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Center for Employment & Economic Supports

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TO: Commissioners; TA Directors; FS Directors; WMS Coordinators; CAP/TOP Coordinators

FROM: Russell Sykes, Deputy Commissioner, Center for Employment and Economic Supports

SUBJECT: Changes to Pass-through and Disregard of support payments effective July 1, 2009

EFFECTIVE DATE: Immediately

CONTACT PERSON: Temporary Assistance Bureau at 1-800-343-8859; extension 4-9344
WMS Systems and ABEL questions - Tom Walkuski at (518) 473-9780

The purpose of this message is to inform social service districts (SSDs) of the changes to child support disregard and pass-through amounts, the discontinuance of pass-through and disregard amounts associated with spousal support for individuals who are age 21 or over, and introduces a new method of determining pass-through payments and disregard amounts for TA households. This message also introduces new TA worker responsibilities when budgeting child support.

I. Background

Effective 1/1/2010, provisions under the Deficit Reduction Act (DRA) of 2005 and New York State Social Services Law § 111-c (2)(d) and § 131-a (8)(v) will change the method used to determine whether a family is entitled to a pass-through and disregard and, in some instances, will increase the maximum pass-through and disregard of current child support collected on behalf of recipients of Temporary Assistance (TA). Beginning 1/1/2010, the number of active children on the TA case must be evaluated in order to determine the maximum appropriate pass-through and disregard amounts for which a family may be eligible. The maximum pass-through and disregard amount will be increased to up to \$200 for families with two or more children who are active TA recipients. Families with one active child in a TA case will continue to receive a maximum of up to a \$100 pass-through payment and disregard amount. Pass-through payments and disregard amounts will be limited to a maximum of the first \$100 or \$200 of current support collected, depending on the TA household composition described herein, or the child support obligation amount, whichever is less. Pass-through payments are not issued for collections of child support arrears.

Note: When determining child support pass-through and disregard amounts, children are defined as individuals who are active or subject to a pro-rata sanction in a TA case and who are under the age of 21 on the first day of the support collection month.

II. Budgeting Child Support Pass-through/Disregard amounts

To support the budgeting of the \$100 and \$200 disregard amounts TA workers must determine the number of individuals under the age of 21 who are active in the TA case. TA budgets with either unearned income source code “**06-Child Support Payments**” or “**13-Child Spousal Support Assigned to Agency**” will require an amount of either \$100 or \$200 (if the case has more than one individual under 21) entered in the associated

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“EXEMPT” amount field of the ABEL input screen. The EXEMPT amount field will be used to determine the appropriate pass-through/disregard amount.

Note: *The current \$100 EXEMPT limit will still continue to be used for TA budgets calculated prior to 11/14/09 even if a \$200 EXEMPT limit amount is entered. (See Section IV below.)*

- TA families with one child under 21, who is active on the case or subject to a pro-rata sanction, must have an **EXEMPT** amount of **\$100 entered in the TA ABEL budget input screen.**
- TA families with two or more children under 21, who are active on the case or subject to a pro-rata sanction, must have an **EXEMPT** amount of **\$200 entered in the TA budget input screen.**
- a. Cases with Current Support Paid through the Support Collection Unit (SCU)

Starting in February 2010, for current support collected in January 2010, the monthly IVD MRB/A will issue pass-through payments up to the first \$100 or \$200 maximum based on current support collections.

Households with child support received by the SCU and reflected in the ABEL budget with unearned income source code “13- Child/Spousal Support Assigned to Agency”, will receive a pass-through payment of up to the first \$100 of current support collected or up to the current support obligation, whichever is less, if the budget contains an **EXEMPT** amount of \$100. If the ABEL budget contains an **EXEMPT** amount of \$200 the household will receive a pass-through payment of up to the first \$200 of current support collected or up to the current support obligation, whichever is less.

The monthly IVD MRB/A exception list must be reviewed and eligibility for receipt of a pass-through payment and the proper pass-through amount must be determined. All "exceptions" must be resolved, appropriate manual authorizations completed and pass-through payments issued by the 20th calendar day of each month for support collected in the preceding month. When manually issuing pass-through payments for current support collected by the SCU in January 2010 and every month thereafter, TA workers must verify the number of children under the age of 21, who are active on the TA case in the support collection month. If there is one child under age 21, who is active on the case, the TA worker must issue a pass-through payment of up to the first \$100 of current support collected or up to the current support obligation, whichever is less. If there are two or more children under age 21, who are active on the case, the TA worker must issue a pass-through payment of up to the first \$200 or up to the current support obligation, whichever is less.

When resolving IVD MRB/A exceptions run in the month of January, for current support collected in December, the pass-through can be no more than \$100, per case, regardless of the number of individuals under the age of 21, who are active or subject to a pro-rata sanction on the TA case.

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b. Cases with Current Support Budgeted as Unearned Income

Effective 1/1/2010, households with child support income reflected in the ABEL budget with unearned income source code "06 – Child Support Payments" will have the benefit of up to the first \$100 exempt as countable income to the household, if the ABEL budget contains an **EXEMPT** amount of \$100. If the ABEL budget contains an **EXEMPT** amount of \$200, up to the first \$200 will be exempt as countable income to the household.

Example: A TA household that contains a Mom (age 32) and two children (ages 5 and 7), is in receipt of child support and receives Family Assistance (FA). The child support is being paid to the mother directly. One child is in receipt of SSI. When entering the **EXEMPT** amount in the TA ABEL budget input screen, the worker determines that there are two individuals under the age of 21 in the family. However, only one of those individuals is active on the TA case, therefore the worker enters **\$100** in the **EXEMPT** field and enters the appropriate unearned income source code "06".

Note: SSI individual are not active members of a TA household.

III. Budgeting Spousal Support

Effective 1/1/2010, individuals will no longer receive a pass-through or exempt amount for spousal support budgeted as unearned income source code "02" Alimony/Spousal Support (Non-Arrears).

TA budgets with unearned income source codes "02" and "06", with a FROM DATE of 1/1/10, must be manually re-budgeted on 11/14/09 or later, in order to have the correct **EXEMPT** amount applied effective 1/1/10. For unearned income source "02" no income exemptions will be applied. For unearned income source code "06" the "**EXEMPT**" amount entered on the ABEL budget TA input screen (either \$100 or \$200), will generate the issuance of the appropriate income exemption amount. The worker must enter an "**EXEMPT**" amount of \$200 if there is more than one individual in the case under the age of 21, who is active on the case or subject to a pro-rata sanction.

Alimony/Spousal support previously coded as "02" **if paid to an individual under the age of 21** must be re-coded as unearned income source code "06-Child Support Payments" in order to provide the individual with an "**EXEMPT**" amount to which they would be entitled. As of 1/1/10, TA budgets will no longer apply any disregard or income exemptions to alimony or spousal support entered in the ABEL budget as unearned income source code "02" and will therefore create a reduction in the TA grant effective 1/1/10.

A listing of TA cases with unearned income source codes "02" and/or "06" will be provided to districts near the end of October to assist districts in accomplishing this task.

IV. New TA Worker Responsibilities

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TA Workers must enter an **EXEMPT** amount in the ABEL input screen when using unearned income source codes "06" or "13" for TA ABEL budgets calculated as of **5/9/09** or later, with a FROM DATE of 7/1/09 or later. The **EXEMPT** amount entered will however not be used in the budget calculation until a TA budget is calculated as of 11/14/09 or later, with a FROM DATE of 1/1/10 or later.

TA budgets with assigned support will have their monthly assigned support amount loaded onto TA budgets with the appropriate **EXEMPT** amount as unearned income source code "13" as part of a special IV-D Exempt Load MRB/A. Details regarding this MRB/A will be provided in a forthcoming ABEL Transmittal.

TA Workers are required to maintain and update the appropriate **EXEMPT** amount in the ABEL budget input screen. The **EXEMPT** amount must be determined at case opening, recertification, and anytime a change is made to the ABEL budget or household composition, including changes due to children turning 21, but remaining in the household. Failure to maintain the appropriate **EXEMPT** amount may result in TA cases receiving an underpayment or overpayment.

TA workers continue to be required to update the unearned income source code "13" any time new information is presented to them by the client and/or SCU. The assigned support amount will be available on the eligible and exception reports associated with the monthly IV-D MRB/A and will be transmitted to BICS/LDMIP districts for local printing after the monthly IV-D MRB/A beginning 11/9/09.

For more information refer to ABEL Transmittal 09-3 Information #3.

Further TA implications and worker required actions will be released in an upcoming ADM.