



Financial Eligibility Rules for TANF Cash Assistance

Alabama

I. Rules Used to Determine Applicants' Initial Eligibility and Recipients' Ongoing Eligibility/Benefit Levels

Asset Test

Applicants and recipients are subject to the following limits on countable assets:

<u>Group</u>	<u>Asset Limit</u>
Families with no elderly members (age 60 or older)	\$2,000
Families with an elderly member (age 60 or older)	\$3,000

For applicants and recipients who own a car, the value of one car is excluded entirely from countable assets for every family member with a driver's license. The equity value of additional cars is counted as an asset.

Gross Income Limit

Applicants and recipients are not subject to a gross income test.

Benefit Calculation

To be eligible for assistance, the countable monthly income (income after specified deductions) of applicants and recipients must be below the maximum benefit for a family of their size. If eligible, the benefit amount equals the difference between countable income and the maximum benefit.

Countable income equals gross monthly income less these deductions in the following order:

- For recipients only: 100% of earnings for three months; a family may qualify for a second three-month 100% earnings deduction if there is at least one intervening calendar month with no earnings.

- For families not eligible for the 100% earnings deduction: 20% of earnings
- deduction for out-of-pocket child care expenses: up to \$200 per month for children age 2 and under, and up to \$175 a month for children over 2

Maximum Benefit Levels

<u>Family Size</u>			
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$111	\$137	\$164	\$194

II. Other Rules Affecting Eligibility or Benefit Levels

Treatment of Child Support Income

Child support payments are retained by the state as reimbursement for cash assistance payments. If child support payments exceed the maximum benefit, the family is ineligible.

Treatment of Housing Assistance

Eligibility and benefits are not affected by a family's actual housing costs or by residence in subsidized housing.

Treatment of SSI as Income

The state changed the policies it followed under AFDC regarding family members who receive SSI benefits. Under AFDC, individuals receiving SSI were not included in the assistance unit, and SSI benefits were not considered when determining eligibility and benefit levels. Under current policy, children and parents receiving SSI are not included in the cash assistance unit, and their SSI benefits are not counted as income. However, state policy provides that a caretaker is not eligible for cash assistance if all of the children receive SSI.

Treatment of EITC Benefits Received

Lump-sum EITC payments received after the end of the year are treated as income in the month after receipt.

Lump Sum Income

Non-recurring lump sum income, such as a personal injury award or lottery winnings, is treated as an asset starting in the month it is received.

Individual Development Accounts

State policy does not authorize Individual Development Accounts (IDAs) for TANF-eligible families.