

GENERAL INFORMATION SYSTEM
Center for Employment & Economic Supports

October 28, 2009

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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 January 1, 2010

EFFECTIVE DATE: Immediately

CONTACT PERSON: Temporary Assistance Bureau at 1-800-343-8859; extension 4-9344
WMS Systems and ABEL questions – Richard Racine at (212) 961-8185

The purpose of this message is to inform New York City Human Resources Administration (HRA) 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 introduce a new method of determining pass-through payments and disregard amounts for Temporary Assistance (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 TA. Beginning 1/1/2010, the number of active children under the age of 21 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 under the age of 21 who are active TA recipients. Families with one active child under the age of 21 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 or IV-D sanction in a TA case and who are under the age of 21 at the time of the MRB/A run.

II. Budgeting Child Support Pass-through/Disregard amounts

To support the budgeting of the \$100 and \$200 disregard amounts NYC WMS will be queried to 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 “**14-Court Ordered Alimony/Spousal Support/Child Support Payments**” or “**61-Child/Spousal Support**”

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Assigned to Agency” will be programmed to automatically exempt an amount of either \$100 (if the case has one child under 21, who is active on the case or subject to a pro-rata or IV-D sanction) or \$200 (if the case has more than one child under 21, who is active on the case or subject to a pro-rata or IV-D sanction).

- TA families with one child under 21, who is active on the case or subject to a pro-rata or IV-D sanction, will receive an automatic exemption amount up to a maximum of **\$100**.
- TA families with two or more children under 21, who are active on the case **or** subject to a pro-rata or IV-D sanction, will receive an automatic exemption amount up to a maximum of **\$200**.

Note: *The current EXEMPTION of up to \$100 for the income sources mentioned above will continue to be used for TA budgets calculated up until 12/31/09.*

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 “61- 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 case has one individual under 21, who is active on the case or subject to a pro-rata or IV-D sanction. If the case has more than one individual under 21, who is active on the case or subject to a pro-rata or IV-D sanction, 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, Job Center workers must verify the number of children under the age of 21 who are active on the TA case at the time of the MRB/A run by reviewing the case record. If there is one child under age 21, who is active on the case, the Job Center 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 Job Center 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.

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regardless of the number of individuals under the age of 21, who are active or subject to a pro-rata or IV-D sanction on the TA case.

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 "14 – Court Ordered Alimony/Spousal Support/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 one active individual under age 21. If the ABEL budget contains two or more active individuals under age 21, up to the first \$200 will be automatically exempt as countable income to the household.

Example: A 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 of \$250 per month is being paid to the mother directly. One child is in receipt of SSI. Although there are two individuals under the age of 21 in the family, the SSI child is not counted in the family assistance (FA) case. Therefore, the system will only exempt **\$100** from the amount input with income source code "14".

Note: **SSI individuals are not included in the household count for a FA case (Social Services §131-c).**

III. Budgeting Spousal Support

Effective 1/1/2010, single household individuals age 21 and over who receive spousal support and all TA recipients age 21 and over who have spousal support only support orders will have their spousal support income identified with a new unearned income source code "68"- Alimony/Spousal Support". This income source code will be counted as income for TA and Food Stamps. There will be no disregards or exemptions applied.

Effective 1/1/2010, TA budgets with unearned income source code "14-Court Ordered Alimony/Spousal Support/Child Support Payments" should be reviewed to determine whether there is Spousal Support order that is linked to a Child Support order. If both orders are linked, the case will continue to receive the \$100 or \$200 automatic **exemption** amount applied depending on the number of children under 21 in the household.

If there is income from a Spousal Support order which is not linked to a Child Support order (i.e. spousal support only support order), the income Source code 14 must be changed to Income Source code 68. Because "68"- Alimony/Spousal Support" will not apply any disregard or income exemptions, this will therefore create a reduction in the TA grant effective 1/1/10.

A listing of TA cases with unearned income source codes "14" will be provided to NYC/HRA near the end of October to assist in accomplishing this task.