



Office of Temporary and Disability Assistance

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Section 1

Transmittal:	16-ADM-09
To:	Local District Commissioners
Issuing Division/Office:	Center for Employment and Economic Supports
Date:	July 13, 2016
Subject:	Temporary Assistance Policy: Change in the Vehicle Resource Exemption and Lump Sum Set-Aside
Suggested Distribution:	Commissioners Temporary Assistance Directors Supplemental Nutrition Assistance Program Directors Employment Coordinators Staff Development Coordinators
Contact Person(s):	TA Policy Bureau at (518) 474-9344
Attachments:	None
Attachment Available Online:	<input type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
03 ADM-10, 00 ADM-5, 14 INF-6, 06 INF-21, 05 INF-12, 03 INF-25, 01 INF-11, 96 INF-02	00 ADM-5	352.23, 352.29	SSL 131-a, SSL 131-n		GIS 16 TA/DC031, GIS 08 TA/DC029

Section 2

I. Summary:

This release advises social service districts (SSD) of a change in the Temporary Assistance (TA) vehicle resource exemption and lump sum set-aside policies resulting from statutory amendments to Social Service Law 131(n) contained in Chapter 54 of the Laws of 2016.

As districts were previously advised in GIS 16 TA/DC031 of this policy change prior to its effective date, the operational and policy changes required to implement these changes may be limited.

II. Purpose

This is to notify social service districts (SSD) of a change in the Temporary Assistance (TA) vehicle resource exemption and lump sum set-aside policies.

III. Background

Chapter 54 of the Laws of 2016 changes the vehicle resource exemption policy for applicants and recipients of TA effective May 16, 2016.

Prior to this change, the amount exempted from the \$2,000 resource limit consideration (or \$3,000 for households containing a member age 60 or over) for the first automobile was up to \$4,650 fair market value (FMV) if the vehicle was NOT used to seek or retain employment, or to travel to and from work activities; and up to \$9,300 FMV (or such other higher dollar value as the local SSD may elect to adopt) if the vehicle was used to seek or retain employment, or to travel to and from work activities.

Effective May 16, 2016, up to \$10,000 FMV (or such other higher dollar value as the local SSD may elect to adopt) for the first vehicle owned is exempted from the resource limit when determining TA eligibility. Whether or not a vehicle is used to seek or retain employment or to travel to and from work activities is no longer a consideration for this policy.

In addition, the auto exemption will increase again at the start of the next two State fiscal years. Beginning April 1, 2017, the exemption amount from the TA resource eligibility test for the first automobile will rise to \$11,000 FMV (or such other higher dollar value as the local SSD may elect to adopt). As of April 1, 2018, and thereafter, the exemption amount from the TA resource eligibility test for the first automobile will rise to \$12,000 FMV (or such other higher dollar value as the local SSD may elect to adopt).

IV. Program Implications

Temporary Assistance Implications

A. Resource Level Implications

For the purpose of applying this exemption, a household is the number of persons 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, who reside together in the same dwelling unit and are required members of the filing 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 exempt the first \$10,000 of the automobile's fair market value. This amount exempted must be adjusted as of April 1, 2017, to \$11,000 FMV (or such other higher dollar value as the local SSD may elect to adopt) and as of April 1, 2018 to \$12,000 FMV (or such other higher dollar value as the local SSD may elect to adopt).

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 \$2,000 or \$3,000 (households with any member age 60 or older) resource limit. If the value of the total household countable resources after this included amount is less than the appropriate TA resource limit there is no impact on the TA household. If the value of the total household countable resources after this included amount is **more** than the appropriate TA resource limit the TA household is ineligible for ongoing assistance.

Note: The fair market value of an automobile is determined by using the average trade-in NADA book value as quoted in the NADA monthly publication. The equity value (for additional automobiles only and never the first automobile, as explained below) of a vehicle is determined by using the average trade-in value as quoted in the NADA monthly publication; less any encumbrances. However, in those instances where the client can prove that the vehicle is actually worth less than the local district's estimate, such proof must be accepted. The client must be advised of this right. Additional information regarding valuing automobiles, including alternative publications that may be used other than the NADA, are found in GIS 08 TA/DC029.

Note: For the resource level eligibility policy consideration, a household's claim that the automobile is used to seek or retain employment, or for travel to and from work activities, is no longer a variable considered in determining the amount of automobile value exempted for TA.

A district may choose to establish a higher exemption amount for the first automobile owned, but such exemption amount must be specified in local guidelines. This higher exemption amount must be determined by the district and applied to both FA and SNA case types uniformly and equitably across the district's caseload. A district that applies a higher standard does not need to advise OTDA of the amount in advance ~~and~~ unless otherwise specifically requested. If the actual fair market value of the automobile is in excess of the higher district specific exempted amount, the district must apply the difference against the household's applicable 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 resource limit. The reason these additional automobiles are counted at equity value and not FMV (like the first automobile always must be), is because resources that are not specifically designated to be evaluated based on a distinct statutorily mandated methodology are considered based on equity value. As noted equity value

is never used to determine the exemption amount for the first automobile as that must always be determined by using the statutory FMV directed amount.

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.

There are no CNS resource notice implications resulting from this change as resource notices are worker-fill.

Example 1

On May 20, 2016, an FA applicant household (under age 60) has an automobile with a fair market value of \$9,700. In considering resources, the household is eligible for a \$2,000 resource limit, and one automobile exemption of \$10,000 (the district has not chosen to apply a higher exemption amount). The district applies the automobile exemption of \$10,000. This automobile's FMV is entirely exempt and has no impact on the resource limit or TA eligibility.

Example 2

On May 20, 2016, an SNA recipient household acquires an automobile with a fair market value of \$11,000. The district has chosen to apply a higher automobile exemption (for both SNA and FA) in the amount of \$12,000, effective May 16, 2016. This automobile's FMV is entirely exempt and has no impact on the resource limit or TA eligibility.

Example 3

On June 1, 2016, an applicant for SNA (over age 60) has an automobile with a fair market value of \$15,000. The applicant is employed and is using the automobile to travel back and forth from work. The district has not chosen to apply a higher exemption amount. The resource limit for a household containing a member age 60 or older is \$3,000. The first \$10,000 FMV of the automobile is exempt. That leaves \$5,000 countable towards the resource limit. The fact that the automobile is being used for work purposes is no longer considered. Accordingly, the applicant is over the resource level by \$2,000 and the application for ongoing SNA must be denied.

B. Lump Sum Implications

Effective May 16, 2016, the set-aside policy for lump sums will allow up to \$10,000 (or such other higher dollar value as the local SSD may elect to adopt) as a set-aside when the funds are used within 90 days of the receipt of the lump sum to purchase an automobile that is needed to seek or retain employment or for travel to and from work activities. This lump sum set-aside amount will increase to \$11,000 as of April 1, 2017, and to \$12,000 as of April 1, 2018.

Note: For lump sum set-aside policy consideration, whether a household indicates that the automobile is used to seek or retain employment or for travel to and from work activities is still a variable that is considered when determining if a set-aside must be made.

CNS lump sum notices have already been amended to reflect this change.

C. Vehicle Bank Account Resource Exemption

Please note that there is no change to the statutory provision that allows a resource exemption of up to \$4,650 in a separate bank account established by a TA recipient for the sole purpose of enabling the individual to purchase a first or replacement automobile in order to seek, obtain or retain employment. This exemption remains a maximum of \$4,650.

Note: For vehicle bank account resource exemption policy consideration, whether a household indicates that the automobile is used to seek or retain employment or for travel to and from work activities is still a variable that is considered when assessing eligibility.

V. Required Action

Temporary Assistance

District must apply the policy outlined above in determining eligibility of TA applicant recipients as of the dates the changes are or become effective. The initial change in automobile resource exemption amounts was May 16, 2016. Since districts were previously advised of this change in GIS 16 TA/DC031 prior to the initial effective date, required action is likely to be minimal.

Modifications in local operations and policy must then be made prior to the next two successive fiscal years (April 1, 2017 through March 30, 2018 and April 1, 2018) to reflect the increase in FMV exemption amounts for automobiles beginning at the start of each successive State fiscal year.

VI. Systems Implications

Upstate (Other Than NYC) Systems

Client Notice System (CNS) language modifications are consistent with the statutory amendments to SSL 131(n) contained in Chapter 54 of the Laws of 2016. Revisions include the following CNS Case Reason Codes and corresponding paragraphs: E38/F38 (C0019), M35 (C0016), and M37 (C0018).

Downstate (NYC) Systems

Necessary minor changes have been made already to NYC CNS language.

VII. Effective Date

May 16, 2016.

Issued By

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