



Department of Human Resources
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FIA ACTION TRANSMITTAL

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

**FROM: *A Cook for K. Mahon*
KEVIN MAHON, EXECUTIVE DIRECTOR, FIA**

RE: STEPPARENT ASSISTANCE UNDER FIP

PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA)

**ORIGINATING OFFICE: OPA/ DIVISION OF PROGRAM POLICY AND
REGULATION**

Background Information:

Under current AFDC regulations, there are 3 instances where a stepparent may be included in the assistance unit and receive a portion of the benefit:

1. The stepparent is a natural parent to one or more eligible children.
2. The stepparent provides child care while the other parent is full time employed, attends high school, or attends training full time.
3. The stepparent provides child care for the other parent enabling the other parent to participate in an AFDC work program (two month maximum period).

In all other instances the stepparent is not in the unit and any income of the stepparent may have is deemed to the unit.

Action To Be Taken: Effective October 1, 1996 for all treatment/experimental cases, calculate stepparent income as described in this document. The 50% of poverty level chart is attached. Control cases follow current regulations. Contact Sue Woolford at (410) 767-7190 with questions.

cc: FIA Management Staff Constituent Services Attachment

STEPARENT RULES UNDER FIP

New Regulations for Experimental/Treatment Group:

The stepparent is a member of the unit only when there are one or more natural/adopted children of the stepparent in the assistance unit. In all other instances, any income the stepparent has is tested against 50% of the poverty level for a household size which includes the stepparent, the assistance unit, and any other dependents of the stepparent who are not in the assistance unit. When the stepparent income is below 50% of the poverty level, the income is disregarded. When the stepparent income is equal to or above 50% of the poverty level, the income is counted to the unit after allowable deductions are given. The allowable deductions are:

1. 20% of regular earned or 50% of self-employed earned income deduction.
2. Child support and alimony paid to someone outside of the household up to an amount equal to the court order or the gross income, whichever is less.
3. Child care paid to someone outside of the household up to a maximum of \$200 per child if full time employed and \$100 per child if employed less than 100 hours per month.
4. The amount of the payment standard needed by the stepparent and his dependents in the home who are not in the assistance unit.

The remaining amount is income to the unit.

Example:

A mother and her two children from a previous marriage are in receipt of TCA in the amount of \$373. Mr. Smith becomes the children's stepparent and moves into the home. He is employed and grosses \$700 monthly. The poverty level for a household of 4 (Mrs. Smith, 2 children, and the stepparent) is \$1,300. Fifty percent of poverty is \$650. The income is above 50% of poverty. The calculation is:

\$700	Gross income		
<u>x.20</u>			
140	Regular earnings deduction		
\$700		\$560	
<u>-140</u>		<u>-165</u>	Payment standard for one
\$560		\$395	
\$373	Payment standard for 3		
<u>-395</u>	Net income		
\$ 00	Benefit amount for Mrs. Smith and her two children.		

If Mr. Smith paid \$200 child support to someone outside of the unit the calculation is:

\$700	Gross income	\$373	Payment standard for 3
<u>-140</u>	20% of gross	<u>-195</u>	Net income
\$560		\$178	Benefit for 3 person AU - Mrs. Smith and the two children
<u>-200</u>	Child support paid		
\$360			
<u>-165</u>	Payment standard for one		
\$195			

Example:

A mother and her son receive TCA in the amount of \$292 monthly. She married Mr. Jones who also brings his son into the household. Mr. Jones grosses \$700 monthly and pays child support to another child who lives with her grandmother. Mr. Jones has the option of including himself and his son in the unit since he has a dependent child. It is to the advantage of the household for Mr. Jones and his child to remain out of the unit. The poverty level for 4 is \$1,300. Fifty percent of poverty is \$650. The calculation is:

\$700	Gross income	\$450	Payment standard for 4
<u>-140</u>	20% deduction	<u>-360</u>	Net income
\$560		\$90	Benefit amount for a unit of 4 persons
<u>-200</u>	Child support		
\$360	Net income		

\$700		\$292	Payment standard for Mrs. Jones and child
<u>-140</u>	20% deduction	<u>-68</u>	Net income
\$560		\$224	Benefit for Mrs. Jones and child
<u>-200</u>	Child support		
\$360			
<u>-292</u>	Payment standard for Mr. Jones and son		
\$68			

It is to the advantage of the unit to keep Mr. Jones and his child separate from the original assistance unit.

Example:

Mrs. Jones has a child, her husband has a child, and there is a child in common. This common child pulls the assistance unit together. Mr. Jones' income is counted as a resource to a unit of 5 after allowable disregards have been given.

AIMS

The amount of stepparent income to be counted will be determined offline by the worker and entered on the AIMS 2.

CARES

During the screening process, the stepparent should be included as part of the household.

When in the interview mode, the worker must correctly set up the household composition on the STAT screen, with a Financial Responsibility code of 'ST' for the stepparent if they are to be excluded from the assistance unit (AU) or a Financial Responsibility code of 'PN' if they are included. CARES will determine the correct way to calculate the stepparents income based on these values.

For CARES to accurately determine the portion of a stepparents income to count, applicable deductions must be listed in the correct fields. They are:

Stepparent outside of the TCA unit

DEEM Screen - Enter the amount of court ordered child support and alimony payments that are made outside of the unit.

Indicate the number of IRS dependents.

CARE Screen - Enter the amount of child care paid for dependents on the stepparents CARE screen.

Stepparent inside the TCA unit

CARE Screen-- Enter the amount of child care paid for dependents on the stepparents CARE screen.

SHEL Screen - Enter the amount of child support paid outside of the assistance unit on the stepparents SHEL screen.

The 50% of poverty level chart is attached.