



Financial Eligibility Rules for TANF Cash Assistance

Iowa

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

Asset Test

Recipients must have countable assets below \$5,000.

For recipients who own a car, the equity value of car above \$3,890 is treated as a countable asset. This rule applies to each car per adult or working teenage child. If recipients have more than one car per adult and working teenage child, the entire equity value of the additional car(s) is counted.

Gross Income Limit

All recipients are subject to a gross income test. Gross monthly income (total income with no deductions) must fall below the following amounts:

Gross Income Limits by Family Size

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$675	\$1,330	\$1,570	\$1,824

Benefit Calculation

A recipient's benefit equals the difference between countable income (income after specified deductions) and the maximum benefit. If countable income exceeds the maximum benefit, the family is not eligible for assistance.

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

- 20% of earnings and 50% 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.

Maximum Benefit Levels

The maximum monthly benefits by family size are as follows:

<u>Family Size</u>			
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$183	\$361	\$426	\$495

II. Rules Used to Determine Applicants' Initial Eligibility

Asset Test

Applicants must have countable assets below \$2,000.

Gross Income Limit

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

Net Income Test

An applicant's net income (income after specified deductions) must fall the state's standard of need 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 monthly gross income less the following deductions:

- 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.

The standards of need by family size are as follows:

<u>Family Size</u>			
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$675	\$1,330	\$1,570	\$1,824

III. 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. Families who had been benefitting from the child support disregard under AFDC continue to receive the first \$50 in child support payments passed through and disregarded for eligibility and benefit determination purposes.

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

As under AFDC, when a family receives a non-recurring lump sum payment, such as a personal injury award or lottery winnings, the family is ineligible for assistance for a period of months equal to the lump sum divided by the state's need standard.

Individual Development Accounts

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

The state's IDA program is a pilot program that allows a maximum of 10,000 households with income below 200% of the federal poverty guideline. Local community organizations are selected to design and implement local IDA projects. They raise matching funds and recruit eligible account holders who live in the area the organization serves.

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

- Post-secondary educational expenses
- First home purchase
- Home rehabilitation
- Business capitalization
- Medical expenses
- Job training in higher skill or wage job

The maximum amount that may be maintained in an IDA is \$50,000.

In addition to earnings, an individual's IDA contributions can come from any source of income available to the account holder, deposits of state savings refunds, deposits of IDA transferred funds, deposits from individual contributors or charities, and other matches raised by or through the local operating organization.

The IDA program includes a provision for matching funds. Matching contributions are made from:

- Public funds:
 - Direct state match (state savings refund)
- Non-profit organizations
- Private contributions (e.g., corporations, foundations)
- Private contributions from individuals
- Funds raised by the operating organization

A participant's contributions are matched as follows:

For the state savings refund, the match rates are: 25% for families with incomes below 150% of the federal poverty guideline, 20% for families with incomes between 150% and 175% of the federal poverty guideline, and 15% for families with incomes between 175% and 200% of the federal poverty guideline. Local organizations may establish their own match rates for other matches.

All means-tested public assistance programs (federal and state) must exempt the amounts in these IDAs from countable income or resources for determining program eligibility or payment amounts.