
INCOME

A. DEFINITION

Income is anything that a person receives in cash or in-kind that can be used to meet the person's need for food, shelter, and clothing. In-kind income is not cash, but is food, clothing or shelter which is received.

It can also be "something" a person can use to get food, clothing or shelter. For example, if a person receives a non-cash gift that can be converted to cash, such as a piece of jewelry, it could be used for food, clothing or shelter. Therefore, the item's current market value is considered income.

NOTE: Resources converted to cash are counted as resources as discussed in the Resource section of this handbook.

B. COUNTABLE INCOME (MC 210 - items 30 to 33)

Countable income is the individual's gross income, plus that of a spouse or ineligible parent, minus any exclusions. An individual's countable income is used to determine eligibility and the amount of the CAPI payment. To be eligible, an individual's or couple's countable income must be less than the appropriate CAPI benefit rate. The actual CAPI amount is determined by subtracting an individual's countable income from the payment rate.

If the countable income is the same or more than the CAPI payment standard, the applicant/participant will not be eligible to receive CAPI benefits.

C. INCOME EXEMPTIONS

Certain items received are not income because they are not, nor can they be used to obtain, food, clothing or shelter. Additionally, anything received from the sale or exchange of the individual's personal property is not income. The following are some items which are not income:

- Medical care and services

- In-Home Supportive Services (IHSS) or personal care services provided to the recipient, or money restricted to paying for such services

- Receipts from the sale, exchange or replacement of a resource (this is not income, but rather resources that have changed their form, i.e., proceeds from the sale of a car)

- Income tax refunds

- Payments by a credit life or credit disability insurance policy

- Proceeds of a loan--money borrowed or money received as a repayment of a loan is not income

- Replacement of income already received - if income is lost, stolen or destroyed, the replacement is not income

- Weatherization Assistance

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C. **INCOME EXEMPTIONS** (Continued)

Certain non-cash items, that is any item except shelter, food or clothing which would be an excluded non-liquid resource is not income.

For example, receipt of an excludable especially medically equipped van is not income.

D. **EARNED INCOME (MC 210 - items 30 to 33)**

Earned income includes wages, net earnings from self-employment, wages for work performed in a sheltered workshop, in-kind earned income, royalties and honoraria. Wages are counted for each month when they are received. The monthly average of the annual net self employment income (SEI) is counted for each month of the taxable year.

E. **EARNED INCOME EXCLUSIONS/DEDUCTIONS**

Earned income exclusions are applied to earned income (gross wages or average net SEI) in the following order:

- Earned income excluded by other law
- Earned income tax credits
- Up to \$400/month, but no more than \$1,620/year, for blind or disabled children regularly attending school
- Any portion of the \$20/month general exclusion not applied against unearned income (Refer to CAPI Income Eligibility--Adult Form SOC 452)
- Earned income of \$65/month or less
- Earned income used to pay impairment related work expenses (IRWE) for disabled individuals under age 65*
- One-half of the remaining earned income in a month
- Blind Work Expenses (BWE) for blind individuals under age 65*
- Earned income used to fulfill an approved Plan to Achieve Self Support (PASS) for blind and disabled individuals under age 65*

* See detailed explanations below.

1. **Plan for Achieving Self Support (PASS)**

A blind or disabled individual may set aside income or resources, and have them excluded, in order to fulfill a Plan for Achieving Self Support (PASS). A PASS must be in writing and approved by the County.

Administrative staff shall call General Relief program staff to determine whether a PASS can be approved.

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E. EARNED INCOME EXCLUSIONS/DEDUCTIONS (Continued)

The initial duration of the PASS shall be no longer than the expiration date of the program. The individual must outline and ultimately verify how the money was spent. Any money saved for a PASS must be kept separate from other resources.

Common examples of PASS money usage are vocational training, buying a vehicle, or buying computer equipment, any of which could reasonably be expected to assist the individual to become employed.

2. Blind Work Expenses (BWE)

Any work related item paid by a blind individual may be deducted from gross earnings as a BWE. Some of the more common deductions include federal and local income tax, cost of at-work meals, and transportation.

3. Impairment Related Work Expenses (IRWE)

Impairment related work expenses are expenses for items or services directly related to enabling a disabled person to work and which are necessarily incurred because of a physical or mental impairment.

To qualify, an individual must receive a disability payment before age 65, the expense must be reasonable, and the expense must actually be paid and not reimbursable. The amount of the IRWE paid in a month is generally deducted from the gross earned income for that same month.

Typical expenses include medications and medical devices. Impairment related work expenses can be deducted from gross wages in determining whether an individual is performing substantial gainful activity (SGA).

EXAMPLE - Earned Income

Mr. Green, a disabled individual, earns gross wages of \$885 per month. What is his monthly benefit?

Earned Income	\$885.00	Wages
Computation	-20.00	General Exclusion
	<u>- 65.00</u>	Earned Income Exclusion
	\$800.00	
	<u>÷2</u>	Earned Income Exclusion
	\$400.00	Countable Income
Income applied	\$747.00	CAPi Payment Standard
to CAPi	<u>-400.00</u>	Countable Income
	\$347.00	CAPi Benefit Amount

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E. EARNED INCOME EXCLUSIONS/DEDUCTIONS (Continued)

EXAMPLE - Earned Income - When Spouse is Receiving SSI/SSP

The CAPI applicant has \$2085 in earned income. Part of the earned income received by the CAPI applicant is deemed to the SSI/SSP spouse. The CAPI applicant's spouse receives only \$201 in SSI/SSP.

Earned Income	\$2,085.00	Wages
Computation	-20.00	General Income Exclusion
	<u>-65.00</u>	Earned Income Exclusion
	\$2,000.00	
	÷ 2	Divided by 2
	<u>\$1,000.00</u>	Countable Earned Income
	\$1,000.00	Countable Earned Income
	<u>+ 201.00</u>	Spouse's SSI/SSP
	\$1,201.00	Total Countable Income
Income applied to CAPI	\$1,324.00	CAPI Payment Standard
	<u>- 1,201.00</u>	Total Countable Income
	\$ 123.00	CAPI Benefit Amount

F. UNEARNED INCOME (MC 210 - item 32)

Unearned income is anything that is not earned income. Some examples follow:

Annuities and pensions	Alimony and support payments
Dividends, interest & royalties	Rental income
Prizes and awards	Gifts and inheritances
In-kind support & maintenance*	Death benefits

* See I below.

Treatment of Unearned Income

Unearned income is counted in the month it is received. Generally, the gross amount of the unearned income in a month is counted before any deductions for:

- Any garnishment or withholding to pay a debt or legal obligation, such as child support;
- Any withholding to make payments or to pay insurance premiums, such as Medi-Care; and
- Recovery for an overpayment from another benefit program.

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F. **UNEARNED INCOME (MC 210 - ITEM 32)** (Continued)

EXCEPTION: Amounts withheld to recover overpayments are excluded if the individual received CAPI and another benefit at the same time and the overpayment amount was included in computing the CAPI payment.

For other specific types of unearned income, less than the gross amount is counted. For insurance settlements, the costs incurred in getting payments, such as legal and medical expenses, are subtracted.

Legal fees may also be subtracted when associated with receiving a retroactive check from another benefit program. Any portion of a death benefit used to pay for last illness or burial expenses of the deceased is subtracted. Any portion of veteran's benefits paid to the recipient because of a dependent is subtracted from gross benefit.

G. **UNEARNED INCOME EXCLUSIONS**

Unearned income exclusions are applied in the following order:

1. Income excluded by other laws, i.e., Agent Orange and Japanese Internment payments;
2. Assistance based on need that is wholly funded by a state or political subdivision (i.e., General Relief);
3. Any portion of a grant or scholarship used for paying tuition, fees and other educational expenses;
4. Food raised and consumed by recipient and family;
5. Disaster Relief & Emergency Assistance provided under Federal statute;
6. Up to \$20 of irregular and infrequent income received no more than once per quarter (i.e., interest);
7. Payments based on state residence (Alaska);
8. Payments for providing foster care to an ineligible child;
9. Interest earned on excluded burial funds;
10. In-kind home energy assistance provided by a non-profit agency or utility company;
11. One-third of support payments for eligible children;
12. The first \$20 of any unearned income in a month (the \$20 exclusion does not apply to a benefit based on need that is totally or partially funded by the Federal government. (The most common examples are CalWORKs and Veterans' benefits.)

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G. **UNEARNED INCOME EXCLUSIONS** (Continued)

- 13. Any unearned income used to fulfill an approved PASS;
- 14. Subsidized housing assistance;
- 15. Interest earned on excluded burial space;
- 16. Value of commercial airline ticket for U.S. travel received as a gift;
- 17. Payments from a state-based fund to aid victims of violent crime; and
- 18. Relocation assistance.

EXAMPLE - Unearned & Earned Income

Ms. Smith has \$220 Title II Social Security ("unearned" income) and \$165 Wages (earned income).

Unearned Income calculation	\$220.00 <u>- 20.00</u> \$200.00	Title II Social Security General income exclusion Countable unearned income
Earned Income calculation	\$165.00 <u>- 65.00</u> \$100.00 \$ 50.00	Wages Earned income exclusion Divided by 2 Countable earned income
	\$200.00 <u>+ 50.00</u> \$250.00	Countable unearned income Countable earned income Total countable income
Income applied to CAPI	\$ 747.00 <u>-250.00</u> \$ 497.00	CAPI Payment Standard Countable income CAPI Benefit Amount

EXAMPLE - UNEARNED INCOME WHEN ONE SPOUSE IS RECEIVING SSI/SSP

The CAPI applicant's/participant's spouse receives \$750 in SSI/SSP benefits and has no other income. The CAPI applicant/participant has no income. The CAPI couple lives independently.

Countable unearned income	\$ 757.00	Spouse's SSI/SSP
Income applied to CAPI	\$1,322.00 <u>- 757.00</u> \$ 565.00	CAPI Payment Standard SSI/SSP Benefit Countable income CAPI Benefit Amount

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H. **IN-KIND SUPPORT AND MAINTENANCE (ISM)**

In-kind support/maintenance is food, clothing or shelter that is given to a CAPI participant or that the participant receives because someone else pays for it. Shelter includes room, rent, mortgage payments, property taxes, heating fuel, gas, electricity, water, sewer, and garbage services. Mobile home space rental is not a shelter expense.

There is no ISM in the form of room or rent if the recipient is paying the current market rental value (CMRV) under a business arrangement. The rent paid under a business arrangement is presumed to be the CMRV unless the recipient or anyone in the household is related as parent or child to the landlord or the landlord's spouse.

See I and J below for the rules used to determine the dollar amount of ISM charged to the applicant/participant.

EXAMPLE - WHEN ONE SPOUSE IS RECEIVING SSI/SSP

The CAPI applicant's/participant's spouse receives \$574.00 in SSI/SSP and has no other income. The CAPI applicant has no income, but the couple receives free shelter from their son, with whom they are living. The free shelter has a value in excess of \$296.33.

Unearned Income	\$296.33	In-kind Support
Calculation	<u>- 20.00</u>	General Exclusion
	\$276.33	Countable Unearned Income
	\$276.33	Countable Unearned Income
	<u>+574.00</u>	SSI/SSP benefits
	\$850.33	Total Countable Income
Income applied	\$1,324.00	CAPI Payment Standard
to CAPI	<u>-850.33</u>	Total Countable Income
	\$ 473.67	CAPI Benefit Amount

I. **HOUSEHOLD OF ANOTHER**

The Household of Another (HOA) reduced needs living arrangements is applied when the applicant/participant lives with someone else (other than a spouse, or a parent if a minor child) and receives both food and shelter from that person for an entire month. The in-kind support is not actually counted as income but is applied in this situation by using the reduced needs CAPI payment standards for living in the Household of Another (see CAPI Payment Standards, Exhibit).

INCOME

I. HOUSEHOLD OF ANOTHER (Continued)

EXAMPLE - WHEN ONE SPOUSE IS RECEIVING SSI/SSP

The CAPI applicant's/participant's spouse receives \$574 in Social Security benefits. The CAPI applicant's spouse also receives \$17 in SSI/SSP. The CAPI applicant has no income. The couple lives in the household of another with in-kind room and board.

Unearned Income calculation	\$574.00 <u>- 20.00</u> \$554.00	Social Security Benefits General Income Exclusion Countable Unearned Income
	\$554.00 <u>+ 17.00</u> \$571.00	Countable Unearned Income SSI/SSP Benefits Total Countable Unearned Income
Income applied to CAPI	\$1089.00 <u>- 571.00</u> \$518.00	CAPI Payment Standard Total Countable Income CAPI Benefit Amount

J. PRESUMED MAXIMUM VALUE (PMV)

ISM is subject to the presumed maximum value (PMV), which is equal to one third of the individual's or couple's federal benefit rate (i.e., SSI) plus \$20. The current (January 2003) PMV is \$204 for an individual and \$296.33 for a couple. The PMV will be charged when an individual lives alone, or has ownership or rental liability, and receives ISM from someone outside the household, or when living with someone else and receiving either food or shelter, but not both, from the person. The participant can rebut the PMV by presenting evidence that the actual value of the ISM is less than the PMV. If the rebuttal is successful, the individual will be charged with just the actual value.

Mr. Jones, an aged individual living alone receives a \$300 monthly check under the Title II program. His daughter pays his monthly rent of \$800. What is his CAPI benefit amount?

Unearned Income Calculation	\$300.00 <u>+204.00</u> \$504.00 <u>-20.00</u> \$484.00	Title II PMV General Exclusion Countable Income
Income applied to CAPI	\$740.00 <u>- 484.00</u> \$264.00	CAPI Payment Standard Countable Income CAPI Benefit Amount

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K. HOA vs. PMV RULES

HOA and PMV rules are mutually exclusive. When HOA applies, the PMV cannot be charged. ISM cannot be charged at a rate higher than the PMV regardless of the actual value of the food, shelter or clothing received. ISM is unearned income even when related to certain work activities in another person's home. There are two reasons for this under regulations.

1. Household contributions must be in cash, babysitting, housekeeping and similar chores are not counted as valid contributions towards the household expenses.
2. When food or shelter are provided as remuneration to a domestic or agricultural employee, or for services not in the course of the employer's trade or business, they must be counted as ISM, not wages.

EXAMPLE - HOA

A CAPI applicant/participant living with her adult daughter does not provide a cash contribution towards the household and receives both food and shelter from her daughter. In return, the applicant/participant babysits her grandchildren ten hours daily. The applicant/participant would be subject to the HOA living arrangements, but not charged with earned income.

L. DEEMED INCOME

Deemed income is income received by another person which is considered available to CAPI participants for the purpose of determining CAPI payment amounts. It does not matter whether the income is or is not received by the participants.

Income is deemed from anybody in the same household who is an ineligible spouse or ineligible parent of a minor child. Income of an ineligible spouse/parent is subject to the same exclusions listed above for the recipient, plus the following:

Any public assistance (PA) payments, regardless of payment source;
Any other income used by a PA program in figuring that payment;
Income used to comply with the terms of court-ordered support, or support payments enforced under Title IV-D; and
Income paid under a federal, state or local government program to provide the recipient with chore or homemaker services, i.e., IHSS payments.

Income can also be deemed from a sponsor to an immigrant. See M below.

M. SPONSOR TO IMMIGRANT DEEMED INCOME

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Income is deemed from a sponsor and/or from the sponsor's spouse to an immigrant without regard as to:

- whether the sponsor is living in the same household; or
- whether the income is actually available to the participant; or
- whether the sponsor's marriage took place after s/he signed the Affidavit of Support.

The deeming period starts from the date the sponsor signed the Affidavit **or** the immigrant's lawful date of entry into the U.S., whichever is later.

Income from a sponsor/sponsor's spouse is applicable regardless of which Affidavit of Support was signed unless the sponsor dies or one of the deeming exemptions applies (See M.1. below).

A sponsor's income is **not** subject to any of the regular or deeming exclusions although a portion of the income is allocated to the sponsor.

Deeming does not apply to PRUCOLs/qualified immigrants who entered the U.S. on or after **8/22/96** who do **not** have a sponsor.

Sponsor to Immigrant deeming rules/period differ depending on whether the sponsor is deceased/disabled/abusive and whether the sponsor signed an old Affidavit (I-134) or a new Affidavit (I-864). The **new Affidavit** became effective **12/19/97**. It is possible that some immigrants entered the U.S. for a period of time after that date under the old Affidavit.

1. **Determining Deeming Periods**

The deeming period depends on which version of the Affidavit of Support was signed by the sponsor(s).

a. New Affidavit of Support, I-864

Deeming from a sponsor who signed a new Affidavit of Support applies **indefinitely unless or until** one of the following occurs:

- The sponsor dies (verification of death is required).
- The CAPI participant becomes naturalized citizen.

M. **SPONSOR TO IMMIGRANT DEEMED INCOME**

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1. Determining Deeming Periods

a. New Affidavit of Support, I-864 (Continued)

- The CAPI participant is credited with 40 quarters of employment.
- The CAPI participant, the CAPI participant's minor child, or the CAPI participant's parent, if the participant is a minor child, is a victim of abuse, regardless of where the participant resides.
- The immigrant meets the eligibility criteria for **Extended CAPI**, Aid Code 99. A **10-year sponsor deeming** applies to these cases.
- The immigrant is a battered sponsored Qualified Alien under VAWA. These cases are exempt **from sponsor deeming** for one year from the date INS issues the prima facie notice.

This exemption may be extended beyond one year if:

- CAPI eligibility criteria continues to be met;
- INS has made a prior determination that abuse did occur; or
- The abuse has been recognized in an order from a judge or from an administrative law judge. (See the Residence Chapter, Section (C)(1)(i), for more information on VAWA noncitizen Qualified Aliens).

b. Old Affidavit of Support, I-134

Deeming from a sponsor who signed an Old Affidavit of Support applies for **three years unless or until** one of the following occurs.

- The sponsor dies (verification of death is required).
- The sponsor becomes disabled for more than 30 days (verification of disability must be provided).
- The immigrant becomes blind or disabled after admission to the U.S. **Onset date** of disability from DAPD is required on these cases.

INCOME

1. Determining Deeming Periods

b. Old Affidavit of Support, I-134 (Continued)

- The CAPI participant, the CAPI participant's minor child, or the CAPI participant's parent, if the participant is a minor child, is a victim of abuse. Regardless of where the victim resides.
- The immigrant meets the eligibility criteria for **Extended CAPI**, Aid Code 99. A **10-year sponsor deeming** applies to these cases.

2. Indigence Exception

The Indigence Exception allows a temporary 12-month suspension of sponsor deeming for **certain needy**, legal, noncitizens with a **New Affidavit of Support**. This exception is effective September 1, 2002.

Indigence Exception Requirements

The Indigence Exception applies **only** if all the following requirements are met:

a. The noncitizen is sponsored through a New Affidavit of Support

- The noncitizen does **not** live with his or her sponsor(s);
- The noncitizen cannot obtain **both** food and shelter because income is below the SSI rate (\$545 in 2002 and \$552 in 2003 for an individual; \$817 in 2002 and \$829 in 2003 for a couple);
- Application of the sponsor deeming rules would result in denial, discontinuance or reduction of CAPI benefits;
- Verification of Sponsor's Support;
- The immigrant completes and signs the Indigence Exception Statement, SOC 809, (Exhibit A is located in the Resources Chapter);
- The County determines that the Indigence Exception applies.

The Indigence Exception applies **only** if the following requirements are met:

a. The Noncitizen is Sponsored Through a New Affidavit of Support

Only noncitizens whose sponsor signed a New Affidavit of Support may be eligible for CAPI benefits under the Indigence Exception.

M. SPONSOR TO IMMIGRANT DEEMED INCOME

2. Indigence Exception (Continued)

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b. The Noncitizen Does NOT Live With the Sponsor(s)

A CAPI applicant/participant who claims to be indigent (needy) shall complete the SOC 809: Indigence Exception Statement. Through this form, the immigrant declares that he/she does not live with the sponsor. The noncitizen must provide proof of residential address and living arrangements.

c. The Noncitizen **Cannot** Obtain **Both Food** and Shelter Because Income is **Below** the SSI Rate

When determining whether a noncitizen can obtain food and shelter, the EW shall evaluate the noncitizen's income to determine if it is below the SSI rate (\$545 in 2002 and \$552 in 2003 for an individual; \$817 in 2002 and \$829 in 2003 for a couple). The SOC 809 allows the needy noncitizen to state his/her reasons for applying for the exception and the support he/she receives from his/her sponsor(s).

The noncitizen's statement on the SOC 809, the following sources of income, and other information in the case record must be evaluated in order to determine whether he/she can obtain food and shelter:

- For purposes of the Indigence Exception, SSI, General Relief, and Food Stamp benefits are considered when determining whether the noncitizen is able to obtain food and shelter.
- Other income which must be considered to determine whether the noncitizen is able to obtain food and shelter is: any cash, food, housing, other assistance provided by other individuals or agencies (including the sponsor), income of the noncitizen's spouse (if living together) or the parent(s) (if living with the minor noncitizen).

(See **Section M.2.k., Example #1** for application of these regulations.)

Whenever the noncitizen's total income is below the SSI rate, as shown on the SOC 809, the worker must proceed with the eligibility determination for the Indigence Exception. This includes completing the SOC 813 and forwarding it to the DDD as indicated in **Section M.2.j.**

M. **SPONSOR TO IMMIGRANT DEEMED INCOME**

2. **Indigence Exception (Continued)**

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d. Application of the Sponsor Deeming Rules Would Result in Denial, Discontinuance, or Reduction of CAPI Benefits

A needy noncitizen with a New Affidavit of Support may be eligible for the CAPI Indigence Exception if application of the sponsor deeming rules would result in denial, discontinuance, or reduction of CAPI benefits.

(See **Section M.2.k., Example #2** for application of this regulation.)

The sponsor's income and other countable income is entered in the SOC 813: Cash Assistance Program for Immigrants Indigence Exception Statement (Exhibit B is located in the Resources chapter).

e. Verification of Sponsor's Support

In cases where the sponsor's **whereabouts are known**, the noncitizen is required to obtain from the sponsor: (1) The New Affidavit of Support (if not on file) or other documentation to verify the sponsor's support, and (2) a signed statement that supports the noncitizen's allegation regarding the sponsor's inability/refusal to support the noncitizen.

If the sponsor's **whereabouts are unknown**, the EW must attempt to obtain the sponsor's address from INS. This can be done by using INS Document Verification Request forms G-845 and G-845S, together. If the sponsor no longer lives at the address provided by INS and all other attempts to locate him or her are unsuccessful, the EW must accept the noncitizen's signed statement regarding the sponsor's unknown whereabouts. The immigrant's statement must be credible and must NOT conflict with other information in the case.

(See **Section M.2.k., Example #3** for application of this regulation.)

f. The Immigrant Completes and Signs the Indigence Exception Statement, SOC 809, (Exhibit A is located in the Resources Chapter)

The noncitizen must complete and sign the SOC 809 to determine the reasons for the exception and the support provided by the sponsor.

M. SPONSOR TO IMMIGRANT DEEMED INCOME

2. Indigence Exception (Continued)

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g. The County Determines That the Indigence Exception Applies

If after reviewing all information received from the noncitizen, the sponsor, INS, and existing information in the case record, the EW determines that the Indigence Exception applies, the EW must do the following:

- **Identify** the case on LEADER as an Indigence Exception case by adding the Indigence Exception **special indicator** (see LEADER Input below).
- Monitor the 12-month Indigence Exception duration on LEADER by creating an **11-month special Future Action Control (FAC)** (see LEADER Input below).
- Exempt the case from sponsor deeming for 12 consecutive months (including any **non-payment** months within that period). All sponsor's resources and income are excluded (except contributions from sponsor) from sponsor deeming.
- Update the **Case Comments** screen with all action taken including any deemed income or deemed property that was excluded, FAC created, and Special Indicator set.

Once the Indigence Exception is approved and all appropriate input has been entered on LEADER, the EW must clearly document this in the case record and label the case folder with the following information:

- Indigence Exception Case
- Sponsor Deeming Exception begins on _____ and ends on _____.
(date) (date)

LEADER Input: **Creating a Special Indicator**



Go to the “**Individual Attributes Summary**” Screen in the Data Collection Subsystem.

- Select the individual who meets an Indigence Exception and click on the **Special Indicator button** at the bottom of the screen.
- Click on the “**Add button**” at the bottom of the Individual Special Indicator screen.
- In the Special Indicator drop down field, select “Indigence Exception.”
- In the Aid Program drop down field select **CAPI**.

M. **SPONSOR TO IMMIGRANT DEEMED INCOME**

2. **Indigence Exception**

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g. The County Determines That the Indigence Exception Applies (Continued)

- Enter the Valid from date as the date the participant met the Indigence Exception criteria.
- Click “**OK**” to save the data and close the screen.

LEADER Input : **Creating an 11-month Special Future Action Control (FAC)**



- Go to **Navigator** and select the **Future Action Controls (FAC)** subsystem, the **User Control Request** screen and Open Window.

Follow the next steps in the user **Control Request screen**.

- Enter the case number.
- In the **Due Date** field, enter a workday that is 11 months from the date the case was evaluated and approved for the Indigence Exception eligibility criteria. For example, if the exception was evaluated and approved on 12/13/02, your control date would be 11/13/03.
- Select “**Other Pending Change Alert**” from the choices in the drop-down box for the **Subject field**.
- In the **Message field**, delete the pre-printed, “(User to User control to alert worker of other changes on the case)” message, and type in the following message: “**Re-evaluation for Indigent Immigrant Exception criteria due [mm/yy].**”
- Select the Send button.

Note: The case comments button may be used to send a copy of the FAC to another user; e.g., supervisor, district liaison, etc.

h. Countable Income

When the Indigence Exception applies, the **sponsor’s income** is **not** counted during the 12-month Indigence Exception period, even if it changes.

M. SPONSOR TO IMMIGRANT DEEMED INCOME

2. Indigence Exception

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h. Countable Income (Continued)

LEADER Input: **Excluding the sponsor's income**



The LEADER instructions below explain the steps to exclude the sponsor's **deemed income** from the Indigence Exception eligibility computation.

- From the **Earned Income Summary** screen, enter the case number and click "Open Window."
- Select the correct name and click the "Details" button.
- This will open the **Earned Income** screen. Click the Income button located on the lower left hand side of the screen.
- Select the correct income line and change the dollar amount to zero.
- Run SFU/EDBC and authorize.

This will exclude the Sponsor's deemed income from the eligibility determination.

Even though the sponsor's income is exempt from the 12-month sponsor deeming computation, the following income is counted:

- Cash PA (including SSI and GR);
- All contributions provided by other individuals or agencies (including those from the sponsor) and/or the parent(s) (if living with the minor noncitizen);
- Income of the noncitizen's spouse (if living together);
- Any other type of in-kind income received;
- **Changes** in the noncitizen's income, and/or in-kind support, do affect the benefit computation.

NOTE: In-kind support and maintenance is counted at its **actual value** as determined by the provider, NOT the PMV.

(See **Section M.2.k., Example #4** for application of these regulations).

M. **SPONSOR TO IMMIGRANT DEEMED INCOME**

2. **Indigence Exception**

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h. Countable Income (Continued)

Sponsor is the spouse or the parent: If the sponsor signed a New Affidavit and he or she is also the noncitizen's ineligible spouse or parent, regular sponsor deeming, **NOT** spousal or parental deeming applies in the CAPI case. This means that regular sponsor deeming rules are used to determine whether the immigrant is eligible for the Indigence Exception.

i. Indigence Exception Period(s)

When the criteria for the exception are met, deeming is suspended for **12 consecutive months** (including any **nonpayment** months within that period). The 12-month period may begin at any time when all of the conditions are met. It can be effective with the first month of eligibility or in a subsequent month.

- Extension: The 12-month Indigence Exception may be extended if the noncitizen continues to meet the exception criteria. When this happens, the noncitizen qualifies for a new 12-month sponsor deeming exemption period.
- Multiple Exceptions: A noncitizen may apply and may qualify for a new Indigence Exception any time after the current exception expires on the last day of the 12th month.

(See **Section M.2.k., Example #5 and #6** for application of these regulations.)

j. Case Referrals to Immigration and Naturalization Service (INS) and Notification to the California Department of Social Services (CDSS)

State regulations require that counties inform INS and CDSS of sponsors who fail to support adequately their sponsored noncitizen. This is done by forwarding a copy of the Indigence Exception Determination, SOC 813, to the Eligibility Supervisor (ES).

Upon approval of the Indigence Exception, the ES shall provide his/her DDD with two copies of the completed SOC 813. The DDD will keep one copy of the form and forward the other copy to GR & CAPI Programs Section on a flow basis. GR & CAPI Programs Staff will forward the received SOC 813s to INS and CDSS.

M. **SPONSOR TO IMMIGRANT DEEMED INCOME**

2. **Indigence Exception (Continued)**

k. Examples

INCOME

The examples below present hypothetical situations and the appropriate action to take in each case.

Example #1: **Applicant for the Indigence Exception receives free food and shelter** - Mr. Abgarian is ineligible to Extended CAPI due to his sponsor's high income. In his application, Mr. Abgarian stated that he receives no support from his sponsor. He also declared on his application that he receives free food and free shelter from a community agency.

Analysis: Mr. Abgarian is ineligible for the Indigence Exception because he receives free food and, shelter.

Example #2: **Applicant for the Indigence Exception reports excessive sponsor's income** - Mr. Wong, a CAPI applicant living independently and whose sponsor signed a New Affidavit of Support, reports that his sponsor (an adult without dependents) has a monthly income of \$5,000; however, Mr. Wong receives only \$200 per month in cash and no other support from the sponsor. Mr. Wong claims he cannot afford food and shelter with this low amount.

Analysis: Mr. Wong is potentially eligible for the Indigence Exception benefits; he alleges he cannot obtain food and shelter. Mr. Wong's income is only \$200, which is below the SSI rate for one person (\$545 in 2002 and \$552 in 2003). Therefore, sponsor deeming may not apply to this case.

The worker must verify the applicant's allegation (see Section M.2.d for more details) and evaluate other eligibility criteria to grant the Indigence Exception.

M. SPONSOR TO IMMIGRANT DEEMED INCOME

2. Indigence Exception

k. Examples (Continued)

INCOME

Example #3: **Applicant for the Indigence Exception states that his/her sponsor's whereabouts are unknown** - Mr. Sanchez's Extended CAPI application was denied because his sponsor did not cooperate with the process. Mr. Sanchez's sponsor's whereabouts were unknown. Following denial of his Extended CAPI application, Mr. Sanchez called his worker and asked for help. He said he had no income, no food and no shelter.

Analysis - Mr. Sanchez is potentially eligible to the Indigence Exception; however, the EW must explore the sponsor's whereabouts through INS, confirm Mr. Sanchez's living arrangements as indicated in Section M.2.e. and evaluate other eligibility criteria to grant the Indigence Exception.

Example #4: **Participant requests an extension of his/her Indigence Exception** - Mr. Lee's Indigence Exception will expire on December 15, 2003; however, a week before the exception expires, Mr. Lee informs his EW that his sponsor's whereabouts remain unknown and everything else remains the same, including his income and living arrangements.

Analysis - Mr. Lee is potentially eligible to a 12-month extension of his Indigence Exception. The EW must obtain a written declaration (Affidavit) from Mr. Lee regarding his sponsor's whereabouts and evaluate other eligibility criteria to grant the Indigence Exception.

Extension of the exception would begin December 16, 2003 (a day after the previous exception expired) or the day the noncitizen meets all the eligibility criteria for the Indigence Exception. Extensions on the Indigence Exception are granted in 12-month increments.

M. SPONSOR TO IMMIGRANT DEEMED INCOME

2. Indigence Exception

k. Examples (Continued)

INCOME

Example #5: **Multiple Indigence Exceptions** - Following the expiration of Mrs. Kazini's first Indigence Exception on February 26, 2004, her case was converted to Extended CAPI and sponsor deeming was resumed. However, on March 5, 2004, Mrs. Kazini informed her EW that once again she was without her sponsor's support and could not obtain food and shelter. Mrs. Kazini wishes to apply for the Indigence Exception again.

Analysis - The County must process Mrs. Kazini's request for a second Indigence Exception. If eligible, Mrs. Kazini's new Indigence Exception will begin the date she meets all the eligibility criteria for the Indigence Exception. A new approval notice must be sent to Mrs. Kazini to inform her of her new Indigence Exception period.

3. **Deeming from a Sponsor's Spouse**

A sponsor's spouse's income is deemed to the immigrant regardless of when the marriage took effect unless:

- a. The sponsor and his/her spouse are separated or divorced (verification is required); or,
- b. The sponsor's spouse dies (verification required).

4. **Multiple Deeming Situations**

- a. Deeming from **more** than one Sponsor:

If an immigrant is sponsored by more than one individual (other than two sponsors who are married to each other and living together), deeming rules are applied separately to the income of each sponsor to determine the total income deemable to the immigrant.

M. **SPONSOR TO IMMIGRANT DEEMED INCOME**

4. **Multiple Deeming Situations (Continued)**

INCOME

- b. Deeming from **both** a Sponsor and a Spouse or Parent:

If an immigrant has a sponsor and also has an ineligible spouse or parent who in **not** the sponsor, both the sponsor-to-alien **and** spouse-to-spouse (or parent-to-child) deeming rules apply.

- c. Sponsor who sponsors **two or more** CAPI applicants/participants:

If an individual sponsors two or more CAPI applicants/participants, none of whom are the spouse or the child of the sponsor, then the sponsor's income is deemed to each immigrant. The sponsor's income is **not "divided"** among the CAPI applicants/participants.

- d. **Only** Ineligible Spouse of Couple is Sponsored:

If **only** the ineligible spouse of a couple is sponsored, sponsor-to-immigrant deeming does **not** apply to **either** spouse.

- e. Both Members of Eligible Couple have **Same** Sponsor:

If both members of an eligible couple have the same sponsor, the sponsor's income is deemed to **each** member.

- f. Each Member of Couple has **Different** Sponsor:

If each member of an eligible couple has a different sponsor, each sponsor's income is deemed to the appropriate member. The couple's income includes the sum of their income amounts.

5. **Forms Used to Determine Deemable/Net Countable Income**

The following forms are used to compute the total income deemable to the Immigrant.

- a. SOC 451: Cash Assistance Program for Immigrants - Supplemental Application Form

This application form is completed by the CAPI applicant.

M. **SPONSOR TO IMMIGRANT DEEMED INCOME**

5. **Forms Used to Determine Deemable/Net Countable Income (Continued)**

INCOME

- b. SOC 452: Cash Assistance Program for Immigrants - Income Eligibility - Adult

This form is completed by the CAPI Worker to determine and calculate the CAPI benefit amount. It includes the CAPI applicant's/participant's income and that of their sponsors.

- c. SOC 454: Cash Assistance Program for Immigrants Alien Deeming Work Sheet.

This form is completed by the CAPI Worker to determine the income amount deemed to the immigrant.

- d. SOC 809: Cash Assistance Program for Immigrants (CAPI) Indigence Exception Statement

This form is completed by the applicant/participant and it serves a dual purpose:

- (1) to inform the CAPI EW of the applicant/participant's reasons for applying for the Indigence Exception, and
- (2) to inform the CAPI EW of the support/contributions the applicant/participant receives from the sponsor.

- e. SOC 813: Cash Assistance Program for Immigrants (CAPI) Indigence Exception Determination

This form is completed by the CAPI EW to determine if the applicant/participant meets eligibility requirements for the Indigence Exception.