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OFFICE OF TEMPORARY AND DISABILITY
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David A. Hansell
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Administrative Directive

Section 1

Transmittal:	07-ADM-01
To:	Local District Commissioners
Issuing Division/Office:	Division of Employment and Transitional Supports
Date:	March 16, 2007
Subject:	Temporary Assistance Procedures: Elimination of Quarterly Reporting System (QRS) Requirements and Welfare-To-Work Procedures: Documenting Hours of Paid Employment
Suggested Distribution:	Temporary Assistance Directors Employment Coordinators Food Stamp Directors Child Support Directors TOP/CAP Coordinators Staff Development Coordinators
Contact Person(s):	Temporary Assistance Bureau at 1-800-343-8859, extension 4-9344; WTW Technical Advisor or WTW Bureau at 518-486-6106
Attachments:	Attachment 1: Informational Notice to Quarterly Reporting Clients
Attachment Available On – Line:	<input checked="" type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
01 ADM- 4; 93 ADM -9; 95 INF-19; 02 ADM-7; 06 ADM -17; 06 ADM -10		351.21; 351.24; 385.9	SSL 131-t	WTW Employment Policy Manual Section 9	September 18, 2006 Rus Sykes Dear Commissioner Letter

Section 2

I. Summary

This administrative directive does three things:

- It informs all districts that the 16 remaining districts that currently maintain quarterly reporting procedures for Temporary Assistance (TA) recipients have opted to eliminate this process as of April of 2007. This change does not apply to Food Stamps (periodic reporting) or the Child Assistance Program. Accordingly, this directive has operational implications for the 16 districts that are now opting out of Temporary Assistance quarterly reporting and informational implications only for the remaining 42 districts. Those districts not directly impacted will see changes made to the periodic report form (same as the quarterly report form), code cards, etc.
- It outlines the procedures that will be followed in the elimination of TA quarterly reporting for the opt-out districts.

The 16 opt-out districts are:

Chautauqua
Delaware
Dutchess
Essex
Franklin
Hamilton
Livingston
Otsego
Putnam
Rensselaer
Saratoga
Steuben
Sullivan
Tompkins
Warren
Yates

- It identifies the requirements for documenting and reporting hours of paid employment, including unsubsidized or subsidized employment and paid on-the-job training for all districts. These requirements are consistent with the work verification and documentation requirements established by the Interim Final Temporary Assistance for Needy Families rule published by the Department of Health and Human Services on June 29, 2006.

II. Purpose

The purpose of this release is to inform all districts that the remaining districts that currently maintain quarterly reporting procedures for Temporary Assistance have opted to eliminate this process as of April 2007 and to outline the procedures that will be followed in the elimination of

quarterly reporting. The directive also identifies the requirements for documenting and reporting hours of paid employment for all districts, including New York City. Districts that are not affected by the elimination of TA quarterly reporting should ensure that current procedures for documenting and reporting hours of paid employment are consistent with the information included in Sections IV and V of this ADM.

III. Background

TA Quarterly Reporting

The TA quarterly reporting process was established in 1993 as a mandatory replacement for monthly reporting of earned income. At that time, both Food Stamps (FS) and TA policy adhered to the same process. With the advent of periodic reporting for Food Stamps, substantive changes were made in how the process worked for TA and FS. In 2001, districts were allowed to first opt out of the TA quarterly report process (initially by waiver and later by regulation).

Subsequently, by 2006 most social services districts had chosen to no longer require TA earned income recipients to quarterly report. There are a number of different reasons for this including reduced administrative requirements, simplification of reporting requirements (both for districts and clients), and compatibility with Welfare-to-Work (WTW) reporting requirements.

On September 18, 2006, Deputy Commissioner Russell Sykes of the Division of Employment and Transitional Supports (DETS) requested from the districts a reevaluation of their quarterly reporting status. All of the 16 remaining districts have chosen at this time to opt-out of the TA quarterly reporting requirements found at 18 NYCRR 351.24.

Documenting and Reporting Hours of Paid Employment

One of the primary goals of the Temporary Assistance program is to help low-income families enter the workforce and achieve self-sufficiency. Employment is often a crucial step in enabling a family to achieve self sufficiency, and among those Temporary Assistance recipients participating in work activities, employment is the most common activity. Districts are required to document all hours of participation in all work activities, including paid employment, that are counted toward the federal work participation rate calculation.

IV. Program Implications

A. OPT-OUT DISTRICTS

The following districts are those which currently have TA quarterly reporting requirements in place for earned income recipients.

Chautauqua
Delaware
Dutchess
Essex
Franklin
Hamilton

Livingston
Otsego
Putnam
Rensselaer
Saratoga
Steuben
Sullivan
Tompkins
Warren
Yates

These are the 16 districts that will be directly impacted by this quarterly reporting component of this release. The remaining districts will need to be aware that there are no longer any TA quarterly reporting districts in New York State.

Please note also that this change will have no impact on quarterly reporting for the Child Assistance Program (CAP), as quarterly reporting remains a core program requirement essential to that program. Nor will it impact directly the Food Stamp periodic reporting process. These two processes remain unchanged.

B. LAST QUARTERLY REPORTING SYSTEM MONTH

TA recipients in those social services districts that have requested to opt-out of quarterly reporting requirements will no longer receive quarterly reports after March of 2007. The last quarterly reports will be sent in these districts in late March 2007. These quarterly reports will be returned and processed in April 2007 according to quarterly reporting rules. We will no longer send TA quarterly reports (except for Child Assistance Program cases) in the 16 opt-out districts beginning with April 2007.

C. INFORMATIONAL NOTICE

TA clients currently subject to quarterly reporting requirements that are receiving benefits from a district that is opting-out will receive an informational notice (see Attachment 1) in April 2007 indicating that they will no longer be required to report income on a quarterly report form. The notice will also explain the income reporting requirements for TA recipients in those districts that are no longer subject to quarterly reporting. **The 16 opt-out districts will be notified in April by email from OTDA when this informational notice has been sent. The email will be sent to the Commissioner with a copy to the TA Director.**

D. REPORTING REQUIREMENTS

1. Temporary Assistance

In opt-out districts, TA recipients with earnings are no longer required to quarterly report their income but are still required to report significant changes in income in a timely manner. The definition of a significant change is the same as that which was described in 93 ADM-9 when prospective budgeting procedures replaced retrospective budgeting procedures. A significant change is any increase or decrease in income that is expected to last 30 or more days.

2. Welfare-To-Work

a. Paid Employment

Hours of paid employment, including unsubsidized or subsidized employment and paid on-the-job training (OJT) positions must be based on current documentation and may be projected for up to six months, with updates provided whenever a change in the number of hours worked, or gross income, is reported. The methodology used to calculate and report hours of paid employment is described in Section E of this ADM.

Districts are required to recalculate the number of hours of paid employment that are reported prospectively in a timely manner, whenever a change is reported. The adjusted hours of paid employment must be based on documentation received and may be used prospectively for up to six months. If a change is reported, it must be acted upon to adjust the hours of paid employment from the date the change was reported and projected no later than two weeks from the date the information was provided.

Districts should ensure that local procedures for district workers and providers are consistent with these requirements and that mechanisms are in place for timely information sharing between Temporary Assistance and employment staff. Districts should also confirm that hours of employment, whether subsidized, unsubsidized or paid OJT are consistent with documentation received from the employer and that documentation is maintained by the district.

b. Self-Employment

Self-employment is a form of paid employment. However, unlike other forms of paid employment, individuals do not generally receive a pay stub since the individual is operating his/her own business. Absent other documentation of the hours of employment for self-employed individuals, districts may document the number of hours of paid employment for a self-employed individual by dividing the individual's net income after subtracting certain allowable (as described in 95 INF-33) business expenses (this is the amount counted as Temporary Assistance gross income before earned income disregards in the ABEL budget) by the federal minimum wage. If hours other than the number derived by dividing the net income by the federal minimum wage are reported as hours of paid employment, then alternate documentation other than self-attestation must be maintained to verify the hours of paid employment reported. Alternate documentation may include statements from individuals for whom the self-employed individual provides services, and time records used to document child care payments to those serving as child care providers.

E. PROSPECTIVE BUDGETING OF EARNED INCOME AND HOURS OF PAID EMPLOYMENT

There has been no change in the prospective budgeting process (see 93 ADM-9, pp. 8 – 11). The only change for opt-out districts is that there will be no quarterly report sent in between the two mandatory semi-annual face-to-face recertifications. Opt-out districts must now rebudget cases using prospective budgeting procedures at the time of recertification and when a significant change in income is reported. As a reminder to districts, prospective budgeting procedures require the use of the best estimate process. The best estimate process requires that the district use one of two methods to project average monthly earnings.

Districts do not have a choice as to which of the two methods must be used. The circumstances of each case determine which method must be used. The two methods are:

Method # 1: This method is to be used for all cases that have at least four weeks of pay and that have not had a significant change in pay. This method requires that the last four weeks of pay be averaged after discarding any temporarily high or low weeks. The average weekly wage is then multiplied by 4 and 1/3 weeks (4.333) to arrive at an average monthly income. Note that under this method, there is no option to average more than four weeks of income even if more than four weeks are available.

Calculating Hours of Paid Employment under Method #1

The average hours of paid employment per week are entered onto the weekly schedule created for the employment enrollment on the Welfare-To-Work Caseload Management System (WTWCMS) and the "HRS" field under the section titled "Earned Income" of the ABEL data entry screen. The average hours of paid employment per week should generally be based on an average of the verified hours reported for the preceding four weeks and adjusted for other known and verified information demonstrating that one or more of those preceding weeks was unusual or to reflect changes expected to continue.

Method #2: This method is to be used for all cases that do not have at least four weeks of wages or which have experienced a significant change in income. This method requires that the hourly wage rate and number of hours worked per week be verified. The wage is then multiplied by the number of hours per week to determine the average weekly wage. This average weekly wage is then multiplied by 4 and 1/3 weeks (4.333) to arrive at the average monthly income to be budgeted.

Calculating Hours of Paid Employment under Method #2

The average hours of paid employment per week which are entered onto the weekly schedule created for the employment enrollment on the Welfare-To-Work Caseload Management System and the "HRS" field under the section titled "Earned Income" of the ABEL data entry screen should be based on the hours worked per week used to project the gross earned income.

The particular circumstances of each case dictate which method must be used. More information is contained in 93 ADM-9 and 95 INF-19.

Note: Consistent with current policy, the State participation rate reporting logic will use hours of paid employment based upon either the Automated Budgeting and Eligibility Logic (ABEL) or WTWCMS entries, whichever is most recent, as determined by the "from date" of the Temporary Assistance budget or WTWCMS schedule. New York City must ensure that the hours of paid employment are consistent with the documentation in the case record and use the most recent information available from ABEL or New York City Work Accountability and YOU (NYCWAY) to report hours of paid employment. Districts should not wait for the hours of paid employment to be entered onto ABEL, given the administrative processing period for budgeting earned income which is reported timely. Information should be entered onto the WTWCMS (NYCWAY for NYC) as soon as possible after documentation to verify the projected actual hours of employment (e.g., employer statement) is received by the district.

Entering Hours of Paid Employment on to WTCMS

Schedules are entered on to WTCMS on a weekly basis. Therefore, the average hours of paid employment should also be entered weekly in the scheduled hours field and then projected out for up to six months, unless a change in the number of hours that an individual is working is reported, which must be acted upon within two weeks after the date the information is received. That revised schedule may be projected for up to an additional 6 months.

Entering Hours of Paid Employment on to ABEL

Earned income is entered on to ABEL based on the "Frequency Code" (e.g., w = weekly, m = monthly) selected by the worker. The average hours of paid employment entered on ABEL should be based on the same "Frequency Code" selected for the entry of the earned income. For example, if the earned income is entered on a weekly basis with a "Frequency Code = W", then the average hours of paid employment should be entered based on the average number of hours weekly. If the earned income is entered on to ABEL based on a monthly amount with a "Frequency Code = M" as described above, the hours of paid employment per week should be calculated to a monthly amount (average hours of paid employment per week multiplied by 4 and 1/3 weeks (4.333)) before entering the hours in the "HRS" field on the ABEL data entry input screen.

Districts should ensure that hours of paid employment which are entered onto ABEL or WTCMS (NYCWAY in NYC) are consistent with the documentation maintained in the case file.

F. TRANSITION PERIOD

1. Last Quarterly Reports Received in March

Opt-out districts must use the income information reported on the last quarterly reports received in March to calculate budgets for each individual case from the period of April 1, 2007 until June 30, 2007. June 30, 2007 should be the end of the current certification period. At the recertification interview for the certification period ending on June 30, 2007, the TA examiner must obtain verification of the last four weeks of income, and using prospective budgeting procedures, calculate the TA grant for the upcoming 6-month certification period.

Note that only approximately 1/3 of the TA caseload with earnings will be required to furnish quarterly reports in March. The next section details how the other 2/3 of the TA caseload must be processed.

2. Extending TA Budgets and Payments for the Certification Period

Depending upon local district practice, it may or may not be necessary to rebudget other TA cases with earnings for the transition period.

If the district normally rebudgets and authorizes TA cases with earnings at recertification for the entire 6-month authorization period, **then no further action is necessary until the next recertification (unless a significant change is reported)**. This is the practice in most districts. This would mean that TA earnings cases that recertified for March 1 and April 1, 2007 already

would have been budgeted using prospective budgeting procedures for the entire 6-month certification period. No further action is required for these cases until the next recertification or unless a significant change is reported.

However, if the district's practice is to store budgets and authorize benefits for only the 3-month payment quarter following recertification, these cases will need to be reviewed, TA budgets extended, and benefits authorized for the last three months of the certification period. Previous experience with eliminating quarterly reporting has shown that this district practice (authorizing benefits for a quarter at a time) is relatively rare. Nonetheless, district reports are being produced for opt-out districts that will identify those TA cases that normally would have been subject to quarterly reporting. If the district has calculated TA budgets for these cases for the entire certification period, no further rebudgeting action is necessary until the next recertification or unless a significant change is reported. However, if the district has calculated a TA budget for only the initial three months of the certification period, the current budget must be extended for the last three months of the certification period and the appropriate benefit amount authorized for this same time period. Districts should also ensure that the hours of employment entered on ABEL are consistent with the documentation maintained in the case file. These lists may be used to identify TA cases that may need to have the budget and benefits extended.

G. REBUDGETING CASES AND HOURS OF PAID EMPLOYMENT AFTER THE TRANSITION PERIOD

After the initial transition period, opt-out districts will only need to rebudget TA cases with earnings when a significant change occurs or at recertification, whichever occurs sooner. As noted above, districts are required to recalculate the number of hours of paid employment that are reported prospectively in a timely manner, whenever a change is reported. The adjusted hours of paid employment must be based on documentation received and may be used prospectively for up to six months.

H. SYSTEMS IMPLICATIONS

The following are systems implications for the opt-out districts eliminating TA quarterly reporting. The last quarterly mailers for TA cases will be produced at the end of March 2007. Child Assistance Program (CAP) cases will continue to receive TA mailers. A one-time laser letter will be sent in the month of April to those cases that no longer have to quarterly report. Districts will receive a list, via BICS, of those cases to which a letter has been sent. Changes will be made to Screen 1 of the 3209, to prohibit entry of Rep Code for TA cases. These changes will be made in a forthcoming migration. Code values present or entered in this field will be ignored in the interim. No changes are necessary to the WMS Menu Selection 24-PA/FS & MA Periodic Reporting selection and screens.

V. Required Action

Opt-out districts must follow the procedures outlined above when the last quarterly reports are received in March 2007. For the other districts that have already eliminated TA quarterly reporting, information in this release pertaining to the opt-out of TA Quarterly Reports is informational. However, all districts must ensure that hours of paid employment which are reported toward the work participation rate requirement are consistent with the information provided in this release and that documentation is maintained as part of the case file.

VI. Food Stamps Implications

Districts are reminded under Six Month Food Stamp Reporting Rules that households are still required to submit:

- Periodic Reports (DSS-4310) if they are NTA-FS households; or
- The TA Mail Recertification Eligibility Questionnaire if their food stamp certification period is seven months or greater.

Districts are required to process all the changes reported on the State periodic mailers (DSS-4310), or TA Mail Recertification Eligibility Questionnaire that affect food stamp eligibility at the six month contact point. Districts that are not operating under an approved Able Bodied Adult Without Dependent Children (ABAWD) waiver are also required to process changes in an individual's ABAWD status or changes in an individual's participation in work activities which affect his/her exemption from ABAWD requirements in a timely manner. For example, a district that is not operating under an approved ABAWD waiver must adjust the employability code of a food stamp work registrant who becomes subject to ABAWD requirements and either exclude the individual from ABAWD requirements, consistent with the district's ABAWD exclusion policy, or must track the individual's compliance with ABAWD requirements consistent with current policy outlined in Section 3 of the Welfare-To-Work Employment Manual.

Additionally, districts must not process reductions in FS medical expense deductions that are reported on the TA Mail Recertification Eligibility Questionnaire. This is because simplified FS deduction rules prohibit such reductions except at food stamp recertification. (See 02 ADM-7, Section IV, A.5.) The TA Mail Recertification Eligibility Questionnaire process is not a FS recertification. In districts that have food stamp certification periods of seven full months or greater, the district may not reduce the medical expense deduction until a FS recertification interview is done when the FS certification period expires.

VII. Effective Date

The Temporary Assistance quarterly report process will end in opt-out districts in March 2007. The last quarterly reports will be sent in late March. OTDA will send an informational notice to impacted Temporary Assistance cases in April 2007.

Districts were previously notified, via 06-ADM-17, that the requirements for reporting and documenting hours of paid employment were effective as of October 1, 2006.

Issued By: _____

Name: Russell Sykes
Title: Deputy Commissioner
Division/Office: Division of Employment and Transitional Supports

Attachment 1

Case Number:

Loc. Off./Unit/Worker:

Dear Sir/Madam:

This letter is to let you know there has been a change in the way you report your income for Temporary (Public) Assistance (TA).

Under the old rules, you used to get a periodic report form (LDSS – 4310) in the mail in-between recertifications to report your income.

Beginning in April of this year, you will no longer get the periodic report form. **However, you still must report your income and other changes at your recertification interviews and right away (within 10 days) whenever there is a change. Examples of changes include: stopping or starting a job, getting a second job, working more or less hours, getting a higher or lower hourly wage, stopping or starting to receive other income, etc. This means you must tell your worker as soon as possible when your income goes up or down. You should also report changes in the average weekly number of hours that you are working. You must also report other changes like people moving in or out, right away.** This part of reporting has not changed.

We think this new process is much more simple. However, it is very important that you remember to report income or other changes that happen right away. You can lose the disregards (the part of your earnings that we do not count against your TA grant) or have other negative action taken against you or your Temporary (Public) Assistance case if you do not.

If you are also in receipt of Food Stamp Benefits, there are separate reporting rules for that program. If you have earnings and receive Food Stamp Benefits, you may also receive one report mailer per year for Food Stamp Benefits. If you receive such a report mailer, it is very important that you follow the instructions on completing the form and return it to the agency. Failure to do so may result in the loss of your Food Stamps Benefits.

If you have any questions about this please call or ask your worker.