

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

## Resources To Be Excluded In Evaluation Of Property

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42-200.D

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### **Revision Date:**

January 1, 2023

### **Background:**

State regulations allow certain resources owned by an Assistance Unit (AU) to be excluded from consideration when evaluating towards the AU's resource levels.

### **Purpose:**

This section addresses regulations on property to be excluded. The purpose of this material revision is to reformat this section and to combine CPG sections 42-200.I and 42-200.O into this section. There is no policy change. CPG 42-200.O becomes obsolete with the issuance of this material.

### **Policy:**

#### **Real Property to Be Excluded**

The following items are excluded in evaluating real property:

- Real property held in trust if the child or parent does not have control of the trust of which they are the beneficiary
- Property purchased with funds received under Title I or Title II of the Economic Opportunity Act when such funds were excluded from consideration as income or resources. This exclusion does not extend to income or profits from such property
- A Native American's interest in land held in trust by the United States Government
- The real property in which a customer has an ownership interest, and which is considered in a Supplemental Security Income/State Supplement Program (SSI/SSP) resource evaluation
  - The total value of property owned separately by the customer who is either the spouse or parent of the SSI/SSP recipient and resides in the same household
  - The total value of property owned jointly between the customer and the SSI/SSP spouse or child when they reside in the same household
- A maximum of one burial plot for each member of the AU. For purposes of this chapter, a burial plot is defined as a space, crypt or niche intended for the interment of the customer

#### **Separate and Community Share of Real Property**

- The separate and community share of real property of a parent who has surrendered full custody of their child pursuant to a court order
- The separate and community share of real property of a parent who has relinquished their child for adoption
- The separate and community share of real property of the father, if the father is not married to the mother and the parents are not maintaining a home together  
Exception: If the father has legitimized the child under Section 230 of the Civil Code, his property is included whether the parents are maintaining a home
- The separate and community share of real property of a stepparent
- The separate and community share of real property of the Absent Parent (AP) which is unavailable to the CalWORKs family or child (that is, the family or child does not have possession or control of the property so that the property may be used to meet current needs). This unavailable property is to be excluded when the child is living apart from their parent or parents. The exclusion applies to a child in foster care regardless of whether their parents are maintaining a home together

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An availability determination of the separate community shares of real property of an AP must be made as part of the initial eligibility determination. After the initial eligibility determination, another availability determination is not required unless information is received that there has been a change.

Income Producing Resources

Resources which annually produce income consistent with the resource fair market value (rental homes and vacation homes) are excluded property.

Resources Essential for Employment

Resources which are essential to the employment or self-employment of a member of the AU are excluded. This includes work-related equipment such as tools, and resources of a business that are identifiable.

Installment Contracts

Installment contracts, for the sale of land or buildings, are exempt if the contract or agreement is producing income consistent with its fair market value. If the payments are for interest only, the rate of return must be a minimum of 7% or commensurate with prevailing interest rates at the time the contract was signed.

Inaccessible Resources

Resources which have a cash value that is not accessible include:

- Security deposits on rental property or utilities
- Property in probate
- Real property which the AU is making a good faith effort to sell
- Property other than financial instruments (stocks, bonds, promissory notes, etc.) or vehicles which if sold would be unlikely to produce any significant amount of funds (one half of the resource limit for the AU)
- Irrevocable trust funds (It is County policy that at least one inquiry/communication be made with the trustee and recorded in the case file to determine the accessibility of the funds)

Resources of Students or Self-Employed

Resources of students or self-employed persons, which have been prorated as income, are exempt. When commingled in an account with nonexempt funds, these resources remain exempt only for the period of time over which they were prorated as income.

Earned Income Tax Credits (EITC)

Effective December 17, 2010, EITC payments will be excluded as income, and excluded as resources for 12 calendar months from the date of receipt.

Making Work Pay Credit (MWPC)

Effective December 17, 2010, MWPC payments will be excluded as income and resources for 12 calendar months.

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### Income Tax Refund Payments

Effective December 17, 2010, federal income tax refund payments will be excluded as income and excluded as resources for 12 calendar months from the date of receipt.

### Resources of Applicants in Battered Women Shelters

At the time of application, any resources of women, alone or with children, who are temporarily residing in a shelter for battered women and children are inaccessible if all the following apply:

- The resources are jointly owned
- Access to the resources requires the consent of both persons

### Non-Liquid Resources

Non-liquid assets against which a lien has been placed as a result of taking out a business loan and the AU is prohibited by the security or lien agreement from selling the assets are excluded.

### Restricted Accounts

Restricted accounts are excluded for CalWORKs recipients. Refer to CPG 42-200.G.

### Retirement Savings and Pension Plans

The following types of retirement savings and pension plans are excluded from consideration as resources:

- 401(a)
- 403(a)
- 408
- 457
- 501(c)(18)
- Individual Retirement Accounts (IRAs)
- 401(k)
- 403(b)
- 408(a)
- 457(b)
- 529
- Coverdell Educational Savings Accounts (ESAs)

### California Achieving a Better Life Experience (ABLE) Accounts

The ABLE (or CalABLE in California) accounts are to help individuals with disabilities maintain or improve their health, independence and quality of life. The purpose of ABLE accounts is to allow disabled individuals to save and invest money for disability related expenses, called Qualified Disability Expenses (QDE).

- Money in the ABLE account is excluded as income and resource
- ABLE accounts must not exceed \$100,000
- Withdrawals used toward QDE do not count as income
- Family and friends can contribute to the ABLE account
- The maximum contribution made by family members, friends, or the beneficiary themselves, is \$14,000 per calendar year

To open an ABLE account, the individual must meet any of the following conditions:

- Eligible for, or currently receiving SSI/SSP or Social Security Disability Insurance (SSDI) benefits as a result of their disability and the disability occurred before age 26

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- Able to provide a “disability certification” of the individual’s disability, which occurred before age 26, by the individual or their parent or guardian, along with a copy of a physician’s diagnosis when opening an ABLE account

QDE’s are not limited to medical expenses, but may also include basic living costs such as:

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology and personal support services
- Health
- Financial management and administrative services
- Legal services
- Funeral and burial expenses
- Other expenses

Refer to CPG 44-100.G for treatment of income deposited into ABLE accounts.

Excluded Resources of Native Americans or Alaska Natives and Resources Excluded by Law

The following resources of Native Americans or Alaska Natives are excluded:

- Indian lands held jointly with the tribe
- Land that can be sold only with the approval of the Department of Interior’s Bureau of Indian Affairs

Funds, assets or payments are excluded as resources if specifically excluded by any other federal law.

For a complete list of excluded resources of Native Americans or Alaska Natives, refer to CalFresh Program Guide (CFPG) 63-205.

Federal Law

Resources are excluded, if specifically excluded by other federal law, including but not limited to the following:

- Benefits received by children for various supplemental food programs
- Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act
- Earned Income Tax Credits received before January 1, 1980

For a complete list of excluded resources by Federal Law, refer to CFPG 63-204.

Procedure:

None

Impacts:

Refer to CFPG 63-200 for CalFresh regulations related to resource evaluation.

References:

- Welfare & Institution Code (W&IC) Section 11155
- Eligibility and Assistance Standards (EAS) 42-213, 42-221, 42-223
- Manual of Policy and Procedures (MPP) 63-501.3, 63-507
- All County Letters (ACL) No. 17-61

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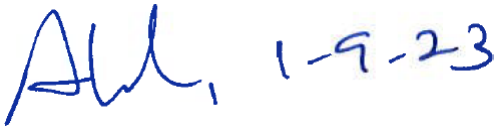
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- All County Information Letters (ACIN) No. I-28-09, I-58-15

**Sunset Date:**

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

**Approval for Release:**



Rick Wanne, Director  
Self-Sufficiency Services