



Financial Eligibility Rules for TANF Cash Assistance

Maryland

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

Asset Test

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

For recipients who own a car, the value of one car is excluded entirely from countable assets. The entire equity value of second and additional cars is counted as an asset.

Gross Income Limit

Recipients are not subject to a gross income test.

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 monthly income less these deductions in the following order:

- 26% of earnings.

NOTE: Legislation enacted in 1999 increased this earned income disregard to 35% of earnings.

- deduction for out-of-pocket child care expenses of up to \$200 per child if families work at least 100 hours per month or \$100 per child if families work less than 100 hours per month

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>
\$177	\$313	\$399	\$481

NOTE: Maximum benefit levels are adjusted by formula annually.

II. Rules Used to Determine Applicants' Initial Eligibility

Asset Test

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

Gross Income Limit

Applicants are not subject to a gross income test.

Net Income Test

An applicant's net 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:

- 20% of earnings.
- deduction for out-of-pocket child care expenses of up to \$200 per child if families work at least 100 hours per month or \$100 per child if families work less than 100 hours per month.

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.

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 Housing Assistance

Housing subsidies are counted as \$60 in unearned income when determining eligibility and/or benefit levels.

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