



Financial Eligibility Rules for TANF Cash Assistance

Maine

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

Asset Test

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

For applicants and 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

All applicants are subject to a gross income test. Recipients are subject to a gross income limit only at the time of eligibility and benefit redetermination (usually every six months). Gross monthly income less a deduction for up to \$50 of 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>
All families except child-only assistance units and families whose shelter costs exceed 75% of income	\$485	\$762	\$1,023	\$1,286
Child-only assistance units	\$285	\$546	\$808	\$1,071
Families whose shelter costs exceed 75% of income	\$578	\$855	\$1,116	\$1,379

NOTE: The gross income limits were increased in 1999.

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.
- deduction for earned income: in eight counties, the deduction equals \$150 and 50% of the remainder. In the state's other eight counties, the deduction equals 20% of earnings and \$134 of the remainder.
NOTE: In 1999, the earned income deduction was changed to \$108 and 50% of the remainder for all families statewide.
- 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 age 2

2) Countable income is subtracted from the standard of need. The standards of need by family size are:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$212	\$412	\$553	\$695

NOTE: The standard of need amounts were increased in 1999.

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

Maximum Benefit Levels

Maximum benefits vary by family type, as follows

	<u>Family Size</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Families with no earned income	\$208	\$328	\$439	\$553
Families with earned income	\$198	\$312	\$418	\$526
Child-only assistance units with no earned income	\$124	\$237	\$349	\$460
Child-only assistance units in which caretaker has earned income	\$118	\$225	\$332	\$438

NOTE: Maximum benefits were increased by 5% in 1999.

II. 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

As noted above, a family with a shelter cost obligation exceeding 75% of its income receives an additional "housing special need payment" of up to \$50.

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

Up to \$10,000 in lump sum income, such as a personal injury award or lottery winnings, is disregarded if it is either spent within 30 days on specified purposes or deposited in an IDA or other bank account (withdrawals must be spent on the same specified purposes). Amounts above \$10,000 are first applied to the state's resource limit. Amounts above the resource limit are divided by the standard of need to determine the number of months for which the family is ineligible for cash assistance.

Individual Development Accounts

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

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
- To address an emergency that may cause the loss of shelter, employment

The maximum amount that may be maintained in an IDA is \$12,000. Any amount over \$10,000 in an IDA is applied to the asset limit of \$2,000.

State law does not limit the source from which an individual may make a contribution to an IDA.

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

- Non-profit organizations
- Private contributions (e.g., corporations, foundations)

A participant's contributions are matched as follows: community development organizations will submit plans for approval to the Finance Authority of Maine, which is promulgating the rules governing the program. Matching rates will vary from plan to plan.

Because not all parts of the state had nonprofits ready to set up IDAs and the matching contributions, the state set up a parallel "separately identifiable account" that, although unmatched, would shelter lump sums from both the asset limit and the lump sum rule if the funds used in the account were used for the same purposes as set out in the IDA law.