



# Financial Eligibility Rules for TANF Cash Assistance

## Montana

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

#### Asset Test

Recipients must have countable assets below \$3,000.

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 excluded if used to produce income.

#### 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>
Families with shelter cost obligations (except child-only assistance units)	\$641	\$863	\$1,086	\$1,307
Families that do not have a shelter cost obligation (except child-only assistance units)	\$231	\$379	\$521	\$665
Child-only assistance units	\$231	\$462	\$695	\$929

**NOTE:** The gross income limits are adjusted annually based on the percentage increase in the federal poverty guideline.

## 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 incomes less these deductions in the following order:

- \$200 and 25% of remaining earnings for 24 months; then \$100 of earnings in subsequent months
- Deduction for out-of-pocket child care expenses: \$200 a month for children under age 13

## Maximum Benefit Levels

Maximum monthly benefit levels vary for different groups of families:

	<u>Family Size</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Families with a shelter cost obligation (except child-only assistance units)	\$272	\$366	\$461	\$555
Families with no shelter cost obligation (except child-only assistance units)	\$98	\$161	\$221	\$282
Child-only assistance units	\$98	\$196	\$295	\$394

**NOTE:** The maximum benefits are set as a percentage of the federal poverty guideline (for example, the maximum benefit equals 40.5% of the poverty guideline for assistance units with an adult that have a shelter cost obligation). Because the poverty guideline is adjusted for inflation annually, the maximum benefits in Montana also are in effect adjusted for inflation on an annual basis.

## 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 income (income after specified deductions) must fall below the state's standard of need. If net income is below the standard of need, the applicant is eligible for assistance, and benefits are calculated as described above for recipients.

Net income equals gross monthly income less the following deductions:

- \$200 of earned income, unless applicant received assistance in the prior four months. If so, the deduction is equal to \$200 and 25% of remaining earnings.
- deduction for out-of-pocket child care expenses: up to \$200 a month for children under age 13

The standard of need levels vary for different groups of families:

	<u>Family Size</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Families with a shelter cost obligation (except child-only assistance units)	\$346	\$466	\$587	\$707
Families with no shelter cost obligation (except child-only assistance units)	\$125	\$205	\$282	\$359
Child-only assistance units	\$125	\$250	\$376	\$502

**NOTE:** The standard of need levels are adjusted annually based on the percentage increase in the federal poverty guideline.

## 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

As noted above, Maximum benefit levels are lower for families that do not have shelter cost obligations.

## **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**

Families receiving non-recurring lump sum income, such as a personal injury award or lottery winnings, are ineligible for assistance for a period of months equal to the lump sum amount divided by 3,000, rounded up to the nearest whole month.

## **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:

- Business capitalization
- Business assets
- Business expansion
- Medical expenses

There is no limit to the amount that may be maintained in an IDA.

An individual's IDA contributions can come from any source of income

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