



Financial Eligibility Rules for TANF Cash Assistance

Virginia

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

Asset Test

Recipients must have countable assets below \$1,000.

For families participating in the work program, the value of a car is treated as follows: If fair market value exceeds \$7,500, equity value in excess of \$1,500 is counted. For families not participating in the work program, the equity value of a car above \$1,500 is treated as a countable asset. The entire equity value of second and additional cars is counted as an asset.

Gross Income Limit

All recipients are subject to a gross income test. Gross income less a deduction of up to \$50 for 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 subject to the time limit and work requirements	\$671	\$904	\$1,138	\$1,371
Families exempt from the time limit and work requirements	\$322	\$475	\$596	\$714

NOTE: The gross income limit for families subject to the time limit is equal to the federal poverty guideline. The poverty level is adjusted annually to reflect increases in the costs of living.

Benefit Calculation

The state determines benefit amounts differently for families subject to the time limit and for families exempt from the time limit.

For families subject to time limit and work requirements:

The state uses a “fill-the-gap” methodology, as follows:

1) Countable income is determined. 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 four months, then \$120 of earnings for eight months, and then \$90 of earnings in subsequent months
- deduction for out-of-pocket child care expenses if family works at least 120 hours per month: up to \$200 per month for children age 2 and under, and up to \$175 a month for children over 2. If the family works less than 120 hours per month, the maximum child care deduction is \$120 per child.

2) Countable income is compared with the federal poverty guideline. These levels are identified above under the gross income limit for families subject to the time limit. If countable income exceeds the poverty level, the family is ineligible for assistance. If countable income is less than the poverty level, the family’s benefit is the lower of the maximum benefit or the difference between the countable income and the poverty level.

For Families Not Subject to the time limit:

Countable income is determined in the same manner as for families subject to the time limit. The benefit amount is the difference between the maximum benefit and the family’s countable income.

Maximum Benefit Levels

Maximum benefit levels vary by region:

<u>Family Size</u>	<u>In Region with Most Recipients</u>	<u>Lowest in State</u>	<u>Highest in State</u>
1	\$157	\$131	\$220
2	\$231	\$207	\$294
3	\$291	\$265	\$354
4	\$347	\$322	\$410

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 same gross income limit that applies to recipients not subject to the time limit.

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 these deductions in the following order:

- up to \$50 of child support
- \$90 of earnings, unless the applicant received assistance in the prior four months. If so, the deduction equals \$120 and one-third of remaining earnings.
- deduction for out-of-pocket child care expenses if family works at least 120 hours per month: up to \$200 per month for children age 2 and under, and up to \$175 a month for children over 2. If the family works less than 120 hours per month, the maximum child care deduction is \$120 per child.

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

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.

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

- Post-secondary educational expenses
- First home purchase
- Business capitalization
- Educational expenses at elementary, secondary or vocational school

The maximum amount that may be maintained in an IDA is \$5,000.

In addition to earnings, an individual's IDA contributions can come from any source, but normal financial eligibility rules apply. For example, a family could not avoid lump sum ineligibility by depositing a personal injury settlement into an IDA.

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

Only one IDA is allowed per assistance unit.