



**David A. Paterson**  
*Governor*

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

**David A. Hansell**  
*Commissioner*

**Administrative Directive**

**Section 1**

<b>Transmittal:</b>	08-ADM-01
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Center of Employment and Economic Supports
<b>Date:</b>	April 28, 2008
<b>Subject:</b>	Temporary Assistance (TA) Budgeting: 2008 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 TOP/CAP Coordinators
<b>Contact Person(s):</b>	Temporary Assistance Bureau (TA) at 1-800 343-8859, extension 4-9344 Food Stamp Bureau (FS), extension 3-1469 HEAP Bureau, extension 3-0332 Metropolitan Field Support Bureau, (212) 961-8207 For Medicaid: Local District Support Upstate (518) 474-8887; New York City (212) 417-4500
<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.
97 ADM 23 06 ADM 04	06 ADM 04 07 ADM 02	352.18 352.19 352.20 352.3(a)- (d)352.8(b)(1)	SSL 131-a (8)(a)(iii)	TASB Chapter18, Section I	ABEL transmittal 08-1

## Section 2

### I. Summary

This Administrative Directive (ADM) advises local departments of social services (local districts) of a change in the Earned Income Disregard (EID) and Poverty Level Test in the Temporary Assistance (TA) budgeting process. Effective June 1, 2008, the EID increases from 48% to 50% and districts must begin using the new EID for cases with a budget “From Date” of 6/1/08 or later.

### II. 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 changes in the most recently issued poverty guidelines of the United States Department of Health and Human Services. 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 or eligible recipient’s gross income and the \$90 work expense disregard. SSL 131-a (8)(a)(iii) requires the Office of Temporary and Disability Assistance (OTDA) to adjust the EID annually on June 1 each year to reflect the most recently released federal poverty guidelines.

The amount of the EID is calculated based on the amount necessary to cause a family of three (with children) living in New York City without special needs or unearned income, living in a heated apartment to become ineligible for assistance when earnings equal the most recently issued federal poverty guidelines.

The WRA also imposed 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). The Center for Employment and Economic Supports (CEES) issues an update to the threshold on an annual basis.

#### IV. Program Implications

The EID increases from 48% to 50% effective June 1, 2008. Districts must begin using the new EID for cases with budgets effective on this date and beyond. The ABEL system will provide support for this change effective April 12, 2008 (April 26, 2008 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 containing a pregnant woman or 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 limit.

Effective June 1, 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 2008 Federal Poverty Guidelines as published in the Federal Register, and available at:

<http://aspe.hhs.gov/poverty/08poverty.shtml>

Households residing temporarily in a hotel/motel, homeless or domestic violence shelter, AIDS housing, congregate care facility, etc., are not subject to the Poverty Level Test. The Automated Budget Eligibility Logic (ABEL) fully supports this test.

#### **2008 Federal Poverty Guidelines**

Size of Family Unit	Annual Poverty Guideline
1	\$10,400
2	\$14,000
3	\$17,600
4	\$21,200
5	\$24,800
6	\$28,400
7	\$32,000
8	\$35,600
Additional	+ \$ 3,600

#### V. Required Action

##### Applicants

An applicant's eligibility for TA must be determined without application of the 50% EID unless the applicant has received TA for any one of the four months preceding the date of the current application. If eligible without 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 appropriate shelter types (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 6/1/08 or greater (budget effective 6/1/08 or later) will take place prior to June 1, 2008. Recipients will receive notice of the change through the Client Notice System (CNS).

## **VI. Systems Implications**

### Upstate

The new 50% EID and the new poverty levels for the Poverty Level Test will migrate Upstate as of April 12, 2008 for budgets with "Budget From" dates of June 1, 2008 or later. A mass re-budgeting/reauthorization (MRB/A) will run on the weekend of April 12, 2008 (initial phase), and the weekend of April 19, 2008 (final phase); automatically re-budgeted cases with earned income will change from 48% to 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 08-1 for additional information regarding MRB/A.)

### Downstate

NYC will run the MRB/A on the weekend of May 17, 2008. The budgets and reports will be available on May 19, 2008.

## **VII. Additional Information**

### Food Stamps Implications

Food Stamp (FS) benefits must be re-budgeted with the increase in available TA income due to the increase in the TA EID. TA/FS cases that are mass re-budgeted will have their FS benefits adjusted automatically. FS households continue to receive a 20% earned income disregard from their gross earned income.

### Medicaid Implications

The Medicaid Program will publish the earned income disregard for Medicaid-Only cases separately.

Districts will be advised of the Medicaid Budgeting Logic (MBL) changes for Upstate in a forthcoming MBL transmittal. Information regarding New York City systems changes will also be forthcoming.

## Notice Requirements

Districts must provide 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 income we count. We decide the amount of the new percentage based on the changes to the most recently issued poverty guidelines by the United States Department of Health and Human Services. The earned income disregard has been changed from 48% to 50%. We do not count the first \$90 of your gross earned income and then 50% of the remainder.”

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

If no CNS notice is generated and sent, districts must send an adequate notice to households who receive a reduction in FS benefits because of this change.

### **VIII. Effective Date June 1, 2008**

#### **Issued By**

**Name:** Russell Sykes  
**Title:** Deputy Commissioner  
**Division/Office:** Center for Employment and Economic Supports