

	<p align="center">CONSORTIUM REQUEST FOR RESEARCH AND ANALYSIS (CRPC)</p> <p align="center">CDSS Tracking # 2209</p>	
Requestor Name: Gregory Postulka	Response Due Date: 8/17/2020	
Consortium: CalWIN	Subject: \$50 Child Support Disregard During the Applicant Test	
WIC/Regulation Cite(s): EAS 44-207.11	References: (include ACL/ACIN, court cases, etc) CW 29	
Date of Request: 08/3/2020 Date closed:	Enter Affected Program(s): CalWORKs	

1. What is the SAWs question, issue or problem?

Please clarify if the \$50 child support disregard should be allowed on the CalWORKs Applicant Test.

EAS 44-207.11 indicates:

An applicant family shall not be eligible for cash aid unless the family's income, exclusive of the first ninety dollars (\$90) of earned income for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC) for the family.

This indicates only the first \$90 of earned income is excluded during the test.

However, the CalWORKs Applicant Budget ([CW 29](#)) does allow for the child support deduction.

Question: Please clarify as to whether the \$50 can be deducted from the child support for applicant eligibility.

2. Proposed resolution (optional)

3. State Response

You asked for clarification on whether the \$50 child support disregard should be allowed on the CalWORKs Applicant Test. Yes in a sense, while the \$50 received from the child support disregard is not part of the applicant test methodology “i.e., income minus \$90 for each employed individual,” it should be deducted from the child support total received in the application month prior to applying

the applicant test to the family's income. The disregard is also included in the CW 29 "applicant eligibility worksheet." Per MP 44-111.470- "*The first \$50 per month of current child/spousal support paid to or on behalf of an assistance unit shall be disregarded when determining both eligibility and grant amount.*" In effect this means that the first \$50 received from child support in addition to being passed through to the recipient and disregarded as income, it also means that this amount does not affect eligibility.

Additionally, Per [MP 44-111.472](#) "*When a current child/spousal support payment is received or reasonably anticipated to be received by the assistance unit directly from the absent parent, the first \$50 of such payment is disregarded and the balance of the support payment is considered income to the AU*". This clarifies that the first \$50 of child support received by the applicant family would be disregarded as income. However, any amount of child support received above the \$50 disregard would count as unearned income to the AU, and therefore be subject to the income used in determining applicant eligibility.

All county Letter 20-54, pages three and four, reminds CWDs that, "When an AU is receiving direct child support income, the CWD must count the income for purposes of determining whether the AU passes the initial applicant financial eligibility test and determining the grant for the initial month of aid when child support has been received in that month. If the application takes more than the initial month and the client is still in receipt of the child support income for subsequent months, the income is budgeted for the months of receipt. However, since the applicants' child support rights will be assigned to the CWD and child support will not be received by the applicant once they are receiving CalWORKs, the child support income cannot be counted as income for purposes of determining the AU's grant amount for the Semi-Annual Reporting (SAR) payment period.

If the AU retains direct child support and reports it on the SAR 7 and it can be reasonably anticipated to continue, the child support would be counted as unearned income for each month in the SAR or AR/CO payment period minus the \$50 disregard. For AU's who have the needs of stepsiblings or half-siblings excluded from the AU's MAP in order to receive 100 percent of the child support collected on behalf of that child(ren) pursuant to ACL No. 18-82, the child support received for that child shall not be counted against the AUs grant amount." Safety Net families in the K1/3F aid codes of course would not have their child

support picked up and held to repay their cash aid. Child support received by those families is counted as unearned income after the disregard is applied.

Please let us know if you have additional questions by contacting us through the CDSS SAWS unit or by contacting Shawn Dorris at Shawn.Dorris@dss.ca.gov or Michele Cotsirilos at Michele.cotsirilos@dss.ca.gov with a copy to Shawn Dorris. Please copy the CDSS SAWS mailbox when sending follow-up requests to this CRPC.