



# Financial Eligibility Rules for TANF Cash Assistance

## Mississippi

### 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 \$1,500 is treated as a countable asset. The entire fair market value of second and additional cars is counted as an asset.

**NOTE:** The asset limits were increased in 1999. The countable asset limit is now \$2,000. The entire value of one car is excluded from countable assets, and fair market value up \$4,650 is excluded for a second car.

#### 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>
\$403	\$542	\$680	\$819

## Benefit Calculation

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

1) Determine countable income. Countable income equals gross income less the following deductions:

- for single-parent families: \$90 of earnings. For two-parent families: \$120 and one-third of remaining earnings for 12 months, and \$90 in subsequent months.
- Deduction for out-of-pocket child care expenses: if families work full-time: \$200 a month for children age 2 and under, and up to \$175 a month for children over 2. For families working less than full-time, the maximum child care deduction is \$100 per child per month
- There is a 100% deduction of earnings for six months for recipients who obtain full-time employment within 30 days of initial authorization of TANF or within 30 days of starting Job Readiness/Job Search activities. This is available once in a lifetime. (The gross income limit does not apply during this six-month period.) There also is a 100% earnings disregard for three months for recipients working at least 25 hours per week if they would otherwise lose eligibility for benefits based on their earnings. Only recipients that have not received the six-month disregard can get the three-month 100% disregard. The three-month 100% disregard is not limited to once in a lifetime.

2) Subtract countable income from the "standard of need" for appropriate family size:

<u>Family size</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Standard of Need	\$218	\$293	\$368	\$443

If countable income is higher than the need standard, the family is ineligible for assistance.

3) Calculate the benefit: The benefit amount equals the lesser of the maximum benefit or 60% of the difference between countable income and the standard of need.

## 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>
\$60	\$96	\$120	\$144

**NOTE:** maximum benefits were increased by \$50 for each family size in 1999.

## **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. If an applicant's income is less than the gross income amount, the next step in eligibility determination is the benefit calculation step described above.

## **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 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**

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