

DEPARTMENT OF HEALTH SERVICES

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March 12, 1982

To: All County Welfare Directors

Letter No. 82-12

MEDI-CAL PROGRAM CHANGES RESULTING FROM THE AID TO FAMILY WITH DEPENDENT CHILDREN (AFDC) PROGRAM OMNIBUS RECONCILIATION ACT CHANGES

Attached is a copy of the regulations which will be filed on an emergency basis with an effective date of April 2, 1982. A brief description of each change along with instructions for implementation appears below.

A. DescriptionAFDC-Medically Needy/Medically Indigent (MN/MI) Earned Income Deductions Replacing Mandatory Deductions and Work Related Expenses

These changes specify that the following are the maximum amounts to be deducted from the gross earnings of an AFDC-MN or MI person:

1. For persons employed full time:
 - a. \$75.00 for mandatory deductions and work related expenses.
 - b. \$160.00 per person for child care or care provided to an incapacitated adult.
2. For persons employed part time:
 - a. \$50.00 for mandatory deductions and work related expenses.
 - b. \$100.00 per person for child care or care provided to an incapacitated adult.

Treatment of Stepparent Income

These changes specify that all of the stepparent's income less any support payments, the standard work deduction, and an amount equal to the stepparent unit's maintenance needs be deemed available for the support of the Medi-Cal Family Budget Unit (MFBU) containing the parent's children.

Applicability of the \$30 Plus 1/3 Earned Income Disregard

Current Medi-Cal regulations provide that \$30 plus 1/3 of the remainder of an AFDC-MN or MI person's gross earnings are disregarded if the person was in receipt of an AFDC cash payment in 1 of the 4 immediately preceding months.

These changes specify that the subject disregard is applicable only if the person has not received the disregard for 4 consecutive months over the previous 12-month period and specify that the disregard be applied to earnings remaining after the amounts for work related expenses and child care have been deducted.

Repeal of Aid Code 38

Current Medi-Cal regulations provide for a special eligibility category for children who would be eligible for AFDC cash except for the fact that they are not in school or training.

These changes repeal that special eligibility category. Persons formerly eligible under this category will now be eligible as MN persons.

Unemployed Parent as Primary Wage Earner Not Participating in a Strike

These changes specify that the unemployed parent must be the primary wage earner in order for families to qualify for the AFDC-MN program due to unemployed parent deprivation. Other families will now qualify for Medi-Cal under the MI program. Additionally, the reason for unemployment cannot be due to participation in a labor dispute.

B. Implementation

After consideration of all of the factors involved: (1) County administrative costs/disruptions associated with implementation of Assembly Bill 251 activities as well as this additional activity; (2) program savings which will result from these changes; and (3) impact of a phased-in implementation on the federal quality control error rate, the following decision was made.

Intake

All of these provisions must be applied to April month of eligibility for all actions taken on or after April 2, 1982. For actions taken before April 2, the provisions should be applied effective with May month of eligibility.

Continuing Cases

1. AFDC-MN/MI Standard Income Deductions, \$30 Plus 1/3 and Treatment of Stepparent Income.

All impacted cases must be converted effective May 1, 1982. This means that the Notice of Action must be sent no later than April 20, 1982.

No exception can be made to this effective date because the estimated program savings for those changes (\$1.5 million per month) is due exclusively to these provisions. Additionally, federal quality control staff has advised us that a phased-in approach to implementation of program changes is no longer acceptable. Thus, every case which has not been converted by May 1982 will be considered in error for purposes of determining our federal quality control error rate.

Most of these impacted cases should be easily identified if you have been flagging earned income cases in accordance with All County Welfare Directors Letter No. 81-46.

2. Deletion of Aid Code 38 and Change in U-Parent Requirements.

The new requirements should be applied no later than the next annual redetermination of impacted cases.

C. County Administrative Costs

Funding of administrative costs associated with regulations causing an increase in Medi-Cal Only cases will be provided through year-end caseload growth allocation adjustments. Funding of costs associated with procedural changes, i.e., changes which increase the amount of time spent on existing cases, is contingent on availability of funds and individual county need. The Department intends to estimate the fiscal impact of these regulations for inclusion in the May estimate and a deficiency bill. Should these additional funds be available through either a deficiency appropriation or a budget surplus, special consideration will be given to counties whose costs increased as a result of these regulations and contributed to a county deficit.

D. Budget Worksheets

Until such time as the MC 176M and W can be revised to incorporate these changes, enter the \$75 or \$50 deduction on the Mandatory Deduction line of the MC 176M. Enter child care or care of incapacitated person expenses on the Work Related Expense line of the MC 176M.

For stepparent cases, first complete Part V, Section A of the MC 176W to determine whether the entire family must be included in the MFBU. Once an excluded stepparent unit has been established, complete a second MC 176W, Part V, Section A to determine the income deemed available. Enter the standard work expense deduction on the Mandatory Deductions Line. Enter any applicable deductions for the support persons outside the home in the Court Ordered Child Support line. Label this computation "Income to the MFBU".

March 12, 1982

E. Notice of Action

Since these changes are the result of a federal law change (Public Law (PL) 97-35), persons adversely impacted are not entitled to a state hearing unless they disagree with the method of calculation of the share of cost. Following is an example of the explanation that should be included on the notice.

Earned Income Deduction Change

Your share of cost has changed from \$0 to \$100 per month/quarter effective May 1, 1982 because: a recent federal law change (PL 97-35) requires that standard amounts be deducted from your gross earnings instead of the actual costs of your mandatory deductions and work related expenses. Since this action is due to a change in law, you are not entitled to a state hearing unless you feel we did not correctly apply the law change in your case.

If you have any questions, contact your Medi-Cal program consultant.

Original signed by

Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: September 30, 1982

50215-1

50215. Deprivation - Unemployed Parent. (a) Deprivation of parental support or care exists if a parent with whom the child lives is any of the following as limited by (b), ~~and~~ (c) ~~and~~ (d):

(1) Not working.

(2) Working less than 100 hours a month.

(3) Employed on an intermittent basis more than 100 hours per month and the hours in excess of 100 hours are of a temporary nature. Temporary nature is shown if the parent was under the 100 hour standard for the two prior calendar months and is expected to be under the standard during the next month.

(4) Unemployed and has been accepted for or is participating in an education or training program essential to future self-support which is all of the following:

(A) Directed toward a specific occupation and will qualify the unemployed person for an occupation in demand in the local area.

(B) A program which will be completed by the unemployed person within a maximum of two years.

(C) Not a program which involves post baccalaureate work.

(b) For deprivation due to unemployment to exist, the unemployed parent must meet all of the following conditions:

(1) Is the principal wage earner as determined in accordance with (c).

(2) ~~(1)~~ Has not been employed, or has worked less than 100 hours, in the last 30 days.

(3) ~~(2)~~ Is available for and actively seeking employment.

(4) ~~(3)~~ Has not, without good cause, within the last 30 days either:

(A) Quit a job or employment related training.

(B) Refused a bona fide offer of employment or employment related training.

(5) ~~(4)~~ Possesses, or has applied for, a Social Security number.

(6) ~~(5)~~ Has not refused to apply for and accept any unemployment insurance benefits (UIB) to which he is entitled.

50215 - 2

(17) ~~(16)~~ Has established a connection with the labor force in either of the following ways:

(A) By meeting either of the following requirements in 6 calendar quarters within any 13 calendar quarter period ending within the year prior to the month of application for Medi-Cal:

1. Earned a gross income of at least \$50 during the quarter.

2. Participated for at least five days during the quarter in any one of the following:

a. A former Community Work-Training Project.

b. An Employment Opportunity Act Title V Project.

c. An Employment Training Services (ETS) Project.

d. An activity administered under the Work Incentive (WIN) program.

e. Any other WIN-equivalent activity administered under the Manpower Development and Training Act, or other work programs.

(B) By having received, or having been eligible to receive, UIB within the year prior to the month of application. A person is eligible to receive UIB if either of the following conditions is met:

1. The person would have been eligible to receive unemployment compensation upon filing an application.

2. The person performed work not covered by Unemployment Compensation Law, and the coverage of such work, if combined with any covered work would create eligibility to receive unemployment compensation upon filing an application.

(8) Is not unemployed by reason of conduct or circumstances which result in disqualification for UIB.

(9) Is not unemployed throughout the month as a result of participation in a labor dispute.

50215-3

(c) The principal wage earner is the parent who has earned the greater amount of income in the 24 month period immediately preceding the month of application.

(d) ~~(e)~~ The following persons shall be linked to AFDC on the basis of this deprivation factor:

- (1) The children of the unemployed parent.
- (2) The unemployed parent.
- (3) The second parent of the children whose basis of deprivation is unemployed parent.

Note: Authority cited: Sections 10725 and 1424.5, Welfare and Institutions Code.

Reference: Sections 14005.7 and 14051, Welfare and Institutions Code.

Date September 18, 1967

50216

50216. Good Cause — Refusal of Employment. (a) Good cause for refusal of employment or training or for quitting a job or training as required in Section 50215 (c), shall be found if the applicant or beneficiary refuses or quits for any of the following reasons:

(1) The offer of employment was from an employer who did not:

(A) Possess an appropriate license to engage in business.

(B) Withhold or hold in trust the employee contributions required by Part 2 of Division 1 of the Unemployment Insurance Code, Section 2601 et. seq., for unemployment compensation disability benefits and does not transmit all such employee contributions to the Department of Benefit Payments as required by Section 986 of the Unemployment Insurance Code.

(C) Carry either worker's compensation insurance or possess a certificate of self-insurance as required by Division 4 of the Labor Code, Section 3201 et. seq.

(2) The employment or training violated applicable health and safety laws and regulations.

(3) The wage offered for the employment or training was less than the applicable state or federal minimum wage or was lower than the customary wage in the community for that particular employment or training as set by the Employment Development Department, whichever is higher.

~~(4)~~ The acceptance of employment would preclude completion of a job training or educational program approved by the State or county.

~~(5)~~ The training or job was available due directly to a bona-fide strike or lockout.

~~(5)~~ ~~(6)~~ The employment or training was in excess of the individual's mental or physical capacity.

~~(6)~~ ~~(7)~~ The individual was ill or required to care for an ill member of the immediate family and no other care arrangements were feasible.

~~(7)~~ ~~(8)~~ Child care arrangements could not be made.

~~(8)~~ ~~(9)~~ The individual was without a means of getting to or from the place of employment or training.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code
Reference: Sections 14005.7 and 14051, Welfare and Institutions Code.

50237. Other Public Assistance Program. (a) The Other Public Assistance Program consists of Medi-Cal beneficiaries defined in Sections 502413 through 50247. Except as specified in Sections 502413 through 50247, individuals applying for Medi-Cal under any of the Other Public Assistance Program categories shall meet all of the requirements of AFDC or SSI/SSP.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code,
Reference: Sections 14005.1, 14005.7 and 14050.1, Welfare and Institutions Code.

50241

~~50241. Children Not in School or Training.~~

~~(a) The Children Not in School or Training category includes children under the age of 21 who are not eligible for AFDC solely because they are not attending school or participating in a training program.~~

~~(b) This category also includes the parents or caretaker relatives of the children specified in (a) if the parents or caretaker relatives are ineligible for AFDC solely because the children are not eligible for AFDC as specified in (a).~~

~~(c) Eligibility under this category is determined as follows:~~

~~(1) If the family of the ineligible children continues to receive AFDC:~~

~~(A) Add the income of the children to the family's income and determine the net nonexempt income in accordance with AFDC regulations.~~

~~(B) Determine the MBSAC for the family with the children included.~~

~~(C) If (A) is less than (B), the children are eligible under this category.~~

~~(2) If the children and their parents or caretaker relatives are all ineligible for AFDC because of the reasons stated in (a) and (b):~~

~~(A) Use AFDC regulations to determine the net nonexempt income of the children and their parents or caretaker relatives who would otherwise be eligible for AFDC.~~

~~(B) Determine the MBSAC for the persons specified in (A).~~

~~(C) If (A) is less than (B), the children and their parents or caretaker relatives are eligible under this category.~~

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code

Reference: Sections 14005.1, 14005.7 and 14050.1, Welfare and Institutions Code.

50547

50547. Educational Expenses. (a) Documented educational expenses for college or similar training courses which are incurred by a beneficiary shall be deducted either from any income received for educational purposes, as defined in (b), or any loan received for educational purposes, which is considered as property in accordance with Section 50483 (b). Such educational expenses shall be apportioned over the period of time they are intended to cover to determine the monthly deduction. Documented expenses incurred by the beneficiary include any of the following items or services necessary for school attendance:

- (1) Tuition.
- (2) Books.
- (3) Fees.
- (4) Equipment and supplies.
- (5) Special clothing needs.

~~(6) Transportation to and from school, the cost of which shall be determined in accordance with Section 50553-3 (a) (7).~~

(6) ~~(7)~~ Child care services.

(b) Income for educational purposes includes, but is not limited to:

(1) Exempt student loans, grants or fellowships, as identified in Section 50533.

(2) Nonexempt student loans, grants or fellowships which do not require repayment.

(3) Social Security and Veteran's Administration payments to a child attending school which are based on a deceased or disabled parent's entitlement.

(4) Veterans Educational Assistance program payments (GI Bill).

(c) The beneficiary's educational expenses shall first be deducted from the totally exempt loans or grants identified in Section 50533. Any remaining educational expenses shall next be deducted from other loans for educational purposes that are considered property in accordance with Section 50483 (b), and finally from other income received for educational purposes.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

50551.1

50551.1 Thirty Dollars Plus One-Third - MFBU's Which Include Aged, Blind or Disabled MN Persons. (a) The first \$30 plus one-third of the remainder shall be deducted from the nonexempt earned income of an AFDC-MN or MI person if both the person meets all of the following: are met:

(1) The person is the spouse or parent of an aged, blind or disabled MN person.

(2) The person was eligible for and receiving an AFDC cash grant, as specified in (c) from any state in one of the four months immediately prior to the month on which the deduction will be applied.

(3) Did not receive the \$30 plus one-third deduction in any AFDC cash family budget unit for four consecutive months without an intervening twelve consecutive month period when he/she was not an AFDC recipient.

~~(b) If there are any additional persons in the MFBU to which this deduction applies, one-third of the combined nonexempt earned income of those additional persons shall be deducted from their combined nonexempt earned income.~~

(b) ~~(c)~~ A person is considered to have been receiving an AFDC cash grant if that person was receiving a money payment or was not receiving a money payment due to the adjustment of an overpayment meets any of the following conditions:

(1) Was receiving an AFDC money payment.

(2) Was not receiving an AFDC money payment due to the adjustment of an overpayment.

(d) The provisions of this regulation also apply to eligibility determinations or redeterminations made retroactively to January 1, 1977.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

50553

50553. Deductions from Earned Income - AFDC-MN or MI. (a) The deductions specified in Sections 50553.1 through 50553.3 shall be subtracted in sequence each from the nonexempt gross earned income of AFDC-MN or MI persons, except as specified in (b).

(b) An AFDC-MN or MI person who is the spouse or parent of an aged, blind or disabled MN person shall not receive the deductions specified in Sections 50553.1 through 50553.3.

(c) The provisions of this regulation also apply to eligibility determinations or redeterminations made retroactively to January 1, 1977.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.
Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

~~50553.1. Thirty Dollars Plus One-Third.~~

~~(a) The first \$30 of nonexempt earned income of an AFDC-MN or MI person, plus one-third of the remainder, shall be deducted if the person who is earning the income was receiving an AFDC cash grant, as specified in (d), in one of the four months immediately prior to the month in which the deduction will be applied. This deduction will continue for not more than four months following the month in which the cash grant was discontinued.~~

~~(b) If more than one person in the MFBU has earned income to which this deduction would apply, the deduction shall be subtracted from the combined nonexempt earned income of all such persons except as specified in (c).~~

~~(c) If at least one person in the MFBU receives the \$30 plus one-third deduction under Section 50551.1, a one-third deduction shall be subtracted from the combined nonexempt earned income of any additional persons in the MFBU to which the \$30 plus one-third deduction would have otherwise been applied.~~

~~(d) A person is considered to have been receiving an AFDC cash grant if that person was receiving a money payment, or was not receiving a money payment due to the adjustment of an overpayment.~~

~~NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code. Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.~~

~~HISTORY:~~

- ~~1. Amendment filed 2-7-78 as an emergency; effective upon filing (Register 78, No. 6).~~
- ~~2. Certificate of Compliance filed 3-5-78 (Register 78, No. 18).~~
- ~~3. Amendment of subsection (a) and repealer of subsection (e) filed 8-8-80; effective thirtieth day thereafter (Register 80, No. 32).~~

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50553.1

50553.1. Deduction for Work Expenses. (a) The following amount for mandatory deductions and work related expenses shall be deducted from the earned income of each AFDC-MN and MI person:

- (1) Seventy-five dollars, if the person meets both of the following conditions:
 - (A) Is employed at least 100 hours in a month.
 - (B) Is self-employed or an employee for at least 13 days of a month.
- (2) Fifty dollars, in all other instances.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

50553.2

~~50553.2 Mandatory Deductions.~~

~~(a) The following items shall be deducted when they are involuntarily withheld or paid from nonexempt earned income of an AFDC-MN or MI person:~~

- ~~(1) State or federal income tax.~~
- ~~(2) Social Security.~~
- ~~(3) Compulsory retirement.~~
- ~~(4) Unemployment insurance contributions.~~
- ~~(5) Disability insurance contributions.~~

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.
Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

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50553.2

50553.2. Deduction for Dependent Care. (a) The amount as determined in accordance with (b) shall be deducted from the remaining earned income of an AFDC-MN or MI person when both of the following conditions exist:

(1) The person has reasonable and necessary costs of obtaining child care for a child in the MFBU or care for an incapacitated person in the MFBU.

(2) The county department determines that adequate dependent care cannot be provided by another member of the MFBU.

(b) The amount deducted in accordance with (a) shall be the actual amount paid as limited by the following:

(1) A maximum of \$160 per child or incapacitated person if the person with earnings meets both of the following conditions:

(A) Is employed at least 100 hours in a month.

(B) Is self-employed or an employee for at least 13 days in the month.

(2) A maximum of \$100 per child or incapacitated person in all other instances.

(c) This deduction shall also apply when the care is provided by a member of the MFBU, other than a spouse or parent, who terminated employment specifically to provide the necessary care.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

50553.3. Work Related Expenses.

(1) The following items shall be deducted from nonexempt earned income of an AFDC-MN or MI person when actually paid by the applicant or beneficiary:

(1) The cost of child care if both of the following conditions are met:

(A) The child care cannot be provided by a nonworking member of the family.

(B) The cost of the child care does not significantly exceed prevailing rates in the community.

(2) The cost of clothing, tools, material, licenses and personal incidentals which are required solely for employment.

(3) The cost of food required for employment when either of the following conditions are met:

(A) The cost of such food is involuntarily deducted from earnings.

(B) The employer requires that food be purchased in a specific place or manner.

(4) The cost of food and lodging when absence over night is required for employment. Any reimbursement for such costs shall be considered income.

(5) Union or employee association dues required for employment.

(6) Employment agency fees.

(7) Transportation costs to and from work and child care or to call on customers. These costs shall be determined as follows:

(A) If a motor vehicle belonging to the beneficiary is used, the deduction shall be the lesser of:

1. Fifteen cents a mile plus the actual cost of tolls and parking fees, when free parking is not available, less any amounts contributed by riders.

2. The amount determined in accordance with (D).

(B) If the beneficiary rides in another person's motor vehicle, the deduction shall be the lesser of:

1. The actual amount paid.

2. Seven cents a mile.

3. The amount determined in accordance with (D).

(C) If the beneficiary uses public transportation, the actual cost of such transportation shall be deducted.

(D) If the county department determines that public transportation is readily available and is a feasible alternative, given the beneficiary's circumstances, the cost of such public transportation is the maximum that shall be allowed as a transportation expense.

History: 1. Amendment filed 12-15-77; effective thirtieth day thereafter (Register 77, No. 51).

Note: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

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50553.3. Thirty Dollars Plus One-Third. (a) Thirty dollars of nonexempt
earned income of each AFDC-MN or MI person, plus one-third of the remainder,
shall be deducted if the person who is earning the income meets both of the
following conditions:

(1) Was eligible for and receiving an AFDC cash grant, as specified in (b),
from any state in one of the four months immediately prior to the month in
which the deduction will be applied.

(2) Did not receive the \$30 plus one-third deduction in any AFDC cash
family budget unit for four consecutive months without an intervening
twelve consecutive month period when he/she was not an AFDC recipient.

(b) A person is considered to have been receiving an AFDC cash grant if
that person meets any of the following conditions:

- (1) Was receiving an AFDC money payment.
- (2) Was not receiving an AFDC payment due to the adjustment of an ever-
payment.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions
Code.

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

~~50559. Income Available from the Stepparent.~~

- (a) If there is a stepparent living in the home and only the parent and the parent's separate children are included in the MFBU, the income available from the stepparent shall be the greater of either the stepparent contribution or the stepparent's income legally available to the parent's separate children.
- (b) The stepparent contribution shall be the lesser of:
- (1) The actual amount of the stepparent's income that the parent states is available to the parent's separate children.
 - (2) The maximum stepparent contribution. This amount shall be the stepparent's gross earned and unearned income minus:
 - (A) Mandatory deductions.
 - (B) Child support payments made by the stepparent, either court ordered or voluntary.
 - (C) The total maintenance need for the stepparent unit which includes:
 - (1) Stepparent.
 - (2) Parent.
 - (3) Mutual children.
 - (4) Stepparent's children.
 - (D) Health insurance premiums paid by the stepparent for members of the MFBU or the stepparent unit.
- (c) The stepparent's income legally available to the parent's separate children shall be one-half of the stepparent's earned and unearned income other than separate income, minus:
- (1) Mandatory deductions.
 - (2) Work related expenses.
 - (3) Court ordered child support.
 - (4) Health insurance premiums paid by the stepparent for members of the MFBU or the stepparent unit.
 - (5) The need of the stepparent unit in excess of the stepparent's separate income and share of the stepparent's community income. This amount is determined as follows:
 - (A) Subtract the maintenance need for the MFBU from the maintenance need for the entire family.
 - (B) From the amount determined in (A), subtract:
 1. The separate income of the stepparent.
 2. One-half of the stepparent's gross earned and unearned community income minus:
 - a. Mandatory deductions.
 - b. Work related expenses.
 - c. Court ordered child support.
 - d. Health insurance premiums paid by the stepparent for members of the MFBU or stepparent unit.
 - (C) The remainder is the need of the stepparent unit in excess of the stepparent's separate income and share of the stepparent's community income.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code

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50559. Income Deemed Available from the Stepparent. (a) If there is a stepparent living in the home and only the parent and the parent's separate children are included in the MFBU, the income deemed available from the stepparent shall be determined as follows:

(1) Combine the stepparent's nonexempt unearned income with the stepparent's gross earned income minus the deduction for work expenses specified in Section 50553.1.

(2) Deduct, from the amount determined in (1), the following amounts:

(A) Amounts actually paid by the stepparent to persons not living in the home but who are claimed as dependents for purposes of determining the stepparent's Federal personal income tax liability.

(B) Voluntary or court-ordered child support and alimony payments made by the stepparent to persons not living in the home.

(C) The maintenance need for the stepparent unit which includes the:

1. Stepparent.

2. Mutual children.

3. Stepparent's children.

(3) The remainder, if any, is income available to the MFBU.

Note: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code