



**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**

<b>Transmittal:</b>	12-ADM-02
<b>To:</b>	Social Services District Commissioners
<b>Issuing Division/Office:</b>	Center for Employment and Economic Supports
<b>Date:</b>	April 18, 2012
<b>Subject:</b>	Temporary Assistance Budgeting: 2012 Changes to the Earned Income Disregard and Poverty Level Test
<b>Suggested Distribution:</b>	Temporary Assistance Directors Food Stamp Directors Staff Development Coordinators Employment Coordinators WMS Coordinators Fair Hearing Staff Medicaid Staff TOP/CAP Coordinators
<b>Contact Person(s):</b>	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 (MA) 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 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 11 ADM-02		352.18 352.19 352.20 352.3(a)-(d) 352.8(b)(1)	SSL 131-a (8)(a)(iii)	TASB Chapter 18, Section J	ABEL Transmittal 12-1 and 12-2 GIS 01 TA/DC049 Federal Register: January 26, 2012

## Section 2

### I. Summary

This Administrative Directive (ADM) advises social services districts (SSDs) of a change in the Earned Income Disregard (EID) and Poverty Level Income Test for the Temporary Assistance (TA) budgeting process. Effective June 1, 2012, the EID increases from 48% to 50% and districts must begin using the new EID for cases with an Automated Budgeting and Eligibility Logic (ABEL) budget “From Date” of June 1, 2012, or later.

### I. Purpose

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

### II. 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 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 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.

### III. Program Implications

The EID increases from 48% to 50% effective June 1, 2012. SSDs must begin using the new EID for cases with ABEL budgets effective June 1, 2012 or later. ABEL will support this change effective March 18, 2012, for Rest of State (ROS) and May 21, 2012, for NYC.

The eligibility criteria for a TA household to receive the EID are unchanged.

Effective June 1, 2012, 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 2012 Federal Poverty Guidelines as published in the Federal Register, and available at:

<http://aspe.hhs.gov/poverty/12poverty.shtml>

#### 2012 Federal Poverty Guidelines

Size of Family Unit	Annual Poverty Guidelines
1	\$11,170
2	\$15,130
3	\$19,090
4	\$23,050
5	\$27,010
6	\$30,970
7	\$34,930
8	\$38,890
Additional Person	\$3,960

### IV. Required Action

#### Applicants

Effective June 1, 2012, 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.

## Recipients

Effective June 1, 2012, a recipient's continuing eligibility for TA must be determined **with** the application of the 50% EID.

A mass re-budgeting of all cases with earned income currently receiving the EID and with an authorization "To Date" of 06/01/12 or later (budget effective 06/01/12 or later) will take place prior to June 1, 2012. Recipients will receive notice of the change through the automated Client Notice System (CNS).

## **V. Systems Implications**

### Rest of State (ROS)

#### 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."

If an applicant is determined eligible for TA using ABEL Disregard Indicator code "1-If Eligible, Give Disregard," the code must be manually changed to "2-Calculate With Disregard."

#### MRB/A

The 50% EID and the new poverty levels for the Poverty Level Income Test migrated on March 18, 2012, for budgets with the "Budget From" dates of June 1, 2012 or later. A mass re-budgeting/reauthorization (MRB/A) will run the weekend of April 14, 2012 (Initial Phase), and the weekend of April 21, 2012 (Final Phase); automatically re-budgeted cases with earned income will change from 48% to 50% EID. The MRB/A will also generate and send CNS notices to the affected cases. Cases listed as exceptions during the Initial Phase of the mass re-budgeting will be included in the Final Phase of the mass re-budgeting if their exceptions are resolved prior to Final Phase. Otherwise, these cases will need to be manually re-budgeted by the SSD (See ABEL Transmittal 12-2 for additional information regarding MRB/A).

#### New York City (NYC)

NYC mass re-budgeting (MRB) is scheduled as follows: Pass 1-Notices, on the weekend of April 28, 2012, with budgets and reports available on April 30, 2012; and Pass 2 - Update, on the weekend of May 19, 2012, with budgets and reports available on May 21, 2012.

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

### Food Stamp (FS) Implications

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. Please note that the Federal Poverty Limit Guidelines do **not** change for

the FS Program on June 1<sup>st</sup>. Food Stamp Poverty Limit changes will be adjusted October 1<sup>st</sup>, as usual.

### Medicaid (MA) Implications

The MA program will publish the EID for MA-Only cases separately.

The SSDs will be advised of the Medicaid Budgeting Logic (MBL) changes for ROS in a forthcoming MBL transmittal. Information regarding NYC systems changes also will be forthcoming.

### Notice Requirements

The SSDs must provide TA recipients who do not receive a notice through CNS with a manual adequate notice that includes the following language:

“We are counting less earned income against your public 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. The new percentage is 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 changed from 48% to 50%. We do not count the first \$90 of your gross earned income and then we do not count 50% of the remainder.”

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

However, SSDs must send a timely and adequate notice to households which receive a reduction in FS benefits because of this change.

## **VII. Effective Date**

June 1, 2012

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### **Issued By:**

**Name: Phyllis Morris**

**Title: Acting Deputy Commissioner**

**Division/Office: Center for Employment and Economic Supports**