

MID-PERIOD REPORTING IN SAR

100-E5.A

Approved: *Signature on file*

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PURPOSE

Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011) establishes the Semi-Annual Reporting (SAR) system for the CalWORKs, RCA and CalFresh programs, and replaces Quarterly Reporting/Prospective Budgeting (QR/PB) system.

The purpose of this policy is to outline the rules for mandatory, voluntary, and county-initiated mid-period reporting for the SAR system.

OVERVIEW OF MID-PERIOD CHANGES TO BENEFITS

Under SAR, workers are required to take action on specified changes that occur mid-period or outside of the application, SAR 7, or RRR reporting process. Mid-period changes to benefits under SAR include changes that result from recipient mandatory reports, certain recipient voluntary reports, and county-initiated actions.

For both CalWORKs and CalFresh, recipients may report mid-period changes in writing, verbally, or in person to the worker. Workers may provide the SAR Mid-Period Report Form ([SAR 3](#)) to recipients who wish to report a mid-period change in writing. If a recipient chooses not to report a mid-period change in writing at the time of the change, but chooses to report the mid-period change verbally or in person, the worker shall document the reported change in CalWIN case comments.

I. Mandatory Recipient Mid-Period Reports

MANDATORY RECIPIENT MID-PERIOD REPORTS

Under SAR, recipients are mandated to report specified changes to the worker within 10 calendar days of the date the change becomes known to the household. The worker shall document the information reported, as well as the date of the report, in CalWIN case comments.

Some mid-period changes are required to be reported in the CalWORKs program that are not required to be reported in CalFresh.

When there is a combined CalWORKs/CalFresh case, if the AU reports a change that is required to be reported for CalWORKs, the worker must also review the CalFresh case to determine if the CalFresh benefits must also be adjusted.

Appropriate worker actions for each type of mid-period change are

described below.

CalWORKs Only: All CalWORKs recipients must report the following changes during the SAR Payment Period within 10 days:

- Income exceeds the IRT;
- Drug felony convictions;
- Fleeing felon status;
- Violation of conditions of probation or parole; and
- Address Changes

CALWORKS INCOME REPORTING THRESHOLD (IRT)

CalWORKs clients subject to SAR must report verbally or in writing within 10 days when their income exceeds the IRT for their family size, even if the income is received mid-period. A SAR case with income exceeding the IRT may have CalWORKs benefits discontinued or decreased effective the first day of the month following timely and adequate notice.

The CalWORKs IRT under SAR is no longer a set amount for a given family size; there are two tiers of the CalWORKs IRT for SAR, as described below, and is subject to change when the AU's income changes. If any member of the Assistance Unit (AU) or any member of the Family Maximum Aid Payment (MAP) has earned income, the CalWORKs AU is required to report when: The total combined gross monthly income earned and unearned, of all persons included in the Family MAP exceeds the lesser of the following two amounts:

1. **Tier 1** - Income that increases by 55 percent of the monthly income of a family of three at the FPL over the last amount of income used to calculate their grant; or
2. **Tier 2** - The level likely to render them ineligible for CalWORKs benefits (recipient earned income limits).

Reference CalWORKs Policy 100-B14 Income Reporting Threshold for SAR for further IRT instructions.

REPORT OF DRUG FELON, FLEEING FELON AND PAROLE/PROBATION

CalWORKs: CalWORKs AUs are required to report when an AU member is convicted of a drug felony, becomes a fleeing felon, or violates a condition of probation or parole within 10 days after this change is known to the recipient. Since these individuals are ineligible for benefits under the CalWORKs program, the individual

VIOLATIONS

must be discontinued. The worker shall take mid-period action to reduce or discontinue benefits, as appropriate, at the end of the month after 10-day notice can be provided.

CalFresh: CalFresh recipients are not required to report a change in drug or fleeing felon status or probation/parole violations mid-period. If an individual in a Non Assistance CalFresh (NACF) household had a change in drug or fleeing felon status or probation/parole violations during the SAR Payment Period, it would be reported on the next SAR 7 or recertification and the worker would discontinue the individual at the end of the report month after 10-day notice can be provided.

However, for Public Assistance CalFresh (PACF) households, if a change in drug or fleeing felon status or a parole/probation violation is reported and confirmed for the CalWORKs case, the worker will be required to act on the reported information in the CalFresh case. The worker must discontinue the individual from CalFresh at the same time as the CalWORKs action, at the end of the month after 10-day notice can be provided.

Example: An AU/household is in the SAR Payment Period of January through June. On March 20, the AU reports timely that Mom was convicted of a drug felony on March 10. Mom is removed from the AU/household effective April 1 with timely and adequate notice. If however, the AU didn't report the felony conviction until April, Mom would be removed from the AU/household effective May 1 with timely and adequate notice and an Overpayment (OP) will be assessed for her portion of the grant for April. An Overissuance (O/I) will not be assessed because this is not a mandatory mid-period report for CalFresh.

Reference CalWORKs Policy 100-B7 Drug Felon for further drug felon instructions.

REPORT OF CHANGE IN ADDRESS

Recipients are required to report address changes to the worker within 10 days. This reporting requirement is necessary in order to provide the worker with the most up-to-date address so that recipients can receive benefits and NOAs in a timely manner.

Move Out of State

If a recipient reports moving out of state, the worker will terminate benefits for the individual or the entire AU/household mid-period at the end of the month after 10-day notice can be provided.

If an individual member of the AU/household moves out of state, that individual would be discontinued mid-period at the end of the month after 10-day notice can be provided. The remaining members of the AU/household would continue to receive benefits if otherwise eligible.

If the entire AU/household moves out of state, the entire AU/household would be discontinued mid-period with 10-day notice.

- ▶ **CalWORKs:** If the worker determines that the recipient had moved out of state and was not entitled to receive cash aid in California, the worker shall establish an OP for those months in which aid was continued due to inability to provide a 10-day notice.
- ▶ **CalFresh:** If the worker determines that the household is no longer or will not be residing in the state, a timely notice shall be provided to the household prior to terminating benefits within the certification period. An OI may be established if the recipient was residing out of state and continued to receive benefits from California.
- ▶ **Transitional CalFresh:** When Supplemental Nutrition Assistance Program (SNAP) benefits are received out-of-state while transitional benefits are received in California, Transitional CalFresh is discontinued, and there would be an OI if SNAP benefits were concurrently issued in another state. However, if SNAP benefits are not received out-of-state while transitional benefits are received in California, then the transitional benefits would continue for the full duration of the transitional benefit period.

Move Out of County

- ▶ **CalWORKs:** When a recipient reports moving to another county, the worker must continue following CalWORKs Inter-County Transfer (ICT) regulations.

The sending county shall discontinue cash aid mid-period, after the receiving county notifies the sending county that the case has been successfully transferred.

The receiving county will use the most recent SAR 7 and SAWS 2 along with information provided by the recipient to determine ongoing eligibility and grant amount.

If the redetermination of eligibility in the new county of residence results in a decrease to the AU's grant due to a change in circumstances, the receiving county worker will notify the sending

county on county-initiated mid-period action to reduce the AU's grant at the end of the transfer period with timely notice.

If the redetermination results in an increase to the AU's grant, the receiving county worker will increase the grant the first of the month following the end of the transfer period.

- ▶ **CalFresh:** Effective April 1, 2011, workers began using the existing CalWORKs ICT process for those CalFresh cases with a CalWORKs component.
 - When at least one member of the CalFresh household also receives CalWORKs, the CalWORKs ICT process shall be followed.

Refer to CalWORKs Policy 100-E11 Inter-County Transfer for more information.

Whereabouts Unknown

Discontinuances based solely on "whereabouts unknown" are not appropriate in the CalWORKs Program. If the AU does not report a change in address and mail sent to the only known address returns as undeliverable or without any forwarding address, the worker must attempt to reach the AU to resolve the conflicting information.

If the recipient submits his/her SAR 7 form without reporting the change of address, the worker is to send a notice of incomplete SAR 7. After this notice, and the documented Balderas attempt, the worker can discontinue cash aid at the end of the SAR Payment Period for submitting an incomplete SAR7. If the recipient responds to the worker and indicates that the AU has moved to another county, an ICT will be initiated.

A mid-period discontinuance shall only take place if the worker learns that the AU has moved out of California.

II. Voluntary Mid-Period Recipient Reporting

VOLUNTARY MID-PERIOD RECIPIENT REPORTING

For CalWORKs and CalFresh programs, recipients may voluntarily report changes in income and circumstances that may increase benefits any time during the SAR Payment Period.

These reports may be made in writing, online via Benefits CalWIN (BCW), verbally, or in person to the worker. The worker will only take mid-period action on those voluntary reports that result in an

increase to benefits. Examples of changes that when reported, might increase benefits include, but are not limited to the following:

- When the household's income stops or decreases;
- When someone moves into or out of the home;
- When a CalWORKs AU member becomes pregnant or gives birth; or
- When allowable CalFresh deductions start or increase (CalFresh only); or
- When a household member begins to pay court ordered child support for a child out of the home (CalFresh only).

In some cases, voluntarily reported changes may result in an increase in benefits for one program, while decreasing benefits for the other program. For example, an increase in CalWORKs could result in a decrease in CalFresh benefits.

Worker action to increase the grant and/or allotment based on voluntary reports shall be based on when the change was reported, not when the change actually occurred.

The effective date of the increase in benefits is determined differently for increases due to decreased income than for increases due to adding household members and are as follows:

CalWORKs and CalFresh

- Increases due to decreased income in CalWORKs and CalFresh are effective the first of the month in which the change occurs or is reported, whichever is later.

CalWORKs and CalFresh

- Increases due to the addition of new household members are effective the first of the month following the report of the change.

The recipient must provide verification of the change within the 10-day period listed on the request for verification. If the verification is not received within 10 days, the worker shall send a "No-Change NOA" to the AU/household which states that no action to increase benefits was taken because verification was not received. If verification is provided after 10 days, the date the verification is provided shall be considered the date of the voluntary report.

Anytime a voluntary mid-period report does not result in a change to

the grant amount, the worker shall send a “No-Change NOA” informing the AU/household that the voluntarily reported information did not increase their benefits. This is true whether the voluntary report is regarding a change of income, household composition, property, deprivation, or any other voluntary mid-period report.

For changes regarding income and household composition, the budget computation must be completed on these notices so that recipients can see how the worker determined that the change would not result in an increase to their benefits.

The budget computation does not need to be included on a “No-Change NOA” regarding a report of property or deprivation, because these are changes that would affect the AU’s eligibility, not their grant amount.

If the voluntary report was not verified, the “No-Change NOA” must also remind the recipient of his/her reporting and verification responsibilities for the next semi-annual report. If the circumstances of the original voluntary report of information are still applicable in the SAR Data Month, the recipient must report this information on the SAR 7 or RRR forms and provide the required verification. If the voluntary report was already verified, no further reporting is necessary, beyond what is already asked on the SAR 7 and RRR forms.

If information on the SAR 7 or RRR forms is inconsistent with what was previously voluntarily reported, and not clarified in the report itself (such as reporting the person who moved in had moved out or that the new vehicle was sold), the worker shall take action to resolve the discrepancy and determine what the actual current AU/household situation is. The worker shall first attempt to contact the recipient to resolve the discrepancy. If the worker is unable to contact the recipient or obtain resolution, the SAR 7 or RRR forms shall be considered incomplete.

Note: The requirement to report changes within 10 days of the occurrence only applies to mandatory reports. A voluntary report can never be late. However, the information that could have been voluntarily reported mid-period must be reported on the next SAR 7 or RRR forms if it is still current in the SAR Data Month and required for the determination of eligibility or benefit amount.

DECREASES IN

When a recipient voluntarily reports a change in income, the worker shall act on the report only if it increases benefits. (All mid-period

INCOME

reports of income, except for income over IRT, are considered voluntary reports.)

The worker must request verification of the change in income immediately in writing and shall not act to increase benefits until required verification is received. The worker shall inform the recipient in writing they have 10 days to provide the necessary verification. If the requested verification is not received by that date, the worker shall document the report of decreased income in the case file and send a "No-Change NOA" to the recipient for both CalWORKs and CalFresh programs. If verification is received within 10 days of the notice date, even if the verification is provided in the following calendar month, then a supplemental payment shall be calculated for the month of the report or the month of the change, whichever is later. If verification is received after the 10 days, the date of verification will be considered the new report date.

Example 1: January through June SAR Payment Period. Mom reports a decrease in income on March 25. The worker mails a request for verification on March 28, requesting verification by April 7. Mom provides timely verification of the decreased income on April 3. The worker shall recalculate the grant amount for March through June and issue a supplemental payment for March.

Example 2: Same as above, but verification is not received until April 10, more than the 10-day period listed in the request for verification form. April 10 shall be considered the new report date so no supplemental payment shall be calculated for March. The grant shall be recalculated for April through June and a supplemental payment for April shall be issued.

Acceptable verification includes (but not limited to): paycheck and benefits stubs (i.e., unemployment or disability benefits stubs), or a letter from the employer. If the recipient provides such verification, the worker shall accept the verification unless there is a documented reason to doubt its validity. If verification is not accepted, the reason must be documented in CalWIN case comments.

If the recipient is attempting to obtain the verification, but is having trouble, the worker must offer to help. With the recipient's written permission, the worker may contact the employer to verify the recipient's statement.

If verification does not exist or is not available, an affidavit or sworn statement is acceptable verification of earnings in both CalWORKs

and CalFresh. The worker shall accept the SAR 7 as an affidavit since it is signed under penalty of perjury, if it contains the necessary information. Otherwise, the worker shall inform the individual in writing what information must be listed on the affidavit and provide 10 days to submit it.

To determine whether the change results in increased benefits mid-period, the worker must recalculate benefits for the current and remaining months of the SAR Payment Period using the new income that the AU/household reasonably expects to receive.

If the newly reported income results in an increase in benefits when benefits have been recalculated, the worker shall act to increase benefits within 10 days of receiving the required verification and provide adequate notice of the increase to the recipient.

If the benefit recalculation based on new income results in an increase, the increased benefits shall be effective for the entire month in which the change was reported.

The worker shall supplement benefits in the month the change was reported as appropriate, and shall change the benefit amount for any remaining months in the SAR Payment Period.

Example 1: January through June SAR Payment Period. Mom submits a timely SAR 7 on June 4 stating that her actual income for the month of June will be lower than previously anticipated and budgeted for and that this decrease in income will continue through the upcoming SAR Payment Period. She provides written verification of her decreased income on June 7. The worker shall refigure the AU/household's CalWORKs and CalFresh benefits for the month of June and make any necessary supplemental payments to the AU/household. The worker shall also use this new reasonably anticipated income to figure the AU/household's benefits for the upcoming SAR Payment Period since it is anticipated to continue.

Example 2: Using the same scenario as above, on the May SAR 7 submitted in June, Mom reported the decreased income for the upcoming SAR Payment Period, but did not report that the current Submit Month's income would also be decreased. If on June 25, she reports that her June income will also be at the lower amount and provides timely verification on July 2, her June benefits would be redetermined and a supplemental grant must be issued for the difference. If however, she doesn't provide verification of the decreased income until July 8 (after the 10 day period listed on the request for verification form) the date of the verification (July 8) will

be considered the new report date and the June grant would not be supplemented. CalFresh does not count supplemental or retroactive payments as income, since they are non-recurring lump sums, so the July CalFresh benefits will not be recalculated, and no O/I established. For the remainder of the SAR Payment Period, the CalFresh benefits shall list the actual CalWORKs grant paid.

Example 3: Using the same scenario as above, if Mom reports on her June SAR 7 (and verifies timely) that her May (Data Month) income had decreased and that the decreased income would continue through the upcoming SAR Payment Period, the decreased income would be used to calculate the upcoming period's grant and her June grant would be supplemented; however, she would not get a supplement for May since she did not report the decreased income until June.

Example 4: January through June SAR Payment Period. Benefits are based on \$1,000 monthly income. On March 25, Mom reports to the worker that she missed two weeks of work due to an illness and only anticipates receiving \$500 in March. Her normal monthly income of \$1,000 will resume in April. The worker would issue a supplemental payment for the month of March only and keep her benefits at the previous level for the months of April, May, and June. Because this decrease was only temporary, her IRT would not be recalculated.

Note: If a recipient has reported a mid-period decrease in income and the worker has taken appropriate action to increase the cash aid and/or CalFresh benefits, no further action is required if the recipient reports the same change later in the SAR Payment Period.

INCREASES IN CALFRESH EXPENSES

Shelter costs, court ordered child support payments, and dependent care expenses are prospectively anticipated.

Elderly or disabled households can report a one-time only Medical expense and elect to have a one-time deduction or to have the expense averaged over the certification payment period.

Shelter costs are anticipated at the time of initial certification or recertification and when the household moves. However, shelter costs must be changed during the certification period if household reports a change on the SAR 7.

REQUEST FOR SPECIAL NEED PAYMENT

A recipient may voluntarily report having a special need at any time during the SAR Payment Period. If the recipient is eligible for a special need payment, the worker shall treat this report as a voluntary recipient mid-period report that results in increased benefits and shall adjust benefits effective the month that the request was made, once required verification has been provided and substantiates that the special need exists in that month. The special need payment will be issued for that month and the remainder of the SAR Payment Period and terminated at the end of the SAR Payment Period in which verification for the special need expires.

Workers shall request verification of recurring special needs (e.g., therapeutic diet). The worker shall provide written notice of the request for verification and allow the recipient 10 days to provide necessary verification.

If the need is permanent, verification is only required once per year, during the eligibility redetermination process.

If the recipient does not know how long the special need will be required, the worker shall request that it be verified once per SAR Payment Period and provided with the SAR 7 and RRR forms.

If the special need is time limited, the special need payment will be provided until the end of the SAR Payment Period in which the special need is expected to end, based upon verification provided by the recipient.

Example: A recipient is in the SAR Payment Period of April through September. The recipient has been approved for therapeutic diet from February to May. The worker will continue the special need payment until September 30. The worker shall notify the AU of the termination and provide a written 10-day notice of the request for new verification. If the AU provided verification of continuing need, the therapeutic diet would be authorized for the next SAR Payment Period (October through March).

Pregnancy Special Needs

Once verified by the worker, pregnancy special needs (PSN) payments will begin to be paid to the recipient and will continue to be paid through the end of the SAR Payment Period in which the child is expected to be born (verified by expected date of confinement [EDC]).

However, if a recipient voluntarily reports the birth of the child mid-

period, the worker shall take action to discontinue the PSN at the end of the month prior to the month in which the newborn child is added to the AU. The child is added to the AU the first month following the month the change is reported.

Example: An AU is in the June through November SAR Payment Period. Mom is pregnant and has a due date of July 10. The worker approved PSN payments through November 30, the end of the SAR Payment Period in which the baby was due. On July 28, Mom reports baby was born July 19. The worker terminates the PSN payment July 31 and adds the newborn to the CalWORKs AU effective August 1. (10-day notice is not required because this action results in an increase in benefits.)

Note: An increase to cash aid based on the additional special need payment is likely to result in a decrease to CalFresh benefits. Workers may not decrease CalFresh benefits in the middle of a SAR Payment Period as a result of the corresponding increase to the cash grant that results from the approval of the special need payment.

Refer to CalWORKs Policy 100-D2, Special Needs for further details on treatment of Special Needs reports.

EXEMPT AND NON-EXEMPT STATUS - BENO

The worker shall review AU exemption status at application, when a parent or caretaker relative is added to the AU, and when the SAR 7 or annual redetermination is processed.

An AU may also voluntarily request that the worker review their exemption status any time during the SAR Payment Period. The worker would act mid-period to change the AU's exempt status only if it results in an increase to the grant.

However, if the change in status is due to the AU's receipt of disability-based income, the worker must consider this income at the same time that it determines the AU's eligibility for Exempt MAP. If the Exempt MAP status, together with the disability income, would result in a decrease to benefits, the worker would not make the change mid-period and would send the AU a "No-Change NOA".

Refer to CalWORKs Policy 100-B5, Higher and Lower MAP – BENO for further details.

CHANGES IN HOUSEHOLD COMPOSITION

For both CalWORKs and CalFresh, recipients may voluntarily report changes in AU/household composition at any time during the SAR Payment Period.

During the SAR Payment Period, the worker will only act on those changes that result in an increase to the AU/household's benefits.

If the change results in increased benefits, the worker shall take action to add the person effective the first of the month following the month in which the change was reported, after all verification has been provided.

If it does not result in an increase, the worker shall not take action to change the AU/household's benefits mid-period.

If the change is reported, but not verified, the worker shall send a request for verification notice asking for the required verification within 10 days. This notice shall advise the recipient that a delay in verification may result in a delay in increased benefits. If verification is not received within the 10 days specified in the notice, the worker shall send a "No-Change NOA" to the AU/household reminding them to report and provide the needed verification regarding the new household member on the next SAR 7 or RRR forms. If the AU/household submits the verification more than 10 days after the voluntary report, the date the verification is provided is considered the new report date. Other than denying the request to add the new person, no negative action may be taken if verification is not provided, since mid-period reports of household composition changes are voluntary.

Refer to CalWORKs Policy 100-C4.A, Adding/Discontinuing an Adult and/or a Child to/From the Assistance Unit; CalWORKs Policy 100-C4.B, Adding a Newborn to the Assistance Unit; CalWORKs Policy 100-H3, Maximum Family Grant.

REQUEST FOR DISCONTINUANCE OF BENEFITS

A recipient may voluntarily request mid-period that:

1. The entire AU/household be discontinued; or
2. Any individual member of the AU/household who is no longer in the home or is an optional member be discontinued.

Workers will make mid-period benefit adjustments based on these requests for discontinuances. If the AU/household or the individual's request is made verbally, CalWORKs requires the worker to provide a timely (10-day) and adequate notice before discontinuing or

decreasing benefits at the end of the month.

For CalFresh, a letter must be sent to confirm the verbal voluntary discontinuance. Once confirmation is received, then an adequate (but not timely) notice of action is sent reflecting the discontinuance of benefits.

A 10-day notice is not required if the request for discontinuance is provided by an AU/household or an individual in writing. The worker shall discontinue or decrease benefits at the end of the month with only adequate notice.

Workers shall not assume that a voluntary mid-period report of someone leaving the home equates to a voluntary request for discontinuance of that household member. The worker must determine whether the voluntary mid-period report of someone leaving the home is truly a request for discontinuance for that household member, since the AU/household is not required to report this change in household composition mid-period. The worker shall ask the AU/household if they are requesting that the member be discontinued and shall inform the AU/household if the discontinuance will result in decreased benefits to the remaining AU/household members.

An individual may request his/her own benefits to be discontinued so that the individual can ensure that his/her CalWORKs time clock is stopped as a non-recipient of cash aid. If the individual provides a written request for discontinuance, the worker is not required to provide a 10-day notice that decreases benefits to the remaining AU/household members. The person requesting discontinuance must either be out of the home or an optional AU member who no longer wishes to receive cash aid.

If the remaining AU/household decides not to voluntarily report that a household member has left the home mid-period, but the individual who has left the home requests discontinuance, that individual's request for discontinuance shall take precedence over the AU/household's decision to not voluntarily report the change in household composition. Benefits to the remaining AU/household members shall be reduced mid-period to reflect the individual's discontinuance and to ensure that his/her time clock does not continue to run.

If the worker is notified mid-period that a recipient has died, the worker shall treat this information as a voluntary recipient request for discontinuance of benefits for the deceased individual. If the

information was received verbally, the worker shall discontinue benefits at the end of the month in which timely (10-day) and adequate notice can be provided. If the information was received in writing, the worker shall discontinue benefits for the deceased individual at the end of the month with only adequate notice. This is the case even if the deceased individual was the only aided member of the AU/household.

Note: Because there are no requirements to report household composition changes mid-period, if the AU/household does not report that an AU member dies until the next SAR 7 or RRR, an OP/OI would not be assessed, and no fraud referral shall be made.

III. County-Initiated Mid-Period Changes

COUNTY-INITIATED MID-PERIOD CHANGES

In addition to making mid-period adjustments to benefits as a result of mandatory and voluntary recipient reports, the worker shall also act on certain changes in eligibility status at the end of the month in which timely and adequate notice can be provided, even if it results in a decrease in benefits.

The changes in eligibility status listed below are considered county-initiated and these actions may occur at any time during the SAR Payment Period. They include, but are not limited to:

- An adult reaches the CalWORKs 48-month time limit;
- The worker imposes or removes a sanction/financial penalty on individual members of the AU;
- A Cal-Learn participant earns a bonus or sanction;
- A child reaches age limit;
- A child is placed in Foster Care;
- A Non-Minor Dependent is transferred into his or her own AU;
- When aid has been approved for a child or other individual who is currently being aided in another household;
- When a state hearing decision results in mandatory changes mid-period;
- When an AU becomes a family reunification case;
- A Refugee Cash Assistance (RCA) recipient reaches the eight-month RCA time limit;
- An AU member is no longer a California resident;
- The worker acts on redetermination information;
- There are adjustments to correct erroneous payments;
- When it becomes known to the worker that an AU member is deceased;
- There are cost-of-living adjustments; and

- When it becomes known to the worker that an individual is confined in a correctional facility on the first of a month and is expected to remain for a full calendar month or more.

In addition to the above circumstances, the worker will also initiate a mid-period benefit adjustment if such an adjustment is necessary as a result of a late SAR 7 or RRR forms being submitted by the recipient. Submission of a late semi-annual report may require that benefits be reduced for the next SAR Payment Period. However, if the worker cannot decrease benefits due to an inability to provide 10-day notice, benefits for the first month of the SAR Payment Period must be released at the prior level and an OP/OI assessed for that month. The worker must take action to reduce benefits effective the first day of the next month in the SAR Payment Period when 10-day notice of decrease in benefits can be provided.

In both the CalWORKs and CalFresh programs, when a worker discovers that an AU/household is receiving an erroneous payment, it must correct the error mid-period, even if it results in a decrease to the grant and allotment amount. However, recouping an OP/OI is not a county-initiated mid-period action, so the worker may only initiate benefit adjustment/reduction in order to begin recoupment of an OP/OI at the beginning of a SAR Payment Period, unless it will not result in a decrease to benefits. For example, if recoupment of one OP/OI is completed mid-period, the worker may begin recoupment on a second OP/OI in the following month, as long as the amount of the second recoupment is equal to or less than the first, so there is not a reduction to the benefit amount mid-period.

In cases where the decrease or discontinuance is due to a recipient reaching the CalWORKs 48-month time limit, where the worker imposes a sanction or financial penalty, including Intentional Program Violations (IPVs) or where the child reaches the age limit, the worker shall take action at the end of the month in which timely notice can be provided. If there is insufficient time to provide a 10-day notice to reduce benefits, benefits must be released at the prior, higher level. For actions relating to a child reaching the age limit or an adult reaching the 48-month time limit, this will result in an OP for the month in which benefits were not appropriately reduced.

Example – 48 month time limit: Mom and her two children are receiving CalWORKs and are in the April through September SAR Payment Period. Mom will have received 48 months of CalWORKs as of May 31, and must be removed from the AU. Since the worker is tracking the Mom's time-on aid, the worker initiates action to discontinue Mom with timely and adequate notice, effective May 31,

after determining she does not qualify for a time-on-aid extension. This results in a county-initiated mid-period decrease in cash aid to the remaining AU members. Any month in which Mom incorrectly receives aid after her 48 months will be an OP, even if she received the extra month of aid due to the inability of the worker to provide 10-day notice.

Example – Cal-Learn Program School Bonus: Mom, her minor daughter, and the minor's child receive CalWORKs benefits. Minor daughter has not yet finished high school, so she is a mandatory Cal-Learn program participant. They have a January through June SAR Payment Period. Minor daughter turns in a January report card showing satisfactory progress and becomes eligible for a \$100 bonus. The worker initiates a school bonus for the month of February. The March CalWORKs benefit will return to the previous grant level calculated for the SAR Payment Period, less the school bonus.

SANCTIONS

All sanctioned persons must be discontinued mid-period, as these are county-initiated actions. Sanctions may continue until cured or may start or end in the middle of a SAR Payment Period. The following sanctions and penalties shall be initiated mid-period:

- WTW sanction;
- Sanction for failure to cooperate in verifying citizenship/non-citizen status (this sanction only affects the individuals who fail to cooperate);
- Sanction for refusal/failure to furnish an SSN, or provide proof of completed application for SSN;
- Sanction for strikers who are not caretaker relatives;
- Cal-Learn Program sanction
- Penalty for failure to comply with immunization requirements without good cause;
- Penalty for failure to comply with school attendance requirements;
- 25 percent penalty for failure to provide information required by the child support cooperation requirements without good cause; and
- Penalty for IPVs.

CalFresh Note: Mid-period action can also be taken to reduce CalFresh benefits in order to impose a sanction or penalty as a result of failure to comply with work requirements or as a result of an IPV conviction.

Example – WTW sanction: On July 10, after completing the noncompliance process, which included a 30-day NOA and a good cause determination for the noncompliant WTW participant, the worker imposes a sanction effective July 31 (if good cause is not found). Imposing a sanction is considered a county-initiated action; therefore, the result is a mid-period decrease in cash aid to the AU effective August 1.

DUPLICATE AID

Foster Care

For cases in which a child has been removed from the home and placed in Foster Care, timely notice is not required prior to discontinuing the child from the first AU. If CalWORKs is paid for the child beyond the end of the month in which they were placed in Foster Care, a CalWORKs administrative OP would be assessed.

SSI/SSP (CalWORKs)

The worker may not discontinue an AU member who begins receiving SSI mid-period until the end of the SAR Payment Period. It is not considered duplicate aid if a recipient receives CalWORKs and SSI at the same time, because the Social Security Administration will use the recipient's portion of the grant as income to the SSI payment. When the recipient is discontinued from CalWORKs, the SSI payment will increase.

SSI/SSP (CalFresh)

Recipients of SSI/State Supplementary Payment (SSP) receive an additional cash benefit in lieu of CalFresh benefits. Therefore, the worker must discontinue a member receiving SSP benefits from the CalFresh household (with 10-day notice) in order to prevent duplicate payment.

Applied for Aid in another AU/household

In cases where an individual has applied for aid in another AU/household, aid cannot be approved until the individual has been discontinued from the first AU/household with timely and adequate notice.

For CalWORKs cases, if the individual is a child, the worker will need to determine which caretaker relative has care and control of the child in order to take action in either case. Once the worker determines that a different AU has care, custody, and control of the child, then this becomes a county-initiated action, and the prior AU shall receive timely and adequate notice of the discontinuance of aid for the child/children. Once the child has been removed from the prior AU/household, the new AU/household can begin receiving aid

for the child. If the child being removed from the AU/household is the only eligible child in the AU, CalWORKs shall be discontinued to the entire AU with timely and adequate notice. The worker will take the child out of the CalFresh household at the same time this child is discontinued from the CalWORKs AU. CalFresh benefits would continue for the remaining members of the first household at least until the end of the SAR Payment Period.

If CalWORKs was terminated in the first AU for no eligible children, the worker would provide Transitional CalFresh (TCF) benefits to the remaining adult(s) for five months.

IV. Third Party Information/Known to the County

THIRD PARTY INFORMATION/KNOWN TO THE COUNTY

Under certain circumstances, information will be “known to the county” or will be provided to the worker through a third-party. Such information shall be used by the worker to:

- Calculate an OP/OI when the information received was a mandatory report and is obtained after benefits have been issued in the wrong amount, such as in the case of Income and Eligibility Systems (IEVS) matches; and
- Take prospective action to change benefits mid-period or at the beginning of a SAR Payment Period if the worker learns that the recipient failed to accurately report changes on a mandatory mid-period report or on the SAR 7 or RRR forms.

All third party information that is received by or known to the worker must be acted upon. If a change is required to be reported by the recipient, the worker must take action to verify the information and take action based on the information once it has been verified.

If a change is not required to be reported, such as a change of income not over IRT that occurs mid-period, the worker may use the third party information to ensure that the next semi-annual report submitted by the recipient is consistent with other information known to the worker.

If the information on the SAR 7 or RRR forms is not consistent with what has already been reported or is being reported through a third party, the worker must seek to resolve the discrepancy. If the worker cannot resolve the discrepancy, the SAR 7 or RRR forms may be considered incomplete.

While third party information may be useful to the worker, under some circumstances such information will not result in any action by

the worker. For example, **the worker shall not take mid-period action based on third party information regarding changes that an AU/household is not required to report during the SAR Payment Period.** The exception is if the situation turns into a county-initiated action, such as approving aid in another AU/household or a Foster Care removal.

If the worker receives information about changes in household composition or the gaining of new resources (CalWORKs only) for an AU/household mid-period, the worker shall not take any case action based on this third party information.

However, if the worker receives or knows about information that the AU/household is required to report, such as income in excess of the IRT or changes in drug conviction/fleeing felon status, and the AU/household has not reported such information, the worker must act to resolve the discrepancy and take appropriate action once the information has been verified.

Examples of when the worker might have information from a third party include, but are not limited to the following situations:

- A WTW case manager has been notified that the recipient has started a job;
- An anonymous source reports information about the AU/household to the worker;
- IEVS matches show that there are earnings in a case;
- An asset match shows interest income for a bank account that has never been reported by a CalWORKs AU;
- A Cal-Learn Teen parent's case manager notifies the worker (OSW) of a minor who becomes pregnant or gives birth;
- A WTW case manager reports that a mandatory WTW participant did not comply with the employment participation requirements.

The examples above are examples that would not necessarily warrant any action by the worker. The worker shall compare information that is known, with what the recipient reported and ensure that it is consistent.

INCOME AND ELIGIBILITY VERIFICATION SYSTEM (IEVS)

Information from the matches need to be evaluated to determine if the information was required to be reported by the recipient on the SAR 7 or the RRR forms, or as a mandatory mid-period report.

If the information was required to be reported, but was not, then

MATCHES

appropriate action may be taken. If the information was not required to be reported (voluntary report) then no action may be taken.

When reconciling IEVS matches with reported income from the SAR Data Month or RRR, the worker must take prospective budgeting rules into consideration. This includes taking into account information that was available at the time the determination of reasonably anticipated income would have been made, if reported timely. Workers may not rely on actual income, if, at the time the mandatory report was due, the income could not have been reasonably anticipated.

V. Treatment of Multiple Changes within a SAR Payment Period

MULTIPLE CHANGES WITHIN A SAR PAYMENT PERIOD

If a recipient experiences multiple changes during a SAR Payment Period, the worker shall act on those changes in accordance with actions required on mandatory and voluntary recipient reports and on county-initiated actions. The worker must act on each change separately and sequentially, using the rule that is unique to that type of change and may not combine the different circumstances to effect a change in benefits resulting from the combined changes.

When multiple changes are voluntarily reported mid-period, the worker must first determine if the changes are independent of each other or if they are different events that are part of one change.

If the two events are separate changes, the worker must evaluate each change independently of the other and only act on those changes that result in an increase. The worker shall not determine the net result of two changes, even if the net result is an increase; each change must only be acted on if that change, by itself, would result in a mid-period increase in benefits.

If the two events are part of one change, then the worker must treat this voluntary report as one change and determine if acting on this change would result in an increase to the grant amount.

In cases where one change would increase the grant and the other would decrease the grant, the worker must act on the change that increases the grant and send a "No Change NOA" (with a budget, as appropriate) to the AU/household about the other change reminding them, if the change has not been verified, to report that change on their next semi-annual report and provide necessary verification.

Example 1: The AU/household is in the January through June SAR

Payment Period. On January 15, the AU/household report that Dad moved back into the home and has a part-time job. In reviewing whether the AU/household would be entitled to an increase as a result of new household member, the worker determines that earnings from Dad's job would result in a decrease to the AU/household's benefits. The worker is unable to add Dad to the AU/household the first of February because SAR rules do not allow for benefits to be decreased as a result of a voluntarily reported mid-period change.

On February 17, the AU/household reports that Mom violated conditions of her parole. The worker must take action to remove Mom from the AU/household effective February 28, because she is ineligible. The worker decreases benefits to the remaining AU/household members effective March 1. When decreasing March benefits, the worker may not take action to add Dad and his earned income at the same time as discontinuing Mom, as these are two different changes and they must be treated separately and sequentially. The worker may only take action to decrease the grant based on Dad and his income at the beginning of the next SAR Payment Period when the AU/household has submitted the SAR 7 or RRR forms for May, reporting that Dad is still in the home and still has income.

Example 2: January through June SAR Payment Period. Dad moves into the home February 4 without income. The AU/household voluntarily reports Dad in the home that day. The Statement of Facts for an Additional Person (CW 8) is still pending February 20 (within the 30-day processing time). The AU/household reports that Dad began getting income on February 10. Since the Statement of Facts for an Additional Person has not been received or approved, the worker must use Dad's income and treat it as part of the voluntary report to add him. If his income and adding him would result in decreased benefits to the AU, the worker shall not act to add him to the AU until the first of the next SAR Payment Period.

If adding Dad and his income would result in financial ineligibility, the worker cannot add him to the AU, but must discontinue the AU/household at the end of the current SAR Payment Period, after the AU reports his income on the SAR 7 or RRR forms for May, submitted in June. If Dad had already been added to the AU before he began getting income, then the report of his income would have been a separate voluntary report and would not have been acted on until the next SAR Payment Period.

Example 3: Dad moves into the home and has income. Mom has a decrease in earnings. Mom reports both changes on the same day. The worker shall not evaluate the net result of the two changes, even if the net result would be an increase to the grant because adding Dad and his income would reduce the level of increased benefits Mom would have gotten based solely on her decreased income. Instead, the worker shall not act to add Dad to the AU if his income would result in decreased benefits for the AU. The worker shall act to increase the grant due to Mom's decreased income. If adding Dad would result in a decrease in aid, he shall not be added to the AU/household until the next SAR Payment Period, after the AU/household reports him being in the home on the next SAR 7 or RRR forms.

Example 4: An AU/household voluntarily reports an increase in income that is under the IRT. The worker does not act to change benefits based on the reported change, because it would result in decreased benefits. Later in the same SAR Payment Period, the AU makes a mandatory report of another AU/household member being convicted of a drug felony. When the AU/household reports the drug felony conviction, the benefits must be decreased to reflect the removal of that individual from the AU/household, without reconsideration of the previous voluntary report of increased income. The worker shall not act on the increased income until the following SAR Payment Period.

Example 5: January through June SAR Payment Period. Pregnant Woman Only (PWO) case. The baby is born in February. The fully-employed absent father moves into the home in March. The birth of the baby and the father moving in are reported in March. In this example, the baby's eligibility must be considered first and all circumstances relative to the baby's eligibility must be considered before the baby can be added. Here, the report is the first application for the baby, and all eligibility factors need to be evaluated. If ineligibility occurs any time before action is taken to grant aid, the PWO case must be discontinued because the baby has no deprivation, since the father is in the home and employed full-time.

If however, the baby's birth was reported in February and the baby was added to the AU before the father moved into the home, the AU would remain eligible until the end of the SAR Payment Period, when the father's presence would make the AU ineligible based on no deprivation.

Example 6: January through June SAR Payment Period. AU

consists of Mom and her child. Mom is working part-time. Unemployed Dad moves into the home on February 5 and Mom loses her job on February 8. Both changes are reported to the worker on February 9. The worker shall evaluate each change separately and sequentially, keeping in mind the timing of when benefits can be increased based on decreased income and adding new household members. In this scenario, the worker shall act to increase benefits for the month of February based on Mom's decreased income and the worker shall add Dad to the AU effective March 1.

ATTACHMENTS
REFERENCES

SAR 3

CalWORKs Policy 100-B7 Drug Felon

CalWORKs Policy 100-B14 Income Reporting Threshold

CalWORKs Policy 100-C1 Property

CalWORKs Policy 100-C4.A Adding/Disc an adult and/or a child from the AU

CalWORKs Policy 100-D1 Deprivation

CalWORKs Policy 100-D2 Special Needs/Pregnancy Special Needs

CalWORKs Policy 100-E5 SAR 7 Process

CalWORKs Policy 100-E11 Inter-County Transfer (ICT)

CalWORKs Policy 100-B5 Higher and Lower MAP (BENO)

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