

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

September 14, 1987



ALL-COUNTY LETTER NO. 87-124

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: SHAW V. MCMAHON BENEFITS GRANTED AUTOMATICALLY WHEN THE LUMP SUM PERIOD OF INELIGIBILITY IS BETWEEN ONE MONTH PLUS A REMAINDER AND FOUR MONTHS PLUS A REMAINDER

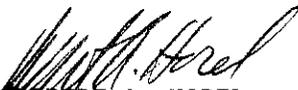
SHAW NOTICES OF ACTION

(FEDERAL AFDC and RDP)

REFERENCE: ALL COUNTY LETTER 85-67  
MPP SECTION 44-207.4 - Lump Sum Income  
MPP SECTION 44-315.6 - Suspense  
MPP SECTION 44-317.1 - Beginning Date of Aid  
MPP SECTION 44-401.5 - Reduced Income Supplemental Payments (Formerly Hardship Supplemental Payments)

The purpose of this letter is to instruct counties in the implementation of procedures for granting state-only benefits pursuant to the Shaw v. McMahon court order to otherwise eligible recipients who are discontinued from federal AFDC due to receipt of lump sum income. Currently, when receipt of lump sum income results in a period of ineligibility of one month plus a remainder, Shaw benefits are automatically granted in the remainder month, if the recipient is otherwise eligible (ACL 85-67). Within 90 days of receipt of this letter, the same application must be expanded to cases in which recipients have a period of ineligibility between one month plus a remainder and four months plus a remainder, using the same procedures. Detailed instructions for implementing this change and a reproducible copy of the Notice of Action (NOA) required in these cases are attached. In addition, general Shaw notices required for use have been developed and are also attached.

Please contact Lynne Reich of the AFDC and Food Stamp Policy Implementation Bureau at (916) 324-2009 or ATSS 454-2009 if you have any questions.

  
ROBERT A. HOREL

Deputy Director

Attachments

cc: CWDA

INSTRUCTIONS FOR IMPLEMENTING  
"AUTOMATIC" APPLICATION OF  
SHAW BENEFITS

Shaw benefits are to be automatically granted when:

- 1) aid is discontinued due to receipt of lump sum income and
- 2) the period of ineligibility (POI) is between one month plus a remainder and four months plus a remainder and
- 3) the family is eligible for benefits pursuant to the Shaw v. McMahon court order and
- 4) available Shaw benefits, when applied to the POI, leave no more than one month of ineligibility remaining (a suspense month in retrospectively budgeted cases; an ineligible month in prospectively budgeted cases).

Eligibility for Shaw benefits pursuant to the Shaw v. McMahon court order (#3 above) will be determined based upon available case record information. All factors (property limits, work registration requirements, etc.) must be met before Shaw benefits commence.

As in any lump sum case, the lump sum POI must be calculated in accordance with MPP 44-207.42 and the first month of the POI determined pursuant to MPP 44-207.43. However, when all four of the above factors are present, a case will not be discontinued for a POI. In retrospectively budgeted cases, aid is to be suspended in the month corresponding to the month of receipt and Shaw benefits granted for the other months of the POI. In prospectively budgeted cases, the month of receipt is the first month of the POI (aid paid for that month is an overpayment) and Shaw benefits are to be granted for the remaining months of the POI. Depending upon the situation, respective rules of budgeting pursuant to MPP 44-313 and 44-315.6 apply (see following examples).

You should note that MPP 44-401.5 provides for prospective budgeting following a suspense month if a reduced income supplemental payment (formerly hardship supplemental payment) is granted in the suspense month. Therefore, when a suspense month occurs due to the application of automatic Shaw benefits, and a reduced income supplemental payment is made in that suspense month, the budgeting rules regarding supplemental payments are to be used.

For recipients who do not qualify for automatic Shaw benefits, the basic beginning date of aid rules (MPP 44-317.1) apply.

EXAMPLE 1.

Recipient receives a lump sum and the POI is two months. The recipient has eligibility for the full three months of state-only U benefits.

Treatment:

The case is suspended for one month and Shaw benefits are granted for the other ineligible month, after which time the case reverts to federal status.

Retrospective:

Lump Sum Rec'd	Federal AFDC	Suspense	<u>Shaw</u>	Federal AFDC
		POI	POI	

-OR-

Lump Sum Rec'd	<u>Shaw</u>	Suspense	Federal AFDC
	POI	POI	

(NOTE: Retrospective budgeting usually continues after a suspense month. However, if a reduced income supplemental payment is made in the suspense month, prospective budgeting will commence in the month following the suspense month.)

Prospective:

1st or 2nd mo.

Lump Sum Rec'd (overpayment)	<u>Shaw</u>	Federal AFDC
POI	POI	

(NOTE: Retrospective budgeting commences in the third month of aid, since there has not been an actual break in aid. The lump sum amount will not be retrospectively budgeted, since it is nonrecurring by definition, but any regular, ongoing income from the first and second months will be budgeted to the third and fourth months.)

EXAMPLE 3.

Recipient receives a lump sum and the federal POI is four months plus a remainder of \$100. The recipient has eligibility for the full three months of state-only U benefits.

Treatment:

The case is suspended for one month and Shaw benefits are granted for the other ineligible months. When the case reverts to federal status after the last full month of federal ineligibility, the remainder of \$100 is counted as income in that month (MPP 44-207.423) and is used in the income eligibility tests (MPP 44-207.2 and .3).

Lump Sum Rec'd	Federal AFDC	Suspense	<u>Shaw</u>	<u>Shaw</u>	<u>Shaw</u>	Federal AFDC w/ \$100 Income
		POI	POI	POI	POI	

EXAMPLE 4. (Not eligible for automatic Shaw benefits.)

Recipient receives a lump sum and the POI is three months. The recipient has already received two months of state-U benefits this year.

Treatment:

In order to end up with one month of suspense and no break in aid, the recipient needs two full months of Shaw benefits.

Since only one month of State-U benefits is still available in this year, automatic Shaw benefits may not be granted, and the lump sum discontinuance NOA message language, (M44-207R, transmitted in ACL 87-44) which includes information regarding application for Shaw benefits, is used.

Lump Sum Rec'd	Federal AFDC	Suspense	1 month State-U Available	No More State-U Available
		POI	POI	POI

If available Shaw benefits do not cover the entire POI, (aside from the suspense month), they will not be granted automatically, in order that the recipient may select the months he/she wishes to receive the benefits for which he/she is otherwise eligible.

## NOTICES OF ACTION

Attached are reproducible copies of the Notice of Action (NOA) message language (on the appropriate manual NOA forms) to be used when Shaw benefits are: 1) automatically granted, 2) approved based on beginning date of aid rules, or 3) denied.

The NOAs are in two column format and meet the new Turner standards effective May 1, 1987. Counties have the option of transferring the message language and computations to any other appropriate form (i.e., the NA 990). The NOAs must be printed with the NA Back 6.

English and Spanish versions are attached; Chinese, Vietnamese, Laotian, Hmong and Cambodian translations will be forthcoming.

- a. M44-207AA (Suspend) -- Use to suspend for one month due to the receipt of lump sum and the application of automatic Shaw benefits.
- b. M44-207BB (Approve) -- Use to approve Shaw benefits according to the beginning date of aid rules.

Check the appropriate box to tell the recipient if Federal aid will start after the Shaw benefits or if the recipient will have to apply at the end of the POI.

- c. M44-207CC (Deny) -- Use to deny Shaw benefits.

Check the appropriate box. Fill in the applicable information. Fill in the POI ending date for all recipients of this notice.

Also attached are copies of AFDC NOA Handbook pages for each of the three Shaw NOA messages. Additional copies of the Handbook pages will be included with the next Handbook update package.

# NOTICE OF ACTION

COUNTY OF \_\_\_\_\_

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

Notice Date \_\_\_\_\_  
 Case Name \_\_\_\_\_  
 Number \_\_\_\_\_  
 Worker Name \_\_\_\_\_  
 Number \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Address \_\_\_\_\_

(ADDRESSEE)



Questions? Ask your Worker.

**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

The county is stopping your cash aid for the month of \_\_\_\_\_.

Here's why:

You got a lump sum of money in \_\_\_\_\_. The money you got will meet your family needs for the number of months shown on this notice. You cannot get Federal AFDC until the end of that time period.

Starting \_\_\_\_\_ you will get short-term State-U (State AFDC Unemployed Parent Program). A family can only get State-U for 3 months in any 12 month period.

If nothing changes, you can get Federal AFDC again in \_\_\_\_\_. You do not need to apply. If something does change, call your worker right away.

You must turn in your Monthly Report (CA 7) in the month you are not aided.

Your family's needs and income are figured on this notice.

You may be able to get a supplemental payment for the month you are off aid. You must apply for it with a CA 40 form (Reduced Income Supplemental Request). If you do not have one, call this office and ask for it.

If something changes, or a family member moves into your home, or if you have an emergency, you may be able to get Federal cash aid sooner. Call your worker or come into this office right away.

You will get another notice about your Medi-Cal.

**Rules:** These rules apply; you may review them at your welfare office: MPP 44-207.4, **Shaw v. McMahon**.

<b>Net Countable Income</b>	
Total Earned Income	\$ _____
Work Expense Disregard	- _____
Dependent Care Disregard	- _____
\$30 Disregard	- _____
\$30 and 1/3 Disregard	- _____
Other Countable Income (list sources)	_____ + _____
	_____ + _____
	_____ + _____
Child Support Collected by the County (financial eligibility only)	+ _____
Court Ordered Support Paid	- _____
<b>(A) Net Countable Income</b>	<b>= _____</b>

<b>Family Needs</b>	
Basic Need for _____ Persons	\$ _____
Special Needs	+ _____
<b>(B) Family Needs</b>	<b>= _____</b>

**Lump Sum Ineligibility**  
 Your net countable income (A) divided by your family needs (B) equals the number of ineligible months: \_\_\_\_\_  
 There is a remainder of \$ \_\_\_\_\_  
 It counts against your grant in \_\_\_\_\_ (MONTH)

You are not financially eligible in \_\_\_\_\_ (MONTH)

# NOTICE OF ACTION

COUNTY OF \_\_\_\_\_

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

Notice Date : \_\_\_\_\_  
Case Name : \_\_\_\_\_  
Number : \_\_\_\_\_  
Worker Name : \_\_\_\_\_  
Number : \_\_\_\_\_  
Telephone : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

(ADDRESSEE)

Questions? Ask your Worker.

**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of \_\_\_\_\_, the County has approved your application for short-term cash aid. The cash aid will be State-U (State AFDC Unemployed Parent Program).

Your first day of cash aid is \_\_\_\_\_. The amount of your cash aid for the first month is \$\_\_\_\_\_.

This amount is based on the full monthly cash aid figured on this notice.

A family can only get State-U for 3 months in any 12 month period. Your State-U cash aid will stop \_\_\_\_\_.

This is the only notice you will get that your State-U cash aid will stop.

If nothing changes, you can get regular Federal cash aid starting \_\_\_\_\_. There is no time limit for Federal AFDC.

You do not need to apply again.

You must apply again for Federal cash aid. Apply early.

If something changes, or a family member moves into your home, or if you have an emergency, you may be able to get Federal cash aid sooner. Call your worker or come into this office right away.

You will get another notice about your Medi-Cal.

**Rules:** These rules apply; you may review them at your welfare office: MPP 44-207.4, **Shaw v. McMahon**.

## Monthly Cash Aid Amount

Your Countable Income in _____ (MONTH)	
Total Earned Income	\$ _____
Work Expense Disregard	- _____
Dependent Care Disregard	- _____
\$30 Disregard	- _____
\$30 and 1/3 Disregard	- _____
Other Countable Income (list sources)	_____ + _____
_____	+ _____
_____	+ _____
Court Ordered Support Paid	- _____
Net Countable Income	= _____

Your Cash Aid in _____ (MONTH)	
Basic Aid for _____ Persons	\$ _____
Special Needs	+ _____
Subtotal	= _____
Net Countable Income	- _____
Cash Aid Subtotal	= _____
Overpayment adjustment (separate page)	- _____
Monthly Cash Aid Amount	\$ _____

# NOTICE OF ACTION

COUNTY OF \_\_\_\_\_

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

Notice Date : \_\_\_\_\_  
Case Name : \_\_\_\_\_  
Number : \_\_\_\_\_  
Worker Name : \_\_\_\_\_  
Number : \_\_\_\_\_  
Telephone : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

(ADDRESSEE)

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Questions? Ask your Worker.

**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

The county has denied your application for short-term State-U cash aid (State AFDC Unemployed Parent Program) dated \_\_\_\_\_.

Here's why:

- You can't get cash aid right now because your total countable property is more than \$1,000. Here's how we figured your countable property:

COUNTABLE

_____	\$	_____
_____		_____
_____		_____

Total Countable Value: \$ \_\_\_\_\_

You can apply again if this changes.

- The principal earner in your family is working 100 hours or more a month.

The principal earner in your family is \_\_\_\_\_.

You can apply again if this changes.

- A family can get only 3 months of State-U in any 12 month period. You already got 3 months of State-U in this 12 month period.

You may apply for State-U cash aid again at the end of this 12 month period.

Your lump sum period of ineligibility will end \_\_\_\_\_. To get Federal cash aid at that time, you must apply. Apply early.

- You will get another notice about your Medi-Cal.

**Rules:** These rules apply. You may review them at your welfare office: MPP 44-207.4, **Shaw v. McMahan**.

Also you may be able to get Federal cash aid sooner if your situation changes. Come into this office right away and reapply if:

- You have a new special need, or
- There is a cost-of-living change in the cash amount (usually in July), or
- The lump sum money is spent for medical bills or a life-threatening situation, or
- The lump sum money is lost, stolen, or taken from you, or
- The lump sum money is gone for any reason that is not your fault.

Also, if another family member moves into your home, you may be able to get aid for that person.

State of California  
Department of Social Services

Manual Reg. No.: M44-207AA  
Action : Suspend  
Reason: Income Eligibility  
Title: Automatic Shaw benefits  
during Lump Sum POI  
Form No. : NA 210  
Effective Date : 08/01/87  
Revision Date : 07/12/87, new

Auto ID No. :  
Flow Chart No. :  
Source : Shaw  
Regulation Cite: 44-207.4, Shaw v McMahon

MESSAGE: The county is stopping your cash aid for the month of  
\_\_\_\_\_.

Here's why:

You got a lump sum of money in \_\_\_\_\_. The money you got will meet your family needs for the number of months shown on this notice. You cannot get Federal AFDC until the end of that time period.

Starting \_\_\_\_\_ you will get short-term State-U (State AFDC Unemployed Parent Program). A family can only get State-U for 3 months in any 12 month period.

If nothing changes, you can get Federal AFDC again in \_\_\_\_\_. You do not need to apply. If something does change, call your worker right away.

You must turn in your Monthly Report (CA 7) in the month you are not aided.

Your family's needs and income are figured on this notice.

You may be able to get a supplemental payment for the month you are off aid. You must apply for it with a CA 40 form (Reduced Income Supplemental Request). If you do not have one, call this office and ask for it.

If something changes, or a family member moves into your home, or if you have an emergency, you may be able to get Federal cash aid sooner. Call your worker or come into this office right away.

INSTRUCTIONS: Use to suspend for one month due to the receipt of lump sum and the application of automatic Shaw benefits.

State of California  
Department of Social Services

Manual g. No.: M44-207BB  
Action : Approve  
Reason: Income Eligibility  
Title: Shaw Benefits during  
Lump Sum POI  
Form No. : NA 200  
Effective Date : 08/01/87  
Revision Date : 07/12/87, new

Auto ID No. :  
Flow Chart No. :  
Source : Shaw v McMahon  
Regulation Cite: 44-207.4, Shaw v McMahon

MESSAGE: As of \_\_\_\_\_, the County has approved your application for short-term cash aid. The cash aid will be State-U (State AFDC Unemployed Parent Program).

Your first day of cash aid is \_\_\_\_\_. The amount of your cash aid for the first month is \$\_\_\_\_\_.

This amount is based on the full monthly cash aid figured on this notice.

A family can only get State-U for 3 months in any 12 month period. Your State-U cash aid will stop \_\_\_\_\_.

This is the only notice you will get that your State-U cash aid will stop.

If nothing changes, you can get regular Federal cash aid starting \_\_\_\_\_. There is no time limit for Federal AFDC.

You do not need to apply again.

You must apply again for Federal cash aid. Apply early.

If something changes, or a family member moves into your home, or if you have an emergency, you may be able to get Federal cash aid sooner. Call your worker or come into this office right away.

INSTRUCTIONS: Use to approve Shaw benefits according to the beginning date of aid rules.

Check the appropriate box to tell the recipient if Federal aid will start after their Shaw benefits or if the recipient will have to apply at the end of the POI.

Auto ID No. :  
Flow Chart No. :  
Source : Shaw v McMahon  
Regulation Cite: 44-207.4, Shaw v McMahon

Form No. : NA 290  
Effective Date : 08/01/87  
Revision Date : 07/12/87, new

MESSAGE: The county has denied your application for short-term State-U cash aid (State AFDC Unemployed Parent Program) dated \_\_\_\_\_.

Here's why:

- [ ] You can't get cash aid right now because your total countable property is more than \$1,000. Here's how we figured your countable property:

Property	Countable Value
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Countable Value:	\$ _____

You can apply again if this changes.

- [ ] The principal earner in your family is working 100 hours or more a month.

The principal earner in your family is \_\_\_\_\_.

You can apply again if this changes.

- [ ] A family can get only 3 months of State-U in any 12 month period. You already got 3 months of State-U in this 12 month period.

You may apply for State-U cash aid again at the end of this 12 month period.

Your lump sum period of ineligibility will end \_\_\_\_\_. To get Federal cash aid at that time, you must apply. Apply early.

State of California  
Department of Social Services

Manual Iss. No.: M44-207CC,2of2  
Action : Deny  
Reason: Income Eligibility  
Title: Shaw benefits

Auto ID No. :  
Flow Chart No. :  
Source : Shaw v McMahon  
Regulation Cite: 44-207.4, Shaw v McMahon

Form No. : NA 290  
Effective Date : 08/01/87  
Revision Date : 07/12/87, new

INSTRUCTIONS: Use to deny Shaw benefits.

Check the appropriate box. Fill in the applicable information.

Fill in the POI ending date for all recipients of this notice.