

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



April 1, 2003

ALL-COUNTY INFORMATION NOTICE I-16-03

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: FOOD STAMP QUESTIONS AND ANSWERS

The purpose of this notice is to provide counties with answers to questions regarding the Food Stamp Program (FSP). These questions were submitted by the County Welfare Directors Association's Food Stamp Committee. The answers were submitted to the committee for review and comments before being finalized by the Food Stamp Policy Bureau. As requested by the committee, questions and answers (Q&As) are separated and categorized for ease of reference.

If you have any questions regarding the attached Q&As, please contact the policy analyst assigned that area of the regulations.

Sincerely,

Original document signed by

F. PATRICK SUTHERLAND, Acting Chief
Food Stamp Branch

Attachment

BUDGETING

QUESTION #1:

How are deductible expenses of a CFAP person budgeted in determining the federal share of cost (SOC)? How does the “contributor rule” apply to a CFAP person when the CFAP person is not defined as an ineligible noncitizen under MPP Section 63-402.221. Example: A food stamp household consists of a CFAP grandmother and two citizen children. The two children receive SSA benefits. The CFAP grandmother has no income but is a payee for the children’s SSA benefits. The rent is \$300.00. Should the rent for the federal budget be \$200 (300/3x2)?

ANSWER:

Income and deductible expenses of CFAP eligible noncitizen members are excluded when determining the federal share of cost for combined (state and federal) households per the California Law, Welfare and Institution Code (W&IC) 18901.7. For purposes of determining the federal share of cost, a CFAP person is considered an excluded ineligible noncitizen (i.e., ineligible for federal food stamps), and the contributor rule would apply to the CFAP in this instance. Therefore, if a CFAP person has income, the CFAP person would be included in the proration of the expenses in the federal budget. However, if the CFAP has no income, he or she would not be included in the proration, even if he or she was receiving payments on behalf of a household member(s).

Based on the above example, since the CFAP grandmother has no income, she would not be included in the proration of the rent (regardless of the fact that she is the payee for her grandchildren’s SSA benefits). Therefore, in determining the federal share of cost, the total rent of \$300 would be counted in the federal budget. See ACL 99-64, dated September 9, 1999.

QUESTION #2:

Is the income of ineligible noncitizens prorated prior to gross income test?

ANSWER:

Yes. The ineligible noncitizens’ income is prorated or divided evenly among household members (including the excluded members) and all, but the pro rata share of the excluded members’ income is counted as income to the remaining household members, as specified in MPP Section 63-503.442(b). The pro rata share attributed to the remaining household members is then added to the food stamp household’s total income for the gross income test.

ELIGIBILITY – NONCITIZENS WITH DISABILITY

QUESTION #1:

Is the receipt of disability-based Medi-Cal regarded as a disability that qualifies a noncitizen for federal food stamp benefits? Note that disability-based Medi-Cal is based on Social Security Disability standard.

ANSWER:

Yes. For food stamp purposes, noncitizens are considered disabled if they are receiving or certified to receive Supplemental Security Income (SSI), interim assistance pending SSI, Social Security disability, federal or state disability retirement benefits for a permanent disability, veteran's disability benefits, or railroad retirement disability. In addition, persons receiving disability-related Medicaid, state or federal supplemental assistance and disability-related General Assistance (GA) benefits may be considered disabled if they are determined disabled using criteria as stringent as the federal SSI criteria. [MPP 63-300.5(e) (9)].

QUESTION #2:

Adult eligibility for Medi-Cal and Cash Assistance Program for Immigrants (CAPI) can be based on either disability or old age. If someone qualifies for Medi-Cal or CAPI based on a disability, once the person turns age 65, the benefits are recategorized by the eligibility staff as old age benefits rather than disability benefits, even though the person continues to meet the disability standards. Is the person still regarded to be in receipt of disability-based benefits and eligible for federal food stamps?

ANSWER:

Yes. An elderly person is not considered disabled unless that individual is receiving a type of disability-related assistance described above in question/answer #1. The state may determine federal food stamp eligibility based on the disability determination made by other programs if the criteria are as stringent as the SSI disability criteria. Once an individual is determined to be disabled and eligible for food stamp benefits, turning age 65 does not change the determination of disability. [MPP 63-102(e)].

INCOME DEFINITION

QUESTION #1:

Does income from In-Home Supportive Services (IHSS) qualify as self-employment?

BACKGROUND:

FSQUADS #188 provides that self-employment must be determined on a case-by-case basis. Criteria such as income tax returns, employer reports to the IRS, Social Security tax withholding, etc., can be used to determine self-employment. If an individual has filed as self-employed on his or her income tax return, the individual would be considered self-employed for food stamp purposes.

Here are a few examples of self-employment:

- Commercial boarding house, which provides lodging and meals for a profit.
- A farmer or a fisherman who anticipates or receives an annual gross of \$1000 or more from his or her business/enterprise.
- A preparer of income tax returns.
- A barber or hairdresser.

ANSWER:

No. IHSS does not qualify as self-employment. The caregiver is employed by the person the caregiver cares for. Therefore, IHSS payments would be considered earned income to the household, as provided in MPP 63-502.131.

INCOME DEFINITION (continued)

QUESTION #2:

On the PVS report, there are specific codes that identify offsets to Unemployment Insurance Benefits (UIB) and Disability Insurance Benefits (DIB). How is each of the following offsets treated? Does the CWD apply the gross or net amount in the food stamp budget?

| UIB | DIB |
|--|--|
| <ul style="list-style-type: none"> • Earnings • Benefit Reduction/Penalty • Workers Compensation • Work Share/2 persons sharing a job • Recomputation Down/Recomputed claim • Partial Overpayment Offset • Full Overpayment Offset • Pension Benefit/Pension Payment applied against UI • Child support | <ul style="list-style-type: none"> • Partial Wages • DI Voluntary Plan Reduction • Workers Compensation • Workers Compensation Voluntary Reduction (WCVR) • Recomputation Down • Full Overpayment Offset • Partial Overpayment Offset • Child Support • Benefit Garnishment • Prepayment Reduction • Unallocated Sick Leave Wage • Simultaneous Coverage |

ANSWER:

State Fraud Bureau generates a Payment Verification System (PVS) report every month whenever Employment Development Department (EDD) pays out UIB and DIB and then distributes the report to the CWDs on a monthly basis. PVS report indicates the deductions or offsets that have been made to UIB/DIB and the reasons why; however, the report does not show how these offsets should be treated in the Food Stamp Program (FSP).

This report is to be used as a verification tool, i.e., when the CWD receives a household's monthly report or CW7, the CWD is encouraged to match information on the PVS report against the household's CW7 monthly report to ensure that there are no discrepancies. Where it appears that there may be a discrepancy or information is questionable, the CWD is encouraged to verify that information. For example, if the PVS report shows earnings, it's an indication that the CWD should be verifying the information with either EDD or the employer. This is to avoid counting the earnings twice or not counting it at all, etc. Below is a chart showing how the offsets to UIB/DIB are to be treated in the FSP.

TREATMENT OF OFFSETS TO UIB AND DIB

| TYPE OF OFFSETS OR DEDUCTIONS | COUNT GROSS UIB/DIB | COUNT NET UIB/DIB |
|---|---------------------------|-------------------------|
| Earnings - UIB/DIB is reduced because of earnings. The household should report earnings on the monthly CW7. | | √ |
| Partial Wages – The household should report wages on the monthly CW7. | | √ |
| Benefit Reduction due to penalty – Since a household’s financial circumstances are not considered in determining eligibility for UIB or DIB, the reduced amount would not count as income in food stamps. | | √ |
| Workers Compensation –The household should report Workers Compensation benefits on the monthly CW7. | | √ |
| Work Share Earnings/2 Persons sharing 1 job –The household should report earnings on the monthly CW7. | | √ |
| Recomputation Down/Recomputed Claim – Two persons may be using the same social security number (SSN) and paying into state disability. Upon investigation, the person who applied for disability benefits may or may not have paid into the disability to be eligible for benefits. Hence, the state disability then re-computes the benefits to determine actual benefits to be issued the eligible person. | | √ |
| Partial Overpayment Offset –UIB/DIB is being reduced to repay a prior overpayment received from UIB/DIB. The offset amount would not count as income in food stamps. | | √ |
| Full Overpayment Offset – Treated in the same manner as partial overpayment. The offset amount would not count as income in food stamps. | | √ |
| Pension Benefits/Pension Payment Applied Against UI – The household should report pension benefits on the monthly CW7. | | √ |
| Child Support – Legally obligated to be paid and otherwise payable to the household. Food stamps would count the gross UIB/DIB, but the child support amount would be an allowable deduction. | √ | |
| DI Voluntary Plan Reduction – Money is voluntarily being deducted from the employee’s paycheck and then paid into a private disability plan (and not through the state disability). | | √ |
| Workers Compensation Voluntary Reduction (WCVR) – DI – The household should report Workers Compensation benefits on the monthly CW7. | | √ |
| Benefit Garnishment – To pay owed child support, unpaid taxes, etc. Food stamps would count the gross UIB/DIB (including the garnished amount) as income. A child support deduction would be allowed if benefits are garnished for child support payment. No deduction would be allowed for unpaid taxes (not a deductible expense). | √ | |
| Prepayment Reduction/adjustment – Occurs when a client was paid benefits at the full rate (like a wage) than he/she was entitled to because the client may have failed to report some relevant information. | | √ |
| Unallocated Sick Leave Wage – Paid yearly to the client as a regular wage. The household should report wages on the monthly CW7. | | √ |
| Simultaneous Coverage – Occurs when an employee is working for two different employers. One employer may elect to participate in a voluntary plan and the other employer in a state disability plan. Money is deducted from the employee’s paycheck and paid into the voluntary plan. | | √ |
| Voluntary Withholdings – E.g., taxes withheld or deducted from a client’s benefits. | | √ |