



**NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY
ASSISTANCE**

40 NORTH PEARL STREET
ALBANY, NY 12243-0001

Andrew M. Cuomo
Governor

Administrative Directive

Section 1

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| Transmittal: | 11-ADM-02 |
| To: | Local District Commissioners |
| Issuing Division/Office: | Center for Employment & Economic Supports |
| Date: | April 20, 2011 |
| Subject: | Temporary Assistance Budgeting: 2011 Changes to the Earned Income Disregard and Poverty Level Test |
| Suggested Distribution: | Temporary Assistance Directors, Food Stamp Directors, Employment Coordinators, WMS Coordinators, Fair Hearing Staff, Medicaid Staff, TOP/CAP Coordinators |
| Contact Person(s): | Temporary Assistance (TA) Bureau: 1-800-343-8859, ext. 4-9344 Food Stamp (FS) Bureau: 1-800-343-8859, ext. 3-1469 Home Energy Assistance Program (HEAP) Bureau: 1-800-343-8859, ext. 3-0332 Metropolitan Field Support Bureau: 212-961-8207 Medicaid Upstate: 518-474-8887; New York City: 212-417-4500 |
| Attachments: | None |
| Attachment Available On – Line: | <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 98-ADM-10 99-ADM-03 00-ADM-03 01-ADM-05 02-ADM-05 03-ADM-04 03-ADM-09 04-ADM-03 05-ADM-09 06-ADM-04 07-ADM-02 08-ADM-01 09-ADM-05 09-ADM-22 | | 352.18 352.19 352.20 352.3(a)-(d) 352.8(b)(1) | SSL 131-a (8)(a)(iii) | TASB Chapter 18, Section I | ABEL Transmittal 11-2 GIS 01 TA/DC049 Federal Register dated January 20, 2011 |

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 Income Test in the Temporary Assistance (TA) budgeting process. Effective June 1, 2011, the EID decreases from 52% to 48% and districts must begin using the new EID for cases with a budget “From Date” of June 1, 2011 or later.

II. Purpose

This directive advises local districts of a change in the percentage of EID in the 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 published poverty guidelines from the United States Department of Health and Human Services. Additionally, this directive also updates the thresholds of the Poverty Level Income Test.

III. Background

The Welfare Reform Act of 1997 (WRA) required the use of 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 effective 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 a heated apartment in New York City without special needs or unearned income, 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 set forth in 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 decreases from 52% to 48% effective June 1, 2011. Districts must begin using the new EID for cases with budgets effective on this date and beyond. The Automated Budget Eligibility Logic (ABEL) system will provide support for this change effective April 9, 2011 (May 23, 2011 for NYC).

The change in the EID is applicable to all Family Assistance (FA) households, including households in which the category of assistance is FA due to 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.

The EID is provided in the current month and thereafter only to such individuals who had not:

1. terminated employment or reduced earnings without good cause within 30 days preceding such month;
2. refused without good cause, within 30 days preceding such month, to accept employment; or
3. failed without good cause to report income within 10 days of the receipt of such income.

Note: The failure to report or an untimely report does not result in the individual's permanent disqualification from receiving the EID. In such cases, the EID is provided beginning the month after taking into account the timely reporting timeframe (10-days) from the date the district becomes aware of such income (from any source). For example, a recipient's first pay was January 5th and the local district is made aware of the income on May 28th. The 10-day timeframe is from May 28th to June 6th therefore, the EID is provided beginning July 1st. The EID is not used in an overpayment calculation for January 1st to June 30th.

Effective June 1, the Poverty Level Income Test limits will change. Beginning on that date, the gross earned and unearned income of applicants for and recipients of TA cannot exceed the 2011 Federal Poverty Guidelines as published in the Federal Register, and available at:

<http://aspe.hhs.gov/poverty/11poverty.shtml>

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

2011 Federal Poverty Guidelines

| Size of Family Unit | Annual Poverty Guidelines |
|---------------------|---------------------------|
| 1 | \$10,890 |
| 2 | \$14,710 |
| 3 | \$18,530 |
| 4 | \$22,350 |
| 5 | \$26,170 |
| 6 | \$29,990 |
| 7 | \$33,810 |
| 8 | \$37,630 |
| Additional Person | \$3,820 |

V. Required Action

Applicants

An applicant's eligibility for TA must be determined **without** application of the 48% 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 Income 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, a congregate care facility, etc).

Recipients

A recipient's continuing eligibility for TA must be determined **with** the application of the 48% EID.

A mass re-budgeting of all cases with earned income currently receiving the EID and with an authorization "To Date" of 6/1/11 or later (budget effective 6/1/11 or later) will take place prior to June 1, 2011. Recipients will receive notice of the change through the Client Notice System (CNS).

VI. Systems Implications

Rest of State

ABEL

To determine an applicant's eligibility for TA, workers must use ABEL Disregard Indicator code "1-If Eligible, Give Disregard," unless the applicant has received TA for any one of the four months preceding the date of the current application. If the applicant

has received TA for any one of the four months preceding the date of the current application, workers must use ABEL Disregard Indicator code “2-Calculate with Disregard.”

Once an applicant is determined eligible for TA using ABEL Disregard Indicator code of “1-If Eligible, Give Disregard,” the code must be changed to “2-Calculate with Disregard.”

MRB/A

The 48% EID and the new poverty levels for the Poverty Level Income Test migrated on April 9, 2011 for cases with “Budget From” dates of June 1, 2011 or later. A mass re-budgeting/reauthorization (MRB/A) ran on the weekend of April 9, 2011 (initial phase), and the weekend of April 16, 2011 (final phase). Automatically re-budgeted cases with earned income will change from 52% to 48% EID. CNS notices will be sent automatically. Cases listed as exceptions during the initial phase of the mass re-budgeting need to be manually re-budgeted by the local district (See ABEL Transmittal 11-2 for additional information regarding MRB/A).

A case requiring worker attention must be assessed for the accuracy of the ABEL Disregard Indicator code.

New York City (NYC)

NYC MRBs will be scheduled as follows: Pass 1-Notices, on the weekend of May 7, 2011, with budgets and reports available on May 9, 2011; and Pass 2 - Update, on the weekend of May 21, 2011 with budgets and reports available on May 23, 2011.

VII. Additional Information

Food Stamp Implications

FS households continue to receive a 20% earned income disregard from their gross earned income. Food Stamp (FS) benefits must be re-budgeted with the available TA income due to the decrease in the TA EID. TA/FS cases that are mass re-budgeted will have their FS benefits adjusted automatically and will automatically be sent a CNS notice. 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 11-2 for additional information regarding MRB/A). Districts must make a separate eligibility determination for Food Stamps and provide Transitional Benefit Alternative (TBA) to qualifying households who leave TA. The TA closing “E30-Excess Income,” will qualify most FS households for the TBA, except those restricted in accordance with 09-ADM-22.

Medicaid Implications

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

Local districts will be advised of the Medicaid Budgeting Logic (MBL) changes for Upstate in a forthcoming MBL transmittal. Information regarding NYC 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 more earned income against your Temporary Assistance needs. Each year, the percentage of earned income that we must disregard is adjusted. The lower the earned income disregard, the greater 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 reduced from 52% to 48%. We do not count the first \$90 of your gross earned income and 48% of the remainder.”

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

For TA cases closed due to the reduction of the EID, workers must use closing code “E30-Excess Income (no Transitional Medicaid).” Use of this code will prompt the separate Medicaid determination required.

Districts must make a separate eligibility determination for Food Stamps and provide TBA to qualifying households and provide adequate notice to households who receive an increase in FS benefits because of this change. The TA closing “E30-Excess Income,” will qualify most FS households for TBA, except for those restricted in accordance with 09-ADM-22.

VIII. Effective Date

June 1, 2011

Issued By

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Title: Deputy Commissioner

Division/Office: Center for Employment and Economic Supports