



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Family Investment Administration  
**ACTION TRANSMITTAL**

Control Number: #04-28

Effective Date: April 1, 2004

Issuance Date: March 10, 2004

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

**FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR**

**RE: FAILURE TO COMPLY WITH TEMPORARY CASH ASSISTANCE OR  
UNEMPLOYMENT INSURANCE WORK REQUIREMENTS**

**PROGRAM AFFECTED: FOOD STAMP PROGRAM**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

**SUMMARY:**

Currently, when a Temporary Cash Assistance (TCA) customer fails to comply with a work requirement that is comparable to a food stamp work requirement, the customer is considered to have failed to comply with food stamp work requirements. This has been expanded. Under the new policy the TCA work component does not have to be comparable to a food stamp work requirement to cause a disqualification. Additionally, the rule now applies to an individual's failure to comply with an unemployment insurance work requirement.

**ACTION REQUIRED:**

***General Policy***

- Applicants or recipients are exempt from food stamp work registration requirements when they are subject to TCA work requirements or are receiving unemployment insurance (UI) benefits. When an individual fails to comply with the work requirements of these programs, the local department must treat the household member as if he or she failed to comply with food stamp work requirements.
- The rule does not apply if the non-complying customer meets a food stamp work registration exemption (see Food Stamp Manual Section 130.5), other than the exemptions for complying with TCA or UI work requirements.

**Note:** Even if the penalty for not complying with a TCA work requirement closes the TCA case, only the member who is not complying is removed from the food stamp case.

## ***Steps to Applying the Policy***

- When the case manager learns about the loss or denial of UI, or a TCA denial, reduction or termination, the case manager must take the following steps:

**Step 1** – Determine if the non-complying member was exempt from food stamp work requirements solely due to receipt of unemployment benefits or TCA. If this is the case, go to Step 2. **If the member is exempt from food stamp work registration requirements for another reason, take no action.**

Example: Mrs. A failed to comply with a TCA work requirement and her TCA case was closed. She has a 3-year old child. Mrs. A is not disqualified. She is exempt from food stamp work registration requirements because she is responsible for the care of a dependent child under age 6.

**Reminder:** Even though Ms. A is not disqualified from the food stamp case, she is subject to phantom income rules. The case manager would continue to count TCA income for the food stamp case.

**Step 2** – If the customer was exempt from food stamp work requirements solely due to receipt of UI or TCA, determine if he or she has good cause for failure to comply. (See Food Stamp Manual Section 130.13 for good cause reasons) **If the customer had good cause for failure to comply, take no action.**

**Step 3** – If the customer did not have good cause, he or she is removed from the food stamp household.

Example: Mr. B is applying for food stamps. He lost his job and was getting UI. He failed to make the required job contacts so his UI ended. He has no other work registration exemption. He could not demonstrate good cause for failure to comply with UI work requirements. The case manager denies the food stamp case because Mr. B is the only person in the household.

## ***Ending a Disqualification***

- A disqualified person can resume participation during the disqualification period if he or she becomes exempt from food stamp work registration requirements.

Example: Ms. C receives food stamps for herself and her 14-year old child. Ms. C's UI was terminated because she did not complete her work contacts. The case manager removes Ms. C from the food stamp case effective November. In January, she reports that she broke her leg. She is exempt from food stamp work requirements because of her temporary disability. Her case manager adds her to the case.

**Note:** Do not use phantom income when a customer's UI is terminated for failure to comply with UI work requirements. Unemployment insurance is not a means-tested public benefit.

- A disqualification for failure to comply with TCA or UI work requirements will end before the end of mandatory food stamp disqualification period if the customer complies with the TCA or UI requirement. The customer has regained the work registration exemption.

Example: Ms. D received TCA for herself and child. She failed to comply with her TCA work requirement. This was her first instance of failure to comply with the TCA work requirements. Her TCA case was closed effective November 1. She is removed from the food stamp household and TCA phantom income is included in the benefit calculation. In December, Ms. D complies with the TCA work requirement. The case manager opens the TCA case, adds her to the food stamp case and removes the phantom income.

- At the end of the disqualification period, the customer may resume participation if the person reapplies and is determined to be in compliance with work requirements.

### **POLICY REMINDERS:**

#### ***Statutory Exemptions to Work Registration***

The following persons do not have to be work registered:

- A child younger than age 16. Individuals age 16 and 17 are exempt if they are not the head of household or if they are attending school or are enrolled in an employment training program at least half-time.
- A person 60 years of age or older.
- A person physically or mentally unfit for employment
- A household member subject to, and complying with, any work requirement under Title IV of the Social Security Act. This includes compliance with Temporary Cash Assistance work requirements.
- A parent or other household member who is responsible for the care of a dependent child under age 6 or an incapacitated individual.
- A person who is receiving unemployment compensation.
- A regular participant in a drug addiction or alcoholic treatment program.

- A person who is employed or self-employed and working a minimum of 30 hours weekly or receiving weekly earnings at least equal to the federal minimum wage multiplied by 30 hours.
- A student enrolled at least half time with any recognized school, training program, or institution of higher education.

### ***Length of Sanction for Failure to Comply with Work Requirements***

An individual who fails to comply with work requirements is ineligible for the following periods of time:

- First violation - one month or the date of compliance, whichever is later.
- Second violation - three months or the date of compliance, whichever is later.
- Third or subsequent violation - six months or the date of compliance, whichever is later.

### ***Treatment of Income, Resources and Deductions***

- During the period the member is ineligible, determine the eligibility and benefit level for any remaining household members as follows:
  - ✓ Resources – Consider as available to household the total value of the resources of the ineligible member.
  - ✓ Income – Count the income of the ineligible member in its entirety.
  - ✓ Deductions – The entire household’s allowable earned income deduction, standard deduction, medical deduction, dependent care deduction, child support deduction and excess shelter deduction continue to apply to the remaining household members.

### **CARES:**

To issue the correct Food Stamp benefit to a household or individual that is sanctioned for failure to comply with TCA work requirements, the following procedure must be used to issue correct FS benefits:

- On the **UINC** screen for the head of household, enter the TCA benefit amount as “phantom” income using code “**OF**” (Other unearned income, FS countable only).
- This will maintain the FS allotment at the level prior to the sanction.

If an individual or household fails to meet Food Stamp only work requirements enter the following codes in the AU or individual status reason fields:

- **501 – Failed to Comply with Jobs Program – First Time**
- **502 – Failed to Comply with Jobs Program – Second Time**
- **503 – Failed to Comply with Jobs Program – Third Time**

**MABS:**

If a person has a UI disqualification “07” will appear in the “Pay Type” field on the Z03 screen. The H07 screen provides a detailed statement as to the nature of the disqualification.

**ACTION DUE:**

This policy is effective with new applications and recertifications taken on or after April 1, 2004.

**INQUIRIES:**

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

cc: FIA Management Staff  
Constituent Services  
DHR Help Desk