

**County of San Diego, Health and Human Services Agency (HHS) (HSA)
CalWORKs Program Guide**

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Revision Date:

January 1, 2023

Background:

State regulations require real and personal property be considered when it is available. An Assistance Unit (AU) may retain countable resources in accordance with the established limits.

Purpose:

This section provides basic property definitions and set limits on property which the AU can retain and remain eligible for aid. The purpose of this section update is to incorporate a 6.63% increase to the maximum asset limit for an AU. This section is also being updated to combine CalWORKs Program Guide (CPG) sections 42-200.C and 42-200.N into 42-200.A. CPG 42-200.N becomes obsolete with the issuance of this material.

Policy:

Property

Property is considered available when the customer has a legal interest in a liquidated sum and has the legal ability to make that sum available for support and maintenance.

In general, real property generally includes land and improvements, including immovable property attached to the land such as trees, fences, and buildings. It also includes mines, patented or unpatented oil, mineral or timber rights. The local county assessor, recorder or tax collector, at minimum, need to be contacted to identify real property holdings of customers.

CalWORKs uses the CalFresh rules pertaining to personal property and resources to be excluded from consideration when evaluating property limits. However, effective June 1, 2020, the CalWORKs resource limits are not to be based on CalFresh program regulations.

Personal property includes:

- Liquid resources:
 - Cash
 - Money in checking or savings accounts
 - Savings certificates
 - Trust deeds
 - Notes receivable
 - Stocks or bonds
 - Non-recurring lump sum payments
 - Funds held in individual retirement accounts (IRAs) and funds held in accessible Keogh plans
 - Funds received for sale of property
- Non-liquid resources:
 - Licensed and unlicensed vehicles
 - Buildings
 - Land
 - Recreational properties
 - Any other property, provided that these resources are not specifically excluded

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The value of nonexempt resources is its equity value (Fair Market Value (FMV) minus encumbrances).

Ownership of Property

The owner of property is the person who has the legal title to, the right to or has possession of the property. Unless there is evidence to prove otherwise, it is presumed for purposes of determining eligibility that the person who owns the property has the right to possess, use, control, and dispose of the property. The ownership of property may be vested in one person or shared with others.

Resources owned jointly with a non-AU member, or a person not living in the home, are considered available in their entirety to the AU, unless the AU can prove the resource is inaccessible. If the AU demonstrates that it only has access to a portion of the resource, the value of that portion is to be counted to the AU's resource level.

Verifications

Verify all personal or real property, whether excluded or countable property, prior to payment.

Property	Acceptable Verification
Savings, Checking, Time Certificate and Credit Union Accounts	<ul style="list-style-type: none"> • Bank statement • CW 60 Release of Information - Financial Institution form if verification is questionable or not supplied by customer
Stocks, Bonds, Commodities	<ul style="list-style-type: none"> • Purchase contract, stock certificate, U.S. Bonds • Current newspaper quote • Stockbroker's current estimate and document answer
Trust Deeds	<ul style="list-style-type: none"> • View original papers • Current statement from trustor (manager of fund)
Nonrecurring Lump Sums	<ul style="list-style-type: none"> • Award Letter • Actual payment check • Inquiry to original source of payment
Inaccessible Property	<ul style="list-style-type: none"> • Verify cash value and inaccessibility of the property
Uniform Gift to Minors	<ul style="list-style-type: none"> • Sworn statement from the person who opened the account concerning the funds and the availability of the funds to meet the child's needs
Vehicle	<ul style="list-style-type: none"> • Car registration • Car appraisal by dealers, adjustors, or property appraisers
Real Property	<ul style="list-style-type: none"> • Current county tax statement • Documents showing encumbrances, such as payment books, payment receipts, notes, mortgages, etc. • Receipts for expenses on rental property

Inaccessible Resources

A resource is inaccessible to the AU if the resource cannot be practically subdivided and the AU's access to the value of the resource is dependent on the agreement of a joint owner who refuses to comply. The preferred method of verification of inaccessible resources is to obtain a signed statement or other document provided by the person, agency, company or institution that is restricting the

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availability of the property (for example, absent parent, judge, finance company, bank). Verification can also consist of a signed statement or other document providing a professional opinion of its unavailability (such as real estate agent, lawyer, bank officer). A customer's sworn statement is accepted as verification of unavailability if all other reasonable methods of verification are exhausted. All verification must be reasonable and consistent with other case information and general knowledge.

Property Resource Limit

The maximum allowable nonexempt resource limits for all AU's are as follows.

From October 1, 2017 to May 31, 2020, allow:

- \$3,500 for an AU with a member who is 60 years old or older, or disabled (ACL No. 17-108)

From October 1, 2015 to May 31, 2020, allow:

- \$2,250 for all other AUs (ACIN No. I-74-15)

From June 1, 2020 to June 30, 2021, allow:

- \$15,000 for an AU with a member who is 60 years old or older, or disabled
- \$10,000 for all other AUs (ACL No. 19-67)

Effective January 1, 2021, and annually thereafter, the resource thresholds will increase by an amount equal to the increase in the California Necessities Index (CNI) for the most recent fiscal year. (ACL No. 19-67)

From July 1, 2021 to December 31, 2022, allow:

- \$15,317 for an AU with a member who is 60 years old or older, or disabled
- \$10,211 for all other AUs (ACL No. 21-56)

A subsequent increase to the maximum resource limit will become effective January 1, 2023, followed by an annual increase every January 1st thereafter, if there is an increase to the CNI. (ACL No. 21-56)

Effective January 1, 2023, allow:

- \$16,333 for an AU with at least one member who is 60 years old or older, or disabled
- \$10,888 for all other AUs (ACL No. 22-66)

Transfer of Property

A transfer of property means a change of ownership whereby a customer through such transfer has sold or transferred in whole or in part the resource that was available to them.

A customer must receive FMV for a property when the customer sells, exchanges, or changes the form of property holding. A transfer of resources at less than FMV will result in a POI.

Net Market Value (Real Property Only)

For determination of CalWORKs eligibility, a customer's net market value interest in real property is determined by subtracting any allowable encumbrance against it from its market value. The market

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value of real property will be based on the most recent appraisal of market value from the county assessor, recorder or tax collector.

Acceptable evidence of allowable encumbrances on real property will be the written document which supports it, including mortgages, notes, deeds of trust, payment receipts, loan payment books, delinquent tax liens, judgments items, mechanics liens, assessments, unpaid balance on property. If all other reasonable methods of verification are exhausted, a sworn statement may be obtained from all parties, under penalty of perjury, to the following: initial and maturity date, extent of encumbrances, and value received.

Members of the CalWORKs Family

For purposes of this chapter, the members of the CalWORKs family are the child and their natural or adoptive parents and, when seeking aid for themselves, their eligible stepparents and needy caretaker relative, provided they are not receiving Supplemental Security Income/State Supplement Program (SSI/SSP).

Liquid Sum

For purposes of this chapter, a liquidated sum is that amount of money that can be realized from the sale or disposition of real property.

Conversion of Property

For purposes of this chapter, conversion occurs when a customer changes an existing resource from one form to another.

Transfer of Resources – Period of Ineligibility (POI)

The POI is computed based on the amount that would have exceeded the property limit if the property had been transferred at its FMV. The POI is determined as follows:

Step	Action
1	Establish the FMV of the property transferred
2	Add other countable property
3	Subtract the amount of the property limit
4	Subtract the amount received for the property from the FMV amount determined in step 1 above
5	Compare the amount calculated in step 3 with the amount calculated in step 4 and determine the lesser of the two amounts
6	Divide the lesser of the two amounts in step 5 by the Minimum Basic Standard Adequate Care (MBSAC) for the AU
7	Round the resulting figure down to the nearest whole number to determine the number of months in the POI

Transfer of property rules do not apply to applicant families.

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Example:

While on aid, an AU of two persons inherits a parcel of real property with a FMV of \$10,000. The value of this inherited property, when added to other (\$1,500) countable property held by the AU, causes the AU to exceed the allowable property limit (\$10,888). The AU sells the parcel for \$8,000 which is less than its \$10,000 FMV.

\$10,000	FMV of the parcel of real property
+ 1,500	Property held by the AU
<u>\$11,500</u>	
-10,888	AU property limit
\$ 612	Amount in excess of property limit use to determine the POI

\$10,000	FMV of the parcel of real property
- 8,000	Amount received for the real property
<u>\$ 2,000</u>	Difference between the FMV and the amount received

\$612 is less than the \$2,000 difference between the FMV and the amount received for the transferred property.

\$612 divided by \$1,324 (MBSAC for AU of 2*) = 2.16 months.
POI = 2 months (rounded from 2.16 months).

* MBSAC amounts are subject to change.

Note: For restricted accounts POI see CPG 42-400.G.

Income

Nonrecurring lump-sum income/payment is treated as property and is subject to any application of POI rules for a transfer of property for less than FMV. Income is considered nonrecurring if all the following apply:

- The income is not interest income or contractual income which requires a specified treatment
- The income is for a period of more than one month
- The income is not from a source expected to occur regularly

Applying the POI

When a POI has been determined, the cash aid will be discontinued, and the POI will be established at the first month of the next Payment Period following the transfer and will continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the Payment Period is an overpayment.

When the transfer is discovered too late to discontinue for the first month of the Payment Period, the POI will begin the first of the month within that Payment Period after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current Payment Period is an overpayment.

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When the transfer is in the first or second month of aid, any resulting POI shall begin the first month of the next Payment Period and will continue for the determined number of months.

Special Property Considerations

- **Property in Another State:** Since the method for computing the assessed value of real property in other states may not be the same as that utilized in California, it is necessary to convert values arrived at by other states into figures that are comparable to the value. This is accomplished by application of the following conversion formula:
Assessed value of property in another state ÷ Assessment Value as rate of that state
- **Tax Exemptions:** Veterans (and in some cases their widows and parents) are allowed certain tax exemptions which are applied either to real or personal property. If the record used to determine the full value of the property shows only the amount of assessment upon which taxes are based, the amount of exemption would be determined and added to the taxable value to determine the full value.
- **Property Outside the United States:** If property is located outside the United States, the full value is determined based on the rate of exchange in American dollars, regardless of how other units of government determine the full value.
- **Ownership of Property in Militarily Occupied Areas:** Ownership and value of property located in countries actively at war or in conquered or occupied areas is considered to be in doubt and the facts as to the holdings usually cannot be ascertained. If it is impossible to obtain information on property located in such countries, it is the presumption that continued ownership is in doubt and that such property has no present value in determining eligibility.

Procedure:

None.

Impacts:

Refugee Cash Assistance (RCA) and Trafficking and Crime Victims Assistance Program (TCVAP)

Regulations relating to financial eligibility and payments apply to RCA/TCVAP unless specifically superseded by RCA/TCVAP regulations, which exempt specific income and resources from the income eligibility determination. These implementation instructions for the maximum resource limit increase also apply to RCA/TCVAP customers.

CalFresh Program

Refer to CalFresh Program Guide (CFPG) 63-200 and 63-1101.1 for CalFresh regulations related to resource evaluation.

Medi-Cal Program

Per Medi-Cal Program Guide (MPG) Articles 05.01 and 05.02, persons who are receiving CalWORKs are automatically entitled to Medi-Cal benefits. Therefore, these regulation changes do not impact CalWORKs Linked Medi-Cal.

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Forms Impacts

- M44-316C – No Change/Mid-Period Report of Property

This Notice of Action (NOA) has been revised to reflect the property value limits from \$10,211 and \$15,317 to \$10,888 and \$16,333, and it is to be used for both Semi-Annual Reporting (SAR) and Annual Reporting/Child Only (AR/CO) cases. It informs customers that information reported about property during the reporting period has resulted in no change to their benefit amount.

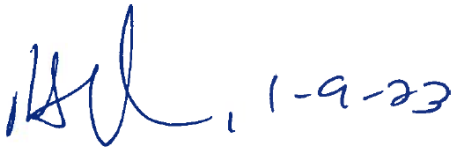
References:

- Eligibility and Assistance Standards (EAS) 42-203, 42-207.2, 42-221, 42-223
- All County Letters (ACL) No. 17-108, 19-67, 21-56, 22-66
- All County Information Letter (ACIN) No. I-41-21

Sunset Date:

This policy will be reviewed for continuance by January 31, 2026.

Approval for Release:



Rick Wanne, Director
Self-Sufficiency Services