



Financial Eligibility Rules for TANF Cash Assistance

New York

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

Asset Test

Recipients are subject to the following limits on countable assets:

| <u>Group</u> | <u>Asset Limit</u> |
|---|--------------------|
| Families with no elderly members (age 60 or older), except recipients in the Child Assistance Program | \$2,000 |
| Families with an elderly member (age 60 or older), except recipients in the Child Assistance Program | \$3,000 |
| Child Assistance Program recipients | No limit |

For recipients who own a car, the fair market value of a car above \$4,650 is treated as a countable asset.

Gross Income Limit

All recipients except those in the Child Assistance Program are subject to a gross income test. Gross monthly income less a deduction of 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> |
|--|----------|----------|----------|----------|
| Families in New York City (the district with the largest caseload) | \$651 | \$867 | \$1,067 | \$1,276 |
| Families in districts with the lowest gross income limit | \$535 | \$732 | \$895 | \$1,084 |
| Families in districts with the highest gross income limit | \$825 | \$1,067 | \$1,301 | \$1,526 |

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. The benefit calculation for families in the basic cash assistance program is different from the calculation for families in the child assistance program.

For families in the basic cash assistance program, countable income equals gross monthly income less these deductions in the following order:

- up to \$50 in child support income
- \$90 and 45% of remaining earnings

NOTE: The percentage of earnings that is disregarded is adjusted upward annually under a formula set in state law. In 1999, the earned income deduction equaled \$90 and 46% of earnings.

For families in the Child Assistance Program, countable income equals gross monthly income less these deductions in the following order:

- all child support income
- Earned income disregard: 90% of earnings up to the 1989 poverty level (\$838 for a family of three); then 33% of remaining earnings

Maximum Benefit Levels

Maximum monthly benefit levels vary for different groups of families. They also vary by region.

Benefits for all families except those in the Child Assistance Program

| <u>Family Size</u> | <u>In Region with Most Recipients</u> | <u>Lowest in State</u> | <u>Highest in State</u> |
|--------------------|---------------------------------------|------------------------|-------------------------|
| 1 | \$352 | \$289 | \$446 |
| 2 | \$467 | \$396 | \$576 |
| 3 | \$577 | \$484 | \$703 |
| 4 | \$687 | \$585 | \$824 |

Benefits for: Families in the Child Assistance Program

| <u>Family Size</u> | <u>In Region with Most Recipients</u> | <u>Lowest in State</u> | <u>Highest in State</u> |
|--------------------|---------------------------------------|------------------------|-------------------------|
| 1 | N/A | N/A | N/A |
| 2 | \$350 | \$280 | \$390 |
| 3 | \$443 | \$373 | \$483 |
| 4 | \$536 | \$466 | \$576 |

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 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 the following deductions:

- up to \$50 of child support income
- \$90 of earnings, unless applicant received benefits within prior four months. If so, applicant is eligible for same earned income disregard as recipient.

III. 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 retained by the state as reimbursement for cash assistance payments. If the remainder exceeds the maximum benefit, the family is ineligible.

Treatment of Housing Assistance

The maximum benefit for which a family may be eligible varies based on the amount of housing costs paid by the family, as follows: Maximum benefit levels are made up of several components including a shelter grant. For families with actual housing costs below the shelter portion of the grant, the maximum benefit is reduced by an amount equal to the difference between the amount of the shelter component of the grant and actual shelter costs.

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

EITC benefits are not countable as income or as assets.

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.

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

- Post-secondary educational expenses
- First home purchase
- Business capitalization

An individual's IDA contributions must come from earnings.

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

- Non-profit organizations
- Local social services districts acting in cooperation with the non-profit (policy does not specify TANF or non-TANF funds)

There is no maximum IDA amount but total of deposits in a calendar year cannot exceed the amount of the earned income disregarded in calculating the amount of assistance for the recipient household.

The penalty for unauthorized withdrawal is that funds are treated as unearned income and account holder and his or her spouse may never establish an IDA in the future.