



George E. Pataki
Governor

NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE
40 NORTH PEARL STREET
ALBANY, NEW YORK 12243-0001

Brian J. Wing
Commissioner

ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 00 ADM-3

DIVISION: Temporary Assistance

TO: Commissioners of
Social Services

DATE: May 31, 2000

SUBJECT: TA Budgeting: 2000 Changes to the Earned Income Disregard
and Poverty Level Income Test

SUGGESTED

DISTRIBUTION:

Temporary Assistance Staff
Medical Assistance Staff
Food Stamp Staff
CAP Coordinators
Directors of Services
Staff Development Coordinators

CONTACT

PERSON:

Call 1-800-343-8859 and ask for the Division of
Temporary Assistance Central Team at
Extension 4-9344.
For Medicaid: Upstate Regional Representative at
(518) 474-9130; New York City Representative at
(212) 268-6855.

ATTACHMENTS:

Attachment A: Federal Poverty Guidelines - Available
on-line
Attachment B: Notice of Intent (NYC) - Available on-
line

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
97 ADM-23	99 ADM-3	352.18	SSL 131-	PASB	
		352.19	a(8)(a)(iii)	XVI-F1-F5	
		352.20			
		352.3 (a) -			
		(d)			
		352.8(b)(1)			

OTDA-296EL (Rev. 11/98)

providing temporary assistance for permanent change

I. Purpose

This directive advises social services districts (SSDs) of a change in the percentage of earned income which is disregarded during the temporary assistance (TA) budgeting process. Annually on June 1, as required by Social Service Law Section 131-a (8)(a)(iii), this percentage must be adjusted up or down to reflect the change in the most recently issued poverty guidelines of the United States Bureau of the Census (Attachment A). Additionally, this change in the earned income disregard requires that thresholds of the Poverty Level Income Test be updated.

II. Background

The Welfare Reform Act of 1997 (WRA) required districts to use a new budgeting methodology which employs a flat percentage earned income disregard. This earned income disregard is applied to the difference between the eligible applicant's/recipient's (A/R) gross income and the \$90 work expense disregard. The WRA requires that on an annual basis, beginning on June 1, 1998, the rate of the earned income disregard be adjusted to reflect the most recently released federal poverty guidelines.

The WRA also imposes a Poverty Level Income Test which requires that a household's total gross earned and unearned income cannot exceed the federally established poverty level by family size. This test applies only to persons living in situations subject to the maximum shelter allowances under Office Regulations 18 NYCRR 352.3(a)-(d), or 352.8(b)(1). An update to the threshold is necessary on a yearly basis in order to ensure that the appropriate poverty level is applied to applicants for and recipients of TA.

III. Program Implications

The earned income disregard increases from 46% to 47% effective June 1, 2000. SSDs will be required to begin budgeting the new earned income disregard for budgets with an effective June 1, 2000 date or later. The ABEL system will provide support for this change effective April 17, 2000 (May 22, 2000 in NYC).

The change in the earned income disregard is applicable to all Family Assistance (FA) households. In addition, Safety Net Assistance (SNA) households, which include a dependent child applying for or receiving SNA or SSI, are also eligible to receive the earned income disregard.

Effective June 1, 2000, gross earned and unearned income cannot exceed the 2000 monthly poverty level. This provision continues to only apply to those persons living in situations subject to normal Departmental shelter schedules. It does not apply to individuals residing temporarily in hotel/motels, domestic violence shelters, AIDS housing, congregate care facilities, etc. This test is fully supported by ABEL.

The change in the Poverty Income Level Test applies to all public assistance households residing in appropriate shelter situations.

IV. Required Actions

A. Applicants

An applicant's eligibility for TA must be determined without application of the 47% earned income disregard unless the applicant has received TA for any one of the four months preceding the date of application. If eligible without the earned income disregard, the disregard is granted in calculating the net earned income.

The poverty level test will automatically be applied by ABEL to all applicants residing in appropriate shelter situations.

B. Recipients

A mass re-budgeting of all cases with earned income currently receiving the earned income disregard and an authorization "to" date 6/1 or greater, will take place prior to June 1 on an annual basis. Upstate recipients will receive notice of the change through the Client Notice System (CNS). A separate notice for New York City (Attachment B) has been prepared for this effort. Recipients with an authorization "to" date less than 6/1 who are eligible for assistance, will need to receive a notice which incorporates the information contained in the mass re-budgeting notice.

C. Examples

Example #1: NYC Eligible Recipient Family

A three person household is residing in a private apartment with heat included in the rent and has gross earnings of \$900 monthly.

\$ 900.00 Gross Earnings	\$577.00 standard of need
- (\$90.00) Work Expense Disregard	-(429.30) net earned income
810.00 (remainder)	147.00 net grant (rounded)
- (380.70) (47% of remainder)	\$ 900.00 gross earned income
429.30 net earned income	\$1,047.00 grant+gross earnings

The family is eligible for a \$147.00 grant. The 2000 monthly poverty guideline for a family of three is \$1,179.17. The family passes the poverty level income test and remains eligible for assistance.

Example #2: Ulster County Ineligible due to Poverty Level Income Test

A three person household is applying for public assistance and is residing in a private apartment with heat included in the rent and has gross earnings of \$1,183.00 monthly.

\$ 1,183.00	Gross Earnings
- 1,179.17	Poverty Income Limit
\$3.83	GROSS SURPLUS

The family is ineligible for public assistance because they have failed the poverty level test by \$3.83.

D. Food Stamps Implications

An increase in available public assistance income due to an increase in the public assistance earned income disregard must be counted when budgeting for Food Stamps. TA/Food Stamp (FS) cases that are mass re-budgeted will have their FS benefits automatically adjusted. FS households are still entitled to a 20% earned income disregard from their gross earned income.

E. Medical Assistance Implications

The change in the amount of the earned income disregard (EID) from 46% to 47% will be implemented for all Medicaid budgets with an effective "From Date" of June 1, 2000 or later. Also effective June 1, 2000, the Poverty Level Income Test will be based on the poverty levels published in the Federal Register in February 2000. These levels are the same as those used for expanded eligibility for pregnant women and children effective January 1, 2000.

The MBL system has supported these changes for Upstate since April 17, 2000. MBL Transmittal 2000-001 issued April 3, 2000 provides details of the systems changes. New York City changes will be forthcoming.

At next client contact or recertification, cases with an effective "From Date" of June 1, 2000 or later will be rebudgeted using the EID of 47% and the Poverty Level Test based on the 2000 poverty level. Some cases may change from Medically Needy eligibility to Low Income Families (LIF) eligibility due to the increase in the EID. Cases rebudgeted after June 1, 2000, but with an effective "From Date" of June 1, 2000, will retroactively qualify for Transitional Medicaid (TMA) and the four month child support extension, if otherwise eligible.

Some cases that have a small spenddown may become fully eligible for Medicaid. Such cases that have met spenddowns since June 1, 2000, and should have been fully eligible for Medicaid, must be reimbursed the amount of the spenddown. Districts that have cases affected by the change in the EID will be sent a list of cases after the June 1, 2000 change.

Date May 31, 2000

Trans. No. 00 ADM-03

Page No. 5

Appropriate notification must be provided to affected cases if a spenddown is eliminated. No notice is required for cases that were fully eligible under the Medicaid level, and will now become eligible under LIF.

F. Notice Requirements

Applicants and Recipients who do not receive a notice through CNS (Upstate) or a copy of Attachment B of this directive (NYC notice of intent) must be provided with a manual notice that includes the following language:

We are counting less earned income against your public assistance needs. Each year the percentage of earned income that we must disregard is adjusted. The higher the earned income disregard, the smaller the amount of your earned income we count. We decide the amount of the new percentage based on changes to the most recently issued poverty guidelines issued by the United States Bureau of the Census. The earned income disregard has been changed from 46% to 47%. We do not count the first \$90 of your gross earned income and 47% of the remainder.

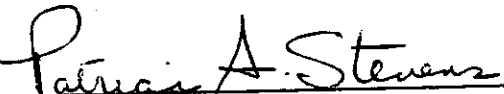
This decision is based on Regulation 18 NYCRR 352.20(c),

G. Systems Implications

The new 47% Earned Income Disregard and the new poverty levels for the Poverty Income Level Test were migrated Upstate as of April 17, 2000, for budgets with Budget From Dates of June 1, 2000 or later. A Mass Re-budgeting/Reauthorization, on April 17, 2000 (initial phase) and April 24, 2000 (final phase), automatically re-budgeted TA cases with earned income and a 46% Earned Income Disregard. Cases listed as exceptions during the initial phase of the Mass Re-budgeting will need to be re-budgeted by the SSD. See ABEL Transmittal 00-1 for additional information regarding the MRB/A. The Mass Rebudgeting/Reauthorization in NYC will be run on the weekend of May 20th and will be available on May 22, 2000.

V. Effective Date

Effective June 1, 2000.


Patricia A. Stevens
Deputy Commissioner
Division of Temporary

2000 Federal Poverty Guidelines

<u>Size of Family Unit</u>	<u>Poverty Guideline</u>
1	\$8,350
2	11,250
3	14,150
4	17,050
5	19,950
6	22,850
7	25,750
8	28,650

For family units with more than 8 members, add \$2,900 for each additional member.

NOTICE OF INTENT TO INCREASE BENEFITS
PUBLIC ASSISTANCE, 06/00
NOTICE OF INTENT TO DECREASE BENEFITS
FOOD STAMPS, 06/00
CHANGE IN THE EARNED INCOME DISREGARD-NYC

Case Number:
Loc. Off./Unit/Worker: / /

General Telephone No. for
Questions or Help:

Notice Date: _____

LA NOTIFICACION ADJUNTA EN ESPAÑOL LE INDICARA INFORMACION QUE NECESITARA PARA AYUDARLE A COMPRENDER PORQUE HAN CAMBIADO SUS BENEFICIOS.

This Notice is to tell you that this agency intends to **CHANGE** your benefits as follows:

PUBLIC ASSISTANCE: Beginning _____ your public assistance benefit will go:

FROM _____ TO _____

The benefit amount is the amount before recoupments or restrictions are taken.

Recoupment: If you have a recoupment in place, the same recoupment percentage will continue to be taken.

Restriction: An example of a restriction is an amount taken from your benefit and paid directly to your landlord or to the electric company. No new restrictions are being imposed at this time.

This is because there is a change happening to the way we count earned income when we decide how much public assistance you can get.

We are counting less earned income against your public assistance needs. Each year the percentage of earned income that we must disregard is adjusted. The higher the earned income disregard, the smaller the amount of your earned income we count. We decide the amount of the new percentage based on changes to the most recently issued poverty guidelines issued by the United States Bureau of the Census. The earned income disregard has been changed from 46% to 47%. We do not count the first \$90 of your gross earned income and 47% of the remainder. This decision is based on Regulation 18 NYCRR 352.20(c).

SEE BELOW FOR EXPLANATION OF YOUR NEW PA GRANT:

PRE-ADD	_____	EARNED INCOME	_____
SHELTER	_____	OTHER INCOME	_____
ENERGY	_____	TOTAL INCOME	_____
ENERGY SUPPLEMENT	_____	EARNED INCOME	_____
OTHER NEEDS	_____	DISREGARD	_____
TOTAL NEEDS	_____	TOTAL PA GRANT	_____

FOOD STAMPS: Beginning June 1, 2000, your FOOD STAMPS will go: FROM _____ TO _____

This is because of the change to your public assistance benefits. The change in the earned income disregard may cause a change in your Food Stamps benefits. For every \$3 increase to your Public Assistance benefits due to the new earned income disregard, your Food Stamps may decrease by \$1. The Regulation which allows us to do this is 18 NYCRR 387.12.

PREVIOUS NET FOOD STAMP INCOME	_____	PREVIOUS MONTHLY COUPON AMOUNT	_____
NEW NET FOOD STAMP INCOME	_____	NEW MONTHLY COUPON AMOUNT	_____

MEDICAL ASSISTANCE: Your Medical Assistance benefits will continue unchanged.
The Regulation which allows us to do this is 18 NYCRR 360-3.3.

YOU HAVE THE RIGHT TO APPEAL THIS DECISION. READ BELOW ON HOW TO APPEAL THIS DECISION.

RIGHT TO A CONFERENCE: You may have a conference to review these actions. If you want a conference, you should ask for one as soon as possible. At the conference, if we discover that we made the wrong decision or if, because of information you provide, we determine to change our decision, we will take corrective action and give you a new notice. You may ask for a conference by calling the worker who handles your case. This number is used only for asking for a conference. It is not the way you request a fair hearing. If you want to have your benefits continue unchanged (aid continuing) until you get a fair hearing decision, you must request a fair hearing in the way described on the back of this notice. A request for a conference alone will not result in continuation of benefits. Read the back of this notice for fair hearing information.

FAIR HEARING RIGHTS

RIGHT TO A FAIR HEARING: If you believe that the action(s) we are taking are wrong, you may request a State fair hearing by:

- (1) Telephoning: (212) 417-6550 (please have this notice with you when you call) OR
- (2) FAX: Sending a copy of this notice to (518) 473-6735.
- (3) Walk-In: Bring a copy of this notice to NYS Office of Temporary and Disability Assistance at 80 Centre Street, 3rd Floor, New York, NY.
- (4) Writing: By sending a copy of both pages of this notice completed, to the Office of Administrative Hearings (Dept. 1), New York State Office of Temporary and Disability Assistance, PO Box 1930, Albany, NY 12201
Please keep a copy for yourself.

☐ I want a fair hearing. The Agency's action is wrong because _____

IS Center: _____

Signature of Client: _____ Date: _____

Name (print): _____ Case Number: _____

Your Address: _____ Telephone Number: _____

You have the following number of days from the date of this notice to request a fair hearing:

Public Assistance: 60 days

Food Stamps: 90 days

If you request a fair hearing, the State will send you a notice informing you of the time and place of the hearing. You have the right to be represented by legal counsel, a relative, a friend or other person, or to represent yourself. At the hearing you, your attorney or other representative will have the opportunity to present written and oral evidence to demonstrate why the action should not be taken, as well as an opportunity to question any persons who appear at the hearing. Also, you have the right to bring witnesses to speak in your favor. You should bring to the hearing any documents such as this notice, paystubs, receipts, medical bills, heating bills, medical verification, letters, etc. that may be helpful in presenting your case.

CONTINUING YOUR BENEFITS: If you request a fair hearing before June 1, 2000 you will continue to receive your food stamp benefits unchanged until the fair hearing decision is issued. However, if you lose the fair hearing, you will owe any food stamps that you should not have received. We are required by Federal Law to recover any food stamp overpayments. We must make a claim against you for any food stamps you receive that you were not entitled to, which may be collected by reduction of future food stamp allotments, lump sum installment payments or through legal action. If you want to avoid this possibility, you can check the box below. You can also indicate over the telephone or in a letter that you do not want your food stamp benefits continued unchanged. If you check the box [✓], the action described on page 1 of this notice will be taken on the effective date.

[] I do not want my benefits continued unchanged until the hearing decision is issued.

If at the hearing, the hearing officer determines that you are not complaining about an incorrect computation of your benefits or that there has been a misapplication or misinterpretation of Federal Law or regulations, the hearing officer may determine that you were not entitled to have your food stamp benefits continue unchanged until the fair hearing decision is issued, and order that the reduction take effect immediately.

LEGAL ASSISTANCE: If you need free legal assistance, you may be able to obtain such assistance by contacting your local Legal Aid Society or other legal advocate group. You may locate the nearest Legal Aid Society or advocate group by checking your Yellow Pages under "Lawyers"

ACCESS TO RECORDS: To help you get ready for the hearing, you have a right to look at your case file. If you call or write to us, we will send you free copies of the documents from your file which we will give to the hearing officer at the fair hearing. Also, if you call or write to us, we will send you free copies of other documents from your file which you think you may need to prepare for your fair hearing. To ask for documents or to find out how to look at your file, call us at the telephone number listed at the top of page 1 of this notice or write us at the address printed at the top of page 1 of this notice. If you want copies of documents from your case file, you should ask for them ahead of time. Usually, they will be sent to you within three working days of when you asked for them. If your hearing is within three working days of when you ask for them, your case file documents may be given to you at your hearing.

INFORMATION: If you want more information about your case, how to ask for a fair hearing, how to see your file, or how to get additional copies of documents, call us at the telephone numbers listed at the top of page 1 of this notice or write to us at the address printed at the top of page 1 of this notice.

Notice Date: _____
Effective Date: _____

NYC/EARNED INCOME DISREGARD