Administrative Directive

Section 1

Transmittal:	09-ADM-04
To:	Local District Commissioners
Issuing Division/Office:	Center For Employment and Economic Supports
Date:	March 4, 2009
Subject:	Temporary Assistance (TA) Payment Type Codes – Designations as Assistance or Non-Assistance
Suggested Distribution:	TA Directors Employment Coordinators IV-D Directors Staff Development Coordinators Accounting Directors
Contact Person(s):	Center for Employment and Economic Supports at 1-800-343-8859, Temporary Assistance Bureau at extension 4-9344 Center for Child Well-Being: Child Support Policy at 1-800-343-8859, or in NYC, 1-212-961-8269
Attachments:	Attachment 1 – NYC Payment Type Codes – Non-Assistance "N" Attachment 2 – NYC Payment Type Codes – Assistance "A" Attachment 3 – NYC All Payment Type Codes Attachment 4 – Rest of State Payment Type Codes – Non-Assistance "N" Attachment 5 – Rest of State Payment Type Codes – Assistance "A" Attachment 6 – Rest of State All Payment Type Codes
Attachment Available On – Line:	☐ Yes

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
01 ADM-17 01 ADM-03 99 ADM-07 97 ADM-07	97 ADM-07	347 352 369 385	42 USC 602 45 CFR 260.31	TASB 9, R	November 17, 2005 Dear TA Director letter GIS 06 TA/DC034 OCSE-AT-98-24 TANF-ACF-PA-1

Section 2

I. Summary

The types of payments that are considered "assistance" are very important to individual families, to Social Services Districts (SSDs) and to the State. This is because receipt of an "assistance" payment may trigger the application of one of the following:

- Time limit tracking
- Federal and State participation rate calculations
- Child support reimbursement of Temporary Assistance (TA)
- Federal and State reporting

Because the distinction between assistance and non-assistance is so vital, this ADM explains the differences and provides the listing of all payment types and identifies each as an assistance payment type (A) and or a non-assistance type (N).

This directive also corrects the designations of certain payment type codes. The most significant change is one category of codes that is retroactive to December, 1996. The upstate and NYC codes that identify the child support pass-through payment will no longer be added to the total of assistance for the purpose of the automated excess child support process. The payment type codes are:

- NYC codes 54 and 70
- Rest of State (ROS) code D1

Also excluded from the total of assistance is Payment Type 18 which represents the child support disregard.

This will mean that families that have already received an excess support payment will likely receive an additional payment. Some families that have not been entitled to an excess support payment, to date, may now be entitled to an excess support payment once the pass-through payment types have been removed from the accumulation of their countable payments.

II. Purpose

This ADM will describe how the selection of the correct payment type is important, will provide the listing of all payment types, and identify each as an assistance payment type or a non-assistance type. The distinction between assistance and non-assistance payments has implications for families, SSDs, and the State as explained in Section IV - Program Implications, below.

This directive **replaces** the following attachments to 99 ADM-07 "Time Limit Tracking and Systems Support":

- Attachment 2 and 2A, "Upstate Countable Payments"
- Attachment 3, "Excluded Payments – Upstate"
- Attachment 4 and 4A, "NYC Countable Payments"
- Attachment 5, "Excluded Payments – NYC"

This directive cancels 97 ADM-07 "Public Assistance Treatment of Support Collections, Calculation, Issuance and Budgeting of Excess Support Payments" since the information that remains current from that release is in the Temporary Assistance Source Book (TASB). Other information from 97 ADM-07 is updated by this release.

Finally, this directive discusses the correct use of ROS payment type code T3 - "Training Tuition and Fees" which is being changed from assistance to non-assistance effective on the date of this release.

III. Background

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), as amended by the Deficit Reduction Act of 2005, specifies that a household headed by an adult, or minor head of household, may not receive more than sixty months of Temporary Assistance for Needy Families (TANF) funded "assistance," whether or not consecutive in a lifetime. In addition to incrementing the time limit count, the receipt of "assistance" will generally cause the TA case to be included in the federal and State participation rate calculation and will trigger the inclusion of the payment in the total of assistance against which assigned child support collections will be applied.

The federal regulations at 45 CFR 260.31 make a distinction between an "assistance" payment and a "non-assistance" payment. The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses). The term "assistance" also generally includes supportive services, such as transportation provided to families who are not employed.

45 CFR 260.31 provides that the term "assistance" does not include nonrecurrent, short-term benefits that are designed to deal with a specific crisis situation or episode of need; are not intended to meet recurrent or ongoing needs; and, will not extend beyond four months.

IV.   Program Implications

The correct choice of payment type has implications in four important areas:

- Eligibility for TANF-funded Family Assistance (FA), case type (CT) 11, or non-cash Safety Net Assistance (SNA) federally participating, CT 12
- Participation rates
- Child support assignment and reimbursement of TA
- Meeting federal requirements for correct and complete TANF and Maintenance of Effort (MOE) data reporting

Further discussion of each of these important areas follows.

A. Eligibility for TANF-funded FA, CT 11 or Non-Cash SNA-FP, CT 12

The payment type and whether or not the payment is an assistance payment is one of the major factors in determining whether a month "counts" in the time limit count and whether the case, if adult headed, and based on the presence of a work eligible individual (including nonexempt, exempt or work limited adults), will be included in the rate calculation for that month. The other factors are whether or not the payment is made on a trackable case type, whether or not the case contains a trackable individual, and whether or not a countable assistance payment has been issued in the month, for the month.

1. Reaching the state sixty-month count without eligibility for a time limit exemption means that the TA to the family must be provided in SNA federally non-participating (FNP). The implication for SSDs is an increase in local cost. The implications for the families may not be immediately felt, since many will be eligible for TA in SNA-FNP.

   Assistance payments made to trackable households in the following CTs count against the state sixty-month limit:

   - CT 11, FA or the Child Assistance Program (CAP)
   - CT 12, non-cash SNA-FP
   - CT 16, cash SNA

2. Families who receive sixty months of TANF countable assistance, assistance received in CT 11 (FA or CAP), CT 12 (non-cash SNA-FP), have reached their lifetime limit of TANF assistance and cannot receive additional TANF funded

assistance anywhere in the country, unless the family qualifies for a time limit exemption.

B. Participation Rates

The first step in the participation rate calculation process is determining the universe of cases that is included in the calculations based on federal regulations and reporting requirements. The universe includes cases which include an adult head of household, or a minor head of household which received an assistance payment in the month for the month or future month. (Cases which do not include an adult head of household or minor head of household, at any time during the month, are actually included in the universe but removed from the rate calculation in a manner consistent with the federal methodology.)

The case types that are included in the TANF universe are 11 (FA) and 12 (non-cash SNA-FP). In addition, since the federal participation rate methodology has included SN Maintenance of Effort (MOE) families since October 2006, federal work requirements also apply to such families and they are included in the universe for participation rate calculation purposes. SN-MOE families that receive TA in case types 16 (SNA) and 17 (non-cash SNA-FNP) and are families that would otherwise be eligible to receive federally-funded TA (CT 11, 12) except that they have reached the sixty-month limit and do not qualify for a time limit exemption or are non-qualifying aliens are included in the rate calculation if they receive assistance payments. A state/fed charge code of 60, 63 or 64 will be found on the line of the case member as appropriate in a SN-MOE case.

NOTE that:
Special claiming code "D – FP payment" on a pay line on a CT 16 or 17 case may cause the case to be included in the TANF universe.
Special claiming code "P – FNP Payment" on a pay line on a CT 11 or 12 case may cause the case to be included in the SN-MOE universe.

As can be seen by the above situations, it is possible for the same case to be included in more than one universe in the same month, or future month.

The universe is comprised of all countable cases that received a payment of assistance in the month, for the month. Only three groups of cases are excluded from the rate calculation consistent with the federal TANF/Safety Net Maintenance of Effort (MOE) participation rate calculation formula. These cases include those in which:

- the only adult is caring for a child under the age of 12 months of age and the case has not been excluded for more than 12 months;
- an adult has been sanctioned and the case has not been excluded based on the sanction for more than 3 months in the preceding 12-month period; and
- cases in which the only adult is a parent who is caring, full time, for a disabled household member.

Note: Emergency Assistance to Needy Families with Children (EAF), CT 19, and Emergency Assistance for Adults (EAA), CT 18, cases are not included in the universe. However, CT 11, 12, 16 or 17 opened only to meet an emergency or immediate need are included if the emergency is met with a payment type that is designated as assistance and the payment covers the period, during the report month, in which the payment is made (in the month, for the month or future month). This is true even if the case is opened with the emergency indicator "X". This is true also if the payment has special claiming code "F" indicating EAF and case type is 11 or 12. The payment type, and the timing of the authorization, determines whether the case is included in the universe and rate calculation without regard to the use of the "X" indicator, or special claiming code "F" (CT 11 or 12).

Cases are sometimes included in the universe, and participation rate calculation inappropriately when the worker is making an emergency payment to meet an emergency situation but uses an assistance payment type code rather than a non-assistance pay type code when authorizing the emergency payment. Given the fact that it is a substantial challenge for most districts, and the State, to achieve the required federal participation rates, even without inappropriately including cases in the universe that should not be there, it is clearly important to ensure that such cases are not inadvertently included by using the wrong payment types.

C. Child Support Assignment and Reimbursement of Temporary Assistance

The Administration for Children and Families Action Transmittal OCSE-AT-98-24 clarified that for the purpose of the Child Support Enforcement program and the offset of child support collections against TA, the term assistance has the same meaning as in TANF-ACF-PA-1, that is, the TANF definition of assistance.

Only assistance payments can be considered:

- When manually comparing the amount of current support collected in the month to determine if an excess current support payment is due to the family. Cases which appear to be eligible for an excess current support payment are reported on the Child Support Management System (CSMS) 8649 report "Obligations and Collections Greater Than Assistance Granted".
- When TA payments made December, 1996 or later are being reviewed to determine unreimbursed assistance for the automated excess support process. (The broader definition of assistance, including emergency assistance, under the Aid to Families with Dependent Children (ADC) program is used to identify countable payments eligible to be offset by child support for the period November, 1996 or earlier.)
- Whenever the SSD is attempting to determine the amount of unreimbursed assistance for the period December, 1996 or later, to be compared to child support collected when repayments such as lawsuit settlements, Interim Assistance Reimbursement, liens, etc. have been received.

Note that while only assistance payments can be considered for reimbursement by child support collections, all TA payments, including emergency payments can be considered for the purpose or recovery from lawsuit settlements, liens, etc.

The automated excess support arrears process includes the payment types for child support pass-through (bonus) payments (Pay types D1 and 18 in districts outside NYC, and 54 and 70 in NYC) in the accumulation of countable payments. These child support pass-through codes, plus the excess support codes (ROS D3 and NYC 71) and excess support arrears codes (ROS D4 and NYC 72) were included in the accumulation of countable payments ONLY for child support purposes. Including these payments allowed for an accounting of the distribution of the child support collections to the TA household. However, for the pass through codes the net effect is that districts were being paid back for the pass through from the recipient's support collections. The pass through payment codes will no longer be considered in the accumulation of unreimbursed assistance for the purpose of determining if an excess arrears support payment is due to a family.

This change will be made in an automated fashion retroactive to December, 1996 for pass-through payments issued January, 1997 or later. This will mean that families that have already received an excess support payment will likely receive an additional payment. Some families that have not been eligible for an excess support payment to date may now be eligible for an excess support payment once the pass-through payment types have been removed from the accumulation of their countable payments.

The automated process to implement this change will be done shortly after the issuance of this directive. Once the specific date of the change is known, SSDs will be informed by a GIS message.

D. <u>Meeting federal requirements for correct and complete TANF and Maintenance of Effort (MOE) data reporting</u>

Part 265 of 45 CFR requires states to file complete and accurate TANF and MOE data reports. Failure to file complete, accurate and timely data reports may result in significant financial penalties to the State. Ensuring that correct coding is done enhances the State's ability to meet these important federal reporting requirements.

V. Required Action

LDSS staff must understand the difference between an assistance payment and a non-assistance payment and use the payment type code(s) that are appropriate to the action they are taking.

Listings of all TA payment type codes are attached. They are:

Attachment 1 – NYC Payment Type Codes - Non-Assistance "N"
Attachment 2 – NYC Payment Type Codes - Assistance "A"
Attachment 3 – NYC All Payment Type Codes
Attachment 4 – ROS Payment Type Codes – Non-Assistance "N"
Attachment 5 – ROS Payment Type Codes – Assistance "A"
Attachment 6 – ROS All Payment Type Codes

Each payment type on Attachments 3 and 6 are identified as assistance (A), non-assistance (N), or difference by purpose (*).

VI.   Systems Implications

As stated, some changes to the treatment of payment type codes will be made on the appropriate systems. Otherwise, there are no systems implications.

VII.   Additional Information

A.   <u>ROS Pay Type Code T3</u>

ROS payment type code T3 – "Training Tuition and Fees" will be considered a "non-assistance" payment type on and after the date of release of this ADM.

This payment type code must NOT be used for any purpose except payment to a vendor for the charges by the vendor for the individual's participation in a training program. It must <u>NOT</u> be used for supportive services payments to or on behalf of the individual.   Rather R9 – "Employment and Training Essential Needs" or R7 – "Transportation" must be used, as appropriate.

B.   <u>Excess Support Arrears</u>

The automated excess support arrears process will change the method of calculating unreimbursed assistance. Until now, the process has been to exclude non-countable payments. Following the release of this ADM, the process will change to consider assistance pay types only. This change is expected to have no impact on the total of assistance already computed for households.

C.   <u>Excess Current Support</u>

As stated, this directive cancels 97 ADM-7 "Public Assistance Treatment of Support Collections, Calculation, Issuance and Budgeting of Excess Support Payments."   The information from that release that remains current is contained in the <u>Temporary Assistance Source Book (TASB).</u> Significant changes have been made to the process for calculating and issuing excess support payments.

These include the use of the TANF definition of "assistance" eligible to be reimbursed by child support collections, and the development and implementation of an automated excess support arrears process.

The requirement to consider whether or not the family is entitled to an excess **current** support payment remains in place. Although the excess support arrears process is automated, the excess current support process is not. TA workers must review cases that appear on the monthly Child Support Management System (CSMS) 8649 Report: "Obligation and Collections Greater Than Assistance Granted" to determine if an excess of current support was received by SSD in the previous month. Please refer to TASB, Chapter 9, Part R, Item 10, "TA's Ongoing Responsibilities", subparagraph b. "Use of Support Amounts in Determinations of Initial and Ongoing TA Eligibility" for more information on excess child support.

D. Claiming of Payment type 18 – Child Support Disregard

Under the Deficit Reduction Act (DRA) of 2005, Public Law 109-171 provisions, appropriate use of pay type 18 (Child Support Disregard) is still considered an Federally Non-Participating payment, even when made on a Family Assistance (case type 11), or non-cash Safety Net Assistance-Federally Participating (case type 12) case. These amounts are not passed through collections therefore they are not reported on the Schedule A-1. They will be reported on either the Schedule A or Schedule C, BICS Composite Summary, depending on the Case Type. Refer to the Payment Issuance and Control Subsystem Manual Appendix D for claiming charts.

For financial reporting purposes payment type 18 is considered basic MOE assistance as is payment type D1. As with payment type D1, payment type 18 is classified as non-assistance on the attached schedules and will NOT increase unreimbursed assistance (URA) nor will it trigger a case's inclusion in the assistance universe for work participation purposes.

VIII. Effective Date

The ADM as it pertains to the requirement to ensure that staff understand and use the appropriate payment type codes is effective on the date of release.

The concept of assistance versus non-assistance in the State is effective December 2, 1996. The designations of the assistance payment type codes or non-assistance payment type codes are effective that date, unless otherwise noted.

Issued by:

Name: Russell Sykes
Title: Deputy Commissioner
Division/Office: Center for Employment and Economic Supports