

CALFRESH (CF) PROGRAM REQUEST FOR POLICY/REGULATION INTERPRETATION

INSTRUCTIONS: Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. If additional space is needed, please use the second page. Be sure to identify the additional discussion with the appropriate number and heading. Retain a copy of the CF 24 for your records.

- Questions from counties, including county Quality Control, must be submitted by the county CalFresh Coordinator and may be submitted directly to the CalFresh Policy analyst assigned responsibility for the county, with a copy directed to the appropriate CalFresh Policy unit manager.
- Questions from Administrative Law Judges may be submitted directly to the CalFresh Policy analyst assigned responsibility to the county where the hearing took place, with a copy of the form directed to the appropriate CalFresh Bureau unit manager.

1. RESPONSE NEEDED DUE TO: <input checked="" type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input type="checkbox"/> Fair Hearing <input type="checkbox"/> Other:		5. DATE OF REQUEST: 5/7/2013	NEED RESPONSE BY: 5/21/2013
2. REQUESTOR NAME: Shaydra Ennis		6. COUNTY/ORGANIZATION: Sonoma County Human Services Department	
3. PHONE NO.: 707-565-2524		7. SUBJECT: Child Support Arrearages	
4. REGULATION CITE(S): MPP 63-224.15, MPP 63-224.8, MPP 63-502.2(p)		8. REFERENCES: (Include ACL/ACIN, court cases, etc. in references) NOTE: All requests must have a regulation cite(s) and/or a reference(s). ACIN I-05-08, ACIN I-01-06, ACIN I-34-04	
9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):			

SCENARIO:

A household is receiving \$100 per month in child support and begins receiving an additional \$50 per month in child support arrearage (\$150 total). If the arrears is included as unearned income to the household, this increases the household's countable income and can negatively impact the household by decreasing their CalFresh benefits.

QUESTION:

How is income counted regarding court-ordered child support arrearages when it is received by the household, not paid?

10. REQUESTOR'S PROPOSED ANSWER:

Child support arrears should be treated as a reimbursement, and therefore excluded as income towards the household receiving it. (MPP 63-224.8: Reimbursement for past or future expenses, to the extent it does not exceed actual expenses and does not represent a gain or benefit to the CalFresh household, is excluded from household income.) Since the parent receiving the arrears has already spent the money on past expenses for the child that they are now being reimbursed for, the money does not exceed actual expenses and does not represent a gain/benefit to the household receiving the arrears.

As legally obligated arrears payments to a non-household member shall be treated as an "income exclusion" and in effect, potentially increase a client's CalFresh benefits, the household that is receiving arrears should not be negatively impacted by including arrears as unearned income and therefore potentially decreasing CalFresh benefits to the household.

11. STATE POLICY RESPONSE (CFPB USE ONLY):

STATE'S ANSWER 1: The child support payment (\$100) that is legally obligated to be paid and is received by a CalFresh household member is considered unearned income. The legally obligated arrearages of \$50 that is received by a CalFresh household member is considered to be excluded from unearned income because that arrearages is a reimbursement for past expenses.

STATE'S ANSWER 2: The child support payment (\$100) and arrearages (\$50) that is legally obligated to be paid by a CalFresh household member by an individual who is legally obligated to make the child support payment, must be counted in its entirety, and is treated as an exclusion from the gross income. (ACL 07-31 and ACIN I-05-08, 7 CFR 273.9(d)(5)). The policy released in ACL 06-31 regarding legally obligated child support payments was incorrect.

FOR CDSS USE

DATE RECEIVED: May 2013	DATE RESPONDED TO COUNTY/ALJ: July 15, 2013
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**CALFRESH (CF) PROGRAM
REQUEST FOR POLICY/REGULATION INTERPRETATION (Continued)**

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Per ACIN I-05-08: The scenario seems to be regarding arrears paid, but the question and answer are not clear on if it is addressing arrears paid towards the household or received by the household.

PAID CHILD SUPPORT ARREARAGES

SCENARIO:

A father is ordered to pay \$100 per month child support and gets behind in his payments and now owes \$50 in arrearage (\$150 total).

QUESTION:

Are Child Support arrearages paid to the household excluded as income?

ANSWER:

Per MPP 63-502.2(p)(6), if the payment of the arrearage is also court ordered, the arrearage payment is excluded from gross income. 7 CFR 273.9(d)(5) (prior to the 2002 Farm Bill) specifically allowed deductions from income for paid child support arrearages. Since the deduction is now an exclusion from gross income due to implementation of 2002 Farm Bill simplification options in November 2006, the arrearage policy still applies, if the arrearage is court ordered.

63-224.15

Legally Obligated Child Support Payments A. DEFINITION

Legally obligated child support payments to a non-household member shall be treated as "income exclusion."

The child support exclusion is the monthly amount of child support a CalFresh household member is legally obligated to pay, and actually pays, to an individual living outside of the household.

- Amounts paid toward arrearages will be also excluded.