



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

September 10, 2013

ALL COUNTY LETTER NO. 13-71

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS
 ALL COUNTY CALFRESH PROGRAM SPECIALISTS
 ALL CONSORTIA REPRESENTATIVES
 ALL QUALITY CONTROL COORDINATORS
 ALL COUNTY WELFARE TO WORK COORDINATORS
 ALL COUNTY CALWORKS PROGRAM SPECIALISTS

SUBJECT: IMPLEMENTATION OF THE WORK INCENTIVE NUTRITIONAL SUPPLEMENT (WINS) PROGRAM AUTOMATION

REFERENCES: WELFARE AND INSTITUTIONS CODE (WIC) SECTION 15525
 SENATE BILL (SB) 1041 (Chapter 47, Statutes of 2012)

The purpose of this letter is to provide County Welfare Departments (CWDs) with instructions for the automation implementation of the Work Incentive Nutritional Supplement (WINS) program via the issuance of the WINS benefit for eligible CalFresh recipients. Welfare and Institutions Code (WIC) Section 15525 specifies payment of WINS benefits shall not commence prior to January 1, 2014, with full implementation by all counties no later than July 1, 2014. WINS is a mandatory program. Therefore, WINS benefits will automatically be given to all CalFresh recipients meeting the WINS eligibility requirement by the full implementation deadline. Thereafter, the eligibility determination for WINS benefits shall occur at an initial application, a Semi-Annual Reporting period, and at annual recertification consistent with CalFresh requirements. The WINS program will allow each county to provide a ten dollar (\$10) per month additional food supplement benefit for each WINS eligible CalFresh household.

WINS Eligible CalFresh Households Requirements

To be a WINS program eligible CalFresh household, a family must meet the following criteria:

- Must be a household receiving CalFresh, but not receiving CalWORKs;

- Must have a child under age 18 in the home, unless there is a child who meets the requirements of WIC Section 11253 (See Attachment II);
- Must have at least one parent or caretaker relative that meets the Temporary Assistance for Needy Families (TANF) definition of a “work-eligible individual” (WEI), in accordance with 45 Code of Federal Regulations (CFR) Part 261.2(n) and Title 42 United States Code (USC) Section 607 (See Attachments III and IV);
- The WEIs must be participating for a sufficient number of hours in work activities that meet federal TANF work participation hours requirements under 42 USC Section 607 for subsidized or unsubsidized employment, which are as follows:
 - 30 hours per week for non-two parent families with no child under six years old, with at least 20 of the 30 hours in core activities;
 - 20 hours in core activities for single custodial parents with a child under six; and
 - 35 hours for two-parent families, with at least 30 of the 35 hours in core activities.
- Provides acceptable documentation that the household met the federal work requirements for subsidized or unsubsidized employment, in accordance with California’s federally approved Work Verification Plan (ACL #09-07). In accordance with federal law and WIC Section 15525, a household may not have their CalFresh benefits reduced as a consequence of receiving a WINS benefit. Thus, for purposes of determining WINS eligibility, CWDs should limit verification to whether a household has met federal work participation hours by only requesting whether the household is currently employed and, if so, the number of hours. Counties should only request verification of hours for WINS.

WINS Benefit

Each WINS eligible CalFresh household may only receive one WINS benefit per month. Two separate families that are part of one CalFresh household can only receive one \$10 WINS benefit. If there are two or more separate CalFresh households which are each eligible for WINS under one household, then each household will receive a \$10 benefit.

The WINS benefits will be issued to the household the month following the month of eligibility determination, if it cannot be issued within the same month of eligibility determination. No specific member of the household receives the benefit. Only one WEI in the household meeting the work requirement is needed in order to receive the

WINS benefit. Transitional CalFresh (TCF) clients are eligible for WINS, as long as they still meet the work hour requirements and all other WINS criteria. If the only adult household member is receiving Supplemental Security Income (SSI), the household would not be eligible for CalFresh or WINS.

The WINS benefit will follow the same expungement rules as other food benefit programs issued via Electronic Benefit Transfer (EBT). Any WINS benefits that are expunged will not be reinstated to an individual's or household's EBT account. Nor will a WINS benefit be applied to a CalFresh claim. CWDs will be responsible for sending Notice of Actions (NOAs) for inactive accounts as instructed in All County Information Notice (ACIN) # I-38-11.

The WINS benefit will not be counted as income in the CalFresh benefit determination. The WINS food supplement benefit can only be used for the purchase of food. Receipt of WINS benefits will not be counted toward the federal 60-month time limit on aid or towards the 48 month CalWORKs time limit. WINS payments do not constitute a "public charge" as defined in 64 Federal Register 28689 (May 26, 1999) in that an individual receiving a \$10 monthly stipend cannot be considered "primarily dependent on the government for subsistence" because WINS is a food-only benefit and not cash assistance.

By the time WINS implementation begins, CalFresh recipients will be reporting semi-annually (starting October 2013). The WINS benefit will be issued prospectively and continued eligibility will be determined via the semi-annual/recertification report. However, if a WINS participant voluntarily reports employment hours that fall below the federal requirement before the next semi-annual report or mid-period or provides no verification of hours worked, then the WINS benefit will be discontinued the following month after the month of discovery and will revert back to the original CalFresh aid code. A 10-day timely notice is required prior to discontinuing the WINS benefit. Any overpayments to the household prior to the discovery that the participant was not meeting the work hour requirement will be forgiven and not pursued by the county as an over-issuance. The WINS benefit is not a CalFresh benefit, nor is it a CalWORKs benefit. WINS is a separate state program benefit. Therefore, it cannot be used towards repaying an over-issuance in the CalWORKs or CalFresh programs.

New WINS Aid Codes

The three aid codes assigned to the WINS program CalFresh household participants are the following:

- **R4** – Work Incentive Nutritional Supplement for non-two parent/caretaker relative households receiving Non-Assistance CalFresh;

- **R5** - Work Incentive Nutritional Supplement for two parent/caretaker relative households receiving Non-Assistance CalFresh; and
- **R6** - Work Incentive Nutritional Supplement for non-two or two parent/caretaker relative households receiving California Food Assistance Program (CFAP) benefits.

The participating CalFresh household's aid code will be changed to a new WINS aid code. For example, a non-two parent household receiving Non-Assistance CalFresh benefits, and meeting the WINS program eligibility requirement will be converted from a 09 aid code to an R4 aid code in the Medi-Cal Eligibility Data System (MEDS). Only one WINS aid code will be assigned per CalFresh household, which will either be R4, R5, or R6. These aid codes are identified as both CalFresh and WINS.

However, a household's WINS aid code can change based on their situation. For example, if a two-parent household becomes a non-two parent household due to a parent's departure, then this would become a non-two parent household, and the aid code would reflect that change as well, i.e., from R5 to R4 aid code. For TANF work participation rate (WPR) purposes, the entire CalFresh household is considered one TANF case, even in the condition of a mixed household in which more than one family unit exists. There is only one WINS aid code for CFAP cases and it is not distinguished as either two-parent or non-two parent. The CFAP WINS cases will be funded with 100 percent non-MOE General Fund and are not countable towards the WPR. The CFAP WINS aid code is for CFAP only cases.

*Attachment I give examples of CalFresh households that are eligible or not eligible for the WINS program benefit with the corresponding WINS aid code.

There are additional aid codes being developed for the Transitional CalFresh (TCF) populations who may be eligible for the WINS benefit. Those aid codes are:

- **R7** - Work Incentive Nutritional Supplement for non-two parent/caretaker relative households receiving Transitional CalFresh (TCF) benefits.
- **R8** - Work Incentive Nutritional Supplement for two parent/caretaker relative households receiving Transitional CalFresh (TCF) benefits.
- **R9** - Work Incentive Nutritional Supplement for non-two or two parent/caretaker relative California Food Assistance Program (CFAP) households receiving Transitional CFAP (TCFAP) benefits.

Please note: These TCF codes are under development at this time and are not yet available to be used. The TCF aid codes are expected to be available sometime in early spring 2014. Once the development process is completed, the consortia and

counties will be notified in order to allow programming by the three Statewide Automated Welfare System (SAWS) consortia and provide proper implementation of these aid codes. In the meantime, the consortia are welcome to begin programming these new codes at the same time they program the existing aid codes by using a “placeholder” code so that testing may commence at the earliest possible date.

Data Collection and Reporting

Data collection and reporting on the WINS program goes into effect for the October 1, 2014 report month. The WINS program will require a new form for collecting the necessary aggregate data to comply with federal and state reporting requirements. The CDSS Data Systems and Survey Design Bureau will develop and distribute the new reporting form and instructions via ACL under separate cover.

Forms

CalFresh will create all necessary forms and notices for WINS. These forms will be covered in a CalFresh ACL that will be issued in late 2013.

Automation

The WINS benefit will be distributed on the household’s existing EBT card as a supplement to the family’s food benefit allotment.

A new EBT benefit type has been developed and is now available for programming in the eligibility systems. The Aid Codes R4, R5, and R6 will be available in early November. The Aid Codes R7, R8, and R9 will be available in early spring 2014.

The new EBT benefit type is as follows:

Benefit Type Name: Work Incentive Nutritional Supplement
Benefit Type Code: WINS
Aid Codes: R4, R5, R6, R7, R8, and R9

If you have any questions regarding the WINS benefit type, please contact the EBT Operations Helpdesk at 916-263-6600.

Fiscal Claiming Instructions

Claiming instructions for WINS benefits will be issued to counties in a County Fiscal Letter, which will come under a separate cover following the issuance of this implementing WINS ACL.

Research and Development Enterprise Project (RADEP) WPR Data Reporting

Starting with Federal Fiscal Year 2015 (October 2014), the WINS program will increase the number of sampled cases reported in RADEP. Federal sampling requirements require the same annual number of cases to be sampled for the WINS program as the TANF program. Additional technical detail for both RADEP and E2Lite data reporting systems will be released in an ACIN in 2014. If you have questions regarding the WINS data reporting requirements, please contact the Federal Data Reporting and Analysis Bureau at 916-657-3659.

Contacts

Employment Bureau County Consultant	(916) 654-2137
CalFresh Policy Bureau—Bill Belon	(916) 654-1896
EBT Operations Help Desk	(916) 263-6600
Federal Data Reporting and Analysis Bureau	(916) 657-3659

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division

Attachments

**WORK INCENTIVE NUTRITIONAL SUPPLEMENT
ELIGIBILITY SCENARIOS**

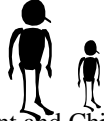
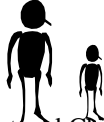

Definition of Eligible Family for Work Incentive Nutritional Supplement (WINS) Benefit

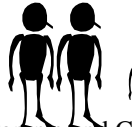
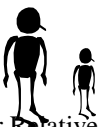
In order to be eligible for the WINS benefit, a household must meet the following criteria:

- Must be a CalFresh household, but not receiving CalWORKs.
- Must have a child under age 18 in the home, unless there is a child meeting WIC section 11253 criteria.
- Must contain a parent or caretaker relative that meets the TANF definition of a “work-eligible individual (WEI)” as defined in 45 Code of Federal Regulation (CFR) 261.2(n).
- The WEIs must be participating in a sufficient number of hours (the applicable 20/30/35 per week) of subsidized or unsubsidized work activities that meet federal TANF work participation requirements.
- Provides acceptable documentation that the household met the federal work requirements, in accordance with California’s federally approved Work Verification Plan (ACL #09-07).

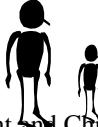

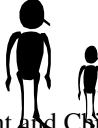



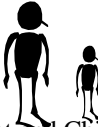
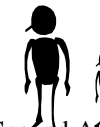
Note: Each eligible CalFresh household may only receive one WINS benefit per month. The benefit will be distributed on the household’s existing EBT card as a supplement to the family’s CalFresh food benefit allotment. When eligible for WINS, the entire CalFresh household’s aid code will be changed to one of the new WINS aid codes. For TANF work participation rate (WPR) purposes, the entire household is considered as *one* TANF case, even in the instance of a mixed household in which more than one family unit exists. The WINS is not considered assistance either for TANF purposes or as cash aid income in the CalFresh Program. It is only used to determine work participation.

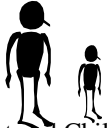
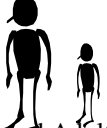
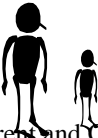
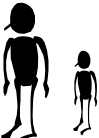
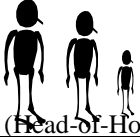
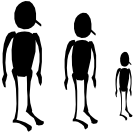
Sample Scenarios for Households with One Family Unit

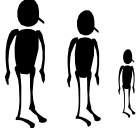
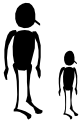

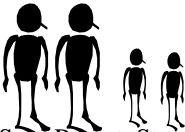
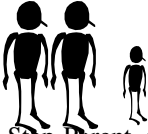
SCENARIOS	HOUSEHOLD MEMBERS	ARE ANY ADULTS WEIS?	ARE WEIS WORKING SUFFICIENT HOURS?	IS HOUSEHOLD ELIGIBLE FOR WINS?
I one CF household	 <u>Parent and Child</u> Working Sufficient Hours	Yes	Yes	Yes—R4 aid code Household is eligible for one benefit.
II one CF household	 <u>Parent and Child</u> Not Working Sufficient Hours	Yes	No	No—09 aid code Household is not eligible for benefit.
III one CF household	 <u>Two-Parents and Child</u> Working Sufficient Hours	Yes	Yes	Yes—R5 aid code Household is eligible for one benefit.

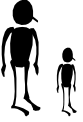
IV one CF household	 <u>Two-Parents and Child</u> Not Working Sufficient Hours	Yes	No	No Household is not eligible for benefit.
V one CF household	 <u>Caretaker Relative and Child</u> Working Sufficient Hours	Yes	Yes	Yes—R4 aid code Household is eligible for one benefit.

WINS Benefits for Mixed Households

SCENARIOS	HOUSEHOLD MEMBERS	ARE ANY ADULTS IN HOUSEHOLD WEIS?	ARE ANY WEIS WORKING SUFFICIENT HOURS?	IS HOUSEHOLD ELIGIBLE FOR WINS?
A one CF household	 <u>Parent and Child</u> Working Sufficient Hours  <u>Second Adult and Child</u> Working Sufficient Hours	Yes	Yes	Yes—R4 aid code Household eligible for one benefit.
B one CF household	 <u>Parent and Child</u> Working Sufficient Hours  <u>Second Adult and Child</u> Not Working Sufficient Hours	Yes	Yes	Yes—R4 aid code Household is eligible.
C one CF household	 <u>Parent and Child</u> Working Sufficient Hours  <u>Second Adult (no child)</u> Working or Not Working	Yes Second adult has no child; therefore is not a WEI.	Yes Work hours for second adult are irrelevant since he/she is not a WEI.	Yes—R4 aid code Household eligible for one benefit.
D two separate CF households residing at same address	 <u>Parent and Child</u> Working Sufficient Hours  <u>Second Adult and Child</u> Working Sufficient Hours	Yes	Yes	Yes—R4 & R4 aid code Since separate CF households, each household

SCENARIOS	HOUSEHOLD MEMBERS		ARE ANY ADULTS IN HOUSEHOLD WEIS?	ARE ANY WEIS WORKING SUFFICIENT HOURS?	IS HOUSEHOLD ELIGIBLE FOR WINS?
					will receive a benefit (two benefits total).
<p>E</p> <p>two separate CF households residing at the same address</p>	 <p><u>Parent and Child</u> Working Sufficient Hours</p>	 <p><u>Second Adult and Child</u> Not Working Sufficient Hours</p>	Yes (1 st HH)	Yes (The second adult does not affect first household's ability to receive WINS).	<p>Yes, the first household is eligible for WINS.—R4 aid code</p> <p>No, the second household is not eligible for WINS.</p>
<p>F</p> <p>one CF household</p>	 <p><u>Parent and Child</u> Working Sufficient Hours</p>	 <p><u>Second Adult Receiving SSI and Child</u> Not Working Sufficient Hours</p>	Yes Second adult receiving SSI is not a WEI.	Yes Work hours for second adult are irrelevant since he/she is not a WEI.	<p>Yes—R4 aid code.</p> <p>Household is eligible for one benefit.</p>
<p>G</p> <p>one CF household</p>	 <p><u>Parent (Head-of-Household), 17-Yearold Parent, and Grandchild</u> Parent Working Sufficient Hours 17-Yearold Not Working</p>		Yes Older parent is a WEI, but teen parent is not because he/she is not head-of-household.	Yes Elder parent is working sufficient hours. Work hours for teen parent are not applicable in this scenario.	<p>Yes—R4 aid code</p> <p>Household is eligible for one benefit.</p>
<p>H</p> <p>one CF household</p>	 <p><u>Parent, 17-Yearold Parent (Head-of-Household), and Grandchild</u> Parent Working Sufficient Hours 17-Yearold Working Sufficient Hours</p>		Yes Older parent and teen parent are WEIs since teen parent is head-of-household.	Yes	<p>Yes—R4 aid code</p> <p>Household is eligible for one benefit.</p>

SCENARIOS	HOUSEHOLD MEMBERS		ARE ANY ADULTS IN HOUSEHOLD WEIS?	ARE ANY WEIS WORKING SUFFICIENT HOURS?	IS HOUSEHOLD ELIGIBLE FOR WINS?
<p>I</p> <p>one CF household</p>	 <p><u>Parent,</u> <u>17-Yearold Parent (Head-of-Household),</u> <u>and Grandchild</u> Parent Not Working Sufficient Hours 17-Yearold Working Sufficient Hours</p>		<p>Yes</p> <p>Older parent and teen parent are WEIs since teen parent is head-of-household.</p>	<p>Yes</p> <p>Older parent is not working sufficient hours but irrelevant since HoH is meeting hours</p>	<p>Yes—R4 aid code</p> <p>Household is eligible.</p>
<p>J</p> <p>one CF household residing with a non-CF recipient</p>	 <p><u>17-Year old Parent (Head-of-CF Household),</u> <u>and Child</u> Working Sufficient Hours</p>	 <p><u>Parent of 17-Year old (not receiving CF)</u> Not Working Sufficient Hours</p>	<p>Yes.</p> <p>Teen parent is a WEI since he/she is head-of-household. Older parent is not in CF household, therefore not a WEI.</p>	<p>Yes</p> <p>Work hours for older parent are irrelevant since he/she is not in the CF household.</p>	<p>Yes—R4 aid code</p> <p>Household is eligible for one benefit.</p>
<p>K</p> <p>one CF household</p>	 <p><u>Parent, Step-Parent, Step-Child,</u> <u>and Child-in-Common</u> Working Sufficient Hours</p>		<p>Yes</p> <p>Both parents are WEIs because they have a child-in-common.</p>	<p>Yes</p> <p>Since the adults have a child-in-common, this is a two-parent case (35-hours per week requirement applies/hours may be combined).</p>	<p>Yes—R5 aid code</p> <p>Household is eligible for one benefit.</p>
<p>L</p> <p>one CF household</p>	 <p><u>Parent, Step-Parent, and Child</u> Either Parent Working Sufficient Hours</p>		<p>Yes</p> <p>A step-parent is considered a WEI in WINS (WINS eligibility is</p>	<p>Yes</p> <p>Without a child-in-common, this is an All Families case (one adult</p>	<p>Yes—R4 aid code</p> <p>Household is eligible for one benefit</p>

SCENARIOS	HOUSEHOLD MEMBERS	ARE ANY ADULTS IN HOUSEHOLD WEIS?	ARE ANY WEIS WORKING SUFFICIENT HOURS?	IS HOUSEHOLD ELIGIBLE FOR WINS?
		not tied to CalWORKs so consideration of step-parents is different than in CalWORKs)	must be working 30 hours per week/hours may not be combined).	
<p>M</p> <p>one CF household with member(s) receiving CFAP benefits</p>	 <p><u>CFAP Parent and CF Child</u> Parent Working Sufficient Hours</p>	<p>Yes</p> <p>The adult's immigration status does not preclude him/her from receiving a state-funded TANF benefit (i.e., WINS).</p>	<p>Yes</p>	<p>Yes—R6 aid code</p> <p>Household is eligible for one benefit</p> <p>(Although the adult receives CFAP and the child receives regular CF, they are still in one CF household)</p>

California Welfare and Institutions Code Section 11253

- (a) Except as provided in subdivision (b), aid shall not be granted under this chapter to or on behalf of any child who has attained 18 years of age unless all of the following apply:
 - (1) The child is less than 19 years of age and is attending high school or the equivalent level of vocational or technical training on a full-time basis.
 - (2) The child can reasonably be expected to complete the educational or training program before his or her 19th birthday.

- (b) (1) On and after January 1, 2012, aid shall be granted under this chapter to or on behalf of any non-minor dependent, as defined in subdivision (v) of Section 11400, if the non-minor dependent is placed in the approved home of a relative under the supervision of the county child welfare or probation department or Indian tribe that has entered into an agreement pursuant to Section 10553.1, and the non-minor dependent otherwise is eligible pursuant to Section 11403.
- (2) The eligible non-minor dependent shall be exempt from Chapter 4.6 (commencing with Section 10830) of Part 2 governing the statewide fingerprint imaging system.

- (c) Notwithstanding any other law, payment of aid under this chapter may be made out of state if the non-minor dependent who is described in subdivision (b) is placed in the approved home of a relative who resides in another state.

DEFINITIONS**45 Code of Federal Regulations Section 261.2**

(Selected excerpts; Please see actual section for the complete regulation)

(b) *Unsubsidized employment* means full-or part-time employment in the public or private sector that is not subsidized by TANF or any other public program.

(c) *Subsidized private sector employment* means employment in the private sector for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing an individual.

(d) *Subsidized public sector employment* means employment in the public sector for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing an individual.

(n) (1) *Work-eligible individual* means an adult (or minor child head-of-household) receiving assistance under TANF or a separate State program or a non-recipient parent living with a child receiving such assistance unless the parent is:

(i) A minor parent and not the head-of-household;

(ii) A non-citizen who is ineligible to receive assistance due to his or her immigration status; or

(iii) At State option on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits or Aid to the Aged, Blind or Disabled in the Territories.

(2) The term also excludes:

(i) A parent providing care for a disabled family member living in the home, provided that there is medical documentation to support the need for the parent to remain in the home to care for the disabled family member;

(ii) At State option on a case-by-case basis, a parent who is a recipient of Social Security Disability Insurance (SSDI) benefits; and

(iii) An individual in a family receiving MOE-funded assistance under an approved Tribal TANF program, unless the State includes the Tribal family in calculating work participation rates, as permitted under § [261.25](#).

42 UNITED STATES CODE § 607 - MANDATORY WORK REQUIREMENTS

(Selected excerpts; Please see actual section for the complete requirement)

(c) Engaged in work

(1) General rules

(A) All families

For purposes of subsection (b)(1)(B)(i) of this section, a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) of this section, subject to this subsection:

The minimum If the month is average number of in fiscal year: hours per week is: 1997
20 1998 20 1999 25 2000 or thereafter 30.

(B) 2-parent families

For purposes of subsection (b)(2)(B) of this section, an individual is engaged in work for a month in a fiscal year if—

- (i)** the individual and the other parent in the family are participating in work activities for a total of at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) of this section, subject to this subsection; and
- (ii)** if the family of the individual receives federally-funded child care assistance and an adult in the family is not disabled or caring for a severely disabled child, the individual and the other parent in the family are participating in work activities for a total of at least 55 hours per week during the month, not fewer than 50 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) of this section.

(2) Limitations and special rules

(B) Single parent or relative with child under age 6 deemed to be meeting work participation requirements if parent or relative is engaged in work for 20 hours per week

For purposes of determining monthly participation rates under subsection (b)(1)(B)(i) of this section, a recipient who is the only parent or caretaker relative in the family of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

Acceptable Documentation for Work Participation Verification
(Excerpts taken from All County Letter # 09-07)

II. COUNTABLE WORK ACTIVITIES

This section describes definitions, determination of countable hours, verification of actual hours, and methods of daily supervision for each countable work activity.

Unsubsidized employment

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

For federal data reporting purposes, unsubsidized employment is full-or part-time employment in the public or private sector that is not subsidized by TANF or any other public program. Unsubsidized employment includes self-employment as well as recipients whose employers claim a tax credit for hiring economically disadvantaged workers. Apprenticeship programs that allow participants to earn money while they practice the trade under the supervision of a journeyman and attend classes are also considered unsubsidized employment. Only the hours that are paid by the employer are counted as unsubsidized employment. The determination of whether employment is subsidized, or not, depends on whether the employer, rather than the recipient, receives a subsidy.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Weekly hours of participation are determined by dividing the monthly hours by 4.33 (the average number of weeks per month). If the information necessary to determine countable hours is not in the case file, the county welfare department will make contact with the recipient, employer, and/or service provider, as appropriate.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Generally, actual hours of participation for this activity are verified during the eligibility process using information gathered during the QR 7 process, which is signed by the head of household under penalty of perjury, and/or other records in the case file. Recipient eligibility and benefits for the quarter are based on information provided on the form. Evidence must be submitted with the QR 7 form to verify the reported information. Participants are responsible for making available to the county welfare department all documents in their possession or available to them that are needed to verify reported income as well as the date of receipt. Evidence of income includes pay stubs or other employer-produced documents that support the individual's employment. If the information necessary to verify actual hours is not in the case file, the county welfare department seeks verification from the Work Number or directly from the employer. If the verification is not available from the recipient, the county provides the recipient assistance in obtaining the information by placing a phone call to the employer or sending a letter to verify the participant's work hours then documents the communication including the participant's name; the name of the employer, work site supervisor or other service

provider; the number of hours; and the name and phone number of the person verifying the hours. Documentation of hours of participation is maintained in the case file. Third-party sources of employment information, such as the National Directory of New Hires (NDNH), and the Income Eligibility and Verification System (IEVS) matches may be accessed when additional employment information is necessary. Prior to counting these hours, the information from third-party sources will be verified through collateral contact. The Work Number is a resource that can be used by counties to verify employment. Counties are permitted to use the information obtained from this source in the same manner as they would use information provided by the employer. Therefore, no further verification is necessary when using The Work Number.

4. Describe the methods of daily supervision for each unpaid work activity.

Daily supervision is not applicable for participation in unsubsidized employment because only hours of participation that are paid by the employer count toward the work participation rate.

5a. For self-employment, describe how the State counts and verifies the hours of participation. A State may not count more hours toward the participation rate for a self-employed individual than the individual's self-employment income (gross income less business expenses) divided by the Federal minimum wage or must describe an alternative methodology that is approved.

Self-employment hours are verified primarily using information reported by the participant on the QR 7, which is signed under penalty of perjury, and/or other documents provided by the recipient and maintained in the case file. Recipient eligibility and benefits for the quarter are based on information provided on the form. In general, evidence must be submitted with the QR 7 form to verify the reported information provided by the recipient and documented in the case file. Reports of income and expenses are used to determine the recipient's TANF eligibility and grant amount. Net self-employment income is determined by offsetting monthly business expenses, evidenced by receipts submitted by the participant, against monthly gross income from self-employment. Based on current CalWORKs eligibility rules, the recipient may choose either actual costs of producing self-employment income or a standard deduction of 40 percent of gross earned income, which will be reported as business expenses for federal data reporting purposes. For self-employed individuals, the maximum number of countable hours is determined by dividing the net self-employment income by the Federal minimum wage.

5b. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.

Hours of participation in unsubsidized employment will be projected based on current, documented and verified actual hours. Generally, this information will be obtained using pay stubs and/or information reported through the QR 7 process and/or other data sources, such as employer reports and time and attendance records. Recipient eligibility and benefits for the quarter are based on information provided on the QR 7 form. Evidence must be submitted with the QR 7 form to verify the reported information. If an individual reports hours of employment during the QR 7 process, those hours will be projected as participation for three months. Weekly hours of participation are determined by dividing the total monthly hours by 4.33 (the average number of weeks per month). If an individual reports a change in work hours mid-quarter, the average weekly projected hours will be recalculated for purposes of participation.

Subsidized private sector employment and subsidized public sector employment

(Note: Subsidized private and public sector employment are combined into one category in the Work Verification Plan. However, hours of participation in these activities are reported separately on the TANF Data Reports that are submitted to ACF.)

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

For federal data reporting purposes, subsidized private sector employment and subsidized public sector employment means employment in the private and public sectors, respectively, for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing a work-eligible individual. Subsidized work may include (1) work supplementation where TANF funds that would otherwise be paid as assistance are paid to the employer or to a third-party contractor, like a temporary staffing agency, which serves as the employer of record and is paid a fee to cover salary, expenses and success in placing employees; (2) supported work for individuals with disabilities in an integrated setting, (3) work study activities or (4) paid barrier removal and educational activities. Subsidized employment is distinguished from work experience in that the participant in subsidized employment is paid wages and receives the same benefits as an employee with no subsidy who performs similar work. Hours of participation in various barrier removal activities, such as mental health, substance abuse, and/or rehabilitative services, can count under this activity if they are integrated parts of subsidized employment. In order to count, the individuals must be paid for all of the hours they participate in such activities that are counted as subsidized employment. If the individuals are not paid while participating in these activities, the participation will be reported as a blend of subsidized employment and another appropriate activity such as job search and job readiness assistance.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Weekly hours of participation are determined by adding the total number of participation hours for the month and then dividing the total monthly hours by 4.33 (the average number of weeks per month). If the information necessary to determine countable hours is not in the case file, the county welfare department will make contact with the recipient, employer, and/or service provider, as appropriate.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Generally, actual hours of participation for this activity are verified during the eligibility process using information reported as part of the QR 7 process, which is signed by the head of household under penalty of perjury, and/or other records in the case file. Recipient eligibility and benefits for the quarter are based on information provided on the form. In general, evidence must be submitted with the QR 7 form to verify the reported information. Participants are responsible for making available to the county welfare department all documents in their possession or available to them that are needed to verify reported income as well as the date of receipt. Evidence of income includes pay

stubs, or other employer-produced documents that support the individual's employment. If the information necessary to verify actual hours is not in the case file, the county welfare department seeks verification from the Work Number or directly from the employer. If the verification is not available from the recipient, the county provides the recipient assistance in obtaining the information by placing a phone call to the employer or sending a letter to verify the participant's work hours then documents the communication including the participant's name; the name of the employer, work site supervisor or other service provider; the number of hours; and the name and phone number of the person verifying the hours. Documentation of hours of participation is maintained in the case file.

Third-party sources of employment information, such as the NDNH and the IEVS may be accessed when additional employment information is necessary for verification. Prior to counting these hours, the information from third-party sources will be verified through collateral contact. The Work Number is a resource that can be used by counties to verify employment. Counties are permitted to use the information obtained from this source in the same manner as they would use information provided by the employer. Therefore, no further verification is necessary when using the Work Number.

4. Describe the methods of daily supervision for each unpaid work activity.

Daily supervision is not applicable for participation in subsidized employment because only hours of participation that are paid by the employer count toward the work participation rate.

5. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.

Hours of participation will be projected based on current, documented and verified actual hours. Generally, this information will be obtained using pay stubs and/or information reported through the QR 7 process and/or other data sources such as employer reports, and time and attendance records. Weekly hours of participation are determined by dividing the total monthly hours by 4.33 (the average number of weeks per month). If an individual reports hours of work during the QR 7 process, those hours will be projected as participation for three months. If an individual reports a change in work hours mid-quarter, the average weekly projected hours will be recalculated for purposes of participation.