



CDSS

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STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES



ARNOLD SCHWARZENEGGER
GOVERNOR

June 3, 2009

ALL COUNTY LETTER NO. 09-22

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL CONSORTIUM PROJECT MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
KIDS PROGRAM (CalWORKs): IMPACTS OF THE AMERICAN
RECOVERY AND REINVESTMENT ACT OF 2009

REFERENCE: AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
OF 2009, HR 1 (PUBLIC LAW 111-5), PUBLIC LAW 101-508,
MANUAL OF POLICY AND PROCEDURES (MPP) SECTIONS 44-102.1,
44-111.61(I), 44-101(I)(QR)(1), 44-103.121, 42-213.518, AND
ALL COUNTY LETTER (ACL) 09-12

The purpose of this ACL is to provide instructions regarding the effect of specific provisions of the ARRA on CalWORKs benefits and participants. On February 17, 2009, the President signed the ARRA into law. The effective date of these provisions was April 1, 2009. The California Department of Social Services (CDSS) Food Stamp Bureau has issued instructions under separate cover (ACL 09-12), relating to the effects of the ARRA on that program.

Background

This ACL will focus on the impact to the CalWORKs program of four sections of the ARRA: (1) increased Unemployment Insurance Benefits (UIB); (2) a one-time payment of \$250 to recipients of Social Security, Supplemental Security Income/State Supplemental Payment (SSI/SSP), Railroad Retirement Benefits, and Veteran Disability Compensation or Pension Benefits; (3) a temporary increase in the Earned Income Tax Credit (EITC); and (4) the Making Work Pay Credit (MWPC).

Unemployment Insurance Benefits

Any UIB received by an assistance unit (AU) as a result of the ARRA is considered income, in accordance with MPP Section 44-103.121. The amount of the ARRA increase is \$25 per week above the recipient's current benefit amount. The \$25 is included with the regular UIB payment. If an AU receives back payments in a single UIB payment, the payment will not be treated as property, unless the AU still has a remaining balance of the payment in the next quarter, per MPP Section 44-101(I)(QR)(1).

**REASON FOR THIS
TRANSMITTAL**

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

Recipients of Social Security, SSI/SSP, Railroad Retirement Benefits, and Veterans Disability Compensation or Pension Benefits

A one-time payment in the amount of \$250 will be issued to these recipients as a result of the passage of the ARRA. The ARRA states that these payments shall not be regarded as income or as a resource for the month of receipt and the following nine months, for purposes of determining the eligibility of the recipient (or the recipient's spouse or family) for benefits or assistance, or the amount of benefits or assistance, per ARRA Section 2201(c), (Public Law 111-5, Section 2201(c), (February 17, 2009)). After the exemption period has passed, any remaining funds will be considered in determining eligibility in the next quarter, per MPP Section 44-101(l) (QR)(1).

Tax Credits

The ARRA includes a temporary five percent increase in the EITC for certain eligible recipients with three or more children. CalWORKs exempts EITC refunds from consideration as income for the month of receipt and the following month, per MPP Sections 44-111.61(l), 42-213.518, and Public Law 101-508.

The ARRA also includes a new MWPC for eligible working individuals. The ARRA states that the MWPC shall not be considered as income or as a resource for the month of receipt and for the following two months, per ARRA Section 1001(c), (Public Law 111-5, Section 1001 (c), (February 17, 2009)). After the exemption period has passed, any remaining funds from either tax credit will be considered in determining eligibility in the next quarter, per MPP Section 44-101(l)(QR)(1).

Any additional information or clarification that CDSS receives relating to these credits or any other section of the ARRA will be transmitted to county welfare departments under separate cover.

Contacts

If you have any questions or need additional information regarding this ACL, please contact your CalWORKs county consultant, or call the CalWORKs Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division