



# Financial Eligibility Rules for TANF Cash Assistance

## Alaska

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

#### Asset Test

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

For recipients 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. Monthly gross income less a deduction for child support income (up to a maximum of \$50) must fall below the following amounts:

#### Gross Income Limits by Family Size

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Single-parent families; two-parent families in which both parents are able to work	\$1,089	\$1,739	\$1,955	\$2,171
Child-only assistance units	\$956	\$1,172	\$1,389	\$1,605

NOTE: The gross income limits are adjusted annually to reflect changes in costs of living.

## Benefit Calculation

The state determines benefit amounts using "fill-the-gap" methodology, as follows:

1) Determine countable income: Monthly gross income less these deductions in the following order:

- up to \$50 in child support income
- \$150 of earnings
- one-third of remaining earnings for 12 months; then 25 percent, 20 percent, 15 percent, and 10 percent for the four subsequent 12-month periods
- 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

2) Subtract countable income from the "standard of need" for appropriate family size:

Family size	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Standard of Need	\$527	\$959	\$1,078	\$1,197

If countable income is higher than the need standard, the family is ineligible for assistance.

NOTE: The standard of need levels are adjusted annually to reflect changes in the costs of living.

3) Calculate the benefit: The benefit amount equals the lesser of the maximum benefit and a specified percentage of the difference between the countable income and the standard need. This percentage is adjusted annually. In 1998, the percentage was 86%.

## 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>
All families except child-only assistance	\$514	\$821	\$923	\$1025
Child-only assistance units	\$452	\$554	\$656	\$758

In two-parent families in which both parents are able to work, the second parent is not included in the family size for payment calculation purposes.

## **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 monthly income (income after specified deductions) must fall below the state's standard of need, listed above. If net income is below the standard of need, the applicant is eligible for assistance, and benefits are calculated as described above for recipients.

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

- up to \$50 in child support income
- \$90 of earnings, unless applicant received benefits within the prior four months. If so, the deduction equals \$150 and one-third 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.

## **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. counted as unearned income when determining eligibility and benefits.

### **Treatment of Housing Assistance**

The maximum benefit for which a family may be eligible varies based on the amount of housing costs paid to the family, as follows: There is a reduction in the family's payment if shelter costs are below 30% of the standard of need.

## **Treatment of SSI as Income**

The state changed the policies it followed under AFDC regarding family members who receive SSI benefits. Under AFDC, individuals receiving SSI were not included in the assistance unit, and SSI benefits were not considered when determining eligibility and benefit levels. Under current policy, children receiving SSI can be included or excluded from the assistance unit at parent option. If included, the child's SSI income is counted as \$119 (regardless of the actual amount) when calculating benefits. Parents receiving SSI are not included in the assistance unit, and their SSI benefits are not counted as income.

## **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 does not authorize Individual Development Accounts (IDAs) for TANF-eligible families.

## **New Unearned Income Rules**

Unemployment benefits formerly disregarded in determining eligibility for unemployed parent coverage are now counted as income in determining eligibility.