

STATE LAW CHANGES THE CALWORKS EARNED INCOME DISREGARD

As of October 1, 2013, there are new rules in the CalWORKs program that may change your cash aid. When your grant is calculated, the amount you get is based on your household size and any income that you may have. The law allows for certain income to not be counted against your cash aid (income disregards). The new law changes the Earned Income Disregard (EID). These changes could mean that your CalWORKs cash aid may increase as of the first month of your next payment period.

In some cases, voluntarily reported changes may result in an increase in benefits for one program, while decreasing benefits for the other program. For example, an increase in CalWORKs could result in a decrease in CalFresh benefits.

The new way to calculate your CalWORKs cash aid will be:

- ✧ If your family gets more than \$225 a month of Disability-Based Unearned Income (DBI), only \$225 will be disregarded. (DBI can be Social Security disability, workers compensation, state disability benefits, etc.). The DBI over \$225 will be subtracted from your grant amount.
- ✧ If your family gets \$225 or less a month of DBI, none of the DBI will count when figuring your cash aid payment.
- ✧ If you also have earned income, any amount of the \$225 DBI disregard remaining, will not be counted as income when your cash aid is calculated.
- ✧ In addition, 50% of any remaining earned income will also be disregarded.
- ✧ The remainder is your net countable income. This is the amount that will be used to figure your grant.

Below is an example of how cash aid is currently calculated in an Assistance Unit (AU) with only earned income.

A family with a mother and two children has gross earned income of \$800 per month. The family lives in Region 1.

This example uses the current \$112 EID:

\$800	Gross earned income
<u>- 112</u>	EID
\$688	Subtotal
<u>- 344</u>	50 percent of EID
\$344	Total countable income

\$638	Maximum Aid Payment (Family of 3 in Region 1)
<u>- 344</u>	Total countable Income
\$294	Monthly grant amount

This is the same example using the higher \$225 EID:

\$800	Gross earned income
<u>- 225</u>	EID
\$575	Subtotal
<u>- 287.50</u>	50 percent of EID
\$287	*Total countable income

\$638	Maximum Aid Payment (Family of 3 in Region 1)
<u>- 287</u>	Total countable Income
\$351	Monthly grant amount

Below is an example of how cash aid will be calculated in an AU with Disability-Based Income:

A family with a mother and two children has gross earned income of \$800 per month. Each child gets \$100 in disability benefits based on the absent parent's disability claim.

\$200	Disability-Based Unearned Income (DBI)
<u>- 225</u>	EID
(\$-25)	Unused DBI disregard

\$800	Gross earned income
<u>- 25</u>	Unused DBI disregard (from above)
\$775	Subtotal
<u>- 387.50</u>	50 percent of EID
\$387	*Total countable income

\$638	Maximum Aid Payment (Family of 3 in Region 1)
<u>- 387</u>	Total countable Income
\$251	Monthly grant amount

* Total countable income is rounded down to whole dollar amounts.

These changes also apply to Refugee Cash Assistance, Entrant Cash Assistance, and Trafficking and Crime Victims Assistance (TCVAP cash assistance and TCVAP CalWORKs) recipients, since cash aid payments under these programs are based on CalWORKs amounts.

You will get a Notice of Action (NOA) showing how this grant increase was made. If you also get CalFresh, you may get less CalFresh benefits because of the grant increase. If so, you will get a separate notice informing you of your new CalFresh amount.