



Financial Eligibility Rules for TANF Cash Assistance

Connecticut

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

Asset Test

Recipients must have countable assets below \$3,000.

For assistance units with no disabled members, the equity value of a car above \$9,500 is treated as a countable asset.

For families with a member who is disabled, the value of one car is excluded entirely from countable assets.

For recipients who own more than one car, the entire equity value of second and additional cars is counted as an asset.

Gross Income Limit

All recipients are subject to a gross income test. Gross monthly income less child support income (up to a maximum of \$100 a month) must be below the federal poverty guideline.

Gross Income Limits by Family Size

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$671	\$905	\$1,138	\$1,371

NOTE: The federal poverty guideline, and thus Connecticut's gross income limits, are raised annually to reflect increases in the costs of living. The 1999 federal poverty guideline levels for families of one to four persons are \$687, \$922, \$1,157 and \$1,392.

Benefit Calculation

The state determines benefits differently for different groups of families.

For families subject to the time limit: the benefit amount equals the maximum benefit less countable unearned income. In measuring countable unearned income, up to \$100 in child support income is excluded. (See maximum benefit amounts below.)

This benefit formula means that working families with no unearned income are eligible for the maximum benefit until their earnings exceed the federal poverty guideline (the state's gross income limit). Once earnings exceed poverty, a family is ineligible for assistance.

For families exempt from the time limit: benefits are calculated using a fill-the-gap methodology, as follows:

1) Unearned income other than General Assistance, state-administered General Assistance, and public assistance from another state is subtracted from the standard of need.

The standards of need by vary by region of the state, as follows:

<u>Family Size</u>	<u>In Region with Most Recipients</u>	<u>Lowest in State</u>	<u>Highest in State</u>
1	\$457	\$457	\$552
2	\$607	\$607	\$704
3	\$745	\$735	\$872
4	\$876	\$853	\$1,016

2) The difference is multiplied by 0.73.

3) Remaining unearned income — General Assistance, state-administered General Assistance, public assistance from another state, and child support in excess of \$100 — is subtracted. The result is the benefit amount.

Maximum Benefit Levels

Maximum monthly benefit levels vary for different groups of families. They also vary by region.

Benefits for: Families living in unsubsidized housing

<u>Family Size</u>	<u>In Region with Most Recipients</u>	<u>Lowest in State</u>	<u>Highest in State</u>
1	\$333	\$333	\$402
2	\$443	\$443	\$513
3	\$543	\$536	\$636
4	\$639	\$622	\$741

Benefits for: Families that receive government housing subsidies

<u>Family Size</u>	<u>In Region with Most Recipients</u>	<u>Lowest in State</u>	<u>Highest in State</u>
1	\$306	\$306	\$370
2	\$407	\$407	\$472
3	\$500	\$493	\$585
4	\$588	\$572	\$682

II. Rules Used to Determine Applicants' Initial Eligibility

Asset Test

Applicants must meet the same asset test as recipients, listed above.

Gross Income Limit

All applicants are subject to the gross income test shown above for recipients.

Net Income Test

An applicant's net monthly income (income after specified deductions) must fall below the state's standard of need. If net income is below the limit, the applicant is eligible for assistance, and benefits are calculated as described above for recipients.

Net income equals gross monthly income less the following deductions:

- child support up to a \$100 maximum
- \$90, unless applicant received benefits within prior four months. If so, applicant is treated as a recipient (i.e., the family is eligible for assistance if gross income after the child support disregard is less than the federal poverty guideline).

The standard of need amounts are listed above in the eligibility rules for recipients.

III. Other Rules Affecting Eligibility or Benefit Levels

Treatment of Child Support Income

The first \$100 in child support is passed through to the family and disregarded for eligibility and benefit determination purposes. Any remainder is retained by the state as reimbursement for cash assistance payments. If the remainder exceeds the maximum benefit, the family is ineligible.

Treatment of Housing Assistance

As noted above, the maximum benefits for families living in subsidized housing are lower than the maximum benefit levels for families in private unsubsidized housing.

Treatment of SSI as Income

As under AFDC, a family member receiving SSI benefits is excluded from the assistance unit. The SSI recipient's income and resources are not considered when determining eligibility or benefits for the rest of the family.

Treatment of EITC Benefits Received

EITC benefits received in a lump sum when a family files an income tax return are considered an asset. EITC benefits received throughout the year under the "advance payment" option are considered earned income. Families are required to apply for the advance EITC "when appropriate."

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 authorizes Individual Development Accounts (IDAs) for cash assistance recipients.

Funds maintained in an IDA may be used for post-secondary educational expenses

There is no limit to the amount that may be maintained in an IDA.

The IDA program does not include a provision for matching funds.

If any portion of an account is used for purposes other than post-secondary education, all funds in the account lose the exemption from treatment as an asset.