

# Cash Assistance Program for Immigrants (CAPI) Program Guide (PG) Letter #30

December 13, 2012

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**Subject** TREATMENT OF TAX CREDITS, JANUARY 2013 COST-OF-LIVING ADJUSTMENTS (COLA), AND CLARIFICATION OF THE INDIGENCE EXCEPTION RULES

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**Effective Date**

- January 1, 2010 for tax credits
- January 1, 2013 for COLA
- Upon receipt for Indigence Exception rules

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**References**

- SSI Procedural Operations Manual System (POMS) SI 01130.676
- All-County Information Notices (ACIN) I-52-12, I-81-04, and I-47-12
- All County Letter (ACL) 99-13
- Change Request (CR) 6264
- Service Request (SR) 41688

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**Purpose** The purpose of this Letter is to provide:

- updated instructions regarding the treatment of tax credits in the CAPI program;
- revised payment standards for CAPI effective January 1, 2013;
- reminder for treatment of COLAs for CAPI/Supplemental Security Income/State Supplemental Payments (SSI/SSP) couple cases; and
- clarifications of the Indigence Exception rules.

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**Background for Tax Credits** The rules for the treatment of tax credits were revised by the implementation of the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010, the treatment of tax credits in SSI were revised.

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**Background on CAPI Payment Standards** The documents listed in the chart below determine the CAPI payment standards.

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**Background on CAPI Payment Standards**  
(continued)

Document	Purpose
Welfare and Institutions Code Section 18941	Requires CAPI payment standards based on the SSI/SSP payment standards, minus \$10.00 for an individual and \$20.00 for a couple.
ACIN I-52-12	Notified counties of the following, per Senate Bill 68: <ul style="list-style-type: none"> <li>• New CAPI Payment Standards for 2013 resulting from the Federal SSI/SSP COLA, effective January 1, 2013.</li> <li>• Treatment of COLAs for CAPI/SSI couple cases.</li> </ul>

**Background on Indigence Exception Rules**

Generally, if an immigrant's sponsor has signed the new Affidavit of Support (I-864), the income and resources of the sponsor (and the sponsor's spouse if living in the same household as the sponsor) are deemed available to the immigrant for the purpose of determining CAPI eligibility and payment level. This rule is suspended when all of the criteria in CAPI PG 99-101.3.G are met.

**Tax Credit Changes**

The following tax credits are now excluded as a resource for 12 months after the month of receipt:

- Earned Income Tax Credit (EITC);
- Child Tax Credit (CTC);
- Making Work Pay tax credits paid monthly and tax refunds received annually; and
- First-time homebuyers tax credit and deemed first-time homebuyers' tax credit.

**Increases in Other Values**

The Federal SSI COLA affects the following values for 2013 that can affect CAPI eligibility and benefit amounts.

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### Increases in Other Values (continued)

Variable Value	Previous Amount	Amount as of 1/1/13	Enter Amount, When Appropriate, on Form...
Presumed Maximum Value (PMV) of the In-Kind Support and Maintenance	Individual: \$252.66  Couple: \$369.33	Individual: \$256.66  Couple: \$375.33	SOC 452, Income Eligibility Worksheet, line A.1.b.
Allowance for Ineligible Children in Deeming Situations (i.e., deeming income from an ineligible spouse)	\$350.00	\$356.00	SOC 452, Income Eligibility Worksheet, line B.2.a. or SOC 452A, Income Eligibility – Child Worksheet, line A.4.a
Sponsor's Allocation in Alien Deeming Situations	\$698.00	\$710.00	SOC 454, Sponsor to Alien Deeming Worksheet, line 2.
Allowance for Parent(s) in Parent-to-Child Deeming Situations	One parent: \$698.00  Two parents: \$1,048.00	One parent: \$710.00  Two parents: \$,1066.00	SOC 452A, Income Eligibility – Child Worksheet

### SSI Couple Cases

[CAPI PG Letter No. 5](#) introduced workers to a change in the way they prepare budgets for CAPI/SSI/SSP couples in the month that a COLA occurs and the subsequent month. Currently, per [CAPI PG 99-103.4.B and C](#) and [CAPI PG 99-105.1.B](#), workers count the SSI/SSP benefits received by one spouse as income while using a special Payment Standard for CAPI/SSI/SSP couples. This is to ensure that these couples receive combined benefits that total \$10.00 less than the benefit rate for SSI/SSP couples, as opposed to \$20.00 less for CAPI couples. However, this intended result will NOT occur for a CAPI/SSI/SSP couple if workers use normal retrospective budgeting of the spouse's SSI/SSP benefit to determine the CAPI payment in the effective month of a COLA and the subsequent month. Using the current retrospective budgeting for these two months results in the CAPI/SSI/SSP couples receiving *higher* combined benefits in the two months in question than either the SSI/SSP or the CAPI couple.

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## SSI Couple Cases (continued)

Therefore, workers must use prospective budgeting for the month that a COLA occurs and the subsequent month. CalWIN will not use prospective budgeting. In order for the income to be counted correctly, workers must enter the begin date of November 2012 for the increased income. Otherwise, it will not be counted correctly for January 2013.

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## Example of Budgeting Methods

Using January 2013 the following example illustrates the difference between the current retrospective budgeting for the COLA and subsequent months (i.e., January and February of 2013) and the new prospective budgeting for this same period. This example assumes the SSI spouse receives the full SSI benefit and there are no other income adjustments for an aged or disabled couple.

<b>CAPI/SSI Couple's Payment Standard</b>	<b>SSI Spouse's Benefit for Appropriate Months</b>	<b>CAPI Spouse's Benefit</b>
<u>Retrospective</u>		
\$1,442.20 -	\$854.40	= \$587.80
<u>Prospective</u>		
\$1,442.20 -	\$866.40	= \$575.80

**Note:** This example is for the months of January and February. However, prospective budgeting will be used for all future COLA and subsequent months.

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## Reports

The COLA ran on the weekend of December 8, 2012 for all CAPI cases.

Reports from the COLA run were distributed separately and instructions were attached to those reports.

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## Clarifications for Indigence Exception Rules

Workers may presume that sponsor deeming would affect CAPI eligibility and/or grant amounts in all Indigence Exception cases, thereby meeting the requirement. A determination will still need to be made as to whether the applicant/recipient can obtain food and shelter by confirming how much support the applicant/recipient is receiving from the sponsor.

The total gross income and all available resources, including otherwise excludable income and resources, are to be counted for the purposes of determining Indigence Exception eligibility. Common examples include, but are not limited to, General Relief, CalFresh, and housing subsidies. Also, for the Indigence Exception test, in-kind items such as housing subsidies should be evaluated at their actual value, not the presumed maximum value.

If an Indigence Exception applicant claims that the sponsor's whereabouts are unknown, the worker must follow the steps in the table below.

Step	Action
1	Send a letter to the last known address (either from the applicant/recipient or HHS records) asking for confirmation of the amount of support he/she is providing
2	Mail the Department of Homeland Security (DHS) form G-845 or G-845 Supplement requesting the sponsor's address.
3	Send a letter to the address provided by DHS (if different from the address in Step 1).
4	Assume that any mail that is not returned as undeliverable is being ignored and deny the Indigence Exception because the worker cannot confirm the support being provided.
5	Accept the applicant's/recipient's claim if all letters are returned as undeliverable.

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## Required Action for Tax Credits

When a worker becomes aware of any of the receipt of any of the tax credits identified above they will be excluded as resources for 12 months after the month of receipt.

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**Required  
Actions for  
COLA**

Workers must take the following actions:

- Use prospective budgeting for recalculating budgets for the January 1, 2013 COLA.
  - Review the cases on the attached lists as stated above.
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**Automation  
Impact**

Impact as stated in this letter for couple budgeting.

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**Forms Impact**

No impact.

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**Scanning  
Impact**

No impact.

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**ACCESS  
Impact**

ACCESS agents must be aware of the CAPI COLA in case of questions about CAPI grant changes are received.

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**CalFresh  
Impacts**

CAPI Grant adjustments due to COLA and CAPI Payment Standard changes will be treated for CalFresh according to Quarterly Reporting/Prospective Budget (QR/PB) regulations.

CAPI payments are considered Public Assistance (PA) income. The actual monthly CAPI grant amount must be used each month to compute CalFresh benefits for CalFresh households receiving CAPI benefits.

Changes to PA benefits are considered information that is known to the county. The worker shall review all changes to PA benefits for possible CalFresh benefit increases or decreases by calculating a new CalFresh budget. CalFresh benefits shall be increased if the calculation indicates such an increase. For QR reporting households, if the calculation indicates a mid-quarter decrease, benefits cannot be decreased.

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**Medi-Cal  
Impact**

Since CAPI payments are considered public assistance income and are exempt for Medi-Cal budgeting purposes, do not count CAPI when determining Medi-Cal eligibility and/or share of cost.

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**Quality  
Control  
Impact**

The California Department of Social Services has not specified a Quality Control requirement for CAPI and appeals are handled through the usual State hearing process.

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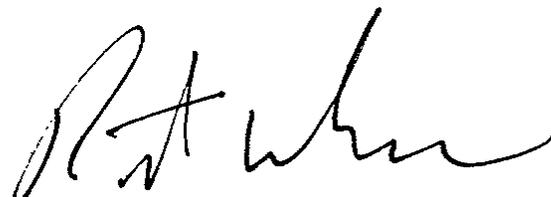
**Summary of  
Changes**

The table below shows the changes to the GRPG.

<b>Section</b>	<b>Summary of Change</b>
<a href="#">99-101.3</a>	Added clarifications for Indigence Exception rules.
<a href="#">99-103 Appendix B</a>	Added 2013 CAPI Payment Standards Chart
<a href="#">99-104.4</a>	<ul style="list-style-type: none"><li>• Updated ETIC exclusion.</li><li>• Added additional tax credit exclusions.</li></ul>

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**Approval for  
Release**

 12-13-12

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DH