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Administrative Directive

Section 1

Transmittal:	02 ADM 5
To:	Local District Commissioners
Issuing Division/Office:	Division of Temporary Assistance
Date:	May 31, 2002
Subject:	Temporary Assistance (TA) Budgeting: 2002 Changes to the Earned Income Disregard and the Poverty Level Test
Suggested Distribution:	Temporary Assistance Directors Food Stamp Directors Staff Development Coordinators WMS Coordinators Fair Hearings Staff Medicade Staff CAP Coordinators
Contact Person(s):	Central Team (TA) at 1-800-343-8859; extension 3-9344, Eastern Team (FS); extension 3-1469, Western Team (HEAP); extension 3-0332, and Metro Team, (212) 383-1655. For Medicade: Upstate Regional Representative at (518) 474-8216; New York City Representative at (212) 268-6855
Attachments:	None
Attachment Available On – Line:	<input type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
01 ADM - 5 97 ADM - 23	01 ADM-5	352.18 352.19 352.20 352.20 352.3(a)-(d) 352.8(b)(I)	SSL 131-a(8)(a)(iii)	PASB XVI-FI-F5	

Section 2

I. Purpose

This directive advises local districts of a change in the percentage of earned income disregarded (EID) in the temporary assistance (TA) budgeting process. Annually on June 1, as required by Social Services Law (SSL) 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. Additionally, this change in the EID requires that the 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 employing a flat percentage EID. The EID is applied to the difference between the eligible applicant's/recipient's gross income and the \$90 work expense disregard. The WRA requires that the EID be adjusted annually on June 1 each year to reflect the most recently released federal poverty guidelines.

The WRA also imposes a Poverty Level Income Test that requires a household's total gross earned and unearned income to be at or below the federally established poverty level by family size. This test applies only to persons living in situations subject to the maximum shelter allowances under 18 NYCRR 352.3(a)-(d) and 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 EID increases from 49% to 50% effective June 1, 2002. Districts must begin using the new EID for cases with budgets effective on this date and beyond. The ABEL system provides support for this change effective April 15, 2002 (May 20, 2002 in NYC).

The change in the EID is applicable to all Family Assistance (FA) households. Safety Net Assistance (SNA) households including a dependent child applying for or receiving SNA or SSI are also eligible to receive the EID. This includes cases no longer eligible to receive federally funded FA or SNA because an adult on the case, or minor head of household, has reached his/her State sixty-month time limit.

Effective June 1, 2002, the Poverty Level Test limits change. Beginning on that date, the gross earned and unearned income (including TA) of applicants for and recipients of TA cannot exceed the 2002 Federal Poverty Guidelines as published in the Federal Register by family size, and available at <http://aspe.hhs.gov/poverty/poverty.htm>. The Poverty Level Test applies to all TA households except those residing temporarily in hotels/motels, homeless shelters, domestic violence shelters, AIDS housing, congregate care facilities, etc. This test is fully supported by ABEL.

2002 Federal Poverty Guidelines

Size of Family Unit	Annual Guideline	Poverty
1	\$8,860	
2	11,940	
3	15,020	
4	18,100	
5	21,180	
6	24,260	
7	27,340	
8	30,420	
Additional	+3,080	

IV. Required Action

Applicants

An applicant's eligibility for TA must be determined without application of the 50% EID unless the applicant has received TA for any one of the four months preceding the date of the current application. If eligible without the EID, the disregard is granted in calculating the net earned income.

The Poverty Level Test is automatically applied by ABEL to all applicants residing in the appropriate shelter type (all TA households except those residing temporarily in hotels/motels, homeless shelters, domestic violence shelters, AIDS housing, congregate care facilities, etc).

Recipients

A mass re-budgeting of all cases with earned income currently receiving the EID and with an authorization "To Date" of 6/1/02 or greater (budget effective 6/1/02 or later) will take place prior to June 1, 2002. Recipients will receive notice of the change through the Client Notice System (CNS).

V. Systems Implications

Upstate

The new 50% EID and the new poverty levels for the Poverty Level Test will migrate Upstate as of April 15, 2002 for budgets with "Budget From" dates of June 1, 2002 or later. A mass re-budgeting/reauthorization (MRB/A) on April 13, 2002 (initial phase), and April 20, 2002 (final phase), automatically re-budgeted cases with earned income and a 49% EID. Cases listed as exceptions during the initial phase of the mass re-budgeting need to be manually re-budgeted by the district. See ABEL Transmittal 02-3 for additional information regarding the MRB/A.

Downstate

The MRB/A in New York City will be run on the weekend of May 19, 2002, and will be available on May 20, 2002.

VI. Additional Information (Optional)

Food Stamps Implications

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

Medicaid Implications

The change in the amount of the EID from 49% to 50% will be implemented for all Medicaid budgets with an effective "From Date" of June 1, 2002, or later. Also, effective June 1, 2002, the Poverty Level Test will be based on the poverty levels published in the Federal Register in February 2002. These levels are the same as those used for expanded eligibility for pregnant women and children effective January 1, 2002.

The MBL system has supports these changes for Upstate beginning May 6, 2002.

At next client contact or recertification, cases with an effective "From Date" of June 1, 2002 or later will be re-budgeted using the EID of 50% and the Poverty Level Test based on the 2002 poverty level. Some cases may change from Medically Needy eligibility to Low Income Families (LIF) eligibility due to the increase in the EID. Cases re-budgeted after June 1, 2002, but with an effective "From Date" of June 1, 2002, will qualify retroactively for Transitional Medicaid (TMA) and the four month child support extension if otherwise eligible.

Notice Requirements

Applicants and recipients who do not receive a notice through CNS must be provided with a manual notice that includes the following language:

We are counting less earned income against your temporary 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 by the United States Bureau of the Census. The earned income disregard has been changed from 49% to 50%. We do not count the first \$90 of your gross earned income and 50% of the remainder.

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

If a manual notice is required due to an increase in the TA grant, a timely and adequate notice needs to be sent to households who receive a reduction in FS benefits because of this change.

Issued By

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