



Financial Eligibility Rules for TANF Cash Assistance

Vermont

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

Asset Test

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

For families 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 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 in Chittenden County	\$1,585	\$1,954	\$2,314	\$2,597
Families outside Chittenden County	\$1,425	\$1,793	\$2,153	\$2,436

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:

- up to \$50 of child support income

— for families in the Waiver groups II and III (experimental), \$150 and 25 percent of remaining earnings. For families in the Waiver group I (control group), the deduction equals \$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.

Maximum Benefit Levels

Maximum benefit levels vary between families living outside Chittenden County (where the larger share of recipients live) and families living in Chittenden County.

<u>Family Size</u>	<u>Outside Chittenden County</u>	<u>Inside Chittenden County</u>
1	\$407	\$448
2	\$513	\$554
3	\$617	\$658
4	\$699	\$740

NOTE: Maximum benefits are increased annually to reflect increases in housing costs. Benefit levels as of July 1999 were as follows:

<u>Family Size</u>	<u>Outside Chittenden County</u>	<u>Inside Chittenden County</u>
1	\$416	\$456
2	\$518	\$557
3	\$622	\$661
4	\$706	\$745

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 level. 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 income
- \$90 of earnings, unless the applicant received assistance in the prior four months. If so, the earned income deduction is the same as described above for recipients.

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

A dollar value is assigned to housing assistance received when determining eligibility and/or benefit levels as follows:

The value of a fuel/utility subsidy up to \$70 or of a utility-only subsidy up to \$30 is counted as unearned income. If the actual subsidy is less than these amounts and can be documented by the family, the actual amount will be counted.

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 based, in part, on a shelter component. If the actual shelter cost obligation is less than the maximum shelter component, the actual shelter costs are used to determine the shelter portion of the grant amount. A family in public subsidized housing receives the maximum shelter component.

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 pilot project is operated by a non-profit agency, Central Vermont Community Action Council. The name of the project is "Tangible Assets."

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

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

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

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

- Federal TANF funds
- Non-profit organizations

A participant's contributions are matched \$2 for \$1 for TANF families.