



# Financial Eligibility Rules for TANF Cash Assistance Texas

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

### Asset Test

Applicants and 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)	\$2,000
Families with an elderly member (age 60 or older)	\$3,000

For applicants and recipients who own a car, the fair market value of a car above \$4,650 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 subject to a gross income test. Gross income less a deduction for up to \$50 of child support must fall below the following amounts:

<u>Gross Income Limits by Family Size</u>				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Single-parent families	\$579	\$1203	\$1389	\$1671
Child-only assistance units	\$474	\$683	\$958	\$1141
Two-parent families	N/A	\$921	\$1524	\$1711

## Benefit Calculation

To be eligible for assistance, the countable monthly income (income after specified deductions) of applicants and recipients must be below the maximum benefit for a family of their size. A recipient's benefit equals the difference between countable income and the maximum benefit.

Countable income equals gross monthly income less these deductions in the following order:

- up to \$50 of child support
- \$120 and one-third of remaining earnings for applicants and for recipients in the first four months, then \$120 for the next eight months and \$90 in subsequent months
- 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

**NOTE:** In 1999, a new earned disregard was enacted. Families going to work will receive a deduction equal to 90% of earnings for four months. It is not clear at this time whether this disregard will replace the \$120 and one-third disregard or whether families will receive the \$120 and one-third disregard after the four months of the 90% disregard.

## 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>
Single-parent families	\$78	\$163	\$188	\$226
Child-only assistance units	\$64	\$92	\$130	\$154
Two-parent families	N/A	\$125	\$206	\$231

**NOTE:** The maximum benefit levels were increased in 1999. The maximum benefit for a single parent family of three, for example, rose to \$197. In addition, the new policy sets benefit levels as a percentage of the federal poverty level, which will have the effect of increasing benefits annually to reflect changes in the costs of living.

## **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**

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**

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.

The state's IDA program is a pilot program; the IDA pilot has been authorized but is not yet operational.

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

- Post-secondary educational expenses
- Medical expenses
- Work related expenditures, including self-employment enterprise, and housing or moving expenses

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
- Private employers (including subsidized employment worksites); community groups; financial institutions

There is no maximum amount for an IDA specified in the legislation, but the department may establish such a cap.