

Service Chapter: Temporary Assistance for Needy Families 400-19

Effective Date: August 1, 2023. This change will be effective with benefits issued for August 2023 and forward.

Overview

The TANF Standard of Need is increasing effective August 1, 2023. This manual letter addresses sections in the TANF policy manual that are affected by the increase.

Description of Changes

1. Terminated Source of Income 400-19-55-10-10 - Change

Policy was changed to reflect the increase in the TANF Standard of Need.

2. Overview 400-19-60-05 - Change

Policy was changed to reflect the increase in the TANF Standard of Need.

3. TANF Standard of Need 400-19-110-05 - Change

Policy was changed to reflect the increase in the TANF Standard of Need.

4. Determining the Standard of Need in Various Circumstances 400-19-110-10 – Change

Policy was changed to reflect the increase in the TANF Standard of Need.

5. TANF Financial Eligibility Determination 400-19-110-15- Change

Policy was changed to reflect the increase in the TANF Standard of Need.]

6. TANF Benefit Calculation Method 400-19-110-20 – Change

Policy was changed to reflect the increase in the TANF Standard of Need.

7. Prorate of Initial TANF Benefit and Adding Persons 400-19-110-25 - Change

Policy was changed to reflect the increase in the TANF Standard of Need.

Policy Section Updates

1. Terminated Source of Income 400-19-55-10-10

For purposes of this section:

- **Source:** An entity from whom income, earned or unearned, is received.
- **Terminated:** Income, earned or unearned, that stops or ends and is not anticipated to begin again.

When the final payment of income is received during the 1st or 2nd prospective months, the income is considered a terminated source of income. Income cannot be treated as a terminated source if it is received in the 1st retrospectively budgeted month.

Example: The 1st and 2nd prospective months are January and February and the 1st retrospectively budgeted month is March.

- If the income ends in January or February and none is received in the calendar month of March, the income is considered a terminated source of income.
- If the income continues to be received in the calendar month of March, it is not considered from a terminated source and January income would be counted when determining March benefits.

If income is not received in the 1st retrospectively budgeted month, but in a later month the individual receives income from the same source (e.g. rehired to same job, begins receiving the same type of unearned income, etc.), the income received during the 1st or 2nd prospective months continues to be considered terminated source income.

Exception: Income received by an individual who is on temporary leave and who expects to return to the same employment when the leave ends is not considered income from a terminated source.

Terminated Source of Income is not counted when retrospective budgeting.

Voluntary or Court Ordered Support payments for children and caretakers (in the case of spousal support) eligible for TANF are assigned to the State of North Dakota upon authorization of the initial month of TANF eligibility. Therefore, once assigned, any support retained by the household for an eligible child or caretaker is treated as a terminated source of income.

The following examples illustrate the treatment of terminated source income under two-month retrospective budgeting.

Example # 1: Applicant With Recurring Income Which Ends During First Prospective Month

Client applies in January and receives \$200 unearned income. The unearned income ends during January.

	Prospective		Retrospective		
Benefit Month	JAN	FEB	MARCH	APRIL	MAY
Base Month	JAN	FEB	JAN	FEB	MAR
Need Standard	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>
Net Income	-200	-0	-0*	-0	-0
TANF Benefit	333 <u>866</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>

*The \$200 unearned income received in January is considered income from a terminated source, as it ends in the 1st prospective month. It is prospectively budgeted in January then corrected, if necessary, when actual are received. It is not counted again in the first retrospective benefit month (March).

Example #2: Applicant With Recurring Income Which Ends During Second Prospective Month

Individual applies in January and receives \$200 unearned income in February. The unearned income ends during February.

	Prospective ➡		Retrospective ➡		
Benefit Month	JAN	FEB	MARCH	APRIL	MAY
Base Month	JAN	FEB	JAN	FEB	MAR
Need Standard	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>
Net Income	<u>-0</u>	<u>-200</u>	<u>-0</u>	<u>-0*</u>	<u>-0</u>
TANF Benefit	533 <u>1066</u>	333 <u>866</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>

* The \$200 unearned income received in February is considered income from a terminated source as it ends in the 2nd prospective month. It is prospectively budgeted in February then corrected, if necessary, when actuals are received. It is not counted again in the retrospective benefit month of April.

Example #3: Applicant With Recurring Income Which Ends During First Or Subsequent Retrospective Months

Individual applies in January and receives \$200 unearned income in January, February and March. The final payment from this unearned income source is received in March.

	Prospective ➡		Retrospective ➡			
Benefit Month	JAN	FEB	MAR	APR	MAY	JUN
Base Month	JAN	FEB	JAN	FEB	MAR	APR
Need Standard	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>	533 <u>1066</u>
Net Income	<u>-200</u>	<u>-200</u>	<u>-200*</u>	<u>-200</u>	<u>-200**</u>	<u>-0</u>
TANF Benefit	333 <u>866</u>	333 <u>866</u>	333 <u>866</u>	333 <u>866</u>	333 <u>866</u>	533 <u>1066</u>

*The \$200 unearned income received in January and February is considered recurring income and NOT income from a terminated source. It must be budgeted in both the prospective benefit months (January and February) and the retrospective benefit months (March and April).

**The \$200 unearned income received in March must be budgeted against the May benefit.

2. Overview 400-19-60-05

Approved special items of need for eligible TANF household members are considered part of the Total TANF Standard of Need. Special items of need are added to the TANF Basic Standard of Need to arrive at the Total TANF Standard of Need.

Example: The TANF Basic Standard of Need for one caretaker and one child is \$335670. The family also pays \$100 in Health Insurance, which is included in the TANF benefit as a special item

of need. The \$100 is added to the \$335~~670~~ and results in a Total TANF Standard of Need of \$435.00~~770~~ for this household.

In Kinship Care cases, special items of need, the TANF Standard of Need and Kinship Care maintenance payment are considered part of the Total TANF Standard of Need.

Only eligible TANF household members are eligible for special items of need. Individuals with a participation code of OU, SS, ST, and MP are not eligible for these payments.

Exception #1: Essential Services are also available for the well being of a TANF household member, when the need is due to the medical condition of an individual in the household with the following participation codes:

- SS -- SSI Recipient,
- OU -- Ineligible Caretaker,
- DA -- Disqualified Alien, or
- ST -- Stepparent.

Exception #2: The Housing Allowance is a benefit to the TANF household. Therefore, if the household is eligible for TANF, the household will receive the \$50 housing allowance.

All special items of need are to be budgeted and paid prospectively or by supplemental payment after verification is received, with the exception of catastrophic events, which are paid through the Vendor Payment process.

Note: Special items of need are not prorated. The TANF benefit will include the full amount of the Special Item of Need.

3. TANF Standard of Need 400-19-110-05

TANF uses a standardized and simplified method for determining need. The TANF Basic Standard of Need is applied to all households. The six

basic items of need, which represent 100% of the TANF Basic Standard of Need as currently defined by the department, are:

- Shelter;
- Food;
- Clothing;
- Personal needs (e.g. combs, toothbrushes, razor blades, sanitary supplies, and haircuts);
- Household supplies (e.g. cooking utensils, laundry, bedding, and towels); and
- Fuel and utilities.

TANF BASIC STANDARD OF NEED CHART

No. of Care Takers	Number of Children										
	0	1	2	3	4	5	6	7	8	9	10
0	0	166 <u>332</u>	243 <u>486</u>	316 <u>632</u>	393 <u>786</u>	466 <u>932</u>	543 <u>1086</u>	617 <u>1234</u>	693 <u>1386</u>	767 <u>1534</u>	843 <u>1686</u>
1	237 <u>474</u>	335 <u>670</u>	436 <u>872</u>	533 <u>1066</u>	632 <u>1264</u>	731 <u>1462</u>	830 <u>1660</u>	929 <u>1858</u>	1028 <u>2056</u>	1127 <u>2254</u>	1225 <u>2450</u>
2	335 <u>670</u>	436 <u>872</u>	533 <u>1066</u>	632 <u>1264</u>	731 <u>1462</u>	830 <u>1660</u>	929 <u>1858</u>	1028 <u>2056</u>	1127 <u>2254</u>	1225 <u>2450</u>	1325 <u>2650</u>

4. Determining the Standard of Need in Various Circumstances 400-19-110-10

Household composition and size determines the Standard of Need to be used when determining eligibility for TANF Benefits. TANF cases, where the Caretaker/Relative chooses to be excluded from the TANF Benefit or has been disqualified and cannot cure the disqualification are referred to as 'Child Only Cases'.

- Households where the Caretaker/Relative(s) has a participation code of 'OU', 'SS', 'DA', 'DD', or 'DF', will be considered 'Child Only Cases'. When determining the grant amount using the TANF Basic Standard of Need Chart, the row for -0- Eligible Caretakers will be utilized.

- Households where the Caretaker/Relative(s) is eligible, or has a Participation Code of 'DI' (Disqualified – JOBS Sanction) or 'DM' (Disqualified – Child Support), will not be considered 'Child Only Cases'. The Caretaker/ Relative will be included in the Standard of Need, and a deduction of \$237 474 for one Caretaker or \$335 670 for two caretakers will be made from the TANF Basic Standard of Need.

The following case types illustrate the appropriate TANF Basic Standard of Need:

1. If the only legally responsible caretaker is eligible (IN) for TANF, the TANF Basic Standard of Need is based on one caretaker and the number of eligible children.
2. If the only legally responsible caretaker is a pregnant woman and is eligible (IN) for TANF and in her third trimester with no other eligible children, the TANF Basic Standard of Need is based on one caretaker with zero children.

Note: If the pregnant legally responsible caretaker has other eligible TANF children, the TANF Basic Standard of Need does not consider the needs of the unborn.

3. If the only legally responsible caretaker is disqualified for reasons of non-compliance with JOBS or Child Support (DI or DM) the TANF Basic Standard of Need is based on one caretaker and the number of eligible children.
4. If a child is determined to be a Benefit Cap child, even though that child is not eligible to receive a TANF benefit, the child is included in the TANF Basic Standard of Need. The TANF Basic Standard of Need is based on one caretaker, the Benefit Cap child, and any other eligible children.
5. If the only legally responsible caretaker is disqualified for reasons of their Alien or Fraud status, (DA or DF), the TANF Basic Standard of Need is based on zero caretakers and the number of eligible children.
6. If the only legally responsible caretaker is an SSI recipient (SS) the TANF Basic Standard of Need is based on zero caretakers and the number of eligible children.

7. If a child, who is a mandatory household member in the TANF household, is an SSI recipient (SS), the child is not TANF eligible and is not included in the TANF Basic Standard of Need. The TANF Basic Standard of Need is based on the caretaker and any other eligible children.

In each of the above situations instances, if there are two legally responsible caretakers, the TANF Basic Standard of Need is based on the status of each caretaker and the number of eligible children.

The following case types illustrate the appropriate TANF Basic Standard of Need when the caretaker is non-legally responsible:

1. If the non-legally responsible caretaker is eligible (IN) for TANF, the TANF Basic Standard of Need is based on one caretaker and the number of eligible children for whom TANF is requested.
2. If the eligible, non-legally responsible caretaker is subsequently disqualified for reasons of non-compliance with JOBS or Child Support (DI or DM), the TANF Basic Standard of Need is based on one caretaker and the number of eligible children for whom TANF is requested.
3. If the non-legally responsible caretaker opts out (OU) for TANF, the TANF Basic Standard of Need is based on zero caretakers and the number of eligible children for whom TANF is requested.
4. If the ineligible, non-legally responsible caretaker is disqualified for reasons of non-compliance with Child Support (OU) the TANF Basic Standard of Need is based on zero caretakers and the number of eligible children for whom TANF is requested.
5. If the non-legally responsible caretaker opts in for TANF and is disqualified for reasons of their Fraud status (DF), the TANF Basic Standard of Need would be for zero caretakers and the number of eligible children for whom TANF is requested.

A household consisting of eligible caretaker(s) and children may have related children residing with them for whom the caretaker has no legal responsibility but who are also eligible for a TANF benefit. In this instance, the TANF Basic Standard of Need is determined by combining

the total number of eligible children residing in the household with the appropriate number of eligible caretakers.

5. TANF Eligibility Determination 400-19-110-15

In order to be eligible for TANF benefits, the household must pass TANF Financial Eligibility. At the time the TANF Financial Eligibility Determination is calculated, the \$45 Out of Home Allowance, Kinship Care maintenance payment and Special Items of Need are added to the appropriate TANF Basic Standard of Need to determine the Total TANF Standard of Need.

TANF Financial Eligibility is determined as follows:

1. The \$45 Out of Home Allowance, Kinship Care maintenance payment and Special Items of Need are added to the TANF Basic Standard of Need to arrive at the Total TANF Standard of Need.
2. The Total Countable Income (sum of countable unearned and earned income), the Benefit Cap Deduction and the Sanction Penalty Deduction are subtracted from the Total TANF Standard of Need.
 - If the remaining amount is zero or less, the TANF household fails the TANF Financial Eligibility Determination and the application must be denied or the case closed.
 - If the remaining amount is greater than zero, the household passes the TANF Financial Eligibility Determination; the TANF Benefit Calculation is performed.

Example:

TANF Basic Standard of Need	-	335.00 670.00(1 caretaker and 1 child)
OH Allowance	=	0.00
TANF Special Items of Need	+	100.00

Total TANF Standard of Need	=	435.00 <u>770.00</u>
Total Countable Income	-	365.00 <u>690.00</u>
Benefit Cap Deduction	-	0.00
Sanction Penalty Deduction	-	0.00
Remaining Amount	=	70.00 <u>80.00</u>

Since the Remaining Amount is greater than zero, this household passes TANF Financial Eligibility and the benefit is calculated.

6. TANF Benefit Calculation Method 400-19-110-20

If the TANF household passes the TANF Financial Eligibility Determination, the TANF benefit calculation is computed as follows:

1. The monthly gross earned income of the household is calculated according to the rules found in this chapter.
2. A standard work expense disregard of the greater of 27% or \$180.00 is subtracted from the household's gross earned income.
3. A time-limited percentage is subtracted from the remaining earned income to arrive at the countable earned income amount. (See 400-19-105-25, Employment Disregards, for the time-limited percentage disregard cycle.)
4. Unearned income is added to the countable earned income amount to determine the total countable income for the household.
5. A Non-household member deduction is subtracted when calculating stepparent and minor parent budgeting, if applicable.

6. The following allowable expense amounts are subtracted from the total countable income to arrive at the adjusted net income:

- Paid child or spousal support by a TANF household member,
- Child or adult dependent care for paid employment subject to the maximum limits,

Note: When the Child Care Assistance Program (CCAP) pays a child care provider a portion of the child care expenses, any amounts not paid by CCAP cannot be allowed as a deduction.

- Stepparent or Minor Parent budgeting allows the following additional expenses:
 - Health insurance premiums;
 - Amounts paid to any others not living in the home, but claimed as dependents on income tax returns, if applicable.

7. The TANF Basic Standard of Need, plus the \$45 Out of Home Allowance and Kinship Care maintenance payment if applicable is totaled, to arrive at the Total Standard of Need.

Note: Individuals eligible for the \$45.00 Out of Home Allowance are not included in the household size when identifying the TANF Basic Standard of Need amount from the TANF Basic Standard of Need Chart in Manual Section 400-19-110-05.

8. The Benefit Amount to which any prorate applies is arrived at by subtracting the adjusted net income from the Basic Standard of Need plus Out of Home Allowance.

To arrive at the Adjusted Benefit Amount, from the prorated benefit subtract:

- The Benefit Cap Deduction amount; and
- The Sanction/~~Work Requirement~~ Deduction amount.

9. The following are added to the TANF Benefit/Prorated Benefit Amount to arrive at the Adjusted Net Benefit amount:

- Special Items of Need, and

- Kinship Care Supportive Services

Note: If the case is Transition Assistance, the TANF Benefit/Prorate Benefit Amount will be zero and the TANF Special Items of Need are added to the Transition Assistance payment.

10. Recoupment amounts (either a percentage of the Standard of Need or a fixed dollar amount) are subtracted from the Adjusted Net Benefit to arrive at the Benefit Amount.
 1. If a correction to a previously paid benefit is being computed,
 2. The Benefit Amount will display the revised benefit; and
 - The original amount paid will display in the Previously Paid field; and
 - The previously paid benefit will be subtracted from the Benefit Amount to arrive at the Net Benefit Amount.
11. If this budget is not a correction, the Benefit Amount is carried to the Net Benefit Amount field.
12. JOBS Supportive Services are added to the Net Benefit Amount to arrive at the Benefit Issued Amount.

Note: If a correction to a previously paid JOBS Supportive Service is being computed,

- The JOBS Supportive Services will display the revised benefit; and
 - The original JOBS Supportive Services paid will display in the Previously Paid JOBS Supportive Services to arrive at the Net Supportive Services.
13. If this budget is not a correction to JOBS Supportive Services, the Net Supportive Services are added to the Net Benefit Amount to arrive at the Benefit Issued.

EXAMPLE:

Household consists of a caretaker and one dependent child.
The household reports earned income of \$~~1~~2000 per month
and a \$100 Health Insurance Premium

1.	Total Gross Earned Income		1000.00 <u>2000</u>
2.	Standard Work Expense	-	270.00 <u>540</u> (1000 <u>2000</u> x 27%)
3.	TANF TLP Disregard	-	365.00 <u>730</u> (730 <u>1460</u> x 50%)
3.	Countable Earned Income	=	365.00 <u>730</u>
4.	Unearned Income	+	0.00
4.	Total Countable Income	=	365.00 <u>730</u>
5.	Non-HH Member Deduction	-	0.00
6.	Expenses	-	0.00
6.	Adjusted Net Income	=	365.00 <u>730</u>
7.	Standard of Need	-	335.00 <u>670</u> (1 caretaker and 1 child)
7.	OH Allowance	+	0.00
7.	Adjusted Net Income	-	365.00 <u>730</u>
8.	Benefit Amount	=	0.00
8.	Prorated Benefit Amount	=	0.00
8.	Benefit Cap Deduction	-	0.00
8.	Sanction/ Wrk Req Deduction	-	0.00
8.	Adjusted Benefit Amount	=	0.00
9.	TANF Special Items of Need	+	100.00

9.	Kinship Care	+	0.00
9.	Transition Assistance	=	0.00
9.	Adjusted Net Benefit	=	100.00
10.	Recoupments	-	0.00
10.	Benefit Amount	=	100.00
10.	Previously Paid	-	0.00
11.	Net Benefit Amount	=	100.00
12.	JOBS Supportive Services	+	0.00
12.	Previously Paid JOBS SS	-	0.00
12.	Net Supportive Services	=	0.00
13.	Benefit Issued	=	100.00

The minimum TANF benefit is \$10.00. If the benefit is less than \$10.00, a benefit will not be issued. This includes benefits for the initial month that are less than \$10.00 due to prorate.

Note: The \$10.00 minimum benefit rule does not apply to JOBS Supportive Services.

7. Prorate for Initial TANF Benefit and Adding Persons 400-19-110-25

Benefits for an applicant household applying for TANF are prorated from the date of application or date of eligibility whichever is later. If there has not been a break in TANF assistance received in North Dakota for at least one full calendar month, benefits will be determined consistent with the prospective or retrospective budgeting methodology that applies for the case. (See sections 400-19-105-15 Prospective Budgeting; or Section 400-19-105-20 Two-month Retrospective Budgeting.

When an individual is added to an ongoing case, the individual's benefits are prorated from the date of request to be added or the date of eligibility, whichever is later. If the individual being added to an existing

TANF household received TANF benefits in North Dakota or another State in the month prior to the month being added, the individual's benefit must be determined effective the 1st day of the month of request.

The following describes how prorated benefits are determined:

Prorating Cases - The automated computer system determines the prorated benefit amount for a case by:

1. Adding the TANF Basic Standard of Need (plus the \$45 OH Allowance or Kinship Care maintenance payment if applicable) for the household size;
2. Subtracting the total countable income to arrive at the Benefit Amount;
3. Determining dollar amount for which the case is not eligible based on the benefit start date; and
4. Subtracting that amount from the Benefit Amount.

Example: The household of one caretaker and three one dependent children applies for TANF July 10th. The household has \$500 earned income per month and a \$100 Health Insurance Premium.

Total Gross Earned Income		500.00
Standard Work Expense	-	180.00 (500 x 27%)
TANF TLP Disregard	-	160.00 (320 x 50%)
Countable Earned Income	=	160.00
Unearned Income	+	0.00
Total Countable Income	=	160.00
Non-HH Member Deduction	-	0.00
Expenses	-	0.00

Adjusted Net Income	=	160.00
Standard of Need	-	533.00 <u>670</u> (1 caretaker and 3 children <u>1 child</u>)
OH Allowance	+	0.00
Adjusted Net Income	-	160.00
Benefit Amount	=	373.00 <u>510.00</u>
Prorated Benefit Amount	=	264.00 (373.00 — 108.28) (9 days divided by 31 = 29.03 %; 373.00 x 29.03 = 108.28 is the amount ineligible for) <u>361.00 (510.00- 148.05)(9 days divided by 31 = 29.03%; 510x29.03 =148.05 is the ineligible for)</u>
Benefit Cap Deduction	-	0.00
Sanction Deduction	-	0.00
Adjusted Benefit Amount	=	264.00 <u>361.00</u>
TANF Special Items of Need	+	100.00
Kinship Care	+	0.00
Transition Assistance	+	0.00
Adjusted Net Benefit	=	364.00 <u>461.00</u>
Recoupments	-	0.00
Benefit Amount	=	364.00 <u>461.00</u>
Previously Paid	-	0.00
Net Benefit Amount	=	364.00 <u>461.00</u>

JOB Supportive Services	=	0.00
Previously Paid JOB SS	-	0.00
Net Supportive Services	=	0.00
Benefit Issued	=	364.00 <u>461.00</u>

Note: When prorating benefits, the percentage of the month for which the case is not eligible is determined. Since the household applied on the 10th day of the month, this means the household is not eligible for 9 days of the month.

Prorating for Individuals - The automated computer system determines the Standard of Need for all members of the household including the new person being added, and subtracts countable income to determine the new benefit amount. The old benefit amount (prior to the new person being added) is then subtracted from the new benefit amount (after the new persons is added). The result is then prorated based on the benefit start date for the new member being added.

Note: To determine the prorated amount, the automated computer system determines how much of the month's benefit the individual is not eligible for and subtracts that amount from the new benefit amount.

Prorating for Cases and Individuals

When a household is prorated from the application date (case prorating) and an individual is prorated from a date after the application date (individual prorating), the automated computer system will first determine case prorating by prorating all members present in the household at the time of the application.

Note. The system does this by determining how much of the month the household is not eligible for and then subtracts the result from the benefit amount (TANF Basic Standard of Need (plus the \$45 Out of Home allowance or Kinship Care maintenance payment when applicable) minus any countable income).

The system then completes the individual prorating for the person eligible from the date of entry to the household following the policy listed

above. The individual's prorated amount is added to the prorated amount of the other household members to arrive at the total benefit amount.

This occurs when there is a new application and an individual is added to the household on a date after the application date. The date of eligibility for the added household member(s) will be different from the date of application for the other household members.

(Refer to the TANF Benefit Prorate Table on the County Intranet under TANF Hard Cards.)