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Governor

**NEW YORK STATE**  
**OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**  
40 NORTH PEARL STREET  
ALBANY, NY 12243-0001

**Brian J. Wing**  
Commissioner

## Administrative Directive

### Section 1

<b>Transmittal:</b>	03 ADM 4
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Division of Temporary Assistance
<b>Date:</b>	April 17, 2003
<b>Subject:</b>	Temporary Assistance (TA) Budgeting: 2003 Changes to the Earned Income Disregard and the Poverty Level Test
<b>Suggested Distribution:</b>	Temporary Assistance Directors Food Stamp Directors Staff Development Coordinators WMS Coordinators Fair Hearing Staff Medicaid Staff CAP Coordinators
<b>Contact Person(s):</b>	Central Team (TA) at 1-800-343-8859; extension 3-9344, Eastern Team (FS); extension 3-1469, Western Team (HEAP); extension 3-0332, and Metro Team, (212) 383-1655. For Medicaid: Upstate Regional Representative at (518) 474-8216; New York City Representative at (212) 268-6855
<b>Attachments:</b>	None
<b>Attachment Available On – Line:</b>	<input type="checkbox"/>

### Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
02 ADM-5 97 ADM-23	02 ADM-5	352.18 352.19 352.20 352.3(a)-(d) 352.8(b)(1)	SSL 131-a(8)(a)(iii)	PASB XVI-F	

## Section 2

### I. Purpose

This directive advises local districts of a change in the percentage of the earned income disregard (EID) in the temporary assistance (TA) budgeting process. Annually on June 1, as required by Social Services Law (SSL) Section 131-a (8)(a)(iii), this percentage must be adjusted up or down to reflect the change in the most recently issued poverty guidelines of the United States Bureau of the Census. Additionally, this directive also updates the thresholds of the Poverty Level Income Test.

### II. Background

The Welfare Reform Act of 1997 (WRA) required districts to use a new budgeting methodology employing a flat percentage EID. The EID is applied to the difference between the eligible applicant's/recipient's gross income and the \$90 work expense disregard. SSL 131-a (8)(a)(iii) requires this Office to adjust the EID annually on June 1 each year to reflect the most recently released federal poverty guidelines.

The WRA also imposes a Poverty Level Income Test that requires a household's total gross earned and unearned income to be at or below the federally established poverty level by family size. This test applies only to persons living in situations subject to the maximum shelter allowances under 18 NYCRR 352.3(a)-(d) and 352.8(b)(1). DTA issues an update to the threshold on a yearly basis.

### III. Program Implications

The EID increases from 50% to 51% effective June 1, 2003. Districts must begin using the new EID for cases with budgets effective on this date and beyond. The ABEL system provides support for this change effective April 12, 2003 (May 19, 2003 in NYC).

The change in the EID is applicable to all Family Assistance (FA) households, including households in which the category of assistance is FA by reason of pregnancy. Safety Net Assistance (SNA) households including a dependent child applying for or receiving SNA or SSI are also eligible to receive the EID. This includes cases no longer eligible to receive federally funded FA or SNA because an adult on the case, or minor head of household, has reached his/her State 60-month time limit.

Effective June 1, 2003, the Poverty Level Test limits will change. Beginning on that date, the gross earned and unearned income of applicants for and recipients of TA cannot exceed the 2003 Federal Poverty Guidelines as published in the Federal Register by family size, and available at <http://aspe.hhs.gov/poverty/poverty.shtml>. The Poverty Level Test applies to all TA households except those residing temporarily in a hotel/motel, homeless shelter, domestic violence shelter, AIDS housing, congregate care facility, etc. ABEL fully supports this test.

#### **2003 Federal Poverty Guidelines**

Size of Family Unit	Annual Poverty Guideline
1	\$8,980
2	12,120
3	15,260
4	18,400
5	21,540
6	24,680
7	27,820
8	30,960
Additional	+3,140

## **IV. Required Action**

### Applicants

An applicant's eligibility for TA must be determined without application of the 51% EID unless the applicant has received TA for any one of the four months preceding the date of the current application. If eligible without the EID, the district must use the disregard in calculating the net earned income.

ABEL automatically applies the Poverty Level Test to all applicants residing in the appropriate shelter type (all TA households except those residing temporarily in a hotel/motel, homeless shelter, domestic violence shelter, AIDS housing, congregate care facility, etc).

### Recipients

A mass re-budgeting of all cases with earned income currently receiving the EID and with an authorization "To Date" of 6/1/03 or greater (budget effective 6/1/03 or later) will take place prior to June 1, 2003. Recipients will receive notice of the change through the Client Notice System (CNS).

## **V. Systems Implications**

### Upstate

The new 51% EID and the new poverty levels for the Poverty Level Test will migrate Upstate as of April 12, 2003 for budgets with "Budget From" dates of June 1, 2003 or later. A mass re-budgeting/reauthorization (MRB/A) on April 12, 2003 (initial phase), and April 19 (final phase), automatically re-budgeted cases with earned income and a 50% EID. Cases listed as exceptions during the initial phase of the mass re-budgeting need to be manually re-budgeted by the district. See ABEL Transmittal 03-01 for additional information regarding the MRB/A.

### Downstate

NYC will run the MRB/A on the weekend of May 17-18, 2003, and will be available on May 19, 2003.

## **VI. Additional Information (Optional)**

### Food Stamps Implications

Food Stamps (FS) must count the increase in available TA income due to an increase in the TA EID. TA/FS cases that are mass re-budgeted will have their FS benefits adjusted automatically. FS households are still entitled to a 20% earned income disregard from their gross earned income.

### Medicaid Implications

Medicaid budgets with an effective "From Date" of June 1, 2003, or later will reflect the change in the EID from 50% to 51%. Also, effective June 1, 2003, the Poverty Level Test will be based on the poverty levels published in the Federal Register in February 2003. Upstate districts were notified of the MBL changes in the March 10, 2003 MBL Transmittal 03-11. Information regarding NYC systems changes will also be forthcoming.

At next client contact or recertification, cases with an effective "From Date" of June 1, 2003 or later will be re-budgeted using the EID of 51% and the Poverty Level Test based on the 2003 poverty level. Some cases may change from Medically Needy eligibility to Low Income Families (LIF) eligibility due to the increase in the EID. Cases re-budgeted after June 1, 2003, but with an effective "From Date" of June 1, 2003, will qualify retroactively for Transitional Medicaid (TMA) and the four-month child support extension if otherwise eligible.

## Notice Requirements

Districts must provide applicants and recipients who do not receive a notice through CNS with a manual notice that includes the following language:

We are counting less earned income against your temporary assistance needs. Each year, the percentage of earned income that we must disregard is adjusted. The higher the earned income disregard, the smaller the amount of your earned income we count. We decide the amount of the new percentage based on changes to the most recently issued poverty guidelines by the United States Bureau of the Census. The earned income disregard has been changed from 50% to 51%. We do not count the first \$90 of your gross earned income and 51% of the remainder.

This decision is based on Regulation 18 NYCRR 352.20(c).

Districts must send a timely and adequate notice to households who receive a reduction in FS benefits because of this change.

## **VII. Effective Date**

June 1, 2003

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### **Issued By**

**Name: Patricia A. Stevens**

**Title: Deputy Commissioner**

**Division/Office: Division of Temporary Assistance**