

**Transitional Aid to Families with Dependent Children
Financial Eligibility**

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204.000: Overview of Financial Eligibility

In order to receive TAFDC, an applicant or recipient must meet financial eligibility requirements as well as the requirements specified in Chapter 203: Nonfinancial Requirements.

An applicant or recipient meets the financial eligibility requirements if he or she has assets and income at or below levels specified by the Department. The purpose of this chapter is to show how financial eligibility is established. The topics covered are:

- (A) Assets, 106 CMR 204.100;
- (B) Income, 106 CMR 204.200;
- (C) Membership in the Assistance Unit and Filing Unit, 106 CMR 204.300;
- (D) Eligibility, Need and Payment Standards, 106 CMR 204.400, 204.405, 204.410, 204.415, 204.420 and 204.425;
- (E) Calculation of the Grant Amount, 106 CMR 204.500; and
- (F) Delivery of Benefits, 106 CMR 706.400.

204.010: General Requirements for Financial Eligibility

There are two major elements in the determination of financial eligibility: an assets test and an income test. In order for the assistance unit to be eligible for TAFDC, the combined assets and the combined income of the filing unit may not be above the limits specified by the Department.

The specific requirements of the test of financial eligibility are discussed in the following sections:

- (A) 106 CMR 204.300, 204.305, and 204.310 provide the requirements for determining who is in the filing unit, who is in the assistance unit, and whose assets, income, and needs are to be considered in determining eligibility.
- (B) 106 CMR 204.100: Assets, provides the requirements for determining how assets are to be counted in the eligibility test.
- (C) 106 CMR 204.200: Income, provides the requirements for determining how income is to be counted in the eligibility test.

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- (D) 106 CMR 204.400 and 204.405: Tables of Eligibility Standards and 106 CMR 204.410 and 204.415: Tables of Need Standards provide the standards to which income is compared in the income eligibility test. 106 CMR 204.420 and 204.425: Tables of Payment Standards provides the maximum amounts that may be received as a monthly grant.

The remaining sections provide the requirements for calculating and paying the grant once eligibility has been established.

204.100: Assets

Assets are objects of value, other than income as defined in 106 CMR 204.240, such as personal property, real estate, vehicles, the cash surrender value of life insurance, cash, bank deposits, and negotiable securities. Countable assets are all assets that are considered for eligibility determination. Noncountable assets are all assets that are exempt from consideration. All assets are considered countable unless inaccessible in accordance with 106 CMR 204.125 or noncountable in accordance with 106 CMR 204.140.

204.110: Asset Limitation

In order for the assistance unit to be eligible for assistance, the combined assets of the filing unit may not exceed \$2,500.

The dollar value of an asset shall be its equity value, except in the instance of a vehicle (see 106 CMR 204.120(G)). An asset's equity value is its fair market value minus any legal encumbrances or obligations.

204.120: Countable Assets

Assets that shall be considered in determining financial eligibility include but are not limited to:

(A) Cash

(1) Definition

Currency, checks, or bank drafts, in the possession of, or available to, the filing unit, are countable assets.

(2) Verification

The amount of cash shall be counted at application, eligibility review and when a change is reported.

The grantee declaration on the application or eligibility review form stating the amount of cash available to the filing unit shall be sufficient evidence.

(B) Bank Deposits(1) Requirement

Bank deposits are deposits in a bank, savings and loan institution, credit union, or other financial institution. Bank deposits may be in the form of savings, checking, trust accounts, term certificates, or other types of accounts.

Funds in a bank account shall be considered to be available only where and to the extent that a member of the filing unit has both ownership of and access to such funds. The determination of ownership of and access to funds in a bank account shall be made in conformity to Massachusetts State law, including common law.

(2) Joint Accounts

If a member of the filing unit is a co-holder of a joint bank account, the entire amount on deposit shall be considered available as an asset unless the member of the filing unit demonstrates otherwise.

A member of the filing unit who states that he or she is not the owner, or is only partial owner, of the funds shall be required to demonstrate the ownership of the funds. A member of the filing unit who states that he or she has no access, or only partial access to the funds, shall be required to demonstrate such lack of access.

(3) Verification of Access to and Ownership of Bank Deposits

If lack of either access to or ownership of the funds in the account is verified, the funds shall not be considered available as an asset.

Verification that a member of the filing unit lacks access to and ownership of the funds may be demonstrated by the member of the filing unit having his or her name removed from the account. If the member of the filing unit cannot remove or chooses not to remove his or her name from the account then lack of either access or ownership must be verified.

- (a) Prior to determining lack of ownership, there shall be a determination of whether the member of the filing unit has access to the account (see 106 CMR 204.125: Inaccessible Assets). If lack of access is demonstrated, the funds are not available. If the verification submitted does not demonstrate lack of access, the worker shall proceed to determine ownership.

A member of the filing unit may claim lack of access to a joint account when:

1. the co-holder is the absent parent of the dependent child and verification has been submitted to establish good cause for noncooperation with the Child Support Enforcement Unit in accordance with 106 CMR 203.750(B)(1)(c) or (d); or
 2. verification has been submitted that indicates the co-holder has a history of physical or emotional abuse, or has threatened to abuse a member of the filing unit. Such verification shall be court, law enforcement, medical, psychological, child protective service, or social service records. When verification from one of the above sources can not be obtained by the applicant or recipient, sworn statements from the applicant or recipient and at least one other individual with knowledge of the circumstances is acceptable. Such statements may be made orally and subsequently be put in writing by the TAFDC worker.
- (b) Verification that the member of the filing unit lacks ownership of, or has only partial ownership of, the funds in the account shall be demonstrated by at least two of the following:
1. Documents showing the origin of the funds, who opened the account, or whose money was used to open the account;
 2. Documentation through federal or state tax records as to which of the joint account holders declares the tax on the interest credited to the account as income;
 3. Records of who makes deposits and withdrawals and, if appropriate, of how withdrawn funds are spent;
 4. When the member of the filing unit states that he or she does not own the account but is listed as a co-holder solely as a convenience to the other co-holder to conduct bank transactions on his or her behalf, evidence of the age, relationship, physical or mental condition, or place of residence of the co-holder shall be provided; or
 5. Evidence as to why the member of the filing unit is listed on the account.

A document or piece of evidence submitted to verify a particular fact shall not count as more than one verification under the above subsections. However, a document, piece of evidence or a statement may address more than one fact needed for verification.

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If a member of the filing unit would be required to pay to obtain documents or other and no other method of verification is available, the Department, if it determines the document is necessary, shall obtain the documents. verification

(4) Verification of Account Balances

Verification of the current balance of each account is mandatory at application, at eligibility review, and at times of reported change. The amount on deposit shall be verified by bank books or bank statements that show the bank balance within 45 days of the date of the application or eligibility review interview.

If at eligibility review, a member of the filing unit declares a balance of \$25 or less in an account, other than a checking account, verification shall not be required provided a balance of \$25 or less was verified for the same account at the last eligibility determination, and the account balance, in combination with other assets, would not affect continued eligibility of the assistance unit. The declaration of the member of the filing unit shall be recorded in the case record.

(C) Retirement Accounts and Pensions

Retirement or pension funds shall be counted in the determination of eligibility if the funds in the plan(s) are accessible to the applicant or recipient.

(1) Sources

An IRA (Individual Retirement Account) is a tax-deductible savings program that sets aside money for retirement. Funds in an IRA are accessible and, therefore, counted as an asset in their entirety less the amount of penalty for early withdrawal.

A Keogh Plan is a retirement plan established by a self-employed individual. A Keogh Plan may be established for the self-employed individual alone or for the self-employed individual and his or her employees. The funds in a Keogh Plan established for the self-employed individual alone are counted as an asset in their entirety less the amount of penalty for early withdrawal. The funds in a Keogh Plan established for employees who are not members of the filing unit as well as for the self-employed individual, are counted as an asset, less the amount of penalty, only if the funds are accessible to the individual.

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A 401(k) plan is a retirement plan funded by tax-deferred contributions made by reducing current pay and having the reduced amount set aside into a deferred account and are made by employees and employers. 401(k) plans have specific conditions under which funds may be distributed. Funds in a 401(k) plan that are accessible are countable in their entirety less the amount of penalty for early withdrawal.

Pensions are retirement plans established by employers to provide benefit payments to their employees upon retirement or disability. Pension funds set aside by an individual's current employer are to be considered a countable asset, provided such funds are accessible. Pension funds from an individual's former employer shall be countable in their entirety less any penalties for withdrawal, provided that such funds are accessible.

An Annuity is an investment that provides a fixed sum payable to a person, based upon the terms of the annuity. Payments may be made for a specific period of time or for life.

(2) Verification

Verification of the current value of a retirement account or pension is mandatory at application, eligibility review and when a change is reported.

The current value of IRA funds shall be verified by a quarterly statement or a written statement from the account institution, dated within 45 days of the application or eligibility review interview.

Verification of the current amount of funds other than an IRA and the accessibility of the funds to a member(s) of the filing unit shall be by a written statement from the financial institution, employer or former employer, signed and dated within 45 days of the date of the application or eligibility review interview. Other legal documents, such as court orders, are acceptable as verification to prove the accessibility or inaccessibility of the funds to the applicant or recipient. See 106 CMR 204.125: Inaccessible Assets.

(D) Securities

(1) Requirement

Stocks, bonds, options, futures contracts, debentures, mutual and money market fund shares, government, bank, corporate or promissory notes, and other financial instruments are countable assets. Tradeable securities are valued at the most recent closing bid price, and nontradeable securities are valued at current equity value. A security for which there is no market or which is inaccessible in accordance with 106 CMR 204.125 shall be noncountable.

(2) Verification

Verification of the current value of each security is mandatory at application, eligibility review, and when a change is reported. The number of securities owned shall be substantiated by the written statement of the applicant or recipient.

Any one of the following shall be sufficient verification of the value of a security:

- (a) a statement from the individual, corporation, licensed stockbroker, bank or government agency that issued the security.
- (b) a clipping from a current daily newspaper showing the date and closing bid price.
- (c) a statement from any bank or other financial services institution able to verify the current value of a particular security.
- (d) documentation from a current financial publication.

A claim that a particular security has no market value shall be verified by one of the above.

A claim that a particular security is inaccessible shall be verified in accordance with 106 CMR 204.125: Inaccessible Assets.

(E) Cash Surrender Value of Life Insurance Policies(1) Requirement

The total cash surrender value of all life insurance policies is a countable asset. The cash surrender value of a life insurance policy is the amount the issuing company has agreed to pay the owner of the policy upon its cancellation.

(2) Verification

The verification of the cash surrender value (CSV) of all life insurance policies is mandatory at application and at times of reported change. Cash surrender value shall also be reverified at least once a year.

Cash surrender value shall be verified by the Table of Loan and Cash Surrender Value amounts located on the actual policy, or by a written statement from the issuing company or its representative. If the total cash surrender value of all policies owned by the filing unit, combined with the value of all other countable assets, is within \$150 of the asset limit, or, if the policy is paid up or has been in

effect longer than the number of years covered by the table, verification of the CSV must be obtained from the issuing company or agent.

(F) Burial Insurance

(1) Requirement

The cash surrender value of a burial insurance policy is a countable asset.

(2) Verification

The verification of the cash surrender value of burial insurance is mandatory at application and at times of reported change and shall be by the table of cash surrender values in the policy itself, or by a signed statement from the seller.

(G) Vehicles

(1) Requirement

The first \$10,000 of the fair market value and the first \$5,000 of equity value of one vehicle owned by the filing unit are noncountable. Any fair market value in excess of \$10,000 is a countable asset. Any equity value in excess of \$5,000 is a countable asset. If there is an excess in both the fair market value and the equity value, only the excess which is the greater amount shall be counted toward the asset limit.

When the filing unit owns more than one vehicle, the \$10,000 fair market limit and the \$5,000 equity limit shall be applied to the vehicle having the greatest fair market value, provided it is used primarily for the transportation of the filing unit. The full fair market value or the full equity value, whichever is greater, of each additional vehicle owned by the filing unit (including vehicles that are used primarily for recreational purposes such as snowmobiles, boats, trailers, jeeps, vans and motorcycles) shall be countable.

(2) Verification

Both the fair market value and the equity value of all countable vehicles shall be verified at application, eligibility review and when another vehicle is acquired.

Fair Market Value

Fair market value is the price for which the vehicle will sell on the open market.

The fair market value shall be verified by one of the following:

1. the wholesale value (for cars and trucks) and finance value (for recreational vehicles) tables in the most recent vehicle valuation book used by the Department; or
2. the low value in an older car valuation book (for cars and trucks); if the car or truck is too old to be listed in an older car valuation book, it shall be assigned the value used for excise tax purposes; or
3. the written appraisal of a licensed automobile dealer who deals with classic, custom-made or antique vehicles, if the vehicle is considered a classic, custom-made, or antique; or
4. for recreational vehicles, the projected loan value as quoted by a bank or other lending institution; or documents showing the value of the vehicle for insurance purposes; or a written estimate of the cash value of the vehicle from a licensed recreational vehicle dealer; or
5. any information obtained by the Department from a recognized vehicle valuation source.

If a vehicle is specially equipped with apparatus for the handicapped, has low mileage, or has other optional equipment, these factors shall not increase the value of the vehicle.

The valuation assigned by the Department may be rebutted by submitting evidence such as the written estimate of a licensed automobile dealer or a value from a more recent and/or different vehicle valuation source.

Equity Value

Equity value is determined by subtracting the balance of any liens or legal encumbrances from the fair market value of the vehicle.

The balance of an outstanding lien or legal encumbrance shall be verified by the payment book or a statement from the bank, finance company, or lender showing the payment schedule and the outstanding balance.

Ownership

When joint ownership by two or more persons is claimed, verification of ownership of the vehicle shall be mandatory at application and when a change regarding joint ownership of vehicles is reported. Ownership and distribution of ownership shall be determined and verified in accordance with 106 CMR 204.130 unless all of the owners are members of the filing unit or the countable value of the asset, in combination with other assets, is within the TAFDC asset limitation.

(H) Real Estate (Other Than the Home)(1) Requirement

The equity value of all real property owned by a member(s) of the filing unit other than the principal place of residence and the land on which it rests, shall be a countable asset except as specified in 106 CMR 204.140(0).

Equity value is the fair market value less encumbrances.

Fair market value is the price for which the real property will sell on the open market in the geographic area involved, taking into consideration the size, location, condition and other factors affecting the property's value.

(2) Verification

The fair market value and equity value of all countable real estate owned by the filing unit shall be verified at application, and at times of reported change when it affects or may affect eligibility.

Fair market value shall be verified by a copy of the most recent tax bill or the property tax assessment that was most recently issued by the taxing jurisdiction provided that this assessment is not:

- (a) a special purpose assessment;
- (b) based on a fixed rate per acre method; or
- (c) based on an assessment ratio or providing only a range.

If the lender(s) is an organization, the verification of encumbrances or legally enforceable obligations on the property shall be a copy of loan instruments or other binding documents that evidence the outstanding balance of the loan. If the lender is an individual, the amount of the encumbrances or obligations shall be verified by either a copy of the loan instrument and a signed statement from the

lender setting forth the payment schedule and outstanding balance of the loan, or other document that evidences the outstanding balance of the loan.

In the event that a current property tax assessment is not available or the grantee wishes to rebut the fair market value determined by the Department, a comparable market analysis or a written appraisal of the value of the property from a knowledgeable source shall establish the fair market value. A knowledgeable source shall be a licensed real estate agent or broker; a real estate appraiser; bank, savings and loan association or similar lending organization; or an official of the local real property tax jurisdiction. The grantee shall be informed in writing of procedures to rebut the Department's fair market value determination. The grantee can rebut the fair market value determined by the Department at any time by presenting a new appraisal that reflects changes in the property and/or the market for the property.

(I) Income Tax Refunds

(1) Requirements

- (a) Income tax refunds, except for any portion, if any, that is received as an earned income credit (EIC), shall be considered a countable asset but noncountable as income. The earned income credit of an income tax refund is noncountable as an asset or as income in the month of receipt and the following month. The remaining portion of the earned income credit is a countable asset in the third month.
- (b) Federal income tax refunds, including any portion due to over-withholding or earned income credits (EIC), received between December 31, 2009 and December 31, 2012, shall be considered a noncountable asset for 12 months from the month of receipt and noncountable as income.

(2) Verification

An income tax refund shall be verified at the time of receipt by one of the following:

- (a) a copy of the check or payment document; or
- (b) a written statement from the agency making the payment; or
- (c) a copy of the tax return.

(J) Lump Sum Income

The first \$600 of a lump sum income as specified in 106 CMR 204.240(A)(3) is noncountable in the month of receipt. That portion of the first \$600 retained in the month following the month of receipt shall be considered a countable asset.

(K) Individual Asset Account

Funds received from the Individual Asset Account upon termination of Full Employment Program employment as specified in 106 CMR 207.180(D).

204.125: Inaccessible Assets

(A) Requirements

An inaccessible asset is an asset to which the individual has no ready access and is not counted when determining eligibility for TAFDC.

- (1) Inaccessible assets include, but are not limited to, property the ownership of which is the subject of legal proceedings and irrevocable trust funds.
- (2) Any funds in a trust, and the income produced by that trust to the extent it is not available to the assistance unit, shall be considered inaccessible to the assistance unit if all of the conditions listed below are met by the trust arrangement.
 - (a) No assistance unit member has the power to revoke the trust arrangement or change the name of the beneficiary.
 - (b) The trustee administering the trust is either (1) a court or an institution, corporation, or organization that is not under the direction or ownership of any assistance unit member; or (2) an individual appointed by the court who has court imposed limitations placed on his or her use of the funds; or (3) an individual whose responsibilities are governed by the terms of the irrevocable trust and who is not under the direction or control of any assistance unit member(s).
 - (c) Trust investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction, or influence of an assistance unit member.
- (3) Except as provided in 106 CMR 204.120(B)(3)(a), all assets to which the applicant or recipient is legally entitled shall be considered accessible to the applicant or recipient
 - (a) from the date of application or acquisition, whichever is later, if the applicant or recipient does not meet the condition specified in 106 CMR 204.125(A)(3)(b); or
 - (b) from the period beginning six months after the date of application or acquisition, whichever is later, if the applicant or recipient is incapable of competently representing his or her own interests, has no guardian or conservator capable of representing the interests of the applicant or recipient, and the representative (who may be a provider) of such applicant or recipient is making a good faith effort to secure the appointment of a competent guardian or conservator.

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Verification of the inaccessibility of an asset is mandatory at application or whenever circumstances regarding the accessibility of the asset have changed. The following documents may be used, as appropriate, to verify inaccessibility:

- (1) A copy of the original legal instrument that established the inaccessibility of the asset;
- (2) Relevant legal or financial statements that document the inaccessibility of the asset, if the original legal instrument is not available;
- (3) Documents showing how the holder's name(s) appears on a bank account or security.
 - (a) If the account is titled A or B, both individuals have full access to the account;
 - (b) If the account is titled A and B, neither individual has access to the account without the consent of the co-holder. The applicant or recipient must submit a written statement from the co-holder denying such consent. If the applicant or recipient is unable to obtain the written statement of the co-holder, he or she may submit an affidavit stating that he or she does not have the co-holder's consent.
 - (c) If the account is titled A in trust for B, or A for B, A has full access to the account and B has no access to the account;
 - (d) If the account title contains only one name, the individual has full access to the account.
- (4) A copy of the trust or other legal document that verifies that it is an irrevocable trust and it meets all of the conditions specified in 106 CMR 204.125(A)(2);
- (5) A written statement from a competent medical authority as defined in 106 CMR 701.600 verifying that, and describing the medical reason(s) why,
 - (a) the applicant or recipient is incapable of competently representing his or her own interests; or
 - (b) the guardian or conservator, if any, is incapable of competently representing the applicant's or recipient's interests.

If an applicant or recipient demonstrates lack of ownership, inaccessibility to the asset, or both, the asset is not considered in the determination of eligibility.

204.130: Joint Ownership of Assets

(A) Definition

Any asset, other than a bank account, jointly owned by two or more persons is considered to be owned in equal shares unless a different distribution of ownership is verified. If joint ownership exists, only that portion of the asset owned by persons included in the filing unit is countable. See 106 CMR 204.120(B) for treatment of joint bank accounts.

(B) Verification

Documents that verify other than equal ownership include, but are not limited to, titles, purchase contracts, or other certificates of ownership.

204.135: Transfer of Income and/or Assets

(A) Transfers for Less Than Fair Market Value

- (1) If, within 12 months prior to applying for TAFDC, a member of the filing unit assigns or transfers any income and/or an asset(s) in whole or in part for less than its fair market value or places the income and/or asset(s) into an irrevocable trust, it shall be presumed that the assignment or transfer was made to obtain TAFDC, unless the presumption is rebutted pursuant to 106 CMR 204.135(A)(2). If the presumption is not rebutted, or if the transfer is prohibited by law, the filing unit will be ineligible for TAFDC for that period of time calculated in accordance with 106 CMR 204.135(C) and (D).
- (2) The presumption that an assignment, transfer or placement of income and/or an asset(s) for less than its fair market value was made for the purpose of obtaining TAFDC, may be rebutted if the applicant establishes one of the following:
 - (a) The transfer was made prior to January 17, 1995.
 - (b) At the time of the transfer, the filing unit member had sufficient other income sources and/or assets to pay for 12 months of the foreseeable day-to-day living and medical expenses as defined in 106 CMR 204.135(A)(2)(c) of the filing unit member and those individuals that the filing unit member was legally obligated to support. This determination shall be based on the filing unit's average monthly expenses for the six months immediately preceding the date of the transfer.

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- (c) The transfer of the income and/or asset(s) was for self-support because the filing unit member's income and assets at the time of the transfer were insufficient to meet the filing unit member's day-to-day living and medical expenses and the filing unit member's expenses were then met. Day-to-day living expenses are limited to expenses for shelter, fuel, utilities, and food and cannot exceed the greater of what the filing unit member was paying for those expenses prior to the date the income and/or asset(s) was transferred or the payment standard in accordance with 106 CMR 204.420 that would have been applicable to the assistance unit. Medical expenses are limited to health insurance premiums or health care treatment or services essential for the treatment of members of the filing unit to the extent that such costs are not covered by any health insurance or MassHealth, and not incurred as the result of cosmetic surgery unrelated to illness, accident or surgery or any treatment or procedures related to transsexualism. It is presumed that rehabilitative therapies, pain management, personal care attendants, durable medical equipment, experimental treatments for serious illnesses and reconstructive surgeries as the result of disfiguring illnesses, accidents or operations constitute essential health care treatment. Expenditures which would presumptively not constitute essential health care treatment include those for vacations, recreational equipment such as swimming pools, extravagant items, and leisure activities.
- (d) The transfer of the income and/or asset(s) was made while the filing unit member was legally incompetent or as a result of undue coercion; provided, however, that the applicant must demonstrate that every reasonable effort has been made to recover the property by court action or by such other procedures as indicated by the circumstances.
- (e) The transfer of the income and/or asset(s) was the result of a legal action such as a court order, judgment, foreclosure, or delinquent tax sale.

The applicant must provide evidence that the transfer of income and/or asset(s) was done exclusively for a purpose other than for obtaining TAFDC. A subjective statement of intent or of ignorance of the transfer rules is not sufficient. The applicant must provide objective evidence of one or more of the factors listed in 106 CMR 204.135(A)(2).

(B) Transfer for Fair Market Value or More

- (1) If, within 12 months prior to applying for TAFDC, a member of the filing unit transfers income and/or an asset(s) for its fair market value or greater value and the transfer was for an extraordinary expense(s) and/or a vacation(s), it will be presumed that the transfer was made for the purpose of obtaining TAFDC.

An item shall be considered an extraordinary expense if the following apply:

- (a) the expense is not normally incurred by the filing unit, and
- (b) the expense(s) exceeds 25 percent of the filing unit's average monthly gross income, excluding the receipt of any non-recurring lump sum income, for the six months immediately preceding the date of the transfer.
- (2) An item(s) shall not be considered an extraordinary expense if:
- (a) it is for a day-to-day expense as defined in 106 CMR 204.240(B)(4)(a-f), or if it is necessary for work, employment, education or job training, or
- (b) it is for the purchase of a prepaid funeral arrangement, not to exceed \$1,500, and one burial plot for each member of the assistance unit. A prepaid funeral arrangement may include a contract with a funeral director or a separately identifiable trust fund. Use of any portion of this asset for any purpose other than funeral or burial arrangements shall render the balance of the asset countable under the provisions of 106 CMR 204.120.
- (3) If the transfer of the income and/or asset(s) was made for the reason specified in 106 CMR 204.135(B)(1), the presumption that the income and/or asset(s) was transferred for the purpose of obtaining TAFDC may be rebutted in accordance with 106 CMR 204.135(A)(2). If the presumption is not rebutted, the filing unit will be ineligible for TAFDC for that period of time calculated in accordance with 106 CMR 204.135(C) and (D).
- (4) Other than as provided in 106 CMR 204.135(B)(1), a transfer of income and/or an asset(s) for its fair market or greater value will not be considered a transfer for the purpose of obtaining TAFDC as long as the transfer is not prohibited by law.

(C) Value of Transferred Income and/or Asset(s)

If the income and/or assets are considered to have been transferred to obtain TAFDC, the value shall be determined as follows:

- (1) Determine the fair market value of the transferred income and/or asset(s) as of the date of transfer.
- (2) Deduct from the fair market value:
 - (a) any legal encumbrances attached to the transferred income and/or asset(s) which were paid on or after the date of transfer, and
 - (b) any compensation received that is in excess of the paid legal encumbrances. Compensation may be in the form of money, goods or services. The value of goods and services received as compensation shall be valued at their fair market value as of the date of receipt. Compensation does not include the value of any item set forth in 106 CMR 204.135(B)(1) or any compensation received in a transfer prohibited by law.
- (3) The result is the value of the transferred income and/or asset(s).

(D) Calculation of Period of Ineligibility

A period of ineligibility shall remain in effect for all members of the filing unit for an uninterrupted period as determined in the following calculation.

- (1) Divide the value of the transferred income and/or asset(s), as determined in 106 CMR 204.135(C), by the appropriate Need Standard for the assistance unit. The result will be the number of months in the period of ineligibility.
- (2) Any remainder in 106 CMR 204.135(D)(1) above shall be considered unearned income in the first month following the period of ineligibility and is deducted from the appropriate Need Standard for the assistance unit, provided there is a reapplication for assistance during that month.
- (3) The period of ineligibility begins on the first day of any transfer(s), in whole or in part, of the income and/or assets within 12 months of application. Any assistance received during the ineligibility period shall be considered an overpayment in accordance with 106 CMR 706.200 et seq.

(E) Ineligibility for TAFDC

Any member of the filing unit who is determined to be ineligible for Emergency Aid to the Elderly, Disabled and Children (EAEDC) due to the transfer of income and/or asset(s) shall be concurrently ineligible for TAFDC.

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204.140: Noncountable Assets

The following are not countable assets for TAFDC purposes. Their possession has no effect on eligibility.

- (A) Highway Relocation assistance payments, Urban Renewal Assistance payments, disaster relief payments used for relocation, and payments from private agencies used for relocation;
- (B) The filing unit's principal place of residence and the undivided land on which it rests;
- (C) The first \$10,000 of the fair market value of one vehicle and the first \$5,000 of the equity value of one vehicle as specified in 106 CMR 204.120(G);
- (D) Household belongings such as furniture, appliances, household decorations, linens and cookware; personal belongings such as jewelry, books and toys, even if of more than usual value;
- (E) Property to which the filing unit has no ready access, such as property the ownership of which is the subject of legal proceedings (probate, divorce suits, etc.), and irrevocable trust funds that were placed in trust 12 months or longer before application for TAFDC;
- (F) Home produce grown or preserved by the filing unit for its own consumption;
- (G) Food Stamps;
- (H) A loan verified by a written document, signed by the borrower and the lender, that expresses the borrower's intent to repay and the conditions of repayment, the terms of which specify the purpose of the loan and preclude its use to meet current living costs;
- (I) Any grant or scholarship to a student, the terms of which preclude its use to meet current living costs;
- (J) Any grant or loan to an undergraduate student for educational purposes made or insured under any program administered by the U.S. Secretary of Education;
- (K) Student financial assistance provided under Title IV of the Higher Education Act of 1965 or under the Bureau of Indian Affairs Education Assistance programs; or student financial assistance for attendance costs, such as, but not limited to, tuition, fees, equipment or books, under programs developed pursuant to the Perkins Vocational and Applied Technology Education Act;
- (L) Assets of any member of the household:
 - (1) who receives Supplemental Security Income (SSI) payments;
 - (2) for whom state and/or federal foster-care maintenance payments are made, including the child of the foster child when the foster-care maintenance payment includes the child;
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(3) for whom state and/or federal adoption assistance is provided except when the person is included as a member of the assistance unit in accordance with 106 CMR 204.305(E)(3);

(M) Lands held in trust for Native Americans; property purchased with payments made to Native Americans under Public Laws 92-254, 93-134, 94-540 and 94-114; and funds distributed to, or held in trust for, members of any Indian tribe pursuant to a judgment of the Indian Claims Settlements or the Secretary of the Interior under Public Laws 94-114, 93-134, 96-420, 97-458, 98-64 and 102-71;

(N) For each member of the Assistance Unit:

- (1) one burial plot, and
- (2) the value of a prepaid funeral arrangement, not to exceed \$1,500;

A prepaid funeral arrangement may include a contract with a funeral director or a separately identifiable trust fund. Use of any portion of this asset for any purpose other than funeral or final disposition arrangements shall render the balance of the asset countable under the provisions of 106 CMR 204.120.

(O) Real Estate that is not the principal residence of the assistance unit, but which the assistance unit is making a good faith effort to sell, provided:

- (1) The owner of the real estate signs an agreement on a form specified by the Department to repay from the net proceeds of the sale the amount of TAFDC benefits received while the real estate was owned by the assistance unit. The amount of the repayment shall be the net proceeds from the sale or the amount of TAFDC benefits paid, whichever is less. The net proceeds of the sale, when added to all other countable assets at the time of the sale must exceed \$2500 for repayment to occur.
- (2) The real estate may be excluded for no more than six months from the date of the signing of the agreement specified in 106 CMR 204.140(O)(1).
- (3) A good faith offer to sell shall be defined as an offer to sell at or about fair market value by methods including, but not limited to, listing with a licensed real estate salesperson or through a newspaper or other type of advertisement.

The good faith offer must be verified. Verification shall be by a copy of a newspaper advertisement, letter from a licensed real estate salesperson, or other appropriate document(s).

- (4) If the assistance unit becomes ineligible during the six-month period for categorical or financial reason(s) other than ownership of real estate, or if the assistance unit fails to sell the real estate at the end of six months, assistance shall be terminated, and all TAFDC benefits paid shall be treated as an overpayment.

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- (5) A recipient who fails to report acquisition of a piece of real estate, other than that used as the principal residence, within 10 days of taking title to the real estate, has been overpaid between the date title was acquired and the date the ownership of the real estate was reported to the Department, provided that the equity value of the real estate when added to the total of all other countable assets exceeds \$2500. The Department must pursue recovery in accordance with 106 CMR 706.200 et seq.;
- (P) Any portion of a Workers' Compensation, property damage, personal injury, Compensation to Victims of Violent Crimes Act, death settlement or award, except for compensation for lost wages, that is received as a reimbursement for specified item(s) and used to pay for such item(s). See 106 CMR 204.240(B) for verification;
- (Q) Property that is essential to employment or self-employment shall include, but is not limited to, work-related equipment such as tools of a tradesperson, machinery of a farmer, and property such as farm land. Income derived from such property shall be countable;
- (R) earned income credits (EIC), whether received as an advance payment or as part or all of an income tax refund, in the month of receipt and the following month. Federal income tax refunds, including any portion due to over-withholding or earned income credits (EIC), received between December 31, 2009 and December 31, 2012, shall be considered a noncountable asset for 12 months from the month of receipt;
- (S) Payments to eligible individuals of Japanese ancestry or their survivors under the Civil Liberties Act of 1988 and payments to eligible Aleuts (who were former residents of the Aleutian and Pribilof Islands) or their survivors under the Aleutian and Pribilof Islands Restitution Act in accordance with Public Law 100-383;
- (T) Agent Orange Settlement Fund payments made to Vietnam veterans or their survivors, in accordance with Public Law 101-201, effective January 1, 1989;
- (U) The value of public-assistance cash benefits for the remainder of the cyclical month of issuance. If any or all of the money from such cash benefit(s) is retained beyond the cyclical month of issuance, the amount of money retained becomes a countable asset, except as specified in 106 CMR 706.210 for the correction of an underpayment;
- (V) Payments made under the Radiation Exposure Compensation Act of 1990;
- (W) Payments credited to an escrow account under the Family Self-Sufficiency Program administered by the Department of Housing and Urban Development (HUD) when the filing unit lacks the legal ability to use the money for its support and maintenance;
- (X) TAFDC cash benefits resulting from a correction of an underpayment or a fair hearing decision, in the month of receipt and the following month; and
- (Y) The Individual Asset Account maintained for the individual until receipt of such funds by the individual upon termination of Full Employment Program employment as specified in 106 CMR 207.180(D);

204.200: Income

Income may be countable or noncountable for determination of financial eligibility or calculation of the grant amount.

All countable income is considered on a monthly basis and is applied to the determination or eligibility review and calculation of the grant amount in the cyclical month in which it is actually received by the filing unit, except for cases subject to Monthly Reporting. See 106 CMR 702.900 et. seq. Amounts of income paid in other than monthly amounts must be converted to monthly amounts.

Except for cases subject to Monthly Reporting, the most current monthly income information provided to the Department is used as the basis for the grant calculation until information is received indicating a change in income or eligibility, or until an eligibility review is due. If verified income information indicates an underpayment, an adjustment must be made promptly.

204.210: Types of Countable Income

The types of countable income generally are as follows:

(A) Earned Income

Earned income is income, in cash or in kind, earned through employment or self-employment. Earned income may be received as wages, salary, tips, commissions, or in kind. For employees, earned income is the total gross amount received.

With respect to self-employment, earned income is the total gross income less total business expenses. Business expenses do not include personal expenses, such as lunches and transportation to and from work. See 106 CMR 204.210(E) and (F) below for an explanation of income from real estate, roomers and boarders, and business expenses.

(B) Unearned Income

Unearned income is all income that a person does not earn by the application of his own efforts, or by the application of his own managerial skills. Unearned income includes, but is not limited to:

- (1) Dividends;
- (2) Interest;
- (3) Unemployment Compensation payments;
- (4) Pensions;
- (5) Social Security (RSDI) benefits;

- (6) Veterans' benefits;
- (7) Contributions, except as provided in 106 CMR 204.120 and 106 CMR 204.250;
- (8) Certain income from real estate. See 106 CMR 204.210(E) below.

(C) In-Kind Income

In-kind income is income in any form other than money. It may consist of a share of crops, free services, free rent, free utilities, clothing, or food, but it is not necessarily limited to these. It may be earned or unearned.

For purposes of calculation of the grant amount only, shelter (including rent, mortgage, fuel, or utilities) and food provided at no cost to the applicant or recipient shall be deducted using the standard value in 106 CMR 204.510.

(D) Deemed Income

- (1) The income, excluding the types of noncountable income listed in 106 CMR 204.250, of the following persons, who live in the same household with the assistance unit, is deemed to the filing unit in determining eligibility and the amount of the grant in accordance with 106 CMR 204.235(A), (B), and (D):
 - (a) stepparents living with the natural or adoptive parent of the dependent child;

The income of a stepparent living with the parent of a minor parent as defined in 106 CMR 204.236 is excluded when determining the eligibility of the minor parent unless there is a TAFDC assistance unit in the household in which the minor parent is not a grantee but is a dependent child.
 - (b) parent(s) of minor parents as defined in 106 CMR 204.236; and
 - (c) persons who have a legal obligation of support as defined in 106 CMR 204.330(B)(1) with the exception of the spouse of a pregnant woman as specified in (2) below.
- (2) The income and assets, excluding the types of noncountable income listed in 106 CMR 204.250 and the noncountable assets listed in 106 CMR 204.140, of the spouse of the otherwise eligible pregnant woman, and siblings of the unborn child, if any, who live in the same household, are deemed to the filing unit in determining eligibility in accordance with 106 CMR 204.235(C) and (D) for income and in accordance with 106 CMR 204.110 for assets.

(E) Real Estate Income

- (1) When a recipient receives income from rented apartments or house, he or she shall be considered to be self-employed. This income can be earned or unearned.

The income is unearned if the property is managed by a rental agency that forwards a check to the recipient who has no specific responsibility for the income-producing property. This unearned income, less business expenses only, shall be considered in determining eligibility and the amount of assistance.

The income is earned if the recipient manages the property by collecting rents and providing services to maintain the income-producing property.

Deductions from unearned and earned income shall be allowed for all or part of certain business expenses as defined and explained below.

- (2) Business expenses include carrying charges, the cost of fuel and utilities provided to tenants, maintenance and repair costs. These expenses are explained as follows:

(a) Carrying Charges

Current taxes less any abatements, betterment taxes, interest and principal payments on the mortgage, water bills, and fire insurance premiums. Carrying charges must be expressed as monthly amounts and must be verified.

(b) Fuel and Utilities

The cost of fuel and utilities provided to tenants may be based on actual costs averaged on a yearly basis and expressed as a monthly amount or on projected monthly costs. If actual costs are used they must be verified. If projected amounts are used, verification shall be by a written statement of the projected costs from the applicant or recipient.

(c) Maintenance and Repair Costs

Maintenance and repair costs of \$20 per month per rented unit may be routinely allowed. If the recipient shows documentation that the maintenance or repair costs exceed an average of \$20 per month, the excess amount shall be allowed in determining the amount of available income.

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- (3) If the applicant or recipient occupies an apartment in the same house from which he or she receives rental income, the business expenses shall be partially deducted in determining rental income in the following ways:
- (a) If a two-family house, one-half the carrying charges will be allowed as a business expense; if a three-family house, two-thirds will be allowed, and so forth.
 - (b) When the applicant or recipient provides his or her own heat and that of the tenants from a single heating unit, the fuel expense will be prorated as in item (3)(a).
 - (c) When the applicant or recipient provides his or her own utilities and that of the tenants from the same meter(s), the utility expenses shall be prorated as in item (3)(a).
- (4) If the applicant or recipient occupies an apartment in the same house from which he or she receives rental income and he or she provides heat to the tenants from separate heating units or utilities from separate meters, these expenses shall be totally deducted in determining rental income.
- (5) If the applicant or recipient receives rental income from property in which he or she does not reside, the business expenses shall be totally deducted from the total rental income.
- (6) If the rental income is earned income in accordance with 106 CMR 204.210(E)(1), the applicant or recipient shall be allowed the work-related expense deductions from the rental income in accordance with 106 CMR 204.270, and the deductions for the \$30 and one-third disregard in accordance with 106 CMR 204.280 or \$30 and one-half disregard in accordance with 106 CMR 204.285, if applicable.

(F) Roomer and Boarder Income

When an applicant or recipient provides a room or room and board in his or her home or rented dwelling to a person not included in the assistance plan, he or she shall be considered to be self-employed. The amount received from the roomer or boarder, less the applicable business expenses specified in (1), (2), or (3) below, shall be available gross earned income. The applicant or recipient shall be informed that he or she may choose whether the standard or nonstandard business expenses are to be considered. However, if the applicant or recipient chooses the nonstandard business expenses, he or she must show documentation that the business expenses exceed the standard business expenses.

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- (1) The standard business expenses that shall be allowed are:
 - (a) 25 percent of the income from roomers;
 - (b) 75 percent of the income from boarders.
- (2) The nonstandard business expenses (explained below) shall be allowed for an applicant or recipient who owns his or her own home and who can show documentation that these business expenses exceed the standard business expenses.
 - (a) The business expenses include carrying charges, the cost of fuel and utilities, maintenance and repair costs, the cost of laundry or cleaning or both, and the cost of meals for boarders as explained below:
 1. Carrying charges include current taxes less any abatements, betterment taxes, interest and principal payments on the mortgage, water bills, and fire insurance premiums. Carrying charges must be verified and expressed in monthly amounts.
 2. The cost of fuel and utilities provided to the tenants may be based on actual costs averaged on a yearly basis and expressed in monthly amounts or on projected monthly costs. If actual costs are used they must be verified. If projected costs are used, verification shall be by a written statement from the applicant or recipient.
 3. Maintenance and repair costs of \$20 per month per roomer or boarder may be routinely allowed. If the applicant or recipient can show documentation that the maintenance or repair costs exceed an average of \$20 per month, the excess amount shall be allowed.
 4. The monthly cost of laundry or cleaning or both provided to the roomer or boarder as part of the room or board arrangement shall be verified by a written statement from the applicant or recipient.
 5. The monthly cost of meals provided to a boarder shall be verified by a written statement from the applicant or recipient.

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- (b) The business expenses in 1., 2., and 3. under paragraph (a) above, shall be prorated in the following manner and deducted to determine the income from a roomer or a boarder.
 1. If there is one roomer or boarder, one-half the carrying charges shall be allowed as a business expense; if there are two roomers or boarders, two-thirds shall be allowed, and so forth.
 2. The heat and utility expenses shall be prorated as in 1. (above).
 3. The maintenance and repair costs shall only be prorated as in 1. (above) if the applicant or recipient documents that the average exceeds the \$20-per-month allowance.
- (3) The nonstandard business expenses (explained below) shall be allowed for an applicant or recipient who resides in a rented dwelling and who can show documentation that these business expenses exceed the standard business expenses.
 - (a) The business expenses include the rental charge, the cost of fuel or utilities or both, if paid separately from the rental charge, the cost of laundry or cleaning or both, and the cost of meals for boarders as explained below:
 1. The rental charge for the rented dwelling. The rental charge must be verified and expressed in monthly amounts.
 2. The costs for fuel or utilities or both must be verified if either or both these costs are the responsibility of the applicant or recipient as a separate charge in addition to the rental charge. The costs may be based on actual costs averaged on a yearly basis and expressed in monthly amounts or on projected costs. If actual costs are used, they must be verified. If projected amounts are used, verification shall be by a written statement of the projected costs from the applicant or recipient.
 3. The monthly cost of laundry or cleaning or both provided to the roomer or boarder as part of the room or board arrangement shall be verified by a written statement from the applicant or recipient.
 4. The monthly cost of providing meals to a boarder shall be verified by a written statement from the applicant or recipient.

- (b) The business expenses shall be prorated in the following manner and deducted to determine the income from a roomer or a boarder.
 - 1. If there is one roomer or boarder, one-half the rental charge shall be allowed as a business expense; if there are two roomers or boarders, two-thirds shall be allowed, and so forth.
 - 2. The heat or utility expenses or both, if the applicant or recipient is responsible for either or both these costs, shall be prorated as in (b)1.
- (4) The applicant or recipient who receives income from a roomer or boarder shall be allowed the work-related expense deduction in accordance with 106 CMR 204.270 and the \$30 and one-third disregard in accordance with 106 CMR 204.280 or the \$30 and one-half disregard in accordance with 106 CMR 204.285, if applicable.

204.220: Rules for Counting Income

In general, income that is countable in determining whether an assistance unit is eligible for TAFDC is also countable in determining the amount of its grant. All income of a member of the filing unit, except as specified in 106 CMR 204.250: Noncountable Income, shall be considered in determining need and assistance payments for the entire assistance unit.

There are, however, several exceptions to the usual method of counting income. These exceptions are explained in the sections that follow. In summary, they are the following:

- (A) Income from an absent parent that is received directly by the applicant or recipient or paid directly to the Department except for the first \$50 received in any month is countable in determining eligibility but not in determining the amount of the grant. (See 106 CMR 204.230: Income from an Absent Parent.)
- (B) A payment that represents accumulated recurring income, such as a retroactive Social Security check, is countable as monthly income according to special rules (see 106 CMR 204.240: Lump Sum Income). As described in 204.120(I), other kinds of one-time lump sum payments are counted as assets rather than as income.
- (C) 106 CMR 204.280 describes circumstances under which certain portions of earned income are not countable either in determining or reviewing eligibility or in calculating the grant.

204.230: Income From an Absent Parent

- (A) Income from an absent parent for a child included in the assistance unit:
 - (1) will continue to be paid to the applicant until the child is authorized to receive TAFDC benefits; and
 - (2) must be paid directly to the Department upon authorization of TAFDC benefits for the child.
- (B) Income from an absent parent:
 - (1) for a child included in the assistance unit that is received directly by the applicant or recipient or paid directly to the Department, except for the first \$50 received in any month, is countable in the 185% test and in determining whether the monthly income of a filing unit exceeds the Need Standard for the number of persons in the assistance unit (see 106 CMR 204.260: Income Test of Eligibility); and
 - (2) for a Family Cap Child that is received directly by the applicant or recipient or paid directly to the Department, except for the first \$90 received in any month, is countable in the 185% test and in determining whether the monthly income of a filing unit exceeds the Need Standard for the number of persons in the assistance unit (see 106 CMR 204.260: Income Test of Eligibility).
- (C) If the total monthly countable income of the filing unit does not exceed the Need Standard, and the assistance unit meets all other applicable eligibility requirements, the income from the absent parent for a child included in the assistance unit must be paid directly to the Department upon authorization of TAFDC benefits for the assistance unit. (See 106 CMR 204.220: Rules for Counting Income.)

204.235: Income Deemed to the Filing Unit

(A) Income Available to the Filing Unit

That portion of the monthly income (both earned and unearned) of a person(s) as defined in 106 CMR 204.210(D)(1) living in the same household as the dependent child, that exceeds the sum of the following, shall be deemed to be available as unearned income to the filing unit on a monthly basis:

- (1) An amount equal to the person's monthly work-related expense deduction that would be applied to the person's monthly earned income in accordance with 106 CMR 204.270; and
- (2) An amount equal to the Need Standard for a family composed of: (a) the person and (b) those individuals living in the same household who are or could be claimed as dependents for his or her federal personal income tax liability, and who are not required to be included in the TAFDC filing unit; and
- (3) The monthly amounts actually paid by the person to individuals not living in such household, if the person claimed, or could have claimed such individuals as dependents for federal personal income tax liability; and
- (4) Actual monthly payments by the person of alimony or child support, to individuals not living in the same household, when these payments do not duplicate those payments in (3), above.

(B) Verification

(1) Earned and Unearned Income

The person's monthly earned and unearned income shall be verified in accordance with 106 CMR 204.290 with the exception that a person, not subject to Monthly Reporting, shall also be required to verify earned income from wages and unearned income at the eligibility review. Earned Income Credit that the person receives shall be treated in accordance with 204.290. Changes in the person's earned and unearned income shall be reported to the Department within 10 days.

(2) Living Arrangement

The living arrangement of the person's household shall be verified in accordance with 106 CMR 203.595.

(3) Work-Related Expenses

The work-related expense deduction shall be in accordance with 106 CMR 204.270.

(4) Individuals Claimed as Dependents

The number of individuals claimed as dependents for federal personal income tax purposes shall be verified by one of the following:

- (a) A copy of the most recent federal income tax return; or
- (b) A copy of the most current W-4 federal income tax withholding form if the person is not self-employed.

(5) Individuals Living in the Person's Household Who Could Have Been Claimed as Dependents

If the person could have claimed certain individuals living in his or her household as dependents for federal personal income tax purposes, but did not do so, the person shall submit the following verifications:

- (a) A signed and dated statement listing the additional individuals claimed to be dependents, but who are not listed on his or her most current tax return or W-4 form; and
- (b) An affidavit signed by the person that he or she is providing over 50% of the support for each dependent listed in the signed and dated statement required in (B)(5)(a), above.

(6) Individuals Not Living in the Person's Household Who Could Have Been Claimed as Dependents

If the person could have claimed certain individuals not living in his or her household as dependents for federal personal income tax purposes, but did not do so, the person shall submit the following verifications:

- (a) A signed and dated statement listing the names, social security numbers and addresses of those individuals maintaining a residence outside the person's household, who could have been claimed as dependents for federal personal income tax purposes; and
- (b) An affidavit signed by the person that he or she is providing over 50 percent of the support for each dependent listed in the signed and dated statement required in 106 CMR 204.235(B)(6)(a); and
- (c) Canceled personal or bank checks or money orders signed by the person and made payable to a dependent listed in 106 CMR 204.235(B)(6)(a), or to the dependent's natural or adoptive parent or legal guardian, or made payable to a party who signs a dated statement that the check or money order was in payment for goods or services provided to the dependent; or

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- (d) If the items specified in 106 CMR 204.235(B)(6)(c) are unavailable, an affidavit signed by the dependent listed in 106 CMR 204.235(B)(6)(a) or by the dependent's natural or adoptive parent or legal guardian verifying the amount of the cash payment.

(7) Amount of Alimony or Child Support

Four consecutive payments of alimony or child support paid immediately prior to application or eligibility review shall be verified in accordance with 106 CMR 204.235(B)(6), or if appropriate, by records of the Child Support Enforcement Unit.

(C) Income Deemed to a Pregnant Woman

The following persons living with an otherwise eligible pregnant woman must be included in the determination of the eligibility of the pregnant woman:

- (1) the pregnant woman;
- (2) the spouse, if any;
- (3) the siblings of the unborn child, if any, who are themselves dependent children (see 106 CMR 701.600).

The income of the above-mentioned persons must be included in the 185 percent Test of Eligibility and the Second Test of Eligibility. The grant amount is determined using an assistance unit of one and only the income of the pregnant woman.

204.236: Income from the Parent(s) of a Teen Parent Under Age 18

(A) Requirements

- (1) A portion of the income from the parent(s) of a teen parent under age 18 residing with his or her parent(s) shall be considered available to the teen parent's filing unit in accordance with the following:
 - (a) That portion of the gross monthly income (both earned and unearned) of the parent(s) of a teen parent under age 18 that exceeds 200 percent of the federal poverty level for a family composed of (a) the parent(s) and (b) those individuals living in the same household who are or could be claimed as dependents of the parents for his or her federal personal income tax liability, excluding the teen parent and his or her dependent child, is deemed to the teen parent's filing unit on a monthly basis. (See 106 CMR 204.236(A)(1)(b) below.)
 - (b) The gross monthly eligibility standards are posted at www.mass.gov/dta and viewed by selecting the *Program Eligibility Charts and Tables* link under Key Resources. Paper copies are available upon request.
- (2) If the income of the parent(s) of the teen parent under age 18 cannot be determined because of the failure or refusal of a person to cooperate in providing the required verifications, the teen parent's assistance unit shall be ineligible, and assistance shall be denied or terminated.
- (3) The income of a stepparent living with the parent of a teen parent under age 18 is excluded when determining the eligibility and grant amount of the teen parent under age 18 and his or her dependent child.

(B) Verifications

- (1) The gross earned and unearned income of the parent(s) of the teen parent(s) under age 18 shall be verified in accordance with 106 CMR 204.290.
- (2) The number of individuals claimed as dependents for federal personal income tax purposes shall be verified by one of the following:
 - (a) a copy of the most recent federal income tax return; or
 - (b) a copy of the most current W-4 federal income tax withholding form if the person is not self-employed.
- (3) If the parent(s) could have claimed certain individuals living in his or her household as dependents for federal personal income tax purposes, but did not do so, the parent(s) shall submit the following verifications:
 - (a) a signed and dated statement listing the additional individuals claimed to be dependents, but who are not listed on his or her most current tax return or W-4 form; and
 - (b) an affidavit signed by the parent(s) that he or she is providing over 50 percent of the support for each dependent listed in the signed and dated statement required in (B)(3)(a) above.

204.240: Lump Sum Income

(A) Definition

- (1) Income is considered to be lump sum when it is otherwise countable according to the provisions of this chapter and when it is received as a one-time, nonrecurring payment. Exclusions from the lump sum income provisions are specified in 106 CMR 204.240(B) below.
- (2) Lump sum income may be either earned or unearned income in accordance with 106 CMR 204.210 Types of Countable Income. This does not include contractual salaries. (See 106 CMR 204.290.)
- (3) Lump sum income includes, but is not limited to, the following types of income:
 - (a) Accumulation of retroactive income such as Railroad Retirement, Federal Veterans' Benefits, Workers' Compensation that represents loss of income, retroactive Social Security payments, Unemployment Compensation, retroactive wages, and/or compensation for lost wages received under the Compensation to Victims of Violent Crimes Act.
 - (b) Other payments in the nature of a windfall, such as lottery winnings, inheritances, settlements and awards that are not totally or partially received as a reimbursement for a specified item(s) and used to pay for such item(s). Whatever portion of the lump sum income that is received as a reimbursement for a specified item(s) and used to pay for such item(s) shall be considered a noncountable asset. (See 106 CMR 204.140.)
- (4) Verification of lump sum income shall be by a document appropriate to the circumstances, such as:
 - (a) a copy of the benefit or award letter;
 - (b) a copy of the check or payment document;
 - (c) a written statement from the agency or person making the payment; or
 - (d) a written statement from the agency, person making the payment, or attorney representing the recipient, that states what specific item(s) are being reimbursed as part of the lump sum payment if the lump sum payment includes reimbursement for specific item(s) and receipts from the assistance unit that verify the payment for the specific item(s).

(B) Exclusions From Lump Sum Income

The following types of lump sum income are excluded from the provisions of this section:

- (1) Lump sum income received by a stepparent who is not a member of the assistance unit is noncountable as lump sum income to the assistance unit.
- (2) Lump sum income that is noncountable in accordance with 106 CMR 204.250.
- (3) Any portion of a Workers' Compensation, property damage, personal injury, Compensation to Victims of Violent Crimes Act, or death settlement or award, except for compensation for lost wages, that is received as a reimbursement for a specified item(s) and used to pay for such item(s) is excluded as an asset in accordance with 106 CMR 204.140, or as income in accordance with 106 CMR 204.250.

This is verified by a written statement from the agency, person making the payment, or attorney representing the client, that states what specific item(s) are being reimbursed as part of the lump sum payment if the lump sum payment includes reimbursement for specific item(s) and receipts from the assistance unit that verify the payment for the specific item(s).

- (4) Any portion of the lump sum income that can be verified as having been used to pay for back bills resulting from the costs of day-to-day living expenses and obligations incurred while awaiting the receipt of the lump sum income. For purposes of this section, day-to-day living expenses and obligations of the assistance unit shall be limited to the cost for:
 - (a) health insurance premiums, or health care treatment or services essential for the treatment of members of the assistance unit to the extent that such costs were not covered by any health insurance or MassHealth. It is presumed that rehabilitative therapies, pain management, personal care attendants, durable medical equipment, experimental treatments for serious illnesses and reconstructive surgeries as the result of disfiguring illness, accident or operations constitute essential health care treatment. Expenses incurred as the result of cosmetic surgery unrelated to illness, accident or surgery or any treatment or procedures related to transsexualism are not allowable. Expenditures which would presumptively not constitute essential health care treatment include those for vacations, recreational equipment such as swimming pools or athletic equipment, extravagant items, and leisure activities.

This is verified by copies of paid medical bills, health insurance premium payments, or both.

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- (b) transportation; the lesser of the actual costs or \$150 per month and provided that such costs were not covered by any other source.

This is verified by copies of paid bills or receipts for transportation expenses.

- (c) replacement or repair of existing basic household furniture or the purchase of basic household furniture when the family did not previously own such items, or the replacement or repair of existing, defective refrigerator, home heater, stove, oven, washer, and/or dryer, or the purchase of said appliances where the family did not previously own such items, limited to the lesser of the actual costs or \$2500.

This is verified by copies of paid bills or receipts.

- (d) basic repairs of a dwelling owned and lived in by the assistance unit, exclusive of remodeling, and limited to the lesser of the actual costs or \$2500.

This is verified by a copy of the deed to the property and copies of paid bills or receipts.

- (e) payments for court-ordered judgments including alimony and/or child support.

This is verified by copies of the court order(s) and copies of the canceled checks or receipts showing the amount and date of payment and to whom paid.

- (f) payments for obligations to local, state and federal governments.

This is verified by a copy of a canceled check or receipt showing the amount and date of payment and to whom paid.

- 5) up to \$150,000 of lump sum income from a personal injury settlement that is immediately placed into an irrevocable trust that meets the requirements of 106 CMR 204.125 and is for the benefit of an injured person who is legally incompetent. Distributions from the trust will not be counted if the terms of the trust restrict distributions to those needed to meet the injured person's special needs which result from the injury and such distributions are actually made for such purpose provided, however, that distributions made to the trustee for the reasonable costs of administering the trust will not be counted. Special needs include, but are not limited to, medical care such as rehabilitative therapies, pain management and personal care attendants; education-related expenses, vocational training or rehabilitation; transportation-related needs such as the purchase and/or retrofitting of a van; and special equipment, clothing or services for the disabled. All other distributions will be counted in accordance with Department regulations.

Distributions which would presumptively not be for a person's special needs include vacations, recreational equipment such as swimming pools, extravagant items, and leisure activities.

Verification of an injured person's legal incompetence shall be by:

- (a) a document listed in 106 CMR 203.570(B) verifying that the injured person is under the age of 18 years, or
- (b) a document from the court that appoints a guardian or conservator for the injured person or otherwise declares that the injured person is incompetent.

Verification of the amount and terms of the trust shall be by a copy of the trust document.

Verification that distributions were used to meet special needs shall be by copies of paid bills or receipts showing the amount and date of payment and to whom paid.

- (6) Any portion of lump sum income from a personal injury settlement or award that is placed by court order directly into an irrevocable trust that meets the requirements of 106 CMR 204.125 and is for the benefit of an injured person who is legally incompetent. Distributions from the trust will be counted in accordance with 106 CMR 204.240(B)(5).

Verification(s) shall be in accordance with 106 CMR 204.240(B)(5).

- (7) The first \$600 of lump sum income as specified in 106 CMR 204.240(A)(3) is noncountable income in the month of receipt. Any portion that exceeds the \$600 amount is countable as lump sum income in the month of receipt.

(C) Availability for Needs

Lump sum income, as specified in 106 CMR 204.240(A) above and not excluded in 106 CMR 204.240(B) above, received by a member of the filing unit shall be considered available income to meet the needs of all members of the assistance unit at the time of the receipt of the lump sum income for a specified period of ineligibility in accordance with 106 CMR 204.240(D) below.

(D) Calculation of Period of Ineligibility

- (1) The following calculation is used to determine eligibility or ineligibility due to lump sum income:
 - (a) add the filing unit's earned lump sum income to any other earned income received by the filing unit or deemed to the filing unit and deduct applicable disregards in accordance with 106 CMR 204.270, 204.275 and 204.280. Add the result of this calculation to the filing unit's unearned lump sum income and any other countable unearned income received by the filing unit or deemed to the filing unit.
 - (b) If the total of 106 CMR 204.240(D)(1)(a) above is less than or equal to the appropriate Need Standard for the assistance unit, the assistance unit remains eligible and the income is deducted from the Need Standard.
 - (c) If the total of 106 CMR 204.240(D)(1)(a) above is greater than the appropriate Need Standard for the assistance unit, the assistance unit is ineligible.
- (2) The period of ineligibility is determined as follows:
 - (a) Divide the total income in 106 CMR 204.240(D)(1)(a) above by the appropriate Need Standard for the assistance unit. The result will be the number of months in the period of ineligibility.
 - (b) Any remainder in 106 CMR 204.240(D)(2)(a) above shall be considered unearned income in the first month following the period of ineligibility and is deducted from the appropriate Need Standard for the assistance unit, provided there is a reapplication for assistance during that month.
 - (c) The period of ineligibility begins with the first day of the cyclical month of receipt of the lump sum income. Any assistance received during the ineligibility period shall be considered an overpayment in accordance with 106 CMR 706.200 et seq.

(E) Change in Circumstances

Once a determination of the period of ineligibility is made in accordance with 106 CMR 204.240(D) above, the period of ineligibility remains in effect for all members of the filing unit except in situations resulting in recalculation as specified in 106 CMR 204.240(F) below. Changes in income for members of the filing unit shall not alter the period of ineligibility for any of the members of the ineligible assistance unit.

A new member(s) to the assistance unit during the period of ineligibility, if otherwise eligible, shall receive a grant amount equal to the appropriate Need Standard less any countable deductible income during the remainder of the period of ineligibility.

(F) Situations Resulting in Recalculation

The period of ineligibility cannot be altered or recalculated for any member(s) of the ineligible assistance unit, except in the situations as described below. Recalculation can only be done retroactive to the month in which the event that caused the recalculation occurred. The ineligibility period may only be eliminated or shortened for the remaining months when:

- (1) The Standard of Need is increased or changed for the ineligible assistance unit in accordance with 106 CMR 204.410;
- (2) The lump sum income was used to pay for day-to-day living expenses and obligations in accordance with 106 CMR 204.240(B)(4);

Verification shall be in accordance with 106 CMR 204.240(B)(4).

- (3) As a direct result of a natural disaster, the ineligible assistance unit was required to spend all or a portion of the lump sum income on day-to-day living expenses as specified in 106 CMR 204.240(B)(4), and/or shelter, fuel, utilities, food and/or clothing costs above those amounts paid by the ineligible assistance unit for such costs the month immediately preceding the month in which the disaster occurred; provided, however, that the additional costs shall be limited to the lesser of the actual costs or \$2500.

Verification of the natural disaster shall be a copy of a written report from the fire or police department or the Red Cross .

Verification of the day-to-day living expenses shall be in accordance with 106 CMR 204.240(B)(4).

- (4) As a direct result of a natural disaster, the ineligible assistance unit no longer has access to the lump sum income and is unable to pay for the day-to-day living expenses specified in 106 CMR 204.240(B)(4) and/or shelter, fuel, utilities, food and/or clothing costs equal to or less than those paid by the ineligible assistance unit for the month immediately preceding the month in which the disaster occurred.

Verification of the natural disaster shall be a copy of a written report from the fire or police department or the Red Cross.

Verification of the day-to-day living expenses shall be in accordance with 106 CMR 204.240(B)(4).

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- (5) As a result of an abusive relationship, the ineligible assistance unit was required to spend the lump sum income on day-to-day living expenses as specified in 106 CMR 204.240(B)(4), and/or shelter, fuel, utilities, food and/or clothing; or the assistance unit no longer has access to the lump sum income and is unable to pay for day-to-day living expenses as specified in 106 CMR 204.240(B)(4), and/or shelter, fuel, utilities, food and/or clothing;

Verification of an abusive relationship shall be a copy of court, medical, criminal, child protective services, battered victim's services, or law enforcement records that indicate the parent or absent parent might inflict physical or emotional harm on the child or relative if the ineligible assistance unit attempted to obtain access to the lump sum income.

Verification of the day-to-day living expenses shall be in accordance with 106 CMR 204.240(B)(4).

- (6) The lump sum income was used to pay for food, not to exceed the maximum food stamp coupon allotment for a family of that size, provided the assistance unit is not otherwise eligible for food stamps.

(G) Ineligibility for TAFDC

Any member of the filing unit who is determined to be ineligible for Emergency Aid to the Elderly, Disabled and Children (EAEDC) due to lump sum income shall be concurrently ineligible for TAFDC.

204.250: Noncountable Income

106 CMR 204.250 lists income that shall not be counted in either the test of financial eligibility or the calculation of the grant amount. Additional income that is not countable under certain circumstances but is countable under others is listed in 106 CMR 204.260. The following types of income are never countable:

- (A) All income of any member of the household:
 - (1) who receives Supplemental Security Income (SSI);
 - (2) who receives State Supplement Program (SSP) benefits;
 - (2) for whom state and/or federal foster-care maintenance payments are being provided, including the child of the foster child when the foster-care maintenance payment includes the child; or
 - (3) for whom state and/or federal adoption assistance is provided except when the person is included as a member of the assistance unit in accordance with 106 CMR 204.305(E)(3);
- (B) The first \$600 received as lump sum income as specified in 106 CMR 204.240(A)(3) is noncountable income in the month of receipt;
- (C) The cash value (face amount) of SNAP benefits;
- (D) The cash value of USDA-donated SNAP benefits or surplus commodities;
- (E) Payments under the Nutrition Program for the Elderly (Title VII of the Older Americans Act of 1965);
- (F) The value of assistance received under the Child Nutrition Act of 1966 and the National School Lunch Act;
- (G) Home produce for consumption by members of the filing unit and their families;
- (H) The first \$130 per month of training stipends including, but not limited to payments from the Department of Employment and Training (DET) or the Massachusetts Rehabilitation Commission (MRC). The balance of the stipend is treated as unearned income, which is countable unless specified as noncountable under another provision of 106 CMR 204.250;
- (I) Reimbursement payments for education and/or training-related expenses received from participation in the Employment Services Program (ESP), in JTPA programs, or from other agencies and organizations that are nonduplicative of TAFDC payments and are provided for specific goods or services. Such reimbursement payments include, but are not limited to, transportation allowances, child-care costs, and the costs of books, supplies, or uniforms;
- (J) Any grant or scholarship to a student, the terms of which preclude its use to meet current living costs;
- (K) Any grant or loan to an undergraduate student for educational purposes made or insured under any program administered by the U.S. Secretary of Education;

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- (L) Student financial assistance provided under Title IV of the Higher Education Act of 1965 or under the Bureau of Indian Affairs Education Assistance programs;
- (M) Student financial assistance for attendance costs, such as but not limited to, tuition, fees, equipment or books, under programs developed pursuant to the Perkins Vocational and Applied Technology Education Act;
- (N) Irregular or infrequent income, such as gifts, that cannot be reasonably projected over a period of time and that is less than \$30 per recipient in any quarter;
- (O) Experimental Housing Allowance Program payments made under contracts entered into prior to 1975;
- (P) Payments to, or reimbursement given to volunteers serving as foster grandparents, senior health aides, or senior companions, or serving in the Service Corps of Retired Executives, or in VISTA, or in any other program established under the Domestic Service Act of 1973;
- (Q) The tax-exempt portions of payments made under the Alaska Native Claims Settlement Act;
- (R) Funds distributed to or held in trust for members of any Indian tribe pursuant to a judgment of the Indian Claims Settlements or the Secretary of the Interior;
- (S) Payments to Native Americans under Public Laws 92-254, 93-134, 94-114, 94-540, 96-420, 97-458, 98-64 and 102-71, including interest income from these payments;
- (T) Relocation payments as described in 106 CMR 204.140(A);
- (U) Housing subsidies received under any Massachusetts or Federal housing program including utility allowances paid under such programs;
- (V) A loan verified by a written document, signed by the borrower and lender, that expresses the borrower's intent to repay and the conditions of repayment, the terms of which specify the purpose of the loan and preclude its use to meet current living costs;
- (W) Work study income of undergraduate students under a federally-assisted work study program;
- (X) All earned income of a dependent child under age 14. (For the treatment of the earned income of a dependent child who is age 14 or older, see 106 CMR 204.260 and 204.500.);
- (Y) Foster Parent Payments made by any public or licensed private nonprofit Child Welfare Agency for a child who is not required to be in the filing unit;
- (Z) Supplemental Payments as described in 106 CMR 702.980;

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- (AA) Cash contributions from a non-legally responsible person(s) that:
- (1) are restricted for a specific purpose; and
 - (2) provide for a portion of any of the needs specified in 106 CMR 204.510: Guide for Income-in-Kind or provide for needs not included in 106 CMR 204.510.
- A contribution from a non-legally responsible person(s) that meets the entire cost of one or more of the needs specified in 106 CMR 204.510: Guide for Income-in-Kind is countable income for calculation of the grant amount only and is deducted using the standard values in 106 CMR 204.510;
- (BB) Payments from the Home Energy Assistance Program;
- (CC) Assistance from other social service agencies or organizations that does not duplicate assistance received under TAFDC;
- (DD) TAFDC cash benefits resulting from a correction of an underpayment or a fair hearing decision, in the month of receipt and the following month;
- (EE) Refunds from a utility company, landlord or other vendor that were originally from TAFDC cash benefits, fuel assistance, or other noncountable income funds;
- (FF) Any portion of a Workers' Compensation, property damage, personal injury, Compensation to Victims of Violent Crimes Act, or death settlement or award that is spent for the purpose for which it was originally earmarked and is not compensation for lost wages;
- (GG) Up to the first \$50 in current child support for a child(ren) included in the assistance unit or alimony received on the family's behalf and paid to the family in any month;
- (HH) The first \$90 of income including child support received by or on behalf of the child ineligible for TAFDC due to the Family Cap provision in accordance with 106 CMR 203.300;
- (II) Earned income credits whether received as advance payments of earned income credits or as part or all of an income tax refund;
- (JJ) Payments to eligible individuals of Japanese ancestry or their survivors under the Civil Liberties Act of 1988 and payments to eligible Aleuts (who were former residents of the Aleutian and Pribilof Islands) or their survivors under the Aleutian and Pribilof Islands Restitution Act, Public Law 100-383;
- (KK) Agent Orange Settlement Fund payments made to Vietnam veterans or their survivors, in accordance with Public Law 101-201, effective January 1, 1989;
- (LL) Money received from a loan secured by the equity in the home of an individual who is aged 60 or over (so-called "reverse mortgage");

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- (MM) Payments made under the Radiation Exposure Compensation Act of 1990;
- (NN) Payments credited to an escrow account under the Family Self-Sufficiency Program administered by the Department of Housing and Urban Development
- (OO) Payments made to individuals because of their status as victims of Nazi persecution in accordance with Public Law 103-286; and
- (PP) Youthbuild or Americorps allowances, earnings or payments to individuals participating in those programs.
- (QQ) Veterans Benefits Payments to a female Vietnam veteran made on behalf of a child with birth defects or spina bifida.
- (RR) Summer employment income earned between May 1, 2009, until September 30, 2009, by recipients aged 14-24. Summer employment is defined as temporary seasonal employment with an employment termination date on or before September 30, 2009.
- (SS) Earnings of temporary census employees of the United States Census Bureau for the decennial census.

204.260: Income Test of Eligibility

Financial eligibility with regard to income is determined by two tests at application, eligibility review and when a change in income is reported. The first test is used in all situations and is described below in (A): 185% Test of Financial Eligibility. For filing units whose income does not exceed 185% of the applicable Need Standard for the exempt or nonexempt assistance unit, the second test of financial eligibility is applied according to the provisions of (B) below.

(A) 185% Test of Financial Eligibility

- (1) The total income of the filing unit, excluding:
 - (a) the types of noncountable income listed in 106 CMR 204.250;
 - (b) the wages received from the Full Employment Program as specified in 106 CMR 207.180; and
 - (c) the disregarded income in (2) belowmay not exceed 185% of the applicable Need Standard in any month.
- (2) The disregard of earned income of a dependent child(ren) for a period of six months in a calendar year shall apply to:
 - (a) an applicant or recipient who is a dependent child(ren) and a full-time student; or
 - (b) an applicant or recipient who is a dependent child(ren) but who is not a student or is a part-time student and a part-time or full-time employee receiving earned income as a participant in a Job Training Partnership Act (JTPA) program.
- (3) The six months in a calendar year in which the earned income of a dependent child(ren) shall be disregarded shall commence with the first month in a calendar year in which the dependent child(ren) has earned income.

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- (4) The dependent child(ren), if applicable, may have a six-month disregard in a calendar year of his or her earned income for the following situations:
 - (a) as a full-time student who is receiving earned income as a participant in a JTPA program; or
 - (b) as a full-time student whose earnings are received from non-JTPA employment; or
 - (c) a combination of (4)(b) and (2)(b) above.
- (5) See 106 CMR 204.400: Table of Eligibility Standards - Exempt Assistance Units and 106 CMR 204.405: Table of Eligibility Standards - Nonexempt Assistance Units for the amount to be used in this test. If the filing unit's income is in excess of the appropriate Eligibility Standard, the assistance unit is financially ineligible. If the filing unit's income is equal to or is less than the appropriate Eligibility Standard, the provisions of (B): Second Test of Financial Eligibility are applied.

(B) Second Test of Financial Eligibility

- (1) After applying the test described in (A): 185% Test of Financial Eligibility, a second test of financial eligibility shall be applied. The second test of financial eligibility shall be applied separately to the income of each individual in the assistance unit except for:
 - (a) the support deduction that is applied to the assistance unit;
 - (b) the first \$90 of income received, by or on behalf of a child(ren) ineligible for TAFDC due to the Family Cap provision, in any month (see 106 CMR 203.300);
 - (c) the wages received from the Full Employment Program as specified in 106 CMR 207.180; and
 - (c) the earned income of a dependent child(ren) as specified in (2) below during the six months in a calendar year when the earned income of a dependent child(ren) shall be disregarded in the second test of financial eligibility.
- (2) The disregard of earned income of a dependent child(ren) in the assistance unit in the second test of financial eligibility shall apply:
 - (a) always for a dependent child(ren) who is a recipient and:
 - (i) a full-time student; or
 - (ii) a part-time student who is a part-time employee.

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- (b) for a period of six months in a calendar year for a dependent child(ren) who is:
 - (i) an applicant who is a full-time student and is receiving earned income as a participant in a Job Training Partnership Act (JTPA) program; or
 - (ii) an applicant who is a full-time student and is receiving earnings from non-JTPA employment; or
 - (iii) an applicant or recipient who is not a student or is a part-time student and a full-time employee and is receiving earned income as a participant in a JTPA program.

The disregard of earned income of dependent child(ren) as specified in (a) above applies at the time that the applicant who is a full-time student becomes a recipient.

- (3) The six months in a calendar year for the disregard in the Second Test of Eligibility must be the same six months used in 185% Test of Financial Eligibility in (A) above.
- (4) The dependent child(ren), if applicable, may have a six-month disregard in a calendar year of his or her earned income for the following situations:
 - (a) an applicant and a full-time student who is receiving earned income as a participant in a Job Training Partnership Act (JTPA) program; or
 - (b) an applicant and a full-time student whose earnings are received from non JTPA employment; or
 - (c) a combination of (4)(b) and (2)(b)(iii) above.
- (5) If the individual is exempt (see 106 CMR 203.100) and an applicant who has not received TAFDC within the past four calendar months, (See 106 CMR 204.280), then the Second Test of Financial Eligibility is the following:
 - (a) subtract from gross earned income the types of noncountable earned income specified in 106 CMR 204.250;
 - (b) subtract from each individual's remaining earned income, the work-related-expense deduction (See 106 CMR 204.270) and the dependent-care deduction (See 106 CMR 204.275), as applicable;

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- (6) If the individual is exempt (see 106 CMR 203.100) and a recipient or an applicant who has received TAFDC within the past four calendar months, then the Second Test of Financial Eligibility is the following:
- (a) subtract from gross earned income the types of noncountable earned income specified in 106 CMR 204.250;
 - (b) subtract from each individual's remaining earned income the work-related expense deduction (see 106 CMR 204.270);
 - (c) subtract the \$30 and one-third, if applicable, from the remainder (see 106 CMR 204.280);
 - (d) subtract the dependent care deduction, as applicable (see 106 CMR 204.275).
- (7) If the individual is nonexempt (see 106 CMR 203.100) and an applicant who has not received TAFDC within the past four calendar months, (see 106 CMR 204.285), then the Second Test of Financial Eligibility is the following:
- (a) subtract from gross earned income the types of noncountable earned income specified in 106 CMR 204.250;
 - (b) subtract from each individual's remaining earned income, the work-related-expense deduction (see 106 CMR 204.270) and the dependent-care deduction (see 106 CMR 204.275), as applicable.
- (8) If the individual is nonexempt (see 106 CMR 203.100) and a recipient or applicant who has received TAFDC within the past four calendar months (see 106 CMR 204.285), then the Second Test of Financial Eligibility is the following:
- (a) subtract from gross earned income the types of noncountable earned income specified in 106 CMR 204.250;
 - (b) subtract from each individual's remaining earned income the work-related expense deduction (see 106 CMR 204.270);
 - (c) subtract the \$30 and one-half, if applicable, from the remainder (see 106 CMR 204.285);
 - (d) subtract the dependent care deduction, as applicable (see 106 CMR 204.275).

- (9) Total the remaining earned income plus any unearned income available to the filing unit, which includes deemed income in accordance with 106 CMR 204.235 and/or 106 CMR 204.236, plus the gross income for those members of the filing unit that are excluded from the assistance unit, excluding the types of noncountable unearned income specified in 106 CMR 204.250.

NOTE: Earned income for those individuals required to be in the filing unit but excluded from the assistance unit is considered in accordance with 106 CMR 204.310.

- (10) Subtract the first \$50 of the monthly obligation for current support paid to the filing unit from the total countable income of the filing unit obtained in (9) above.
- (11) Determine the financial eligibility or ineligibility of the assistance unit. If the result is equal to or less than the applicable Need Standard for the exempt or nonexempt assistance unit, the assistance unit is financially eligible. (See 106 CMR 204.410 for exempt assistance units and 106 CMR 204.415 for non-exempt assistance units.) If the result is in excess of the applicable Need Standard for the assistance unit, the assistance unit is financially ineligible.

204.270: Work-Related Expense Deduction

(A) Requirements

An applicant or recipient who is employed is entitled to a \$90 monthly deduction from gross wages in determining eligibility and in determining the amount of the assistance grant.

A person who meets the provisions of 106 CMR 204.210(D), whose income is deemed to the filing unit, is also entitled to a \$90 monthly deduction from gross wages for a work-related expense deduction.

(B) Restrictions

- (1) An applicant or recipient who meets the provisions of 106 CMR 204.280(A) or (B) or 204.285(A) or (B) shall not be eligible for the work-related expense deduction.
- (2) An applicant or recipient who is required to be in the filing unit, but is not included in the assistance unit, shall not be eligible for the work-related expense deduction.

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204.275: Dependent Care Deduction

(A) Requirements

An applicant or recipient who is employed may receive a deduction from income equal to the expenditure for the care of a dependent child, as defined in 106 CMR 701.600, or an incapacitated individual requiring such care or a child ineligible for TAFDC due to the Family Cap provision specified in 106 CMR 203.300.

If the applicant or recipient is eligible for the \$30 and one-third disregard (see 106 CMR 204.280) or the \$30 and one-half disregard (see 106 CMR 204.285), the dependent care deduction shall be made after the \$30 and one-third or \$30 and one-half has been deducted. The dependent child or incapacitated individual must be a member of the assistance unit unless he or she is a child ineligible due to the Family Cap provision specified in 106 CMR 203.300. For an applicant or recipient who is employed full-time, the amount allowed as a deduction shall be the actual cost of dependent care, including the cost of transporting dependents to and from dependent care, but shall not exceed \$175 per dependent child or a child ineligible for TAFDC due to the Family Cap provision, age two or older, or incapacitated individual per month. For a dependent child or a child ineligible for TAFDC due to the Family Cap provision under the age of two, the monthly maximum allowable deduction shall not exceed \$200.

An applicant or recipient who is employed less than full-time may receive a proportionate share of the maximum allowable deduction. For an applicant or recipient employed less than full-time, the following standards shall be used to determine the maximum proportionate share of the maximum deduction, per dependent child, a child ineligible for TAFDC due to the Family Cap provision or incapacitated individual, for which they are eligible. In all situations, the amount allowed for dependent care shall be the actual expenditure for dependent care, including the cost of transporting dependents to and from dependent care, or the maximum allowable deduction, whichever is less.

<u>WEEKLY HOURS</u>	<u>MONTHLY HOURS</u>	<u>MAXIMUM DEDUCTIONS DEPENDENT CHILD</u>	
		<u>TWO OR OVER</u>	<u>UNDER TWO</u>
1 - 10	1 - 43	\$ 44	\$ 50
11 - 20	44 - 87	\$ 88	\$100
21 - 30	88 - 130	\$132	\$150
31 - above	131 - above	\$175	\$200

(B) Restrictions

- (1) An applicant or recipient who meets the applicable provision(s) of 106 CMR 204.280(A) or (B) or 106 CMR 204.285(A) or (B) shall not be eligible for the dependent-care deduction.
- (2) An applicant or recipient who is required to be in the filing unit, but is not included in the assistance unit, shall not be eligible for the dependent-care deduction.
- (3) The dependent-care deduction is not applied to income from a renter, roomer, or boarder.

(C) Verification

The expenses for which the dependent care deduction is claimed shall be verified as follows:

- (1) The only acceptable verifications for dependent care expenses are:
 - (a) a signed and dated statement from the dependent care provider; and/or
 - (b) a canceled check or money order payable to the dependent care provider.

If none of the above documents is available, verification of dependent care expenses shall be a signed and dated statement from the employed individual of the actual cost of dependent care.

- (2) The verification of the cost of transporting dependents to and from dependent care shall be a signed and dated statement from the employed individual of the actual cost of such transportation.
- (3) The incapacity of an individual in the assistance unit other than a dependent child for whom dependent care costs are being claimed must be verified. Incapacity is verified in accordance with 106 CMR 203.530.

204.280: Eligibility for the \$30 and One-Third Disregard

An exempt recipient or an exempt applicant who has received TAFDC within the last four calendar months is eligible to have \$30 and one-third of the remaining gross earned income, after work-related expenses, but before dependent care deductions, disregarded, unless:

- (A) an applicant or recipient reduced his or her income or terminated his or her employment without good cause within the 30 days prior to the month for which the grant amount is calculated or refused a bona fide job offer without good cause in the same period. See 106 CMR 701.380: Good Cause Criteria.
- (B) an applicant or recipient failed without good cause to make a timely report of income received. Good cause for failure to make a timely report shall be limited to demonstrated serious illness on the part of the applicant or recipient, or a dependent child. See 106 CMR 701.420: Responsibility for Notification of Changes for the definition of a timely report.
- (C) an applicant or recipient is employed in the Full Employment Program.

If one or more of the conditions specified in 106 CMR 204.280(A), (B) or (C) exists, the disregard does not apply to the earned income of a member(s) of the exempt assistance unit for the month in which the condition exists.

204.285: Eligibility for the \$30 and One-Half Disregard

A nonexempt recipient or a nonexempt applicant who has received TAFDC within the last four calendar months is eligible to have \$30 and one-half of the remaining gross earned income, after work-related expenses, but before dependent care deductions, disregarded, unless:

- (A) an applicant or recipient reduced his or her income or terminated his or her employment without good cause within the 30 days prior to the month for which the grant amount is calculated or refused a bona fide job offer without good cause in the same period. See 106 CMR 701.380: Good Cause Criteria.
- (B) an applicant or recipient failed without good cause to make a timely report of income received. Good cause for failure to make a timely report shall be limited to demonstrated serious illness on the part of the applicant or recipient, or a dependent child. See 106 CMR 701.420: Responsibility for Notification of Changes for the definition of a timely report.
- (C) an applicant or recipient is employed in the Full Employment Program.

If one or more of the conditions specified in 106 CMR 204.285(A), (B) or (C) exists, the disregard does not apply to the earned income of a member(s) of the nonexempt assistance unit for the month in which the condition exists.

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Earned income from wages shall be verified at application, during monthly reporting (see 106 CMR 702.900 et seq.) and at any time a member of the filing unit reports he or she has commenced employment. Earned income shall be verified by pay stubs, pay envelopes, or a written statement signed by an employer. The verification must show the gross wages (including tips, if applicable) and the number of hours worked when necessary to verify underemployment or dependent care expenses.

- (1) If the employee is paid weekly, the average of the four consecutive weeks' pay received prior to the application date will be multiplied by $4 \frac{1}{3}$ or 4.333 to obtain an average monthly wage. If the filing unit member has worked less than four weeks, any wage information that is available will be used initially, and the figure will be revised if necessary when four consecutive weeks of wage information is available.
- (2) If the employee is paid bi-weekly, an average of the last two consecutive pay periods will be multiplied by $2 \frac{1}{6}$ or 2.167 to obtain a monthly figure. If the employee is paid twice a month, the last two consecutive pay periods will be added to obtain a monthly figure.
- (3) If the employee is paid monthly, the monthly figure will be used.
- (4) If the employee receives a contractual annual salary, the amount to be used is the contractual annual salary divided by 12. Verification of the annual salary should be obtained in the form of a signed copy of the contract or a signed letter stating the annual salary to be received.
- (5) Pay stubs, pay envelopes, or a written statement signed by an employer showing wages paid and the number of hours worked in the year to date may be used to determine an anticipated monthly wage provided the number of weeks' pay represented is shown or can be computed. The average weekly earnings derived are multiplied by $4 \frac{1}{3}$ or 4.333 to obtain a monthly figure.

(B) Verification and Determination of Self-Employment Income

Earned income must be verified. Self-employment income is verified by means of business records and tax returns that show the total amount of income and the total business expenses associated with the gross income earned. The three most current months' records must be used. Business expenses may be verified by records of bank deposits, records of wages paid to employees, and Social Security and other taxes paid on, and withheld from those wages; rent receipts, utility payments receipts, bills of lading, receipts for purchase of stock, and Workers' Compensation payment records.

(C) Unearned Income

Unearned income shall be verified at application, at eligibility review, at the time of a change in income, and during Monthly Reporting if the filing unit is subject to Monthly Reporting due to the receipt of earned income. (See 106 CMR 702.900 et. seq.) Income that is received on other than a monthly basis shall be converted to a monthly amount in accordance with 106 CMR 204.290(A)(1-5).

Unearned income shall be verified by a copy of the benefit payment check, a copy of a benefit or award letter, retirement fund documents, social security benefit statements, a written statement from the agency or person making the payment that indicates the amount and frequency of the payment, or information received by the Department through a computer match from agencies such as the Social Security Administration (SSA) or the Department of Employment and Training (DET) that indicates the current amount and frequency of the payment.

204.300: Membership in the Assistance Unit and Filing Unit

An assistance unit is composed of those persons whose needs are considered in determining eligibility and the amount of the grant, and who are eligible to receive benefits under TAFDC. All persons in the assistance unit must be included in the filing unit.

A filing unit is composed of those persons whose income and assets must be considered in determining the eligibility and amount of the grant for the assistance unit, regardless of whether they are included in the assistance unit.

A household is the total group of persons who live together. The household may include persons who are not in the filing unit. In order for the assistance unit to be eligible for TAFDC, the filing unit may not have:

- (A) assets greater than the asset limitation (106 CMR 204.110); or
- (B) income, including income deemed to it, greater than the allowable limits for income (106 CMR 204.235; 204.236; 204.260).

204.305: Composition of the Assistance Unit

- (A) Whenever an application is made on behalf of a dependent child the following persons must be included in the assistance unit:
 - (1) the dependent child as defined in 106 CMR 701.600;
 - (2) the natural and/or adoptive parent(s) of the dependent child living in the same household as the dependent child; and
 - (3) all siblings of the dependent child who are related by blood or adoption and living in the same household as the dependent child and who are themselves dependent children (see 106 CMR 701.600). Stepbrothers and stepsisters are not required to be in the assistance unit.
- (B) Whenever an application is made on behalf of a dependent child by a grantee who is not the natural or adoptive parent, except for the dependent child in (C) below, this dependent child must be in the same assistance unit as the dependent child in 106 CMR 204.305(A) unless to do so would cause a particular child to become homeless or to endure undue hardship. In this instance the Department may waive this provision.
- (C) Whenever an application is made on behalf of a dependent child living in the same household as his or her teen parent(s) under age 18, as defined in 106 CMR 204.236, and the parent(s) of the teen parent(s) under age 18, the assistance unit must be determined in accordance with 106 CMR 204.320(B). See 106 CMR 204.236 for the determination of financial eligibility for the teen parent under age 18.

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- (D) Whenever an application is made for a pregnant woman, as specified in 106 CMR 203.565, the assistance unit must include the pregnant woman only. See 106 CMR 204.235(C) for the determination of financial eligibility for the pregnant woman.
- (E) Despite the requirements of (A), (B), (C), or (D) certain persons are not to be included in the assistance unit because they are ineligible for TAFDC due to some other provision of the TAFDC regulations. Ineligible persons include, but are not limited to, the following:
- (1) any person who is receiving SSI. However, if the only dependent child(ren) is receiving SSI, the natural or adoptive parent(s) or other relative as defined in 106 CMR 203.585 may constitute an assistance unit;
 - (2) a child for whom state and/or federal foster-care maintenance payments are being provided, including the child of the foster child when the foster-care maintenance payment includes the child. However, if the only dependent child(ren) is receiving state and/or federal foster-care maintenance payments the foster parent, who meets the TAFDC nonfinancial and financial requirements, may constitute an assistance unit. The dependent child(ren) may not be included in the assistance unit.
 - (3) a child for whom state and/or federal adoption assistance is being provided, unless the exclusion from the assistance unit would result in lower TAFDC benefits for the assistance unit. However, if the only dependent child(ren) is receiving adoption assistance, the adoptive parent(s) may constitute an assistance unit provided the adoptive parent(s) meets the TAFDC nonfinancial and financial requirements. The dependent child(ren) may not be included in the assistance unit.
 - (4) members of an ineligible assistance unit as a result of the lump sum income provision;
 - (5) a noncitizen who is categorically ineligible. However, income from an individual who has a legal obligation to support and who lives in the same household as the dependent child(ren) shall be deemed to the assistance unit in accordance with 106 CMR 204.330(B)(1);
 - (6) a noncitizen who appears categorically eligible but in accordance with 106 CMR 203.675 is ineligible because the noncitizen indicated an inability or unwillingness to provide information about or acceptable verification of an eligible noncitizen status or to provide, or apply for, a Social Security Number due to immigration status. However, income from an individual who has a legal obligation to support and who lives in the same household as the dependent child(ren) shall be deemed to the assistance unit in accordance with 106 CMR 204.330(B)(1); and

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- (7) a child(ren) ineligible for TAFDC due to the Family Cap provisions specified in 106 CMR 203.300. However, if the only dependent child(ren) is ineligible for TAFDC due to the Family Cap provisions, the natural or adoptive parent(s) or other relative as defined in 106 CMR 203.585 may constitute an assistance unit.

These persons listed in items (1), (2), (3), (4) (5) and (6) are also excluded from the filing unit. The person(s) listed in item (7) is included in the filing unit.

204.310: Composition of the Filing Unit

The following individuals must be included in the filing unit and their income and assets must be included in determining the assistance unit's eligibility and the amount of the grant.

- (A) All individuals in the assistance unit (106 CMR 204.305: Composition of the Assistance Unit); and
- (B) Those individuals who are required to be included in the assistance unit, but have failed to fulfill an eligibility requirement, or have been sanctioned, or have failed to cooperate. This includes, but is not limited to, the following:
 - (1) an individual sanctioned for failure to comply with CSEU requirements in accordance with 106 CMR 203.700;
 - (2) an individual sanctioned for failure to comply with the Department's employment and training program requirements in accordance with 106 CMR 207.000 et seq.;
 - (3) an individual sanctioned for failure to comply with the Work Program in accordance with 106 CMR 203.400;
 - (4) an individual sanctioned for failure to comply with the immunization requirements as specified in 106 CMR 203.800;
 - (5) an individual sanctioned for failure to comply with the Learnfare requirements as specified in 106 CMR 203.900;
 - (6) an individual who fails to meet the requirement to provide a social security number;
 - (7) an individual sanctioned for failure to cooperate with the Department in identifying and providing information that would assist the Department in pursuing any third-party liability for medical services, in accordance with 106 CMR 203.785;
 - (8) a teen parent sanctioned for the first instance of noncompliance with the school attendance requirements specified in 106 CMR 203.610;
 - (9) an individual sanctioned for a court conviction for fraud as specified in 106 CMR 706.305;

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- (10) an individual ineligible for TAFDC due to fleeing to avoid prosecution, custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime or an attempt to commit a crime on or after 9/26/96 which is a felony under the laws of the place from which the individual flees, or which, in the state of New Jersey is a high misdemeanor as specified in 106 CMR 701.110 (B)(1);
- (11) an individual ineligible for TAFDC due to violating a condition of probation or parole imposed on or after 9/26/96 under federal or state law as specified in 106 CMR 701.110 (B)(2); and
- (12) an individual ineligible for TAFDC because he or she has an outstanding default or arrest warrant against him or her issued by any court of the Commonwealth of Massachusetts as specified in 106 CMR 701.110 (C); and
- (13) an individual sanctioned for failure to cooperate with the direct deposit requirement as specified in 106 CMR 706.410.

An individual specified in 106 CMR 204.310(B) who is required to be in the filing unit but not in the assistance unit is not entitled to the work-related expense deduction, the dependent care deduction and/or the \$30 and one-third or \$30 and one-half disregard of earned income. The full amount of his or her income is considered available to the assistance unit and no deductions are allowed for his or her needs.

- (C) An individual ineligible for TAFDC due to conviction under federal or state law of a felony which includes the possession, use or distribution of a controlled substance for conduct that occurred after 8/22/96 as specified in 106 CMR 701.110 (D). These individuals are entitled to the work-related expense deduction, the dependent care deduction and/or the \$30 and one-third or \$30 and one-half disregard of earned income.
- (D) A child(ren) ineligible for TAFDC due to the Family Cap provisions as specified in 106 CMR 203.300.

204.315: Failure to Cooperate

- (A) If the financial eligibility of the assistance unit cannot be determined because of the failure or refusal of any member of the filing unit to provide information and/or verification, the entire assistance unit is ineligible and assistance shall be denied or terminated.
- (B) If any person required to be in the filing unit fails to meet a nonfinancial eligibility requirement but financial eligibility for the assistance unit can be determined, eligibility and the amount of the grant for the assistance unit shall be determined by including that person's income and assets but excluding his or her needs.

204.320: Optional Membership in an Assistance Unit

A person may only be an eligible member of one assistance unit. The following persons may, at their option, be included in an assistance unit, if otherwise eligible:

- (A) a grantee who is not the natural or adoptive parent of the dependent child, provided the grantee is related to the dependent child as provided in 106 CMR 203.585;
- (B) a minor parent, living with his or her dependent child and with his or her parent(s). He or she may either:
 - (1) have his or her own assistance unit with his or her child; or
 - (2) be included with his or her dependent child in the assistance unit of the parent(s) with whom he or she lives.

However, the minor parent must be included in the assistance unit of the parent(s) with whom he or she lives if that parent's assistance unit includes a dependent child who is a blood-related or adoptive sibling or half sibling of the minor parent.

The applicant or recipient must be informed of the advantages and disadvantages of being included in the assistance unit, where an option exists. Although inclusion in the assistance unit confers automatic eligibility for MassHealth, the income and assets of any individual who chooses to be included in the assistance unit must be considered in determining the eligibility and the amount of the grant.

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Trans. by S.L. 1299

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204.325: Eligibility of the Spouse of the Grantee

A spouse of the grantee may be included in the assistance unit only when he or she is the natural or adoptive parent of the dependent child(ren).

204.330 Circumstances Governed by Legal Support Obligations

(A) Circumstances in which legal obligations or rights to support exist include the following:

(1) Natural or Adoptive Parents

- (a) Natural or adoptive parents have a legal obligation to support their children.
- (b) If a natural or adoptive parent(s) of the child is living in the same household as the dependent child, his or her income and assets must be considered in determining the eligibility of the dependent child even if the parent is not eligible to be included in the assistance unit or required to be in the filing unit.

(2) Spouses

Spouses have a legal obligation to support their spouses and at the same time have a right to receive support from them.

- (a) If the spouse of a grantee is living in the same household, his or her income and assets must be considered in determining the eligibility of the grantee; or
- (b) If the spouse of a grantee living in the same household is a stepparent, see 106 CMR 204.235 to determine the amount of the stepparent's income that is deemed available to the assistance unit. If the spouse is a stepparent, his or her assets are not considered in determining the eligibility of the grantee and dependent child(ren) unless the assets are owned jointly in accordance with 106 CMR 204.120 and 204.130.

(B) Income, excluding the types of noncountable income listed in 106 CMR 204.250, of those persons who have a legal obligation to support and who live in the same household as the dependent child shall be treated according to the following.

- (1) Persons who are not required to be in the filing unit and are not applying for or receiving TAFDC for themselves shall have their income deemed available to the filing unit in accordance with 106 CMR 204.235.
- (2) Persons who are required to be in the filing unit but are excluded from the assistance unit because they failed to cooperate and/or have been sanctioned in accordance with 106 CMR 203.400, 203.610, 203.700, 203.770, 203.800, 706.305, 706.410 or 207.200 shall have their income made available to the filing unit in accordance with 106 CMR 204.310.

204.400: Table of Eligibility Standards - Exempt Assistance Units

The figures in the Eligibility Standards columns are used in the 185% test of financial eligibility (see 106 CMR 204.260(A)) for exempt assistance units. If in any month the total gross income of the filing unit, excluding only the types of noncountable income listed in 106 CMR 204.250, is above the appropriate Eligibility Standard for the exempt assistance unit, the assistance unit is ineligible. Column A is used for assistance units that are not eligible for the Rent Allowance, and Column B is used for assistance units that are eligible for the Rent Allowance (see 106 CMR 705.910).

<u>Assistance Unit Size</u>	A. <u>Eligibility Standards No Rent Allowance</u>	B. <u>Eligibility Standards With Rent Allowance</u>
1	\$717.80	\$791.80
2	908.35	982.35
3	1,097.05	1,171.05
4	1,278.35	1,352.35
5	1,465.20	1,539.20
6	1,657.60	1,731.60
7	1,844.45	1,918.45
8	2,029.45	2,103.45
9	2,214.45	2,288.45
10	2,401.30	2,475.30
Incremental	194.25	194.25

In the event a clothing allowance or other one-time nonrecurring payment is authorized in the General Appropriations Act which temporarily increases the Eligibility Standards, the revised Eligibility Standards will be specified at Mass.gov/dta at Program Eligibility Charts and Tables during the effected time period. Paper copies are available upon request.

204.405: Table of Eligibility Standards - Nonexempt Assistance Units

The figures in the Eligibility Standards columns are used in the 185% test of financial eligibility (see 106 CMR 204.260(A)) for nonexempt assistance units. If in any month the total gross income of the filing unit, excluding only the types of noncountable income listed in 106 CMR 204.250, is above the appropriate Eligibility Standard for the nonexempt assistance unit, the assistance unit is ineligible. Column A is used for assistance units that are not eligible for the Rent Allowance, and Column B is used for assistance units that are eligible for the Rent Allowance (see 106 CMR 705.910).

<u>Assistance Unit Size</u>	<u>A. Eligibility Standard No Rent Allowance</u>	<u>B. Eligibility Standard With Rent Allowance</u>
1	\$699.30	\$773.30
2	884.30	958.30
3	1,069.30	1,143.30
4	1,245.05	1,319.05
5	1,428.20	1,502.20
6	1,613.20	1,687.20
7	1,796.35	1,870.35
8	1,973.95	2,047.95
9	2,155.25	2,229.25
10	2,336.55	2,410.55
Incremental	190.55	190.55

In the event a clothing allowance or other one-time nonrecurring payment is authorized in the General Appropriations Act which temporarily increases the Eligibility Standards, the revised Eligibility Standards will be specified at Mass.gov/dta at Program Eligibility Charts and Tables during the effected time period. Paper copies are available upon request.

106 CMR: Department of Transitional Assistance

Trans. by S.L. 1357

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204.410: Table of Need Standards - Exempt Assistance Units

The figures in the Need Standards columns are used in the test of financial eligibility. Column A is used for exempt assistance units that are not eligible for the Rent Allowance, and Column B is used for exempt assistance units that are eligible for the Rent Allowance (see 106 CMR 705.910). If the countable monthly income of the filing unit is at or below the appropriate Need Standard for the exempt assistance unit, the assistance unit is financially eligible. The monthly grant is the difference between the appropriate Need Standard and countable income after appropriate disregards have been applied so long as the difference does not exceed the appropriate Payment Standard (see 106 CMR 204.420). If the difference between the appropriate Need Standard and countable income exceeds the appropriate Payment Standard, the monthly grant shall equal the Payment Standard.

<u>Assistance Unit Size</u>	A. <u>Need Standards No Rent Allowance</u>	B. <u>Need Standards With Rent Allowance</u>
1	\$388.00	\$428.00
2	491.00	531.00
3	593.00	633.00
4	691.00	731.00
5	792.00	832.00
6	896.00	936.00
7	997.00	1,037.00
8	1,097.00	1,137.00
9	1,197.00	1,237.00
10	1,298.00	1,338.00
Incremental	105.00	105.00

In the event a clothing allowance or other one-time nonrecurring payment is authorized in the General Appropriations Act which temporarily increases the Need Standards, the revised Need Standards will be specified at Mass.gov/dta at Program Eligibility Charts and Tables during the effected time period. Paper copies are available upon request.

204.415: Table of Need Standards - Nonexempt Assistance Units

The figures in the Need Standards columns are used in the test of financial eligibility. Column A is used for nonexempt assistance units that are not eligible for the Rent Allowance, and Column B is used for nonexempt assistance units that are eligible for the Rent Allowance (see 106 CMR 705.910). If the countable monthly income of the filing unit is at or below the appropriate Need Standard for the nonexempt assistance unit, the assistance unit is financially eligible. The monthly grant is the difference between the appropriate Need Standard and countable income after appropriate disregards have been applied so long as the difference does not exceed the appropriate Payment Standard (see 106 CMR 204.425). If the difference between the appropriate Need Standard and countable income exceeds the appropriate Payment Standard, the monthly grant shall equal the Payment Standard.

<u>Assistance Unit Size</u>	<u>A. Need Standard No Rent Allowance</u>	<u>B. Need Standard With Rent Allowance</u>
1	\$378.00	\$418.00
2	478.00	518.00
3	578.00	618.00
4	673.00	713.00
5	772.00	812.00
6	872.00	912.00
7	971.00	1,011.00
8	1,067.00	1,107.00
9	1,165.00	1,205.00
10	1,263.00	1,303.00
Incremental	103.00	103.00

In the event a clothing allowance or other one-time nonrecurring payment is authorized in the General Appropriations Act which temporarily increases the Need Standards, the revised Need Standards will be specified at Mass.gov/dta at Program Eligibility Charts and Tables during the effected time period. Paper copies are available upon request.

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204.420: Table of Payment Standards - Exempt Assistance Units

The figures in the Payment Standards columns are the maximum amounts that an exempt assistance unit may receive as a monthly grant. Column A is used for exempt assistance units that are not eligible for the Rent Allowance, and Column B is used for exempt assistance units that are eligible for the Rent Allowance. (See 106 CMR 705.910.)

<u>Assistance Unit Size</u>	<u>A. Payment Standards: No Rent Allowance</u>	<u>B. Payment Standards: With Rent Allowance</u>
1	\$388.00	\$428.00
2	491.00	531.00
3	593.00	633.00
4	691.00	731.00
5	792.00	832.00
6	896.00	936.00
7	997.00	1,037.00
8	1,097.00	1,137.00
9	1,197.00	1,237.00
10	1,298.00	1,338.00
Incremental	105.00	105.00

In the event a clothing allowance or other one-time nonrecurring payment is authorized in the General Appropriations Act which temporarily increases the Payment Standards, the revised Payment Standards will be specified at Mass.gov/dta at Program Eligibility Charts and Tables during the effected time period. Paper copies are available upon request.

204.425: Table of Payment Standards - Nonexempt Assistance Units

The figures in the Payment Standards columns are the maximum amounts that a nonexempt assistance unit may receive as a monthly grant. Column A is used for nonexempt assistance units that are not eligible for the Rent Allowance, and Column B is used for nonexempt assistance units that are eligible for the Rent Allowance. (See 106 CMR 705.910.)

<u>Assistance Unit Size</u>	<u>A. Payment Standards: No Rent Allowance</u>	<u>B. Payment Standards: With Rent Allowance</u>
1	\$378.00	\$418.00
2	478.00	518.00
3	578.00	618.00
4	673.00	713.00
5	772.00	812.00
6	872.00	912.00
7	971.00	1,011.00
8	1,067.00	1,107.00
9	1,165.00	1,205.00
10	1,263.00	1,303.00
Incremental	103.00	103.00

In the event a clothing allowance or other one-time nonrecurring payment is authorized in the General Appropriations Act which temporarily increases the Payment Standards, the revised Payment Standards will be specified at Mass.gov/dta at Program Eligibility Charts and Tables during the effected time period. Paper copies are available upon request.

204.500: Calculation of the Grant Amount

The grant amount is calculated as follows:

- Step 1: Identify the earned income of each member of the filing unit, excluding any earned income specified in 106 CMR 204.250: Noncountable Income and: (1) the income from the Full Employment Program as specified in 106 CMR 207.180; (2) the earned income of a dependent child(ren) who is a full-time student or a part-time student who is a part-time employee or (3) the earned income of a dependent child(ren) who is not a student or is a part-time student and a full-time employee and is a participant in a Job Training Partnership Act (JTPA) program during the same six months in a calendar year used in the 185% Test of Financial Eligibility (see 106 CMR 204.260(A)).
- Step 2: Subtract sequentially from the remaining gross earnings of each member of the assistance unit an amount of income equal to: (a) the work-related expense deduction (see 106 CMR 204.270: Work-Related Expense Deduction); and (b) if appropriate, from the remaining income of each member of the exempt assistance unit, \$30 and one-third of the remainder (see 106 CMR 204.280: Eligibility for the \$30 and One-Third Disregard) or from the remaining income of each member of the nonexempt assistance unit, \$30 and one-half of the remainder (see 106 CMR 204.285: Eligibility for the \$30 and One-Half Disregard)
- Step 3: Subtract the appropriate dependent-care deduction (see 106 CMR 204.275: Dependent Care Deduction).
- Step 4: Total the countable earned income of all members of the filing unit.
- Step 5: Total all unearned and other income not excluded under 106 CMR 204.250: Noncountable Income. This total includes deemed income in accordance with 106 CMR 204.235 plus the gross income for those members of the filing unit that are excluded from the assistance unit.
- Step 6: Add the results of Step 4 and Step 5.
- Step 7: Subtract the result of Step 6 from the applicable Need Standard (see 106 CMR 204.410 and 204.415) for the number of persons in the assistance unit. Round this amount down to the next lower whole dollar. The result, if \$10 or greater, but less than the applicable Payment Standard (see 106 CMR 204.420 and 204.425), is the amount to be paid monthly. If the result is less than or equal to the applicable Need Standard but greater than the applicable Payment Standard, the amount to be paid monthly shall equal the applicable Payment Standard. If the result is zero or greater but less than \$10, the assistance unit is considered to be receiving assistance but will not receive a monthly grant. If the result is less than zero, the assistance unit is financially ineligible.
- Step 8: Multiply the grant amount by a percentage determined by the Department.

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204.510: Guide for Income-in-Kind

The following table provides the amounts for specific items in the Payment Standard. These amounts are to be used to determine:

- (A) The amount to be authorized as vendor payments to meet the immediate needs of applicants in accordance with 106 CMR 702.125(F): Immediate Needs and
- (B) The value of shelter (rent, mortgage, fuel, utilities) and/or food provided at no cost to an applicant or recipient. This also applies to a family in a temporary emergency shelter.

RENT OR MORTGAGE	Unheated Facility	\$102.00 per month
	Heated Facility	126.30 per month
FUEL		27.90 per month
UTILITIES		18.60 per month
FOOD (Individual)		41.80 per month