

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

**Income Eligibility**

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**44-100.K**

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**Revision Date:**

August 1, 2022

**Background:**

A family who applies for CalWORKs will not be eligible for cash aid unless the family's income, exclusive of the Applicant Earned Income Disregard (EID) for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC) for the family.

**Purpose:**

The purpose of this revision is to incorporate the increase to the Applicant EID amount from \$90 to \$450. The section is also being revised to reformat the section and remove the financial eligibility test determination examples from this section and incorporate them into a processing guide.

**Policy:**

**Determining Financial Eligibility**

Financial eligibility (Applicant Income Test and Recipient Income Test) is determined on the basis of:

- Actual non-exempt income
- A reasonable estimate of non-exempt income expected to be received during the month

This estimate must be based on all relevant information available to the Human Services Specialist (HSS) and the customer. It is critical that the HSS makes every effort to obtain all necessary verifications and thoroughly document the reason for their determination of all reasonably anticipated income as part of the application approval or denial process.

Once financial eligibility is established for the Semi-Annual Report (SAR) – Annual Reporting/Child Only (AR/CO) Payment Period, financial eligibility continues for the Assistance Unit (AU) for the entire SAR – AR/CO Payment Period unless the family's income exceeds the Income Reporting Threshold (IRT) Tier 2 for the AU for more than one consecutive month.

**MBSAC**

The MBSAC is the amount of money which is considered necessary to provide a family with the following:

- Housing
- Clothing
- Food
- Utilities
- Items for household operation, education and incidentals, recreation, personal needs, and insurance
- Essential medical, dental, or other remedial care not otherwise provided at public expense

The MBSAC for the family applies when determining financial eligibility for applicants, the value of in-kind income for the AU, the amount of income from a sponsor available to a sponsored non-citizen, the period of ineligibility for non-qualifying withdrawals from restricted accounts and the transfer of assets. The MBSAC amounts are subject to a yearly cost-of-living adjustment each July 1. Refer to the

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CalWORKs Assistance Standards Chart, under CalWORKs Program Guide (CPG) 45-200 Resources and Desk Aids, for current values.

Applicant Income Test

The following financial eligibility test will be applied to applicant cases:

An applicant family's gross non-exempt income, excluding the Applicant EID for each employed person, cannot exceed the MBSAC for the family.

The Applicant EID amount for each employed person is as follows:

- Up to June 30, 2022, allow \$90
- Effective July 1, 2022, allow \$450

Gross income includes:

- Total gross earnings from employment
- Disability Based Income (DBI)
- Net earnings from self-employment income – Allow the actual business deductions or the 40% disregard
- Child Support whether received directly by the customer or collected by the county (less the Child Support Disregard)
- Unearned Income
- Any other non-exempt income of persons in the family whose income must be counted towards the AU

If the family is not financially eligible for the first (application) month, but is determined to be financially eligible within 60 days of the application date, another applicant test using the second month's reasonably anticipated income will be completed. If eligible, aid would be approved effective the first of the second month.

Exception to Applicant Income Test

The Applicant Income Test and the 100 Hour Work Rule will not be applied to a customer who leaves aid due to expanded subsidized employment income, as described in CPG 10-150.A, and applies for CalWORKs during the three-calendar month period after the subsidized employment ends. Only the Recipient Income Test will be used for these customers.

Example: The customer was discontinued earlier in the year due to increased earnings received from their expanded subsidized employment. The subsidized employment ended on April 18 and the customer re-applies for CalWORKs on June 8. The three-month period for the customer to reapply and be treated as a recipient is from April 18 (last date of employment) to July 18. Because June 8, is within the three-month period, the customer must be treated as a recipient and allowed the current Recipient EID and 50% deduction. Because they are considered a recipient, the 100-hour work rule does not apply.

However, if a customer re-applies for CalWORKs after this three-month period has passed, they will be considered an applicant for the purpose of determining CalWORKs financial eligibility.

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### Recipient Income Test

An applicant family who meets the applicant net income test and is otherwise eligible for CalWORKs is subject to the Recipient Income Test prior to the authorization of aid. The AU is financially eligible for any month when on the first of the month the combined actual or estimated Net Non-exempt Income (NNI) plus all other countable income is less than the Maximum Aid Payment (MAP) for the AU plus the value of any special need. The Recipient Income Test will be applied to both applicant and recipient cases.

The AU is financially eligible as follows:

- An applicant AU is financially eligible for the SAR – AR/CO Payment Period if the family's combined reasonably anticipated monthly NNI for the SAR – AR/CO Payment Period, after the income and needs of the family are considered, is less than the MAP for the AU
- A recipient AU will remain financially eligible during the SAR or AR/CO Payment Period if the family's combined monthly gross income does not exceed the AU's Tier 2 Income Reporting Threshold (IRT) for more than one month of the SAR or AR/CO Payment Period

If the AU has income that has been previously used to determine eligibility and benefit amount, but expects the amount of income to change in the next SAR/AR/CO Payment Period, the HSS must attempt to find out the amount of income the AU expects to receive.

### Net Non-exempt Income

NNI is gross income for the AU and other family members (if applicable), minus all applicable income exemptions (CPG 44-100.F) and income disregards (CPG 44-100.I).

If CalWORKs is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the SAR or AR/CO Payment Period and the AU reports that the monthly reasonably anticipated income will no longer exceed the Tier 2 IRT for the AU prior to the effective date of the discontinuance, the county will rescind the discontinuance if the county determines the updated report is a reasonable estimate.

### Adding Persons to the Assistance Unit

When adding a new person to an existing AU, the AU is subject to the Recipient Income Test only, for determining financial eligibility of the reconfigured AU, not the Applicant Income Test.

If the new person has income that when included, would result in the AU being financially ineligible to cash aid, no action will be taken to change the AU's benefits in the current payment period.

### Procedure:

- Processing Guide 44-100.I1 Computation of Net Non-Exempt Income
- Processing Guide 44-100.K1 Examples of Financial Eligibility Test

### References:

- Eligibility and Assistance Standards (EAS) 44-207.11, 44-111.470
- All County Letters (ACLs) No. 20-115, 21-130

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**Sunset Date:**

This policy will be reviewed for continuance by August 31, 2025.

**Approval for Release:**

 , 8-8-22

Rick Wanne, Director  
Self-Sufficiency Services