



Financial Eligibility Rules for TANF Cash Assistance

Delaware

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

Asset Test

Recipients must have countable assets below \$1,000.

For recipients who own a car, the equity value of a car above \$4,650 is treated as a countable asset. 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 income (total income with a deduction for up to \$50 in child support income) must fall below the following amounts:

Gross Income Limits by Family Size

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$930	\$1,254	\$1,578	\$1,901

NOTE: The gross income limits are raised annually to reflect increases in the costs of living. The 1999 gross income limits for families of one to four persons are \$953, \$1,278, \$1,606, and \$1,931.

Benefit Calculation

The state determines benefit amounts using "fill-the-gap" methodology, as follows:

- 1) Countable income is calculated. Countable income equals gross monthly income less these deductions in the following order:
 - child support income up to a maximum of \$50

— \$120 and one-third of remaining earnings for four months; then \$120 of earnings for the next eight months; and then \$90 in subsequent months.

— 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.

2) Countable income is subtracted from the standard of need. The standard of need levels are equal to 75% of the federal poverty guideline. The standards of need by family size are:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$503	\$678	\$853	\$1,028

NOTE: The standard of need levels are raised annually to reflect increases in the costs of living. The 1999 standards of need for families of one to four persons are \$515, \$691, \$868, and \$1,044.

3) The benefit amount equals the lesser of the maximum benefit and 50% of the difference between countable income and the standard of need.

Maximum Benefit Levels

	<u>Family Size</u>			
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
\$201	\$270	\$338	\$407	

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 maximum benefit for a family of its size. 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 these deductions in the following order:

- child support payments up to a maximum of \$50
- \$90 of earnings, unless applicant received benefits in the prior four months. If so, the deduction is \$120 and one-third of remaining 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.

III. Other Rules Affecting Eligibility or Benefit Levels

Treatment of Child Support Income

The first \$50 in child support is passed through to the family and disregarded for eligibility and benefit determination purposes. Any remainder is counted as income under the state's fill-the-gap budgeting rules when determining eligibility and benefits.

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

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

As under AFDC, an EITC payment received by a family member - whether as a lump sum at the end of the year or through advance payments - is not counted as income for any purpose. Lump sum EITC payments are counted as assets starting in the second month after the month of 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

Delaware policy allows Special Educational and Business Investment Accounts (SEBIAs). These accounts are not specifically defined as IDAs, though they serve generally the same purpose

Funds maintained in an SEBIA may be used for the following purposes:

- Post-secondary educational expenses
- Business capitalization
- Business assets
- Business expansion

The maximum amount that may be maintained in an SEBIA is \$5,000.

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