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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**

Charles E. Henry for

FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA

**RE: WORK REQUIREMENTS FOR ABLE-BODIED ADULTS WITHOUT
DEPENDENTS**

PROGRAM AFFECTED: FOOD STAMP PROGRAM

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

BACKGROUND

A food stamp provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, imposes a strict work requirement on any able-bodied adult without dependents (ABAWD).

CURRENT POLICY

No current policy places a limitation on the number of months an individual is eligible for food stamps based on criteria such as age or ability to work.

NEW POLICY

- Able-bodied recipients age 18-50 with no dependent children are ineligible for food stamps unless they meet a new work requirement. These individuals can receive food stamp benefits for only three months (consecutive or otherwise) in every 36 month period unless they:
 - ▶ work at least 20 hours per week (averaged monthly), or
 - ▶ participate in and comply with a Job Training and Partnership Act program, Trade Adjustment Assistance Act program, or Employment and Training program (other than job search or job search training program) for 20 hours per week.

- An individual is **exempt** from this requirement if :
 - ▶ under 18 or over 50 years of age
 - ▶ physically or mentally unfit for employment (must be verified)
 - ▶ responsible for a dependent child. A dependent child is an individual who is under age 18, or is age 18 or 19 and included in a TCA grant as a child.
 - ▶ pregnant
 - ▶ otherwise exempt from food stamp **statutory** work requirements (the categorical and individual exemptions do not apply) as follows:
 - A person younger than age 16 or older than age 60
 - A person physically or mentally unfit for employment
 - A household member subject to and complying with Temporary Cash Assistance work activities
 - A caretaker who is responsible for the care of a child under age one or an incapacitated individual
 - A person who is in receipt of unemployment compensation
 - A regular participant in a drug or alcoholic treatment program
 - A person who is employed or self-employed and working a minimum of 30 hours per week or at least the federal minimum wage multiplied by 30
 - A student enrolled at least half time in a recognized school, training program, or institution of higher education

- Anyone denied eligibility under this new work rule can regain eligibility, if during a 30-day period the individual:
 - ▶ works 80 hours or more, or
 - ▶ participates and complies with a qualifying work program for 80 or more hours

- If the employment or participation in a work program ends, participation can continue for up to 3 **consecutive** months beginning from the date the local department is notified of the change. At the end of the second 3-months of eligibility, the only cure during the 36-

month period will be to comply with the work requirement or to become exempt.

- Food stamps received do not count toward the 3-month limit if:
 - ▶ the individual is exempt from this requirement
 - ▶ the individual lives in an area which has been given a waiver due to a high unemployment rate. (The remote exemption does not meet the criteria for this exemption)
 - ▶ the individual is receiving the second three months of benefits after regaining eligibility because employment or participation in a work program ended
- On October 4, 1996, customers were informed of the change in policy effective November 1, 1996.
- The 36-month count began November 1, 1996, for individuals who were participating in the Food Stamp Program on that date.

Example: Ms. Williams and her children have been food stamp participants since July 1995. In April, 1999, the children left the home and she is now subject to the ABAWD provision. The 36-month count started with the recipient notification effective 11/1/96. Ms. Williams is entitled to April, May, and June food stamps benefits. In July 1999, she gets a job and regains eligibility after working 80 hours and loses the job. She regains eligibility for the second three month period and receives August, September and October 1999 benefits. Since the fixed 36-month period began November 1996, after 11/99 another 36-month period begins and she will be eligible for another "first" three months.

- The 36-month count for individuals who were not receiving food stamps as of November 1, 1996, will begin upon eligibility for food stamps after the November 1 implementation date.

Example: Mr. Jones applies for benefits in October 1997. The 36-month count begins October 1997. He meets the ABAWD criteria and is entitled to benefits for the months of October, November and December.

- The resources and income of someone ineligible because of the ABAWD rule are counted in their entirety if the individual must be included in the household because of food stamp rules (i.e. spouses, parents and children under 22, persons who purchase and prepare meals together).

EXAMPLES

Example #1: On July 3, 1997, Mr. and Mrs. Johnson apply for food stamps. Mrs. Johnson is disabled. Mr. Johnson previously received food stamps in January, February and March. His 36-

month count started January, his first month of eligibility. He did not work while he received food stamps and did not have an exemption. At the July reapplication he reported a job working 10 hours per week earning \$55. All of Mr. Johnson's \$220 earned income, less the 20% earned income deduction, is used to calculate the benefit level for Mrs. Johnson's one-person household.

Example #2: Mr. Smith is age 30. He lives alone and is not disabled. He applied for food stamps on December 2, 1996, because he lost his job, and was certified. The 36-month count begins December. In February 1997, it is determined that he has not gone back to work and he is not in a work program. The case is terminated for March. In April 1997, Mr. Smith found a full time job and worked for 6 months before he was laid off. In October he reapplied for food stamps. He is eligible for another 3 months of food stamp benefits. In January he is again ineligible. He is not eligible during the 36-month period unless he is working at least 20 hours per week or is participating in a work program, or he becomes exempt from the ABAWD provision.

Example #3: Ms. Jones is age 20 and was laid off from her job. She is able-bodied with no dependent children. She applies for food stamps on January 6, 1997, and is certified. On February 25 she reports she is working 35 hours per week. Since income is over scale the case is terminated effective April 1. On May 5, she reapplies because she was injured on the job. The disability is medically verified. She is exempt from the ABAWD requirement for as long as she is disabled.

Example #4: Mr. Brown is age 25. He was certified as a one-person household October 3, 1996, for six months. In February he is interviewed for his recertification. Because he has received food stamps for more than 3 months in the period which began when customers were notified, the case is terminated. (No overissuance is owed because the ABAWD provision was applied at the first recertification after implementation of the new rule). In March he moves in with Ms. Smith, his girl friend, and their 3 year-old child. Ms. Smith is employed and only wants food stamps. Mr. Brown can be included in the household with his girl friend and child because he now has responsibility for a child.

NOTE: Both parents can be exempt from the ABAWD rule because of responsibility for a dependent child.

The Food Stamp Act as amended by PRWORA permits the State to waive the ABAWD requirement for any group of individuals if it is determined the area in which they reside has an unemployment rate of over 10% or does not have enough jobs to provide employment. Some areas of Maryland may be exempt from the ABAWD work requirement. Further information will be sent out when this is determined.

The food stamp provisions of PRWORA are being implemented without regulations. The Food and Consumer Service recognizes that this is very confusing and difficult policy to apply. Many questions from states have been sent to the regional and national offices. As answers are forwarded to us, we will send further clarification to local departments.

Manual pages will be distributed as quickly as possible after further clarification from the Food and Consumer Service is received.

ACTION REQUIRED

- **A one-person household with an individual subject to ABAWD policy may be certified for 3 months. However, in CARES it may miss the redet cycle and continue beyond the end of the certification period. Establish a 745 alert to ensure the case is closed at the end of the certification period.**
- **Certify other households for a normal certification period and establish a 745 alert to remove the individual at the appropriate time.**

AIMS

The decision of who to include in the household is made by the case manager. The countable income is entered on the AIMS 3.

CARES

CARES cannot automatically determine individuals affected by the ABAWD work requirement. The case manager must make this determination.

One person households in non-compliance with the ABAWD requirement:

- On the STAT screen enter reason code 526 in the AU Status field. Press enter.
- Fast path to the DONE screen.
- Confirm FS denial or closing on the ELIG screen. Press enter.
- Confirm FSFI screen with \$0 benefit.

Two or more persons in Food Stamp household:

- If the HOH is the non-compliant individual, on the STAT screen change the Relationship code of the current 'SE' to an appropriate value (NS for non-parent spouse, OU for other unrelated adult etc...). Change a remaining member who will receive the FS benefits to 'SE'. Enter reason code 526 next to the individual in non-compliance with ABAWD work requirements. Press PF4.
- If the non-compliant individual has earned income, fast path to the individual's ERN2 screen.
- Enter a 'Y' in the delete field and press PF24.
- If the non-compliant individual has unearned income, fast path to the UINC screen and place a 'Y' in the Delete field. Press PF24.
- On the UINC screen for a remaining eligible person, enter the total amount of income (less the 20% earned income deduction, if appropriate) that was deleted from the non-compliant individual's screens as 'OF' with a Frequency of 'AC'.

- Fast path to the DONE screen.
- Confirm the individual denial or closing. The non-compliant individual's Financial Responsibility code has changed to NM. Press enter.
- The FSFI screen will reflect all countable income and the new allotment amount. Confirm the benefit and press enter.
- If the non-compliant individual was the Head of Household, issue a new EBTS card to the new HOH (SE).

Reminder: Always clearly document case actions in the narrative by pressing PF21 from the ADDR screen.

Workers should review clearances thoroughly. When the 526 reason code is displayed the customer must meet ABAWD work requirements to be eligible for Food Stamps.

ACTION DUE

The 36-month period for recipients, began the date they were notified of the policy. A letter to customers was sent October 4, effective November 1, 1996. Current recipients will become ineligible at recertification or when the case manager becomes aware that the individual has participated 3 months without either complying with the work requirement or falling within one of the exemptions.

PAYMENT ACCURACY

The ABAWD policy is highly error prone because there is no tracking system. Thorough research into past receipt of benefits during the 36-month period is required. Until the entire State is on CARES, both AIMS and CARES must be checked for benefit history.

The Food and Consumer Service has responded to questions about enforcing the requirement for individuals who move from state to state. We should be concerned primarily with in-state households but must act on other information, if it is available.

Quality Control will not count errors resulting from the ABAWD work requirement until June 1, 1997.

INQUIRIES

Please forward questions as they arise during implementation of the ABAWD rule. If the answer is not known, we will contact FCS. Direct questions to Kay Finegan at (410) 767-7939.

cc: FIA Management Staff
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