TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS

FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA

RE: FOOD STAMP WAIVERS

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OPA/DIVISION OF PROGRAM POLICY AND
REGULATION

BACKGROUND

As part of the Family Investment Program (FIP) food stamp waivers were requested from the Food and Consumer Service. The purpose of the waivers was to simplify policy and to make it consistent with Temporary Cash Assistance. The food stamp waivers are approved statewide for both public assistance and non-public assistance food stamp cases through June 30, 1997. No control cases will be selected.

Much of the policy implemented due to waivers was included in the FIP action transmittals. They will be referenced in this review of the waiver provisions.

CALCULATION OF INCOME

Effective October 1, 1996, for all TCA and food stamp cases, a 4 week month is used as a conversion factor in determining monthly income. All earned income is based on a four week month.

Unearned income received more often than monthly is also converted to a monthly amount using a 4 week month. When unearned income is received monthly the actual amount received is used in the calculation of eligibility and benefit level.
Example #1: Mr. Smith applies for himself and his wife. He has weekly earned income of $100 and his wife receives SSA of $450. The gross monthly income is $400 from earnings and $450 from SSA totalling $850.

Reminder: When determining eligibility and the monthly allotment, anticipate income received during the month of application and income reasonably expected to be received during the remainder of the certification period. For payment accuracy, document the case record carefully when a pay stub is not included in the calculation because it is not a good indicator of anticipated income.

Example #2: Ms. Jones applies for herself and her three children on January 3. She has bi-weekly earnings and provides her three most recent pay stubs. The children receive $146 each in Social Security Survivor's benefits from their father's account. December 3, she earned $220.40, on December 17, she earned $225.00 and on December 31, she earned only $100. When questioned about the decrease, she stated that the plant had shut down for several days. The customer anticipated receiving at least $200 each pay in the future. The December 3 and 17 pay stubs are used in the calculation of income.

Earnings used in the calculation are $225 + $220 = $445 ÷ 2 = 222.50 (drop cents) x 2 = $444. Unearned income is $146 x 3 = $438. Total gross income is $882. The case manager must document/narrate why the December 31 pay stub was not used in the calculation of income.

* CARES computes earned income according to the new conversion factor.

* For unearned income, calculate the monthly amount off-line and enter the amount as "AC" on the UNC screen.

* Action Transmittal IMA/OPA 97-12 Attachment A contains detailed information about how CARES and AIMS are coded and how to calculate earnings received hourly, daily, weekly, bi-weekly, monthly/semimonthly and annually.

**CALCULATION OF DEDUCTIONS**

A four week month will be used to calculate deductions paid more often than monthly. Further information is included in IMA/OPA 97-12.

Example #1: Mr. Brown has the following expenses:

Rent - $100 per week
Gas and Electric which does not include heat - $45 per month
Child support for child in another household - $50 biweekly
Calculate the monthly deductions off-line and enter the amount as "AC" on the applicable screen.

The allowable deductions are:
Rent - $400
Limited Utility Allowance - $110
Child support - $100

**SELF-EMPLOYMENT INCOME DEDUCTION**

A 50% exclusion to gross self-employment income will be allowed instead of cost-to-produce and 20% earned income deduction.

Example #1: Mr. Jones is self-employed as a painter. He brings in his receipts to show the amount he received for each job for the past three months as well as the amounts he paid for supplies (cost-to-produce). This was a new business, so no income tax forms were available. In June he was paid a total of $650 for three jobs, in July $500 for 2 jobs, and in August $700 for 4 jobs. Calculate a monthly amount based on a 4 week month. This can be done as follows:

June  $650
July  500
Aug.  700

\[
\frac{1850}{3} \times 4.3 = 616 \times 4 = 572
\]

The income deduction is $286 ($572 x 50%).

The monthly amount can also be determined by calculating the monthly amount for each month and taking an average of the monthly amounts. Further information is found in IMA/OPA 97-12.

**NOTE:** In CARES, do not enter the cost-to-produce on the ERN2 screen in the WK EXP field. If properly coded on the ERN1 as self-employment income, the system will make the calculation. In AIMS, when the self-employment income is coded P32 the 50% disregard will be applied. Do not enter work expenses as a deduction.

**CHILD CARE DEDUCTION**

The allowable child care deduction for out-of-pocket expenses is up to $200 per month for each child when employment is full time and up to $100 per month for part-time employment. To be considered full time employed, the customer must be working 100 hours or more per month or 25 hours or more per week.

Example #1: Mr. Smith works 35 hours per week. He pays $100 a week for child care for his three children. He is entitled to a $400 child care deduction.
Example #2: Ms. Jones works 20 hours per week and pays $125 for child care for one child. Her child care deduction cannot exceed $100.

The change in calculating child care was not done as a mass change for October and must be adjusted at recertification.

AIMS

Use current procedures for entering child care up to the allowable amount.

CARES

CARES has not been programmed with the new policy for food stamps. On the CARE screen for each child, enter a "Y" to indicate the child is under 2, if the household is entitled to a child care deduction over $175 for that child. If the household is only entitled to a $100 child care deduction, do not enter an amount which exceeds $100.

RESOURCE LIMITS

A maximum of $2,000 of a dependent child's earnings which is held in a separate bank account is excluded as a resource. The child must be a dependent under age 18 or a child included in a TCA grant.

AIMS

Do not enter the assets of a dependent child which are excluded.

CARES

Enter the excluded asset on the child's AST1 screen as "IA" - inaccessible asset. Action Transmittal IMA/OPA 97-45 contains more detailed information.

DEPENDENT CHILDREN'S EARNINGS

The earnings of children included in a TCA grant are excluded as income in the calculation of food stamps as long as the child has not been sanctioned for non-compliance with a TCA requirement. For all other food stamp cases, the earnings are excluded only for an elementary or high school student under age 18.

See Action Transmittal IMA/OPA 97-32 for systems procedures.
NOTICE OF ADVERSE ACTION

The time period for the adverse action period has been reduced from 10 days to 5 working days to match the TCA adverse action period.

CARES is not programmed with this shorter time frame for food stamps. If necessary, on the FSFI screen enter a "Y" in the Waive Adverse Action field so the case will close within the new 5 working day adverse action period.

TREATMENT OF MOTOR VEHICLE

The waiver to exclude one vehicle per household was not approved as requested. The waiver was approved for TCA households only. Action Transmittal IMA/OPA 97-38 issued October 1, 1996, included this information.

INQUIRIES

Please direct questions to Kay Finegan at (410) 767-7939.

cc: FIA Management Staff
    Constituent Services