



# OFFICE OF POLICY, PROCEDURES, AND TRAINING

## POLICY BULLETIN # 24-20-OPE

### ONE-TIME SIX MONTH EARNED INCOME DISREGARD QUESTIONS AND ANSWERS

<b>Date:</b> May 9, 2024	<b>Subtopic(s):</b> Cash Assistance (CA)
	<p>This policy bulletin provides Benefits Access Center (BAC) staff with questions and answers regarding the implementation of the Earned Income Disregard (EID) for Cash Assistance (CA) enacted in the State Fiscal Year (SFY) 2023-24 New York State (NYS) Budget that went into effect on December 29, 2023.</p> <p>The NYS Office of Temporary and Disability Assistance (OTDA) published these questions and answers in response to a need for further guidance on implementing the new EIDs introduced by OTDA in 23-ADM-10 and expanded upon to HRA staff in PD #24-01-ELI. The One-Time Six Month Earned Income Disregard Questions and Answers (<b>Attachment A</b>) reflects questions and case-specific scenarios received by OTDA. The responses to these questions provide further guidance that may be of use to all staff.</p> <p>The disregard applies only to CA participants and cannot be used for applicants. It concerns CA budget calculations on all earned income a participant receiving CA earns from a new job and training for a maximum of six consecutive months. This disregard is only available if the income of the individual does not exceed 200% of the Federal Poverty Level (FPL) for their CA household's size.</p> <p><i>Effective Immediately</i></p> <p><b>References:</b></p> <p><a href="#">23-ADM-10</a></p> <p><a href="#">24-LCM-04</a></p>

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**Related Item:**

[PD #24-01-ELI](#) One-Time Six Month Earned Income Disregard

**ATTACHMENT:**

**Attachment A** One-Time Six Month Earned Income Disregard Questions and Answers

**One-Time Six Month Earned Income Disregard Questions and  
Answers**

## I. BUDGETING AND TRACKING

1. **Question: Can individuals receive the 100% disregard for training income and the one-time six month 100% disregard for employment income at the same time?**

**Response:** Yes. If a Cash Assistance (CA) participant is participating in a paid training activity and simultaneously starting new employment, they would have 100% of both incomes disregarded, provided that the individual's total gross income does not exceed 200% of the Federal Poverty Level (FPL) for their household size. If the total gross income were to exceed 200% FPL, the individual would not be eligible for either disregard. It is important to note that while the 100% employment disregard is limited to a period of six consecutive months once per the participant's lifetime, there is currently no time limit on the 100% training income disregard or restrictions on the number of times it can be applied.

2. **Question: When does the one-time six month 100% income disregard go into effect on the CA budget after a participant is determined eligible?**

**Response:** The six consecutive months in the disregard period begin counting down with the first monthly or semi-monthly CA budget after the participant submits proof of their income. It is also important to remember that, during the interim period before systems support for budgeting is implemented, the disregarded income is **not** entered into the CA budget.

3. **Question: How will the one-time six month period for the 100% disregard on new employment be tracked? What if the participant has moved from another district?**

**Response:** The Office of Temporary and Disability Assistance (OTDA) is working on system enhancements that will assist districts with tracking the use of the 100% disregard. During the interim period before system tracking is available, the process outlined in PD #24-01-ELI must be followed. This will help ensure that the Human Resources Administration (HRA) is able to keep track manually of their participants' use of the disregard. When a CA participant moves in from another district, the new district must determine if any of the six month period has already elapsed and apply the time that remains.

## Attachment A

Districts should incorporate questions into the eligibility interview indicating whether the individual currently or previously received the disregard in another district and for how long. Districts are required to investigate whether a CA participant was in receipt of the one-time 100% employment income disregard in other districts within New York State.

4. **Question: How should HRA staff determine if income from a particular program or source (i.e., Summer Youth Employment Program, student income, etc.) be counted when determining the 200% FPL eligibility threshold for the household size?**

**Response:** If the income source is normally exempt when determining the amount of the CA grant, then the income source would not count towards the 200% FPL threshold. If the income source is normally counted when determining the amount of the CA grant, then it would count towards 200% FPL for the household size. For example, income from the Summer Youth Employment Program (SYEP) is exempt from CA budgeting. If a CA participant is working in the SYEP and then starts another job, only the income from the new job would be used in the 200% FPL determination.

## II. ELIGIBILITY

5. **Question: If the participant does not report their new income in a timely manner- for example, if they have been working for two months and don't report to HRA until the third month- would they be eligible for the one-time six month disregard?**

**Response:** Individuals who fail to make a timely report of income from a new job may still receive the one-time six month employment disregard as long as they are otherwise income eligible, and the job started after December 29, 2023. HRA would apply the disregard for the next six consecutive months beginning with the first monthly or semi-monthly budget after proof of income was received. At the same time, HRA would also calculate an overpayment for the amount of time the income went unreported based on the actual income, without application of the work income disregard and the earned income disregard deductions. HRA would begin recouping the overpayment from the participant's CA benefit as soon as they have finished calculating the overpayment amount.

6. **Question: What happens if a participant loses their job through no fault of their own during the one-time six month disregard period?**

**Response:** If a participant exits their employment during this time, even through no fault of their own, the disregard period will continue to count down. If the participant is able to find a new job while the disregard period is still counting down, their income from that job

would be given the disregard for however much of the six month time period remains upon job entry, as long as the individual's total income does not exceed 200% of the FPL for their household size.

7. **Question: A CA participant is receiving the one-time six month employment EID and becomes ineligible during this period due to their income increasing above 200% FPL. If their case closes but their income later falls back below the 200% FPL, can they reapply and continue to receive the 100% earned income disregard if they are still within the original six month period?**

**Response:** Yes, however the loss of or reduction in income must be investigated to determine if the individual quit or reduced their earnings to qualify for initial or increased CA or SNAP benefits. See question 13 below and Section VII(I.) of [23 ADM-10](#) for further information.

8. **Question: If an individual receiving the one-time six month income disregard is hired at an additional new job during the disregard period, would the income from that job be disregarded as well? What if they had a job before the 100% EID went into effect on December 29, 2023 and started another job afterwards?**

**Response:** Any new job started after December 29, 2023, including multiple new jobs gained during the six consecutive month period, are eligible for the one-time 100% employment disregard provided that the individual's overall total gross income shall not be more than 200% of the FPL for their household size. If the participant started a job before December 29, 2023, and later gets another, the income from the first job would not be eligible for the one-time employment income disregard because it started before the statute went into effect. If the individual's total gross income (from both jobs) is below 200% of the Federal Poverty Level for their household size, the income from the second job would be eligible for the disregard. The earnings from the first job would continue to be applied to the budget as they normally would.

9. **Question: The one-time six month employment exemption can only be applied to new employment and cannot be applied retroactively to a job that started before December 29, 2023. What if the participant started the job just before this date but did not receive their first paycheck until after?**

**Response:** The legislation that established this new one-time employment disregard and the ADM guidance specifies that in order to qualify as "new employment" under the

statute, the initial start date of the job, and not the date of receipt of first earnings, has to be on or after the statute takes effect, which was December 29th, 2023.

10. **Question: A participant is defined as an individual who submitted an application for CA or had someone else submit an application for CA on their behalf, and who has been determined eligible for CA. Would an individual be considered a “participant” for the purpose of applying the one-time 100% employment EID if they were to start a new job after the application process is complete but before the case has been opened by HRA? For example- the individual applies for assistance 1/3/24. They finish turning in all of their necessary paperwork on 1/8/24, including proof they got a job that started 1/6/24. However, HRA doesn’t process the application and officially open the case until 1/15/24.**

**Response:** If all of the individual’s documentation has been submitted, including proof of income, and HRA is aware that the household is eligible for CA, the individual would be considered a “participant” for the purpose of the EID even if HRA hasn’t finished processing the case for opening. In the scenario above, the job would be eligible for the one-time 100% EID. Please see [03-INF-27](#) for additional information regarding how to calculate the date of eligibility for CA.

11. **Question: If an individual who got a job and is eligible for the one-time employment disregard requests to have their case closed, at what point would they need to make the request so that the case closes before the disregard is applied?**

**Response:** Closing the case would only prevent the one-time employment income disregard from going into effect if the closure takes place before the notice is sent informing the participant they are receiving the 100% six month EID.

12. **Question: How should HRA apply the one-time six month EID to income from self-employment?**

**Response:** The legislation establishing the one-time 100% EID for new employment does not differentiate between types of employment. Verified income from self-employment that started after December 29, 2023 and does not put the participant’s total income over the 200% FPL threshold is eligible for the six month disregard. HRA should refer to [95-INF-33](#) for guidance on verifying and calculating self-employment income.

### III. SANCTIONS AND OVER/UNDERPAYMENTS

13. **Question: If a participant quits their job while getting the one-time six month disregard, can a sanction be imposed?**

**Response:** Yes; see the section “**Case Level Ineligibility vs. Sanctions**” on Page 11 of [23 ADM-10](#) for further details on this topic. During the first five (5) days in which the participant retains the job, a voluntary job quit or individual-caused discharge is treated as failure to meet an eligibility requirement and the case should be closed. After the fifth day, the participant is treated as any other CA participant who willfully and without good cause voluntarily terminates employment for the purposes of qualifying for an increase in assistance. A CA participant receiving the disregard who willfully and without good cause voluntarily terminates employment is subject to conciliation and sanction in the same way as a CA participant who fails to comply with a work activity assignment.

14. **Question: What is the procedure when a CA participant who is receiving the one-time six month disregard gets sanctioned?**

**Response:** Participants who are working part-time but receiving the six month 100% employment disregard can be assigned activities in addition to their employment and would be subject to conciliation and potential sanction the same as any other individual should they fail to comply. In general, CA participants who are working full-time would be in compliance and should not be sanctioned. If the participant calls for a fair hearing and qualifies for Aid to Continue, their budget would remain the same until a determination is made and they would continue to get the disregard. If the sanction goes into effect but does not close the case, the participant would likewise continue to have the disregard applied to their budget. If the case closes due to sanction, the participant would no longer be a CA participant and therefore no longer eligible for the disregard. However, their six month disregard period would continue to count down, meaning that if the case happens to reopen while time still remains and the participant still has employment income that is eligible for the disregard, they would have it applied in their budget for the remaining months.

15. **Question: Can a participant get Fair Hearing Aid to Continue (ATC) when the one-time disregard period ends from the six months expiring or their income increasing above 200% FPL?**

**Response:** Yes, but if HRA’s position is upheld at the hearing, HRA can pursue an overpayment for the ATC received.



- 16. Question: What happens if a participant's job is eligible for the one-time 100% EID but HRA mistakenly enters their income into the CA budget, resulting in a lower grant?**

**Response:** Once HRA becomes aware of the error, they would have to calculate an underpayment for however many months the budget incorrectly factored in income that was eligible for the 100% EID and should have been disregarded. The start date for the six consecutive months of the participant's one-time 100% EID would still be the first monthly or semi-monthly CA budget after the participant originally submitted their proof of income. HRA would determine how many months remain of the six consecutive month time frame and administer the 100% EID for the remaining months (i.e., if HRA discovers that, due to their error, a participant's 100% EID should have started two months ago, they would calculate and issue an underpayment for those two months and subsequently apply the 100% EID disregard for the next *four* months). In this scenario, HRA would enter CNS Individual Reason code M41 effective for the remaining 100% EID period. HRA would have to suppress the CNS notice for this code and use the appropriate manual notice.

Participants also have the right to request a Fair Hearing (FH) or an agency conference from HRA if they feel they were entitled to a 100% EID they did not receive. HRA is encouraged to use agency conferences to settle disputes and complaints concerning actions regarding a participant's CA, in order to eliminate the need to hold a FH wherever the dispute can be resolved by scrutiny of documents and/or thorough investigation.

#### **IV. REPORTING AND EMPLOYMENT & TRAINING ACTIVITIES**

- 17. Question: How should HRA navigate reporting the disregarded employment activity when it comes to participation rates?**

**Response:** During the period without systems support when an individual starts either of the new earned income disregards, a worker will have to create an activity in Welfare to Work Case Management System (WTWCMS), either for subsidized or unsubsidized employment or another category of paid employment, with the appropriate number of hours so that the activity can count toward the participation rate. It is very important that this gets entered for participation as any other activity would. Eligibility and Employment units within HRA should closely coordinate on application of the disregard.

18. **Question: Is HRA required to request current wage information from participants upon the end of the one-time six month 100% employment income disregard period?**

**Response:** HRA does not have to request current wage information from the participant at the end of the one-time six month EID. This is because participants are already required to report changes in income within 10 days. If changes occurred during the six month period, the individual was responsible to report them and HRA should have the information. In addition, the individual may have already recertified during the six month period and provided updated wage information as part of that process.

19. **Question: During the six month 100% income disregard period, are individuals still required to work with Employment & Training units within HRA?**

**Response:** If the individual using the disregard is not working full-time, HRA can assign them to Employment & Training activities up to the remaining hours of HRA's weekly hours standard of participation requirements as outlined in Section 5.1 in their Biennial Employment Plan up to the maximum standard of 40 hours per week.

20. **Question: As assignable Community Service hours are calculated based on a participant's budget, how will the calculations be affected by wages or training earnings being disregarded from budget determinations?**

**Response:** Applying either the one-time 100% employment income disregard or 100% training income disregard will not cause calculations for Community Service hours to decrease, as the disregards are applied by omitting the income from the CA budget altogether. Therefore, HRA will need to take care to ensure the assignment of secondary work activities does not interfere with a participant's employment, and at no time can the participant be assigned to more than 40 hours of activities. Every effort must be made to ensure that non-paid activities do not interfere with the participant's paid employment.

## V. SUPPORTIVE SERVICES

21. **Question: If an individual is receiving an earned income disregard, how does the income impact any emergency payments they may need? Is it also exempt income for an emergency?**

**Response:** Both the one-time EID for employment and the EID for training income are only applicable to recurring CA benefits. They must not be applied when determining eligibility for Emergency Assistance (i.e., Emergency Aid to Families and Emergency Safety Net Assistance). For additional guidance on Emergency Assistance, refer to [02ADM-2](#).