

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



February 20, 2000

ALL COUNTY LETTER NO. 00-13

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALIST**REASON FOR THIS TRANSMITTAL**

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

SUBJECT: CLARIFICATION OF NET INCOME FROM PENSIONS AND
SIMILAR SOURCES FOR THE CalWORKs CASH AID
PROGRAMREFERENCE: [MANUAL OF POLICIES AND PROCEDURES \(MPP\)](#)
[SECTION 44-113.32](#)

At counties' request, this letter is issued to clarify the policy for the treatment of net income from pensions and similar sources specified at MPP Section 44-113.32 for the CalWORKs Cash Aid Program. This clarification is being provided due to recent inquiries from counties regarding recipients who have opted to have their required income tax payments deducted directly from their unemployment insurance benefits.

In accordance with MPP Section 44-113.32, net income from pensions and similar sources is the gross amount received less the required income tax deductions and other required expense deductions related to the receipt of the income. For purposes of this provision, income from "similar sources" includes various unearned income sources such as social security benefits, unemployment insurance benefits, and disability benefits. Deductions for required income tax payments on the income are not considered as part of the net income regardless of whether the individual has the option to have the taxes deducted directly from the income. "Required expenses" related to receipt of the income include: (1) a mandatory Medi-Care deduction, (2) attorney fees deductions that are required to receive the income, and (3) overpayment adjustment deductions for an overpayment of the income. Deductions resulting from other personal debts and garnishments must be included in the net income amount, as they are not considered required expenses related to the receipt of the income.

In addition to the above treatment, any net income from these unearned income sources which qualify as disability-based unearned income pursuant to [MPP Section 44-101.6](#) shall also have the \$225 disability-based unearned income disregard applied in accordance with all applicable regulations.

If you have further questions, please contact Julie Lopes at (916) 654-1786, CALNET prefix 454.

Sincerely,
Original signed by
Bruce Wagstaff
on February 20, 2000
BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

c: CWDA
CSAC