

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



November 10, 2003

ALL COUNTY LETTER NO. 03-57

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL REFUGEE COORDINATORS
ALL FOOD STAMP COORDINATORS
ALL CONSORTIUM PROJECT MANAGERS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: QUARTERLY REPORTING INCOME REPORTING THRESHOLD (IRT)
CHART AND INFORMING REQUIREMENTS FOR CALIFORNIA WORK
OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)

REFERENCE: ACL 03-18, ACIN I-53-03, WELFARE AND INSTITUTIONS CODE
SECTION 11453

The purpose of this letter is to transmit the 2003 IRT chart and informing requirements necessary for the implementation of the Quarterly Reporting/Prospective Budgeting (QR/PB) system in the CalWORKs and Food Stamp Programs (FSP.) The California Department of Social Services (CDSS) has developed the attached IRT chart to provide the county welfare departments (CWDs) clarifying information regarding this new reporting change.

Defining the IRT

The IRT is the greater of 130 percent of the Federal Poverty Level (FPL) for the number of people who are included in the Family Maximum Aid Payment (MAP) or the income amount that would render the assistance unit (AU) ineligible to CalWORKs. 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 income of 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. A CalWORKs recipient will be expected to report when the total combined income, earned and unearned, of the AU exceeds the IRT. (Note: AUs that have no income or have unearned income only will be required to report if they receive new earnings that, once combined with other household income, exceeds the IRT in mid-quarter. AUs with unearned income only are not required to report when that income by itself exceeds the IRT in mid-quarter.)

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 Welfare-to-Work 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. The family becomes ineligible when the total income is high enough to take a family of three off aid.

(Note: An AU is not mandatorily required to report mid-quarter when a new AU/household member has income in excess of the IRT if that person was not required to report income that was used for determining cash eligibility and grant amount. Even if the AU/household inadvertently makes a voluntary report to add the new person and his/her income would exceed the IRT for the current AU, the CWD shall not discontinue the AU/household in mid-quarter because of financial ineligibility due to income of persons not required to report.)

Informing Recipients of their IRT

The informing notice that provides the IRT limits must be individualized for each CalWORKs case. The CWD shall inform each household of their IRT at the following times: 1) at least once a quarter; 2) at redetermination/recertification; 3) anytime there are changes in the CalWORKs AU or Family MAP size; 4) when there is a change of persons who are required to report income; and 5) upon recipient request. Additionally, the AU must be informed of the new IRT amount anytime the IRT chart is updated. CWDs are to use current IRT levels for recipients when determining eligibility. Therefore, the IRT level the recipient was last notified of will be used for reporting purposes until the CWD has had an opportunity to update the recipient of any applicable IRT change.

Due to differences in automation and other county practices, CWDs may inform recipients of the IRT requirements on the QR 7, on the Notice of Action used to add or remove AU members, or on a separate informing notice. In addition, CWDs may provide general IRT information during the initial three-month informing period during QR county implementation. Once the county has established quarterly reporting, the CWD shall follow notification rules regarding individualized IRT levels as instructed in ACL 03-18.

IRT Chart

The figures on the attached IRT chart (Attachment I) are based on the June 2003 CalWORKs MAP levels and the October 2003 Food Stamp FPL. The MAP levels will not change at this time due to the suspension of the MAP COLA in October 2003. IRT charts will be updated thereafter when MAP amounts change and Food Stamp FPL are released. CDSS will notify counties of any changes to the IRT chart.

Refugee Cash Assistance

Since aid payment for Refugee Cash Assistance (RCA) cases is based on CalWORKs regulations, the above shall apply to the RCA Program.

Forms/Notices

The mass informing notice, Quarterly Reporting Information, TEMP QR 1 has been modified to provide recipients with information regarding their reporting requirements. The TEMP QR 1 informs recipients to report income over the IRT amount for their AU/Household. The reference to the AU/Household was changed to family. The new TEMP QR 1 is included as an attachment. Counties will provide the TEMP QR 1 to recipients prior to their county's implementation of the QR/PB system. The TEMP QR 1 will not substitute for counties informing recipients of their individualized IRT size and income level. Counties can refer to ACL 03-18 for more a detailed description of additional QR forms and notices.

Please direct any questions regarding the CalWORKs IRT chart to Vince Toolan of the CalWORKs Eligibility Bureau (CEB) at (916) 654-1808. For questions regarding the CalWORKs AU and QR forms/notices, you may contact Shawn Bradley of CEB at (916) 653-8675. For any questions regarding the Food Stamp FPL, you may contact Varaniece Hall of the Food Stamp Branch at (916) 657-3500. For questions regarding the Refugee Program, please contact Kathy Noble at (916) 654-4356.

Sincerely,
Original signed on 11/10/03
BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachments

c: CWDA
CSAC

CalWORKS
Income Reporting Threshold (IRT)
Chart 2003

Region One

Reporting Size	Income Reporting Threshold
1	\$973
2	\$1,361
3	\$1,654
4	\$1,994
5	\$2,334
6	\$2,674
7	\$3,014
8	\$3,354
9	\$3,695
10 or more	\$4,036

Effective 10/1/03 to 9/30/04

Region Two

Reporting Size	Income Reporting Threshold
1	\$973
2	\$1,313
3	\$1,654
4	\$1,994
5	\$2,334
6	\$2,674
7	\$3,014
8	\$3,354
9	\$3,695
10 or more	\$4,036

Effective 10/1/03 to 9/30/04

IMPORTANT INFORMATION - PLEASE READ NEW REPORTING REQUIREMENTS FOR CalWORKs AND FOOD STAMP RECIPIENTS

The State of California is changing the way you report things that affect your eligibility for Cash Aid and Food Stamps. Instead of reporting changes every month, you will now have to report most changes every three months.

You will be assigned a "report month" for each quarter (three months). This is the second month of each quarter. For example, if your quarter is January, February and March, February is your "report month" and your quarterly report is due by the 5th day of March.

FOR EXAMPLE:

If your quarter begins in	Your "Report Month" is	Your QR 7 is Due by the 5th of
January	February	March
April	May	June
July	August	September
October	November	December

The Quarterly Report (QR 7) is always due by the 5th day of the month following your "report month" and will be considered late if not received by the 11th day of the month. If your Quarterly Report (QR 7) is late, you may be overpaid. If you are overpaid, you will have to pay back any Cash Aid or Food Stamp benefits that you were not supposed to get.

For your report to be complete, you must answer all the questions, sign and date it after the last day of your report month and attach proof if the form asks for it. If you do not turn in a completed QR 7 by the end of the first working day of the month after your report is due, your household's Cash Aid and/or Food Stamps will be stopped.

What you must report on the Quarterly Report (QR 7):

Earned Income:

All gross income received in the report month by you or anyone in your household. This includes wages; tips; vacation pay; cash bonuses; money from self employment or from a training program; also any work done in exchange for free rent, clothing or food.

Unearned or Disability Based Income:

All other income received in the report month by you or anyone in your household. This includes child/spousal support; interest or dividends; gambling/lottery winnings; insurance or legal settlements; strike benefits; cash, gifts, loans, scholarships; tax refunds; any government benefits, like Social Security, Supplemental Security Income/State Supplementary Payment (SSI/SSP), unemployment, worker's compensation, state disability indemnity, veterans or railroad retirement, or other private or government disability or retirement; rental income and rental assistance; free housing/utilities/clothing/food; or any other type of money received.

You must also report on your Quarterly Report any changes in income that you expect to happen during the next quarter (three months). This includes earned, unearned and disability based income changes.

Property:

Any property including, motor vehicles; bank accounts; savings bonds; insurance policies; a home or land; trust; EBT cash balance, etc. that you or anyone in your household has received since your last Quarterly Report and still has, whether it was bought, obtained through a trade or as a gift. The county will use this information to determine if your household exceeds the property limit. You must also report if you or anyone sold, traded or gave away any property since your last Quarterly Report.

You move or someone moves into or out of your home:

Anyone (including newborns) who moved into your home since your last Quarterly Report and is still there. You must also report anyone who moved out of your home or who has died since your last Quarterly Report.

Someone becomes pregnant:

Anyone (including minor children) who becomes pregnant since your last Quarterly Report. Pregnant members in your home may be eligible for a pregnancy special needs payment. Also, if your minor child has not completed high school or its equivalent and becomes pregnant, she may be eligible for additional services under the Cal-Learn Program.

Convicted Drug Felons, Fleeing Felons and Probation/Parole Violators:

The name of anyone in your household who is either avoiding or running from the law to avoid a felony prosecution, custody or confinement after conviction, or in violation of probation or parole. You must also report anyone in your household who has been convicted of a drug-related felony for possession, use or distribution of a controlled substance(s). Once you have reported this information on your Quarterly Report, you do not need to report this information about the same person every quarter.

Reduced hours of work:

If you are an Able-Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report when your hours of work or training drop below 20 hours a week or 80 hours a month. You must also report if you expect your work or training hours to drop below these limits during the next three months.

Other things that happened since your last report.

Some other things that you will need to report include, Job/Training (started, stopped, quit, refused a job or training, the number of hours worked or in training went up or down, or went out on strike); Citizenship/Immigration Status (a citizenship or immigration status change or anyone got a new card, form or letter from the INS); Babies (became pregnant, had a baby, aborted or miscarried); Marital status (married, divorced or separated); Disability (became disabled or recovered from a disability/major illness); Insurance (started, stopped, or changed life, dental or health insurance benefits including MEDICARE coverage); IHSS (started or stopped getting In-Home Supportive Services); School-Ages 6 through 17 (**For Cash Aid Only:** stopped or started attending school regularly); School-Age 16 or older (started or stopped school or college. Cost of tuition, school transportation, etc.).

Changes you must report at other times:

There are times that you must report changes (within ten (10) days of the change) even if it is not your "report month" such as:

- If you receive Cash Aid, you must report anytime that your household's combined gross income (both earned and unearned) is more than the Income Reporting Threshold (IRT) for a family/household of your size. Your county worker will tell you the IRT for a family/household of your size. **Households that only have unearned income or that only get Food Stamps will not be required to report income except on the Quarterly Report form.**
- If you receive Cash Aid, you must report anytime that someone in your household is convicted of a drug related felony for possession, use or distribution of a controlled substance(s), becomes a fleeing felon or is in violation of a condition of probation or parole.
- If you receive Cash Aid and/or Food Stamps, you must report your address change so that the County will know where to send your benefits, Quarterly Report forms and notices.
- If you are an Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient, you must report anytime the number of hours you work or are in training drop to less than 20 hours a week or 80 hours a month.

Some information you are required to report will cause your benefits to go down or stop (such as having too much income or convicted drug felons and fleeing felons or probation/parole violators).

Changes you may report:

You can also report other information voluntarily even when it is not your "report month." Reporting information voluntarily may cause your household's benefits to go up. If the information voluntarily reported causes your benefits to go up, the county will take action within ten days after you provide verification. One exception is when the increase results from adding another person to your case. In that situation, the County will take action to increase benefits the first of the month after you provide verification. **Even if you have already voluntarily reported something to the County, you must also report it on your next Quarterly Report (QR 7).**

Some examples of voluntary reporting that may cause some of your benefits to go up include:

- Someone who has no income moves into your home (including a newborn).
- Someone (including minor children) becomes pregnant.
- Someone who has income moves out of your home.
- You believe that you or someone in your household is eligible for a CalWORKs Special Needs payment, such as pregnancy special needs or a qualifying special diet.
- Someone in your household is disabled or aged 60 or older and reports **new** medical expenses that you would like to use to figure your Food Stamp benefits.

If the change you report will cause any of your benefits to go down, it will happen in the new quarter.

At anytime, you can ask the County to discontinue your entire case or any individual person who has left the home or is not required to be in the assistance unit. You can also ask the County to stop certain benefits, such as: Medi-Cal or Food Stamps. Receiving Medi-Cal and/or Food Stamps only will not count against your Cash Aid time limits.

Other changes that will cause the County to lower or stop your benefits during the quarter in which they happen.

Here are some examples:

- An adult in the household reaches the CalWORKs 60-month time limit;
- A household member is sanctioned/penalized;
- A child (who is not pregnant or who is not a parent) reaches the age of 18 (and will not graduate from high school before the age of 19);
- Someone in your household starts getting benefits in another household;
- An eligible child is placed in Foster Care.
- An Able Bodied Adult Without Dependents (ABAWD) Food Stamp recipient's number of hours worked or training drops to less than 20 hours per week or 80 hours per month.

How the County will figure your Cash Aid and Food Stamps:**New budgeting rules**

The amount of Cash Aid and/or Food Stamps you can get depends on your income and allowable expenses. The income and expenses you expect to have in the next three months will be used to figure the amount of Cash Aid and/or Food Stamps you can get for those three months. Information that you put on the QR 7 will be used to figure the amount of your Cash Aid and/or Food Stamps for the next quarter (three months).

For example, if you turn in a QR 7 in March, you will report what income you had in February. You will also report any income and expense changes you expect to have in April, May, and June. If your income and/or expenses from February are expected to stay the same, your Cash Aid and/or Food Stamps for April, May, and June will be figured using February's income and expenses. If your income and/or expenses are expected to change, your worker will use the new income and/or expense amounts you think you'll get in April, May, and June to figure your Cash Aid and/or Food Stamp amount for those months. This is called prospective budgeting.

Failure to report and/or purposely reporting false or inaccurate information:

Failure to report the required information or purposely reporting false or inaccurate information may result in your benefits being overpaid. Any overpaid benefits caused by your failure to report or purposely reporting false or inaccurate information **MUST** be repaid. You may also be subject to fraud charges/penalties if you do not report required information to the County.