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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-5

DIVISION: Temporary Assistance

TO: Commissioners of
Social Services

DATE: August 15, 2000

SUBJECT: Change in the Automobile Exemption Policy for Applicants
for and Recipients of Family Assistance (FA) and Safety Net
Assistance (SNA)

SUGGESTED
DISTRIBUTION: : Temporary Assistance Staff
: Medicaid Staff
: Food Stamp Staff
: CAP Coordinators
: Directors of Services
: Staff Development Coordinators

CONTACT
PERSON: : Call 1-800-343-8859 and ask for the following: For
: Temporary Assistance-Central Team, 4-7344; For
: Food Stamps-Eastern Team, 3-1469.
: For Medicaid, contact the Bureau of Local District
: Support at (518) 474-9130 Upstate, and (212) 268-
: 6855 for NYC.

ATTACHMENTS: : None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
97 ADM-23	None	18 NYCRR	SSL 131-n	PASB XXI-	GIS00 TA/DC010
96 INF-2		352.23		A-all	GIS 99 TA/DC013
				FSSB XVI-	GIS 99
				D-All;	TA/DC015
				XVI-C-9#24	98 OMM/INF-
					02

OTDA-296EL (Rev. 11/98)

"providing temporary assistance for permanent change"

I. Purpose

The purpose of this release is to advise districts of a change in the automobile exemption policy for applicants for and recipients of Family Assistance (FA) and Safety Net Assistance (SNA) to seek or retain employment, or to travel to and from work activities.

II. Background

The Welfare Reform Act of 1997 established a new automobile exemption amount for applicants for and recipients of FA and SNA. The new exemption limit was established at \$4,650 of fair market value, and will be adjusted periodically to equal the amount to be exempted in determining eligibility for Food Stamps (FS) as that amount changes.

Chapter 389 of the Laws of 1999 has amended this policy. A household must now, under certain circumstances, receive an automobile exemption amount equal to two times the amount exempted in determining eligibility for FS, or a higher amount as determined by the district. This new exemption applies to applicants and recipients who need an automobile to seek or retain employment, or to travel to and from work activities. If the automobile is not used for these reasons, the district must apply the lower automobile exemption amount (currently \$4,650 of fair market value).

III. Program Implications

For the purpose of applying this exemption, a household is the number used in the FA or SNA budgeting process to determine the total needs of the household. Generally, the household count will include persons who indicate a desire to receive FA or SNA, and who reside together in the same dwelling unit. A household may include persons who would otherwise be required to be included in the FA or SNA budget, but are not currently being considered when determining the needs of the household or have temporarily been removed from this process.

When a household that applies for, or is currently in receipt of FA or SNA, documents that they own an automobile, the district must first determine for what purpose the automobile is used. If the automobile is not used to seek or retain employment, or for travel to and from work activities, the district must exempt the first \$4,650 of the automobile's fair market value. This amount will be adjusted periodically to reflect the current amount required to be exempted from consideration in determining eligibility for FS. If the actual fair market value of the automobile is in excess of the exempted amount, the district must apply the difference against the household's applicable liquid resource limit.

Note: The fair market value of an automobile is determined by using the wholesale value of the vehicle as listed in the National Automobile Dealers Association (NADA) Used Car Guide Book or comparable publication, or by a third party statement from a reputable dealer.

If the household indicates that the automobile is used to seek or retain employment, or for travel to and from work activities, the district must exempt the first \$9,300 of the automobile's fair market value, or a higher amount (higher than \$9,300) as established by the district. This higher exemption amount must be determined by the district and applied to both FA and SNA case types, uniformly across the district's caseload. A district that applies a higher standard does not need to advise this Office of the amount. If the actual fair market value of the automobile is in excess of the exempted amount, the district must apply the difference against the household's applicable liquid resource limit.

Each household is eligible for one automobile exemption under these guidelines. If a household owns more than one automobile, the remaining automobile(s) must be counted at full equity value against the household's applicable liquid resource limit. A district must apply the exemption to the automobile with the highest fair market value first. This exemption must be applied regardless of the perceived availability of public or other alternative means of transportation.

The status of a required household member who has title to the automobile is not considered. For example, if the owner is sanctioned but is otherwise required to be in the household (income and resources are counted), the district must still first consider how the automobile is used, and then apply the appropriate automobile exemption based on how the automobile is used.

The following are examples that consider an applicant's or a recipient's eligibility for FA or SNA only. For information on the impact of this policy change on FS, see the Food Stamp Implications section of this Directive. For information on the impact of this policy change on Medicaid, see the Medical Assistance Implications section of this Directive.

Example 1

An FA applicant household (under age 60) has an automobile with a fair market value of \$9,700. The district determines that a household member requires the automobile to retain employment. In considering resources, the household is eligible for a \$2,000 liquid resource limit, and one automobile exemption of \$9,300 (the district has not chosen to apply a higher exemption amount). The district applies the automobile exemption of \$9,300 and the remaining \$400 is applied against the household's liquid resource limit. It is discovered that the household has other liquid resources totaling \$1,900. With the application of the additional \$400, the household is determined ineligible for assistance, and the application is denied (Excess Resources). A referral should be made for a separate Medicaid determination if the household has also applied for Medicaid.

Example 2

An SNA family acquires an automobile with a fair market value of \$10,000. The titled owner of the vehicle is subject to sanction for failure to cooperate with drug and alcohol screening. However, upon investigation, the district discovers that the sanctioned household member is working. The district has determined that the automobile is still required for the sanctioned household member to retain employment. The district has also chosen to apply, across their FA and SNA caseload, a higher automobile exemption amount of \$10,000. This household is eligible for an automobile exemption of \$10,000.

Example 3

An applicant for FA has an automobile with a fair market value of \$5,000. The applicant is not employed, seeking employment, or involved in work activities. The applicant is eligible to receive an automobile exemption of \$4,650. The district grants this exemption amount and applies the remaining \$350 against the applicant's liquid resource limit in determining eligibility. If later assigned to work activities that require the use of an automobile to travel and from the activities, the district must apply the higher automobile exemption amount.

IV. Required Action

Districts must review claims made by applicants for and recipients of FA and SNA to determine if the household is eligible for an automobile exemption. If it appears reasonable that the automobile in question is used to seek or retain employment, or for travel to and from work activities, the district must apply the higher exemption. The burden of discounting the applicant's or recipient's claim lies with the district. An applicant or recipient must not be required to document actual use of the vehicle by providing mileage statements or through third party signed statements when the employment or work activity information is already known to the district.

The appropriateness of the applicant's or recipient's employment must not be considered when granting this exemption. For example, a recipient may be employed in a time-limited or temporary situation. For the purpose of applying the higher exemption, the district must only consider for what purpose the automobile is used.

Some applicants or recipients may be in situations that will warrant special consideration by the district. For example, the applicant or recipient may claim to be temporarily unable to work, although employed, due to a physical problem. The district must verify that the applicant or recipient is employed and that the physical infirmity exists, and then apply the higher automobile exemption amount to help the applicant/recipient retain employment.

V. Food Stamp Implications

Individuals receiving FA, SNA-FP or SSI are categorically eligible for FS. The resources of a categorically eligible individual are exempt when determining FS eligibility. Thus, a household containing a FA or SNA-FP individual with a TA approved vehicle with a fair market value up to \$9,300, or a higher amount set by the district, is not denied FS due to excess resources, if the vehicle belongs to a categorically eligible person. The resources of FA, SNA-FP or SSI categorically eligible individuals in the household are exempt even if the entire FS household is not categorically eligible.

VI. Medical Assistance Implications

As described in 98 OMM/INF-02, districts have the option to exempt automobiles with fair market values above \$4,650 in determining Medicaid eligibility. This options continues. Referral to Medicaid for a separate determination is unnecessary when a district exempts a car using the value of \$9,300 or higher, to seek or retain employment as specified in this Directive. As has been long standing policy, if the value of an automobile results in a family exceeding the FA/SNA resource standards, a referral should be made to Medicaid for a separate determination.

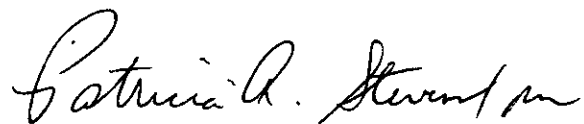
A referral to Medicaid is not necessary for applicants/recipients who are single adults or childless couples.

VII. System Implications

There are no WMS implications.

VIII. Effective Date

Retroactive to July 27, 1999.



Patricia A. Stevens
Deputy Commissioner
Division of Temporary Assistance