

CalSAWS

California Statewide Automated Welfare System

Design Document

CA-212912 | CIV-106461

CalWORKs Change in Earned Income Disregard (EID) and Income Reporting Threshold (IRT) Tier 2

		DOCUMENT APPROVAL HISTORY	
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1 OVERVIEW

Per ACL 19-76 effective on June 1, 2021, the Earned Income Disregard (EID) for CalWORKs (CW) applicant and recipients will increase from \$500 to \$550. Under current system functionality, the net non-exempt income (NNI) used to determine the Assistance Unit's (AU) Maximum Aid Payment (MAP) is calculated by disregarding the first \$500 of disability-based unearned income (DBI).

Per Consortium Request for Policy Clarification (CRPC) #2225, the Tier 2 Income Reporting Threshold (IRT) is based on the Assistance Unit Size rather than the Family Unit Size.

1.1 Current Design

1. The CW Disability Based Earned Income Disregard is \$500.
2. The CW Disability Based Unearned Income Disregard is \$500.
3. The NNI that is used to determine the AU's MAP is calculated by disregarding the first \$500 of the Disability Based Income (DBI) and/or any earned income and 50 percent of any remaining earned income.
4. When calculating the MAP, if the AU has earned income only, the first \$500 and 50 percent of the remaining earned income is disregarded.
5. The CW Tier 2 IRT is calculated based on 130% of the Federal Poverty Level (FPL) values for current year, using the Family Unit Size, which includes both active assistance and non-assistance household members.

1.2 Requests

1. Effective June 1, 2021, update the disregard amounts from \$500 to \$550.
2. Regression test the forms/NOAs which populate Disability Based Unearned Income Disregard, Disability Based Earned Income Disregard values.
3. Update the Tier 2 Income Reporting Threshold (IRT) based on the Assistance Unit Size rather than the Family Unit Size.
4. The CW Tier 2 IRT is calculated per the 130% of FPL, based on the Assistance Unit Size, which includes only active assistance household members.

1.3 Overview of Recommendations

1. Effective June 1, 2021, update the CW Disability Based Earned Income Disregard (CT 335 – AI) from \$500 to \$550.
2. Effective June 1, 2021 update CW Disability Based Unearned Income Disregard (CT 335 – 53) from \$500 to \$550.
3. Regression test the forms/NOAs which populate Disability Based Unearned Income Disregard, Disability Based Earned Income Disregard values.
4. Update the Tier 2 IRT based on the Assistance Unit Size rather than the Family Unit Size.

5. Update Tier 2 IRT in New IRT Calculation section of the CalWORKs EDBC Summary Page based on the Assistance Unit Size rather than the Family Unit Size.

1.4 Assumptions

1. The impacted cases in which the user has not yet run EDBC with the new EID will be updated through a batch EDBC process, refer to SCR CA 213719/CIV-106463.
2. A SAR 2 form will be generated to inform households of their new IRT.
3. SCRs CA-217804/CIV-107563 will implement correspondence changes due to ACL 19-76E II.
4. SCRs CA-222540/CIV-108388 will implement new and revised forms to reflect the Income Disregard Increase to \$550, per Senate Bill 80.
5. SCRs CA-209033 CIV-104383 updated the static DBI/EID values to a variable. This SCR will regression test the variable value in all the impacted forms (Recommendation 2.2).

2 RECOMMENDATIONS

2.1 Update the CW Disability Based Earned Income Disregard (CT 335 – AI) and CW Disability Based Unearned Income Disregard (CT 335 – 53) to \$550, effective June 1, 2021.

2.1.1 Overview

The Disability Based Earned and Unearned Income shall reflect the new policy (ACL 19-76). The Disability Based Earned Income and Disability Based Unearned income disregard amounts will be updated from \$500 to \$550. the NNI that is used to determine the AU's MAP is calculated by disregarding the first \$550 of DBI and/or any earned income and 50 percent of any remaining earned income

2.1.2 Description of Changes

1. Effective June 1, 2021, update the values from \$500 to \$550 for the following disregard records,
 - a. CW Disability Based Unearned Income Disregard (CT 335 – 53)
 - b. CW Disability Based Earned Income Disregard (CT 335 – AI)

Note: Per ACL 19-76 effective June 1, 2022, the EID values will be increased \$600, this change will be implemented through SCR CA-212913.

2.1.3 Programs Impacted

1. CW, RCA, DV, IN, KG, HP, HT

2.2 Regression test the Forms/NOAs

2.2.1 Overview

The SCR CA-209033, CIV-104383 updated the EID value to \$500 effective June 1st, 2020. With this SCR the EID value is being updated to \$550 as of June 1st, 2021. This effort is to regression test the forms/NOAs which populate the EID/DBI values to make sure the correct EID/DBI value gets populated on the impacted forms.

2.2.2 Description of changes

1. Following is the list of C-IV NOAs to regression test.
 - a. BUDGT_CW_APPROVAL_AR
 - b. BUDGT_CW_APPROVAL_SAR
 - c. BUDGT_CW_RCA_APPROVAL

- d. BUDGT_CW_RCA_SUPPLEMENT
 - e. BUDGT_CW_SUPPLEMENT_AR
 - f. BUDGT_CW_SUPPLEMENT_SAR
 - g. BUDGT_IN_INCOME_DENIAL
 - h. RSN_INCOMEDISREGARD_CHANGE
 - i. RSN_INCOMEDISREGARD_DISC
 - j. RSN_MAP_INCOMEDISREGARD_CHANGE
 - k. RSN_MAP_INCOMEDISREGARD_DISC
2. Following is the list of forms to regression test in CIV
 - a. M44-316E
 - b. M44-316SAR
 - c. NA1239AR
 - d. NA1242
 - e. NA200
 - f. NA274_E
 - g. NA281
 - h. NA281A
 - i. SAWS2ASAR
 - j. NA845
 - k. CW2218
 - l. NA1239SAR
 3. Following is the list of CalSAWS Fragments to test.
 - a. BUDGT_CW_APPROVAL_SAR_EN
 - b. BUDGT_CW_NA274G_EN
 - c. NA 1242
 - d. NA200
 4. Following is the list of forms to regression test in CalSAWS
 - a. M44-316E
 - b. SAWS2ASAR
 - c. NA840
 - d. NOA290
 - e. OPCALCULATION
 - f. WFPI274
 - g. CW2218
 - h. NA274G
 - i. NA1239SAR

2.3 C-IV Only: DBI/EID Form updates

2.3.1 Overview

The following forms are not populating the updated EID value of \$550 in the forms.

1. NA301_02, NA301_04, NA301_06, NA301_08, NA301_10, NA301_12
2. NA303_02, NA303_04, NA303_06, NA303_08, NA303_10, NA303_12

3. NA 816
4. NA 817
5. NA 840

2.3.2 Description of Changes

Update the population logic to reflect the updated EID value based on the EDBC begin month for the NA 301 CIV and NA 303 CIV forms.

Update the population logic to reflect the updated EID value based on the form generation date for the NA 816, NA 817, NA 840 forms.

2.4 Update the CW Tier 2 IRT based on the Assistance Unit Size rather than the Family Unit Size.

2.4.1 Overview

The CW Tier 2 IRT is calculated based on 130% of Federal Poverty Level (FPL) values for current year. This lookup is based on the Family Unit Size, which includes both active assistance and non-assistance household members.

2.4.2 Description of Changes

1. Update the CW EDBC to determine the Tier 2 IRT by applying the FPL based on the Assistance Unit Size.

Note: The IRT Tier 2 calculation effective prior to 6/2020 (ACL 19-76) is unaffected.

2.4.3 Programs Impacted

CW, RCA

2.5 Update Tier 2 IRT in New IRT Calculation section of the CalWORKs EDBC Summary Page (CalSAWS Only)

2.5.1 Overview

On the CalWORKs EDBC Summary page, a New IRT Calculation section will display if the EDBC recalculated the IRT for the program. This section dynamically displays the Tier 2 calculation based on the 130% FPL for the household size. Currently in CalSAWS, the calculation uses the Family Unit Size for the 130% FPL lookup. This calculation already works as expected in C-IV.

2.5.2 CalWORKs EDBC Summary - New IRT Calculation Section

New IRT Calculation	
Description	IRT
Tier 1(\$243.00 income + 995.50 55% FPL)	\$ 1,239.00
Tier 2 (\$1,868.00 130% FPL)	\$ 1,868.00

Figure 2.5.2 – New IRT Calculation Section

2.5.3 Description of Changes

Update the Tier 2 description in New IRT Calculation section of the CalWORKs EDBC Summary page to display the 130% FPL based on the Assistance Unit Size.

2.5.4 Page Location

- **Global: Eligibility**
- **Local: Customer Information**
- **Task: EDBC Results**

2.5.5 Security Updates

N/A

2.6 Automated Regression Test

2.6.1 Overview

Create and update regression test scripts to validate the new Disability Based Earned and Unearned Income Disregard values for the CalWORKs and RCA programs.


2.6.2 Description of Changes

1. Create a new test script(s) to verify the updated values for the CalWORKs program.
 - a. **Scenario Details:** Create a new CalWORKs case with an aged or disabled applicant, add a significant amount of earned income and unearned income, run EDBC, and verify that the

Disability Based Earned and Unearned Income Disregards reflect the new values.

2. Create or update the existing test script(s) to verify the updated values for the RCA program.
 - a. **Scenario Details:** Create a new RCA case with an aged or disabled applicant, add a significant amount of earned income and unearned income, run EDBC, and verify that the Disability Based Earned and Unearned Income Disregards reflect the new values.
 - b. Existing script scope reference: "RCA – IRT Tier 2"

3 SUPPORTING DOCUMENTS

Number	Functional Area	Description	Attachment
1	Eligibility	CRPC #2225	 CRPC 2225 - ACL 19-76 and ACL 19-76i

4 REQUIREMENTS

The following requirements will be resolved in order to resolve and achieve the desired outcome

4.1 Project Requirements

REQ #	REQUIREMENT TEXT	How Requirement Met
2.16.1.2	The LRS shall include an automated method for implementing mass updates triggered by policy changes or mass participant financial changes, including Social Security or Veterans benefits cost of living adjustments (COLAs)	EID will be updated from \$500 to \$550