

Department of Social and Health Services

Olympia, Washington

### EAZ Manual

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Category	Income- Effect of income on Eligibility and Benefit Level
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### Summary

Updated the EAZ chapters Income- Effect of income on Eligibility and Benefit Level for means testing repeal

## Income - Effect of income on Eligibility and Benefit Level

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## Purpose:

This section contains rules and procedures for determining countable income for cash, medical, and Basic Food.

[WAC 182-509-0001](#) Countable income for Washington apple health programs.

[WAC 388-450-0162](#) How does the department count my income to determine if my assistance unit is eligible and how does the department calculate the amount of my cash and Basic Food benefits?

- [Clarifying Information and Worker Responsibilities](#)

[WAC 388-450-0165](#) Gross earned income limit for TANF / SFA.

- [Clarifying Information](#)

[WAC 388-450-0170](#) Does the department provide an earned income deduction as an incentive for persons who receive TANF/SFA to work?

- [Clarifying Information](#)

[WAC 388-450-0177](#) Does the department offer an income deduction for the ABD cash program as an incentive for clients to work?

[WAC 388-450-0185](#) What income deductions does the department allow when determining if I am eligible for food benefits and the amount of my monthly benefits?

- [Clarifying Information](#)

[WAC 388-450-0190](#) How does the department figure my shelter cost income deduction for Basic Food?

- [Clarifying Information](#)

[WAC 388-450-0195](#) Does the department use my utility costs when calculating my Basic Food or WASHCAP benefits?

- [Clarifying Information and Worker Responsibilities](#)

[WAC 388-450-0200](#) Will the medical expenses of elderly persons or individuals with disabilities in my assistance unit be used as an income deduction for Basic Food?

- [Clarifying Information and Worker Responsibilities](#)

Cost Of Living Adjustment (COLA)

- [Clarifying Information](#)

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## Clarifying Information - [WAC 388-450-0162](#)

- [Utility Chart](#)
1. We reduce the cash or Basic Food benefit amount by any sanction penalties or overpayment deductions before issuing a benefit.
  2. For information on how the cash benefit amount is calculated for the first month of eligibility, see [WAC 388-450-0225](#).
  3. For cash assistance, when an AU contains eight or more people we calculate the benefit level by subtracting the countable income from the appropriate payment standard. The grant payment **cannot** exceed the maximum monthly payment of \$1,026.00. See WAC 388-478-0020 for cash assistance payment standards.

### EXAMPLE

Nine-person TANF AU with countable income of \$75.

$\$1,126$  (9-person payment standard) -  $75 = \$1,051$ . Since the grant payment cannot exceed the maximum monthly payment, the household would receive  $\$1,026$ .

**NOTE: As of 7/1/2018 Means testing for non-needy TANF caregivers is no longer required. Income verification for a non-needy caregivers is no longer required unless they are applying for other benefits.**

The following guidelines apply to means testing of non-parental child-only grants:

1. To determine eligibility and benefit amount, we define who to include in the AU as the applicant or recipient TANF child(ren), the caregiver, the caregiver's spouse, all of the caregiver's dependents, and any other persons financially responsible for the caregiver or for the TANF child(ren).
2. A means test based on the Federal Poverty Level will be applied to the TANF/SFA payment standards. The means test will be applied after the countable income of the entire household, including the TANF child's income, is determined, and before the TANF child's income is budgeted against the appropriate payment standard.
3. Caregivers of children placed by a state or tribal welfare agency with an open case are exempt from the means test. Even if only one of the TANF children in the household meets the criteria for the child welfare exemption, the whole household is exempt from means testing.
4. SSNs will be requested for all child-only means testing AU members. SSNs will not be required for members who have another way to verify their income.

#### **EXAMPLE**

An aunt and uncle are caring for their 10-year-old niece. They have two minor children of their own. They apply for TANF for the niece. For means testing purposes, the AU consists of the aunt and uncle, their two children, and their niece, for a family size of five. None of the children have income but the aunt is employed part-time and the uncle is retired. The aunt earns \$1,000 per month and the uncle receives \$2,500 per month in retirement income. We apply the 50% disregard to both the aunt's earned income and the uncle's unearned income so the total countable income is \$1,750. Since 200% of the 2014 Federal Poverty Level (FPL) for a family of five is \$4,652, the niece qualifies for a full TANF grant.

#### **EXAMPLE**

Similar scenario as above but the aunt and uncle have no minor children of their own, so the family size is three. This time both aunt and uncle are retired with a combined unearned income of \$7,000 per month, which means countable income of \$3,500 after the 50% disregard. The niece has no income. Since the household income falls between 201% (\$3,315) and 225% (\$3,710) of FPL for a family of three, the niece's TANF grant is based on a payment standard reduced by 20%.

#### **NOTE:**

~~The Federal Poverty Level and payment standard calculations described above will all be done by ACES. The worker's responsibility will be to determine the appropriate means testing household composition, verify household income, and enter this information into ACES (see Worker Responsibilities below).~~

## How to Calculate Basic Food benefits

Staff must understand how to calculate Basic Food benefits in order to explain how a client's income and circumstances affect their benefits. Use the following procedures to determine an AU's Basic Food benefits.

### Gross income:

1. Determine total countable gross income for all AUs as follows:
  1. Include all dollar and cent amounts when calculating;
  2. Add all non-excluded earned income from all sources;
  3. Add all non-excluded unearned income from all sources; and
  4. Add all deemed and allocated income.
2. Compare total countable gross income to the gross income standard.
3. Deny the application or terminate benefits for AUs with income above the gross income standard under [WAC 388-478-0060](#) *unless* the AU:
  - o Includes an elderly or disabled person; or
  - o Is categorically eligible (CE) under [WAC 388-414-0001](#).
4. Determine net income for AUs that meet the gross income standard and for AUs containing an elderly or disabled member.

### Net income:

Start with all dollar and cent amounts for income that is not excluded for Basic Food and all allowable expenses.

1. Subtract the following from the AU's gross income:
  1. The appropriate standard deduction based on AU size;
  2. The earned income deduction, if appropriate, which is 20% of gross earned income;
  3. Out-of-pocket dependent care expenses;
  4. Allowable non-reimbursable medical expenses over \$35 for persons in the AU who are elderly or disabled.
  5. Legally obligated child support payments made by an AU member to or for a person who is not a member of the AU.
2. Calculate the shelter cost income deduction:
  1. Start with the AU's allowable monthly shelter costs including the utility deduction;
  2. Subtract ½ of the result from step 1. above.

- If the AU includes a person who is elderly or has a disability, we use the result from step b above as the shelter cost income deduction.
  - If the AU **does not** include an elderly or disabled person, we use the lesser amount of the result from step b or the maximum shelter deduction for these households under [WAC 388-450-0190](#).
3. Take the result from step 1. Subtract the result from step 2 to calculate the AU's net income. Round this value to the nearest whole dollar (Round up from \$.50 and down from \$.49.)
  4. Compare net income from step 3 to the net income standard.

### **Eligibility:**

Deny or terminate benefits if they are not CE under [WAC 388-414-0001](#) and they have net income over the net income limit under [WAC 388-478-0060](#).

### **Benefit level:**

**For eligible AUs, determine their monthly benefit level by using the allotment formula or basis of issuance tables:**

#### **Allotment formula:**

- Multiply the AU's net income by 30%;
- Round this amount up to the next whole dollar; and
- Subtract the result from the Maximum Allotment for the number of eligible AU members.

#### **Basis of Issuance:**

Use the AU's net income and household size to look up their monthly benefit amount using the [Basis of Issuance Table - DSHS 12-006](#).

## **Worker Responsibilities - [WAC 388-450-0162](#)**

In an emergency situation when ACES is not available, calculate benefits for an AU eligible for Basic Food benefits by using Steps 1 - 3 above.

ACES is programmed to determine benefits for AUs appropriately based on the circumstances of the household including citizenship and alien status. For households with non-citizens members, ensure that you code the (ALAS) screen in ACES correctly and update an immigrant's information at recertification.

### **~~[How to Calculate Cash Assistance \(Means Testing\) for Non-parental Child-Only Caregivers:](#)~~**

- ~~1. Determine if any TANF child in the household is exempt from income means testing based on a state or tribal child welfare placement and an "open" child welfare case. Ask the caregiver if the child in their care was placed by a state or tribal child welfare agency.
  - ~~1. State child welfare cases are coded ("A", "D", "E", "F", "H", "J", "M", "R") in the Relative Placement field on the child's DEM1 screen in ACES.~~
  - ~~2. Tribal placed child only cases may not be coded in ACES and may have to be identified by phone contact with individual tribes. Follow your local protocol for communication with tribes, such as contacting your local tribal liaison.~~
  - ~~3. If you successfully determine an open child welfare placement, the child is exempt from means testing and you should continue to process and finalize the TANF grant~~~~
- ~~2. If the child is not exempt from means testing, determine who is in the child only means testing household based on TANF household composition rules and enter this information into ACES.~~
- ~~3. Verify the countable income of all members of the child only means testing household, based on TANF rules for what income is countable. Enter this information into ACES under the appropriate household member.~~
- ~~4. ACES will determine eligibility for the TANF child(ren) and the appropriate TANF payment standard if the child only means tested AU income is 300% of the Federal Poverty Level or less. If the means tested income is over 300% ACES will automatically close the child only TANF grant.~~
- ~~5. If the household passes the means test, the ACES system will budget only the TANF child's countable income against the appropriate payment standard and determine the actual benefit amount.~~

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## Clarifying Information - WAC 388-450-0165

To find the gross earned income limit for TANF/SFA, see WAC 388-478-0035, Maximum earned income limits for TANF and SFA.

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