



Financial Eligibility Rules For TANF Cash Assistance

Rhode Island

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

Asset Test

Applicants and recipients must have countable assets below, \$1,000.

For applicants and recipients who own a car, the fair market value above \$4,650 or equity value in excess of \$1,500, whichever is less, is treated as a countable asset.

The value of second and additional cars is treated the same as the first car.

Gross Income Limit

Applicants and 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:

- child support income up to \$50
- \$170 and 50% of remaining earnings
- 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 2

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 living in unsubsidized housing	\$327	\$449	\$554	\$634
Families that receive government housing subsidies; families that are new state residents	\$277	\$399	\$504	\$584

NOTE: Following a Supreme Court ruling in 1999, the state no longer provides a lower maximum benefit to families that are new state residents.

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 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 whether or not the family receives housing assistance.

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 the federal poverty level, rounded up to the nearest whole month.

Individual Development Accounts

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

The state's IDA program is a pilot program.

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

- Business capitalization

The maximum amount that may be maintained in an IDA is \$2,500.

In addition to earnings, an individual's IDA contributions can come from: a business capitalization loan; grant funds received from a nonprofit organization

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