment related work expenses are expenses for items or services directly related to enabling a disabled person to work and which are necessarily incurred because of a physical or mental impairment. To qualify, an individual must receive a disability payment before age 65, the expense must be reasonable, and the expense must actually be paid and not reimbursable. The amount of the IRWE paid in a month is generally deducted from the gross earned income for that same month. Typical expenses include medications and medical devices.

UNEARNED INCOME

Unearned income is anything that is not earned income. Some examples follow:

Annuities and pensions
Dividends, interest & royalties
Prizes and awards
In-kind support & maintenance
Federally funded public assistance
Alimony and support payments
Rental income
Gifts and inheritances
Death benefits

Treatment of Income

Unearned income is counted in the month it is received. Generally, the gross amount of the unearned income in a month is counted before any deductions for:

- Recovery for an overpayment from another benefit program*;
- Any garnishment or withholding to pay a debt or legal obligation, such as child support; and
- Any withholding to make payments or to pay insurance premiums, such as Medi-Care.

** Exception: amounts withheld to recover overpayments are excluded if the individual previously received CAPI and another benefit simultaneously and the overpayment amount was included in computing the CAPI payment.*

UNEARNED INCOME (Continued)

For other specific types of unearned income, less than the gross amount is counted. For insurance settlements, the costs incurred in getting payment, such as legal and medical expenses, are subtracted. Legal fees may also be subtracted when associated with receiving a retroactive check from another benefit program. Any portion of a death benefit used to pay for last illness or burial expenses of the deceased is subtracted. Any portion of veteran's benefits paid to the recipient because of a dependent is subtracted from the gross benefit.

UNEARNED INCOME EXCLUSIONS

Unearned income exclusions are applied in the following order:

1. Income excluded by other Federal laws, i.e., Agent Orange and Japanese Internment payments;
2. Assistance based on need that is wholly funded by a state or political subdivision, i.e. General Assistance;
3. Any portion of a grant or scholarship used for paying tuition, fees and other educational expenses;
4. Food raised and consumed by recipient and family;
5. Disaster Relief and Emergency Assistance provided under Federal statute
6. Up to $20 of irregular and infrequent income received no more than once per quarter, i.e., interest;
7. Payments based on state residence (Alaska);
8. Payments for providing foster care to an ineligible child;
9. Interest earned on excluded burial funds;
10. In-kind home energy assistance provided by a non-profit agency or utility company;
11. One-third of support payments for eligible children;
12. The first $20 of any unearned income in a month (the $20 exclusion does not apply to a benefit based on need that is totally or partially funded by the Federal government. The most common examples are TANF and VA pensions.);
13. Any unearned income used to fulfill an approved PASS;
14. Subsidized housing assistance;
15. Interest earned on excluded burial space;
16. Value of commercial airline ticket for U.S. travel received as a gift;
17. Payments from a state-based fund to aid victims of violent crime; and
18. Relocation assistance.

IN-KIND SUPPORT AND MAINTENANCE (ISM)

In-kind support and maintenance is defined as any food, clothing or shelter that is given to a recipient or that the recipient receives because someone else pays for it. Shelter includes room, rent, mortgage payments, property taxes and insurance, heating fuel, gas, electricity, water, sewer, and garbage services. Mobile home space rental is not a shelter expense. There is no ISM in the form of room or rent if the recipient is paying the current market rental value (CMRV) under a business arrangement. The rent paid under a business arrangement is presumed to be the CMRV unless the recipient or anyone in the household is related as parent or child to the landlord or the landlord's spouse.

In-kind support and maintenance can be received from someone living in the same household, or from outside the household. ISM from inside the household can be determined under the value of the reduced needs Household of Another (HOA) living arrangement rule, or under the presumed maximum value (PMV) rule. ISM from outside the house can only be determined under the PMV rule.

An applicant/recipient living with others and paying a pro rata share of the household expenses is considered to be in the independent living arrangement due to sharing, and is not receiving ISM from inside the household. An applicant/recipient living in a public assistance household is presumed to be sharing expenses equally and is therefore considered to be in the independent living arrangement, and is not receiving ISM from inside the household. A public assistance household is one in which every member receives some kind of public income-maintenance payments such as SSI/SSP, CalWORKs, GA, or VA pension (based on need).

Household expenses include food, unless the applicant/recipient purchases it separately, and all the shelter expenses listed above.

Pro rata share is the average monthly household expenses divided by the number of people in the household regardless of age.

HOUSEHOLD OF ANOTHER (HOA)

The household of another (HOA) refers to living arrangements reflected on the CAPI payment standard chart where the CAPI payment level is reduced. It reflects the federal SSI payment category that has been reduced by one-third. Although the County treats it as a living arrangement category, the term really means that the recipient is living in another person's household for an entire month and is receiving ISM in the form of both food <u>and</u> shelter from that person.

A person cannot be placed in the HOA reduced payment category if the individual:

1) has ownership interest or rental liability; or
2) is paying the pro-rata share of the household's food and/or shelter expenses.

PRESUMED MAXIMUM VALUE (PMV)

The presumed maximum value is charged whenever the individual is not subject to the HOA living arrangement and is receiving ISM. Instead of determining the actual value of any food, clothing or shelter received, the County shall simply presume that it is worth a maximum value. This maximum value is equal to one-third of the individual's, or couples', Federal benefit rate, plus $20.00. In November, 1998, the PMV is $186.66 for an individual and $267.00 for a couple. The recipient can rebut the PMV by presenting evidence that the actual value of the ISM is less than the PMV. If the rebuttal is successful, the individual will be charged with just the actual value.

DEEMED INCOME

Deemed income refers to income received by another person that is considered to be received by the recipient for the purpose of determining the CAPI payment amount. It does not matter whether the income is actually available to the recipient. Income shall be deemed from anybody living in the same household who is an ineligible spouse, ineligible parent or a minor child, or sponsor of an alien. Income of an ineligible spouse or parent is subject to the same exclusions listed above for the recipient, plus the following:

- Any public assistance payments, regardless of payment source;
- Any other income used by a public assistance program in figuring that payment;
- Income used to comply with the terms of court-ordered support, or support payments enforced under Title IV-D; and
- Income paid under a Federal, state or local government program to provide the recipient with chore or homemaker services, i.e., IHSS payments.
- Sponsor's income is not subject to any of the regular or deeming exclusions, although the sponsor does get an allocation.

EXAMPLES OF BENEFIT COMPUTATIONS

Example I

Mr. Jones, an aged individual living alone receives a $300 monthly check under the Title II program. His daughter pays his monthly rent of $800. What is his benefit amount?

A

$300.00	Title II
+184.66	PMV
$484.66	
-20.00	General Exclusion
$464.66	Countable Income

B.

$640.40	CAPI Standard
-464.66	Countable Income
$175.74	CAPI Payable

Example II

Mr. Green, a disabled individual, earns gross wages of $885 per month. What is his monthly benefit?

A

$885.00	Wages
-20.00	General Exclusion
-65.00	Earned Income Exclusion
$800.00	
X 1/2	Earned Income Exclusion
$400.00	Countable Income

B.

$640.40	CAPI Standard
-400.00	Countable Income
$ 240.40	CAPI Payable

EXAMPLES OF BENEFIT COMPUTATIONS (Continued)

Example III

$220 Title II Social Security ("unearned" income)
$165 Wages (earned income)

Unearned income calculation	$220.00	Title II Social Security
	- 20.00	**General income exclusion**
	$200	Countable unearned income
Earned income calculation	$165.00	Wages
	-65.00	**Earned income exclusion**
	$100.00	Divided by 2
	$ 50.00	Countable earned income
Total countable income calculation	$200.00	Countable unearned income
	+ 50.00	Countable earned income
	$250.00	Total countable income
	$640.40	CAPI Rate
	-250.00	Countable income
	$390.40	CAPI Benefit*

IF COUNTABLE INCOME EQUALS OR EXCEEDS THE CAPI RATE, THE RECIPIENT WILL NOT RECEIVE A CAPI BENEFIT

CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)
INCARCERATED CAPI RECIPIENTS

A CAPI recipient who becomes incarcerated is ineligible for CAPI for the entire month when incarcerated throughout the entire calendar month.

A recipient's CAPI benefits are pro-rated from the month they are released from the institution following a period of ineligibility due to incarceration.

In-kind support and maintenance (ISM) income is charged to a recipient for any month that the recipient is incarcerated as of the very first moment of the month. The current presumed maximum value of the ISM charged is $176.66/month. This amount is charged whether the recipient is released on the first or the 31st of the month.

Example A

Mr. Jones is incarcerated June 5, 1996. He is released from jail on July 25, 1996.

Result: Mr. Jones is otherwise eligible for CAPI for both June and July, but is charged with ISM for July.

Example B

Mr. Smith is incarcerated June 5, 1996. He is released August 2, 1996.

Result: Mr. Jones is ineligible for CAPI for July and for one pro-rated day of CAPI benefits for August. He is also charged with ISM for August.

Example C

Mr. Green is incarcerated on June 1, 1996. He is released on August 31, 1996.

Result: Mr. Green is ineligible for July with 30 days of pro-rated CAPI benefits for August. He is also charged with ISM for August.

ATTACHMENT C

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)
INCOME ELIGIBILITY - ADULT

NAME	CASE NO.	MONTH/YEAR

RECIPIENT(S)

A. Income of individual, or couple where both members are receiving, or applying for, CAPI and/or SSI/SSP. Show gross amounts of all non-excluded income.

	UNEARNED	EARNED
1. a. Social Security and other pensions		
b. In-Kind Support		
c. Income deemed from Sponsor		
d. Other unearned income		
2. Total unearned income. (Add 1a - 1d)		
3. General Exclusion	$20.00	
4. Subtract A3 from A2. Enter result.		
5. Income based on need (CalWORKs, VA pension, etc.)		
6. Add A4 and A5. Enter result.		
7. Self Support Plan exclusion		
8. Countable Unearned Income. Subtract 7. From 6. Enter result.		
9. Earned Income		
10. Unused $20 exclusion from above.		
11. Earned income exclusion		$65.00
12. Total exclusions (A10 plus A11)		
13. Subtract A12 from A9. Enter result.		
14. IRWE		
15. Subtract A14 from A13. Enter result.		
16. Divide A15 by 2. Enter result.		
17. Blind work expenses and remaining self support plan.		
18. Earned Countable Income (A16 minus A17)		
19. Total countable income (A8 plus A18).		
20. CAPI payment standard.		
21. CAPI payment (A20 minus A19).		

* Also complete column A using only the individual's income.

** Ineligible child's allowance equals the difference between the federal SSI standard for an individual and the SSI standard for a couple ($247 as of Jan. 1, 1998). If the ineligible spouse's income is less than this amount, deeming does not apply and the CAPI payment will be based on the individual's own income under column A.

*** If the ineligible spouse is receiving assistance based on need, deeming does not apply and the CAPI payment will be based on the individual's own income under column A.

RECIPIENT WITH INELIGIBLE SPOUSE

B. Income of individual who is receiving or applying for CAPI, and a spouse who is not eligible or applying for CAPI and/or SSI/SSP. Show gross amounts of all non-excluded income.*

	UNEARNED	EARNED
1. Income of ineligible spouse		
2. Allowance for ineligible children**		
a. Amount**		
b. Children's inc.		
c. Net allowance (a minus b)		
d. Total allowance (sum of B2c's)		
3. Remaining unearned income (B1 minus B2d)		
4. Unused allowance (If B2d is greater than B1, enter the difference)		
5. Remaining earned income (B1 minus B4)		
6. CAPI recipient's income (from A2 and A9)		
7. Couple's income (B3 plus B6 unearned, B5 plus B6 earned)		
8. General Exclusion	$20.00	
9. Net unearned (B7 minus B8)		
10. Income based on need (CalWORKs, VA pension)***		
11. Add B9 plus B10. Enter result.		
12. Self Support Plan exclusion		
13. Countable Unearned Income (B11 minus B12)		
14. Unused portion of $20 exclusion from above.		
15. Earned income exclusion		$65.00
16. Total exclusions (B14 plus B15)		
17. Subtract B16 from B7. Enter result.		
18. IRWE		
19. Subtract B18 from B17. Enter result.		
20. Divide B19 by 2. Enter result.		
21. Blind work expenses and remaining self support plan.		
22. Earned Countable Income (B20 minus B21)		
23. Total Countable Income (B13 plus B22)		
24. CAPI couple payment standard.		
25. Potential CAPI payment based on deemed income (B24 minus B23).		
C. Actual CAPI payment is the smaller of B25 or A21		

SUPERVISOR'S SIGNATURE DATE WORKER DATE

ATTACHMENT D

STATE OF CALIFORNIA-HEALTH AND WELFARE AGENCY CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI) SPONSOR TO ALIEN DEEMING WORKSHEET

INCOME

Gross income (earned and unearned) of the sponsor(s) and the sponsor's spouse (if living together).	$_____
Allocation for sponsor(s). Each sponsor's allocation is equal to the federal SSI rate* for an individual. (If the co-sponsors are married, the total allocation is two times the federal SSI rate.)	$_____
Subtract sponsor(s)' allocation and enter result.	$_____
Allocation for dependent(s) of the sponsor, which is equal to one-half of the federal SSI rate for an individual for each dependent (a spouse who is not a co-sponsor receives the dependent allocation).	$_____
Subtract dependent(s)' allocation and enter result (zero if a negative number). This amount is deemed to the immigrant. (Enter on line A.1.c of CAPI Income Eligibility worksheet.)	$_____

*As of January 1998, the federal SSI rate was $494. SSI rates normally increase each January.

RESOURCES

Total countable resources of the sponsor(s) and sponsor's spouse (if living together)	$_____
Allocation for sponsor(s). Each sponsor's allocation is equal to the SSI resource limit of $2000 for an individual, or $3,000 for a couple when both members of the couple are living together and one member is not a co-sponsor. If both members of the couple are co-sponsors, the allocation is twice the individual resource limit.	$_____
Subtract allocation and enter result (zero, if negative number). This amount is deemed to the immigrant and should be added to the recipient's own resources to determine eligibility.	$_____

Supervisor's Signature: _____ Date _____

Worker: _____ Date _____

SOC 454 (10/98)