IOWA Health and Human Services

Employees' Manual
Title 4, Chapter A

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Family Investment Program Administration

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Overview

This chapter provides:

- Definitions of terms that are used in the Family Investment Program.
- Administrative responsibilities of the Department.
- Notification requirements.
- Appeal requirements.
- Additional participant benefits.

Legal Basis

The policies and procedures described in all chapters regarding the Family Investment Program have a legal basis in the Social Security Act, the Code of Iowa, and the Iowa Administrative Code.

Title IV-A of the Social Security Act authorizes federal funds to states to help needy children and their families through the Temporary Assistance for Needy Families (TANF) program.

The state legislation that authorizes the program is Iowa Code Chapters 217, "Department of Health and Human Services," and 239B, "Family Investment Program." State law is interpreted in 441 Iowa Administrative Code, Chapters 7, 40, 41, 43, 45, 46, 47, and 93.

Program Administration

Legal reference: Iowa Code Chapters 217 and 239B

The Department administers the FIP program as defined in state laws and Department rules. Administrative responsibilities include:

- Receiving applications.
- Assisting applicants and participants.
- Determining eligibility.
- Authorizing and ensuring prompt and correct payments.
- Providing information to anyone who asks about the Department's programs, regardless of their reason for asking.

Definitions

Legal reference: Iowa Code Chapters 217 and 239B, 441 IAC 40.21(239B)

"Adequate notice" means a written **Notice of Decision** is sent no later than the date benefits would have been issued.

"Applicant" means a person (dependent child) for whom FIP assistance is being requested as well as the parents living in the home with the child or children or the nonparental relative requesting assistance for the child or children.

"Assistance unit" includes any person whose income is considered in determining eligibility or the amount of the grant, whether or not the person's needs are met by the FIP grant.

"Budgeting process" is the procedure used when computing income to determine initial and ongoing eligibility and the amount of assistance.

"Casino, gambling casino, or gaming establishment" means an establishment with a primary purpose of accommodating the wagering of money. It does not include:

- A grocery store which sells groceries, including staple foods and which also offers, or is located within the same building or complex as casino, gambling, or gaming activities; or
- Any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.

An automated teller machine (ATM) or a point-of-sale (POS) terminal located within those areas of an establishment where individuals are banned due to age restrictions associated with gambling, established by state or federal law or by any other regulatory entity having the authority to do so, is considered to be in a casino, gambling casino, or gaming establishment.

"Central Office" means the policy staff of the Department's Bureau of Financial, Food and Work Supports.

"Change in income" means a permanent change in the number of hours worked, rate of pay, or the beginning or ending of income.

"CSS" means Child Support Services (in the Division of Community Access). CSS is responsible for providing child support services (e.g. establishment, modification, enforcement, etc.) under Title IV-D of the Social Security Act.

"CSC" means the Department's Collection Services Center (in the Division of Fiscal Management). CSC is responsible for collecting and distributing support payments.

"Department" means the Iowa Department of Health and Human Services.

"Dependent" means a person who can be claimed by another person as a dependent for federal income tax purposes.

"Dependent child" means a child who meets the FIP nonfinancial eligibility requirements, until the child reaches age 18. A child is considered a dependent child at age 18 when the child:

- Is a full-time student in a secondary school or the equivalent level of vocational or technical training, and
- Is reasonably expected to complete the program before reaching age 19.

"Electronic benefit transfer transaction" means the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service.

"Eligible group" means those persons whose needs are met by the FIP grant.

"Family investment agreement" or **"FIA"** means a contract negotiated between the participant and HHS. This agreement details the steps the household will take to achieve self-sufficiency, the services the state will provide, and the time limits for the participant to achieve self-sufficiency.

"Family Investment Program" or **"FIP"** is the name of Iowa's Temporary Assistance for Needy Families (TANF) cash assistance program. The purpose of FIP is to provide financial and other assistance to needy, dependent children and the parents or relatives with whom they live.

"Hardship exemption" means the six-month period of FIP assistance that may be granted to families with hardship conditions that have exhausted their 60-month FIP limit.

"IMCSC" means the Department's Income Maintenance Customer Service Center.

"Individual development account" or **"IDA**" is an income-producing investment account opened in a financial institution and established through IDA operating organizations. IDAs are held in the name of an individual. Any person whose family household income does not exceed 200% of the federal poverty level and who meets other program requirements can have an IDA.

"Iowa Workforce Development" or **"IWD"** is the agency that provides employment-related services such as work and training programs, applications for job insurance benefits, and job placement services. The agency also provides services to PROMISE JOBS participants.

"Limited benefit plan" or **"LBP"** means a period of terminated benefits that a person chooses instead of signing or cooperating with a family investment agreement.

"Liquor store" means any retail establishment which sells exclusively or primarily intoxicating liquor or other alcoholic beverages. Such term does not include a grocery store which sells both intoxicating liquor and groceries including staple foods (within the meaning of Section 3(r) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(r)).

Unless exempt as described in this definition, a retail establishment meets the definition of a liquor store when it has a North American Industry Classification System (NAICS) number that categorizes the retail establishment as either a beer, wine and liquor store or as a drinking place (alcoholic beverages).

A retail establishment that does not have either type of NAICS code is considered to exclusively or primarily sell intoxicating liquor when 95 percent or more of the retail establishment's gross sales are from intoxicating liquor and it is not a United States Department of Agriculture-certified Supplemental Nutrition Assistance Program (SNAP) retailer.

"Medical institution" means a facility organized to provide medical care, including nursing and convalescent care. The facility must comply with state law and be licensed. A medical facility may be public or private. Examples are:

- Hospitals.
- Extended care facilities (skilled nursing).
- Intermediate care facilities.
- Mental health institutions.
- State resource centers.

"Minor parent" means an applicant or participant parent who is less than 18 years of age and has never been married. A person whose marriage is annulled is considered not to have been married.

"Needy specified relative" means a nonparental specified relative, as listed in **4-C, Specified Relatives**, who meets all the eligibility requirements to be included in the FIP eligible group.

"Operating organization" means an entity selected by the Department for involvement in operating individual development accounts directed to a specific target population.

"Parent" means a legally recognized parent, including an adoptive parent or a biological father if there is no legally recognized father.

"Participant" means a person for whom FIP assistance is paid, including parents living in the home with eligible children or nonparental relatives receiving assistance for eligible children. Unless otherwise specified, a person is not a participant in any month in which:

- Assistance is subject to recoupment because the person was ineligible, or
- The person requested cancellation before the month began **and** returned the warrant issued for that month.

"Payment month" means the calendar month for which assistance is paid. It includes a month that the participant is eligible but for which a FIP payment is not issued due to the limitation on grants below $10 or due to rounding.

"Payment standard" means the total need of the eligible group. It is determined by adding the total needs of a group (based on Schedule of Basic Needs) to any allowable special needs.

"PROMISE JOBS" stands for "PROMoting Independence and Self-sufficiency through Employment, Job Opportunities, and Basic Skills." PROMISE JOBS is the Department's FIP work and training program, as described in **4-J, PROMISE JOBS**.

"Prospective budgeting" means determining eligibility and the amount of assistance for a calendar month based on an estimate of the income and the circumstances that will exist in that month.

"Prudent person concept" refers to the capability of the income maintenance worker to review and analyze information given by the participant and the ability to decide quickly and accurately whether the information is sufficient for making an eligibility determination, or further checking should be done. The "prudent person" must be vigilant, cautious, perceptive, and guided by generally sound judgment.

"Recovery" is the process by which an overpayment is collected from the participant. Department staff are responsible for reviewing each overpayment and determining the circumstances and amount of the overpayment. The Department of Inspections, Appeals, and Licensing (DIAL) is responsible for collection actions.

"Retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment" means an establishment that includes live entertainment at locations such as, but not limited to, strip clubs and gentlemen's clubs. It also includes stores and theaters that exclusively or primarily sell or feature adult-oriented videos and movies such as, but not limited to, adult book stores and adult movie theaters.

A retail establishment meets this definition when the Department has confirmed the primary nature of the business through the description on the business's website, phone contact with the establishment, a site visit, or other means such as common local knowledge.

"Retrospective budgeting" means the computation of the amount of assistance for a payment month based on the actual income and circumstances that existed in the budget month.

"Review/Recertification Eligibility Document" or **"RRED**" is the form a participant uses to provide information for the redetermination reviews.

"Schedule of basic needs" means the payment standard for the assistance unit, based on a percentage of the schedule of living costs.

"Schedule of living costs" combines items of need (such as food, clothing, shelter, utilities, and personal care) into one consolidated standard that represents 100% of need.

"Standard of need" means the total needs of the eligible group according to the schedule of living costs plus any allowable special needs.

"Stepparent" means a person who is not the parent of the dependent child but is the legal spouse of the dependent child's parent by ceremonial or common-law marriage.

"Timely notice" means that the participant is mailed a **Notice of Decision** on the participant's case at least ten calendar days before the effective date of adverse action except in cases of probable fraud.

"Timely notice period" extends from the day after notice is issued to the effective date of the action.

"Two-parent household" is a FIP household that contains two active FIP parents of a common child who are both referred to PROMISE JOBS and one of these parents is the head of household or case name.

Responsibilities of the Department

The following sections describe policies on:

- Assignment of an equitable caseload
- Confidentiality of FIP information
- Compliance with nondiscrimination requirements

Assignment of an Equitable Caseload

Department staff are responsible for assigning an equitable caseload to each worker. Consider situations of potential conflict of interest, such as:

When an applicant or participant is…	Assign the case as follows:
A second cousin or closer to the assigned worker…	the line supervisor must reassign the case or handle it personally.
A personal friend of the assigned worker…	the line supervisor must make appropriate arrangements for handling the case.
An employee of the Department, a volunteer, or a PROMISE JOBS worker…	the income maintenance administrator shall make the assignment. Staff should be especially aware of confidentiality concerns in these types of situations.

Confidentiality

Legal reference: 441 IAC Chapter 9

Information about participants cannot be disclosed except to administer the Department's programs. Information cannot be disclosed to persons or agencies outside the Department unless they are subject to comparable standards of confidentiality.

The following information about participants is confidential, except as described below:

- Names, addresses, and the type of assistance provided.
- Participants' social or economic circumstances.
- Agency evaluations.
- Medical or psychiatric data, including diagnosis and past history of disease or disability.

Information can be disclosed to public officials to administer FIP requirements, such as:

- The Citizens' Aide Ombudsman for complaint investigation.
- Staff of the Department of Inspection and Appeals for hearings and fraud investigations.

See **1-C, Contracts and Agreements With Other Agencies** regarding verification of families' FIP eligibility when local schools conduct an annual audit of eligibility for free meals under the School Meals Program.

A participant's address may be released to a federal, state, or local law enforcement official only if the official demonstrates that:

- The participant:
  - Is a fugitive felon, or
  - Is a probation or parole violator, or
  - Has information that the official needs to conduct official duties; and
- Locating or apprehending the participant is within the person's official duties.

See **1-C, Confidentiality and Records** for more information.

Nondiscrimination Compliance

Legal reference: Title VII of the Civil Rights Act of 1964, as amended, Iowa Civil Rights Act of 1965, as amended, Iowa Executive Order #15

It is the policy of the Iowa Department of Health and Human Services (HHS) to provide equal treatment in employment and provision of services to applicants, employees and clients without regard to race, color, national origin, sex, sexual orientation, religion, age, disability, political belief or veteran status.

Notification

Legal reference: 441 IAC 16.3, 40.25(239B)

Policy: Adequate notice must be provided whenever assistance is approved, denied or changed. Some actions also require timely notice.

"Timely notice" means the notice must be mailed at least ten calendar days before the date the action is effective. Count the day after the notice is mailed as the first day.

Procedure: Issue form **470-0485, 470-0485(S), 470-0486,** or **470-0486(S), Notice of Decision**, when taking action on a case. To be an adequate notice, the notice must include:

- The action taken and the reasons for it.
- The Department Employees' Manual chapter number and subheading describing the policy basis for the action.

- The right to request a fair hearing.
- How assistance is continued (if applicable) when a hearing is requested.

More than one action may be described on the same notice. See **14-B** for information on automated notices.

The client may request a conference to discuss the situation. A representative, legal counsel, friend, or other person may accompany the client. This person may represent the client when the client cannot attend the conference.

At the conference, explain the reasons for the adverse action. Give the client an opportunity to offer any information that may prove that the proposed action is wrong or unnecessary.

The following sections explain:

- When notice is required
- When timely notice is not required

When Notice Is Required

Legal reference: 441 IAC 16.3

Policy: Issue a notice when:

- An application is approved, denied, or withdrawn.
- Assistance is reinstated or reinstatement is denied. See **4-G, Reinstatement**.
- The grant amount is changed.
- A payment adjustment or corrective payment is authorized.
- A special need allowance is authorized, denied, or canceled.
- Assistance is canceled.
- A previously canceled case must remain canceled for a different reason than specified in the original notice.
- A previously canceled case is eligible for reinstatement at a lower level of benefits for a different reason than the one described in the original notice.

Procedure: Families that are granted a six-month hardship exemption or whose hardship exemption period is revised are informed of the original or revised ending date on the **Notice of Decision**. Do not issue an additional **Notice of Decision** at the end of the hardship exemption period. Refer to **4-C, Hardship Exemption** for additional information.

When timely notice is required but cannot be met, do not reduce or cancel the grant until the month following the month in which the action is effective. See **4-G, Effective Date of Adjustment** for information on when to recoup assistance issued pending timely notice.

When a **Notice of Decision** to cancel the FIP case has already been issued, this does not preclude you from issuing a second notice when a new reason for cancellation occurs. The participant must then resolve both issues before FIP can be reinstated.

However, it is not possible to reduce benefits on a canceled case. Do not send a notice to reduce the grant while the FIP case is in a canceled status. Take action to reduce the grant and issue notice of the reduction when FIP is reinstated. If, at that point, it is too late to meet timely notice, delay the reduction until the next month and recover excess FIP assistance issued for the previous month.

1. In June, Ms. A fails to provide verification of income. The worker generates a notice canceling assistance effective July 1. On June 25, Ms. A brings the verification to the worker. This verification shows that Ms. A is over income.

   Since Ms. A has resolved the issue covered by the first notice, and since it is too late to issue timely notice denying reinstatement, the worker generates a new notice reinstating assistance effective July 1.

   Once the case is reinstated, the worker generates a timely and adequate notice to cancel assistance effective August 1. The overpayment Ms. A received in July is subject to recoupment.

2. Mr. B, an employed participant, fails to return a RRED in early April. He is issued a **Notice of Decision** terminating his assistance effective May 1. On April 23, the worker determines that Mr. B failed to apply for benefits from other sources for which he may qualify. The removal of his needs makes the case ineligible.

On April 25, Mr. B returns a complete RRED. Since Mr. B resolved the issue covered by the **Notice of Decision**, and it is too late to issue timely notice based on Mr. B's failure to apply for other benefits, the worker generates a new notice to reinstate assistance effective May 1.

Once the case is reinstated, the worker generates a timely and adequate notice to cancel assistance due to Mr. B's failure to apply for other benefits, effective June 1. The overpayment Mr. B received in May is subject to recoupment.

3. Same situation as Example 2, except the worker determines the failure to apply for other benefits on April 10. The worker manually issues a timely notice to inform Mr. B that his assistance is canceled effective May 1, based on failure to apply for benefits from other sources. Mr. B must resolve the issues covered by both notices before assistance can be reinstated.

When Timely Notice Is Not Required

Legal reference: 441 IAC 16.3(2) and 16.3(3)

Policy: Notice must be adequate but need not be timely when:

- The grant for the month following the month of decision is less than the month of decision on new approval cases.
- Eligibility does not exist the month following the month of decision for new approvals.
- Assistance is terminated or reduced because of information on the RRED.
- Benefits are terminated because the participant did not return a completed RRED.
- There is evidence confirming that a participant died or the FIP payee died and no relative can serve as the new payee.
- A special need allowance granted for a specific period is terminated, and the participant was notified with the initiating **Notice of Decision** it would terminate.
- The participant gives you a clear, written, signed statement that the participant no longer wants assistance. (A written statement is not needed when cancellation is requested in time to provide timely notice.)

- The participant gives information that requires termination or reduction of assistance, and the participant has indicated in writing that the participant understands the consequences of supplying the information. (A written statement is not needed when the participant gives the information in time to provide timely notice.)
- You do not know the location of the participant and the participant's mail has been returned with the post office indicating no known forwarding address.
- The participant has been accepted for assistance in a new jurisdiction.
- A child on the FIP case is removed by the court or voluntarily placed in foster care.

Appeals

Legal reference: 441 IAC 7.5(17A), 7.6(17A), 7.8(17A), 7.9(17A), 7.11(17A), 7.17(17A)

Policy: The applicant or participant has a right to appeal any decision and to request an appeal hearing. No one may limit or interfere with this right.

Appeals for FIP and PROMISE JOBS may be made in writing, by telephone, or in person.

Assistance is continued if the appeal is filed before the effective date of the intended action or within 10 days from the date the notice is received. The date the notice is received is considered to be five days after the date on the notice. If the client is eligible for a special need allowance, the allowance is paid while the appeal decision is pending.

Assistance is not continued if:

- The client directs you in writing to go ahead with the intended action.
- The client appeals cancellation due to failure to return a complete RRED.
- An appeal is filed after the effective date of the intended action.
- The appeal is filed more than ten days from the date the notice is received. The date the notice is received is considered to be five days after the date on the notice. Unless the appellant shows that the appellant did not receive the notice within the five day period.

A pre-hearing conference must be held upon the client's request.

A hearing will be held if the request is made within 30 days after the notice date. The director of the Department will decide if a hearing will be held if the request is more than 30 days but less than 90 days after the notice date. A hearing will not be held if the request is more than 90 days after the notice date.

Procedure: When a client files an appeal:

- Document the receipt of the appeal. When the appeal is in writing, save the envelopes with the postmark. If the envelope is not available, date-stamp the day the appeal is received.
- Advise the client of legal services available in the community. This may include Legal Aid, the county bar association, etc.

When you receive a verbal request to appeal, document the conversation on form **470-0487** or **470-0487(S), Appeal and Request for Hearing**. Complete the:

- Client's name, address, and phone number;
- Program or programs that are being appealed;
- Tell us why you are appealing. For the response to this question, the worker should enter, "Per telephone conversation with the appellant on (enter the date)," and the reason that the client is appealing; and
- Do you want your benefits to continue during your appeal;
- Do you want an informal conference with your worker;
- Do you want a language interpreter for your hearing;
- Worker information section.

Continue to act on other changes occurring in a participant's case while the appeal is pending. Issue a **Notice of Decision** based on other changes. If the client wants to appeal a subsequent action based on a change, the client must file a separate appeal.

If you determine before the hearing that an error was made in the action that resulted in the client filing an appeal:

- Notify the client of the error.
- Indicate what corrective action you will take.
- If this is acceptable to the client and the client withdraws the appeal, immediately implement the corrective action and send a new **Notice of Decision**.

The client may voluntarily withdraw an appeal. The client can withdraw the appeal in writing, in person, or over the telephone. A written request can be made on form **470-0492** or **470-0492(S), Request for Withdrawal of Appeal** or a written statement that the client is aware of the consequences of the action. The written withdrawal request may be submitted in person, by mail, through submission of an online form, email or by fax.

When the client verbally requests to withdraw the appeal, document the conversation on form **470-0492** or **470-0492(S), Request for Withdrawal of Appeal**. Fill in the top portion of the document which includes the appellant's name, address, appeal number, and program that was appealed.

In the Added Comments section, enter "Per telephone conversation with the appellant on (enter the date), the appellant verbally withdrew the appeal." Then sign and date the form.

Upload the **Request for Withdrawal of Appeal** form into the Appeals Information System (AIS) and use the Send Email button feature to notify all parties that the appeal has been withdrawn.

Hold the prehearing conference as soon as possible after the appeal is filed. When applicable, the client's representative may attend and participate in the conference.

The purpose of the pre-hearing conference is to clarify any issues regarding the appeal. During the conference, the client may also examine the contents of the case record and any other documents you plan to use at the hearing. Note that the client need not request a conference to have access to the record or documents.

If the appeal issue is resolved during the conference, the client may wish to withdraw the appeal. If so, the client can withdraw the appeal in writing, in person, or over the telephone. Upload the **Request for Withdrawal of Appeal** into the Appeals Information System (AIS) and use the Send Email button feature to notify all parties that the appeal has been withdrawn.

Do not use the conference to discourage clients from proceeding with their appeals or to interfere with or limit their appeal rights.

Comment: Examples of adverse actions that a client may appeal include:

- The denial of financial or medical assistance.
- The delay in acting on the client's application with reasonable promptness.
- The reduction or termination of assistance.
- The existence and amount of a FIP overpayment.
- The recovery of an overpayment.

Refer to:

- **1-E, Appeals and Hearings** for information on the Department's appeal process, including worker and client responsibilities, time limits, and appeal decisions.
- **4-J, PROMISE JOBS** for specific appeal rights and guidelines relating to limited benefit plans.
- **4-C, Limit on FIP Assistance and Hardship Exemption** for additional information on appeal procedures related to the 60-month FIP limit and the hardship exemption.
- **4-C, Electronic Access Card Usage** for additional information on appeal procedures related to electronic access card usage.

Additional Benefits for FIP Participants

Additional benefits include:

- Child Care Assistance
- Work Opportunity Tax Credit

Child Care Assistance

Legal reference: 441 IAC Chapter 170; Iowa Code Section 239B.24

FIP applicants and participants who are employed may receive assistance with child care costs through the Child Care Assistance (CCA) program. This includes persons whose income is considered when determining eligibility or the FIP grant amount.

All employed members of the assistance unit that are on an active FIP case are considered eligible for CCA without regard to income, number of working hours, or waiting lists (should waiting lists be established). This includes participants who do not get a FIP grant because of rounding or the $10 limit on grants.

Child care providers are subject to CCA requirements. For example, they must be aged 18 or older. They also must pass the required criminal and child abuse record checks conducted by the Department before the Department can make payment.

Give the client a copy of **Comm. 062** or **Comm. 062(S), Child Care Assistance** during the application interview.

Provide basic information about the CCA program to make clients aware of it. Inform clients of the requirements that child care providers must meet to be eligible for payment, and that the Department makes payment to the provider. If necessary, provide the name and phone number of the person designated as CCA contact person for your office.

Provide pertinent case record information when the CCA worker requests it. See **13-G, Child Care Assistance** for more information.

Work Opportunity Tax Credit (WOTC)

Legal reference: P.L. 104-188, as amended by P.L. 105-34

The Work Opportunity Tax Credit (WOTC) is designed to help persons move from economic dependency to self-sufficiency by encouraging employers in the private sector to hire from eight targeted groups of job seekers with significant barriers to employment. These groups are:

- Group A. Qualified IV-A recipients
- Group B. Qualified veterans
- Group C. Qualified ex-felons
- Group D. High-risk youth
- Group E. Vocational rehabilitation referrals
- Group F. Qualified summer youth employees
- Group G. Qualified SNAP recipients
- Group H. Qualified SSI recipients

FIP participation is a qualifying factor for Group A. For purposes of WOTC, a "qualified IV-A recipient" is a family member whose needs were included in the FIP grant for any nine months within the 18-month period ending on the person's hiring date. The minimum age to qualify for WOTC is 14. Employment of children aged 14 or 15 must meet the requirements of the labor laws.

The Iowa Workforce Development Department (IWD) administers WOTC. IWD verifies eligibility and issues certifications to employers. The Department shares eligibility and program participation information electronically with IWD. Refer all requests for WOTC eligibility verification from employers and current or former FIP participants to IWD.

Employers that offer a job in the belief that a person is a member of one of the qualified groups can request certification from the WOTC coordinator. Employers and job applicants with questions should contact:

WOTC Coordinator
Iowa Workforce Development
150 Des Moines Street
Des Moines, Iowa 50309

IOWA Health and Human Services

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Application Processing

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Overview

When a person submits a valid application for Family Investment Program (FIP) assistance, the Department of Health and Human Services eligibility benefit specialist (EBS) begins processing the application. This chapter describes that process, including:

- Interviewing.
- Determining the household's reporting requirements.
- Verification.
- Deadlines for approving or denying an application.

Legal Basis

The legal basis for these policies and procedures is found in:

- Title IV-A of the Social Security Act,
- Iowa Code Chapter 239B, and
- 441 Iowa Administrative Code, Chapters 40 and 41.

Filing a FIP Application

Legal reference: 441 IAC 40.22(239B)

Any person has the right to apply for assistance without delay. An application for FIP must be submitted on form **470-0462** or **470-0462(S)**, **Food and Financial Support Application**. The application can be submitted in person, by mail, by fax, or electronically. Applications that are filed electronically or that are signed and then faxed or scanned and emailed do not have to be signed again.

Give an application to a person immediately upon request. If asked, mail an application in the next outgoing mail. With the application, give or mail:

- Voter Registration form.
- Comm. 51, Information Practices.

The parent must make the application if the parent:

- Is in the home with the child, and
- Is not prevented from acting as payee because of physical or mental impairment.

Document in the case record the impairment that prevents the parent from acting as payee. The impairment must prevent the parent from assuming the responsibility for making the day-to-day decisions regarding the welfare of the child.

Other people may help an applicant apply for assistance. They may represent the applicant in contacts with the Department when accompanied by the applicant. Accept an application from someone acting on behalf of the applicant.

The application must contain a legible name and address. It must be signed:

- By the applicant,
- By the applicant's authorized representative, or
- When the applicant is incompetent or incapacitated, by someone acting responsibly on the applicant's behalf.

When both parents or both a parent and stepparent are in the home, either parent or stepparent may sign the application. When a minor parent lives with a self-supporting parent and applies for FIP, only the minor parent is required to sign the application.

When FIP is canceled or denied because of a Department error, a new application is not required to redetermine eligibility for ongoing assistance or to issue retroactive corrective benefits.

See **4-G, Changes in Household Circumstances** for information on procedures to use when adding a person to an active case.

Families that are subject to the 60-month limit cannot receive FIP beyond that period unless they are determined eligible for a hardship exemption. Check the FIP Eligibility Tracking (FET) when a family applies for FIP to determine the status of the family's 60-month FIP period.

Families that have received FIP for 60 months must file form **470-3826** or **470-3826(S)**, **Request for FIP Beyond 60 Months**, and be determined eligible for a hardship exemption to receive FIP beyond the 60-month limit. Families that are no longer on FIP must also file a **Food and Financial Support Application**, form **470-0462** or **470-0462(S)**, to regain FIP eligibility.

Issue form 470-3826 or 470-3826(S) to families that have received FIP for at least 58 months. Also issue the form upon the family's request. Provide a return envelope.

The date of the hardship exemption request is the date a valid form 470-3826 or 470-3826(S) is received in any office of the Department or PROMISE JOBS. To be valid, the form must contain a legible name and address and must be signed by an "adult" in the family.

Refer to **4-C, Hardship Exemption** for application procedures and signature requirements specific to families that have exhausted their 60-month FIP period and that are requesting a hardship exemption.

Date of Application

Legal reference: 441 IAC 40.23(239B)

The date of application is the date the form 470-0462 or 470-0462(S), **Food and Financial Support Application**, is received:

- In **any** Department office. NOTE: Applications received by the Department at a time when the office is open are date-stamped with the same date on which the application is received. Applications left at a closed office or received electronically outside of work hours are date-stamped with the date of the next working day for full-time Department offices.

> County A has a less-than-full-time office that is open on Monday and Wednesday. The office was last open Wednesday, April 24. When the office reopens on the following Monday, the staff find applications left under the door. All applications are date stamped as received Thursday, April 25.

- By an EBS housed in an outstationing facility. (An outstationing facility can be any disproportionate-share hospital, federally qualified health center, or other facility providing outstationing services.)
- By a designated EBS in an outstationing facility when the applicant does not request SNAP. These EBSs will then forward the application to the Department.

The date of application is important because it is used to establish the eligibility date for benefits. To establish an application date, the applicant is required only to indicate name and address and sign the form.

An application that is faxed or is scanned and then e-mailed is acceptable and will protect the application date. Applications that are signed and then faxed or scanned and e-mailed do not have to be resigned.

When an application is received in an office other than the one responsible for processing it, date-stamp the application with the date of receipt and forwards it to the appropriate office no later than the next working day.

A household may not check all the programs on the **Food and Financial Support Application** for which it wants to apply. If the applicant asks to apply for additional programs during the interview, or before you take action on the application, allow the applicant to check the applicable box.

The filing date for any additional program is the same date as the filing date for the programs that were initially checked on the application form.

EXCEPTION: When the applicant files a different application form, such as form **470-5170 or 470-5170(S), Application for Health Coverage and Help Paying Costs**, and during the interview decides to apply for FIP, the applicant must file a **Food and Financial Support Application** to be considered for FIP. The date you get the **Food and Financial Support Application** is the date of application for FIP.

Applications Received in Outstationing Facilities

Legal reference: 441 IAC 40.23(239)

The date an EBS assigned to an outstationing facility receives an application is the date of application for all programs (regardless of whether the applicant wants SNAP). The EBS conducts the interview and determines eligibility before forwarding the application to the appropriate local office.

When a designated EBS in an outstationing facility receives an application and the applicant does not request SNAP:

- The date of application is the date the EBS receives the application.
- The designated EBS conducts the interview before forwarding the application to the appropriate local office.
- The EBS in the local office is responsible for making the eligibility determination.

When a designated EBS in an outstationing facility receives an application and the applicant requests SNAP:

- The application is not date-stamped.
- The designated EBS verifies the client's identity, if possible, and faxes the application and the verification of identity to the appropriate local office the same business day. (The applicant may take the application to the local office instead.)

- The date of the application for all programs is the date the local office receives the application.

When the client does not request SNAP until later (for example, during the interview), the designated EBS faxes the application to the local office on the same business day. (The applicant may take the application to the office instead.) The date of application for all programs is the date the local office receives the form.

If the client requests SNAP after the FIP interview, the designated EBS refers the client to the local office to apply for SNAP.

When an Applicant Has a Guardian or Conservator

Legal reference: 441 IAC 40.22(2)

Before determining eligibility for an applicant that has a guardian or conservator, obtain and file a copy of the court order establishing the guardianship or conservatorship.

When an application is filed by a parent or relative who is already under court-ordered conservatorship or guardianship, the conservator or guardian as well as the applicant must sign the application and participate in the application process.

Interviews

Legal reference: 441 IAC 40.22(2), 40.24(2)

Policy: An interview must be held before FIP is approved. The interview may be by telephone or face-to-face. EXCEPTION: An interview is not required when adding an individual to an existing eligible group. An interview may be held at the client's home, at the client's request.

Persons attending the interview may include:

- The applicant (either parent in a two-parent case).
- The applicant's legal guardian or conservator.
- Someone acting on the applicant's behalf because the applicant is mentally or physically unable to attend the interview.

Procedure: Schedule and hold an interview before FIP is approved.

- Schedule a telephone or face-to-face interview for each FIP application.
- Grant requests to reschedule an interview when the client is making every effort to cooperate with the interview process.
- Deny the application if the client fails to attend or reschedule a required telephone or face-to-face interview.
- Give the client specific written instructions when additional information or verification is needed to establish eligibility. Include in the instructions:
  - The date the information is due and
  - The consequences for not providing requested information or verification by the due date.

See Verification later in this chapter for instructions on requesting information or verification.

Conducting an Interview

Procedure: At the telephone or face-to-face interview:

- Review the information on the application form.
  - Resolve any unclear, inconsistent, or incomplete information with the household.
  - Ask if there have been any changes between the application date and the interview.
  - Request any necessary information or verification.
- Review the following information:
  - The household's rights and responsibilities.
  - The factors considered in determining eligibility.
  - The verification that is required.
  - The requirement to report changes. See Household Reporting Requirements.
  - The requirement to apply for and accept other benefits for which the client is eligible. See **4-C, Benefits From Other Sources**.
  - Prospective budgeting.

- Explain the requirement to cooperate with child support recovery, including:
  - The assignment of rights to child support.
  - The good cause provisions.

  Give or send the client a copy of form **470-0169** or **470-0169(S)**, **Requirements of Support Enforcement**, and document this in the case record**.**
- For applicants who appear to be eligible for FIP and not exempt from PROMISE JOBS requirements:
  - Provide an overview of the PROMISE JOBS program.
  - Explain the requirement to meet with PROMISE JOBS and sign a family investment agreement (FIA) before FIP can be approved.
  - Schedule the PROMISE JOBS appointment. See **4-J, Referring Clients to PROMISE Jobs**.
  - For applicants in a limited benefit plan, explain the actions the applicant must take with PROMISE JOBS before FIP can be approved.
- Explain the 60-month limit on FIP assistance.
  - Issue Comm. 137, 60-Month Limit on FIP.
  - Issue form 470-3851, Important Information About Your FIP.
  - For families who have received 58 or more months of assistance, issue form 470-3826 or 470-3826(S), **Request for FIP Beyond 60 Months**. Explain the hardship provisions.
- Discuss the options for receiving payment with each FIP applicant:
  - If the applicant requests direct deposit, explain that:
  - A personal debit card cannot be used at certain locations to access FIP benefits that have been direct deposited into the applicant's account and the penalties for accessing benefits with their debit card at those locations, and
  - The initial payments may be issued by electronic access card (EAC) until the direct deposit can start.
  - If the payee does not have a social security number, explain that payments will be made by warrant.
  - If the payee will not be the case name (head of household), explain that payments will be made by warrant unless the payee chooses direct deposit.

- If none of the previous three bullets apply, explain that payments will be made by electronic access card. Consider and do the following:
  - If it is a two-parent case, explain that only one card will be issued for the household, in the name of the parent who is the case name.
  - Provide a copy of **Comm. 377, FIP Electronic Access Card**.
  - Explain that the electronic access card or the applicant's personal debit card cannot be used at certain locations to access FIP benefits and the penalties for accessing benefits with the card at those locations.
  - If the case name individual has a "blank" or "Y" in the EAC indicator field on ABC system's TD03 screen indicating that they have never had a Mastercard EAC account, explain that if FIP is approved, an electronic access card will be mailed to them. It is important that they keep the card and read the materials that tell them how to use it and especially how to avoid fees.
  - If the case name individual has a "M" in the EAC indicator field on ABC system's TD03 screen, ask if they still have their FIP EAC card. If they still have it, they will be able to use that card to get their FIP benefits when FIP is approved. If they do not have their FIP card, or if their old card is past the expiration date printed on the front of the card, explain that they will have to call the Customer Service Center at Conduent 1-844-207-3225, to request a replacement card.
  - Explain that it is important to report promptly if their address changes before receiving the EAC card. EAC cards cannot be forwarded by the post office. If the card is mailed to the wrong address, the client will have to call the Conduent Customer Service Center to report that they did not receive the card and request a new card.
  - Explain that they should keep their card even if they leave FIP or begin getting FIP by direct deposit or warrant, because they will be able to use the same card if they begin getting benefits by EAC again in the future.

- Provide the following pamphlets, as appropriate to the family's situation:
  - **Comm. 108, The Family Investment Program (FIP)**.
  - **Comm. 132** or **Comm. 132(S)**, **Family Planning Counseling**.
  - **Comm. 133** or **Comm. 133(S)**, **FIP for Minor Parents**. Provide the pamphlet and explain minor parent provisions if the applicant is a minor parent.

- **Comm. 024** or **Comm. 024(S)**, **One-Time Payments**. Provide the pamphlet and explain lump-sum policies if the applicant has received or expects to receive a nonrecurring lump sum.
- **Comm. 062** or **Comm. 062(S)**, **Child Care Assistance** if the family has questions about child care assistance.
- Iowa WIC (Special Supplemental Nutrition Program for Women, Infants and Children) Program Income Guidelines. The Department revises the WIC flyer annually in March to incorporate updated WIC income guidelines. Supplies of the WIC flyer are available by calling the following: 1-800-532-1579.

Voter Registration Procedures During the Interview

Legal reference: 721 IAC Chapter 23

Policy: The Department is responsible for helping clients complete voter registration forms and for mailing the forms to the county election office. The opportunity to register to vote is offered at the time of application and review and when a client reports moving to a new address within Iowa.

Procedure:

- Issue a copy of the **Voter Registration** form:
  - With each application and Review/Recertification Eligibility Document and
  - When the client moves within Iowa.
- At each interview, ask if the client wants to register to vote.
- If the client has not filled out the **Voter Registration** form before the interview, have the client complete the form at the interview.
  - If the interview is by telephone and the form is not complete, ask the questions and send the form to the client for signature. No follow-up is necessary after the form has been mailed to the client.
  - If the client wants to register, offer to help complete the form. Be careful that you do not influence the client's voter registration options in any way. Review the client's rights as listed on the form.
  - If the client chooses not to check "yes" or "no," leave the section blank and consider the client has chosen not to register to vote.
  - If the client chooses not to sign the form, print the client's name and the date where indicated, and initial the form.

- If the form is completed:
  - Tear off the information section and give it to the client.
  - Keep the declination form, and file it following the instructions in 6-Appendix.
  - If the client chooses to register to vote, send the completed registration form to the county election office following the instructions in 6-Appendix. The actual voter registration occurs at the election office.

If there isn't an interview, and the client has indicated on an e-application "yes" they want to register to vote, mail the Voter Registration form to the client and document your action.

Household Reporting Requirements

Legal reference: 441 IAC 40.27(1)"a," 40.27(4)"e" and "f"

All applicant households must report changes at the interview and thereafter within five calendar days of the date the change occurred.

All participant households must report changes within ten days of the occurrence.

Day one of either reporting period is the day after the change occurred. If the last day of the reporting period falls on a weekend or holiday, extend the time limit to the next working day with regular mail service.

Both applicant and participant households are required to report the following changes:

- Changes in mailing or living address.
- Changes in household membership.
- Changes in school attendance of a child.
- Receipt of a social security number.
- Changes in resources.
- Beginning or ending income. This includes beginning or ending employment or unearned income or receipt of a nonrecurring lump sum.

Verification

Legal reference: 441 IAC 40.24(239B), 40.27(4)

Unless verification is specifically required, accept clients' statements on applications and review forms if the information appears to be accurate and consistent with other

information. Use the "prudent person" concept when evaluating verification. See 4-A for a definition of prudent person.

Give the client specific written instructions when additional information or verification is needed to establish eligibility. Include in the instructions the date the information is due and the consequences for failure to supply the information. "Supply" means the requested information or verification is received by the Department by the specified due date.

Allow the client ten days to supply the information. The ten-day period begins with the day after you issue the written request.

The client is responsible for getting the requested information or verification or signing a release to authorize you to get it. A client who provides a signed release to a specific individual or organization for specific information has met the requirement for supplying requested information or verification.

Extend the deadline when the client requests an extension because the client is making every reasonable effort to get the information but has been unable to do so. Help the client to get requested verification as needed. (See Processing Standards later in this chapter for information on what to do if the client does not meet the deadline.)

When the due date given a client for reporting information or supplying verification falls on a weekend or legal holiday, extend the due date to the next working day for which there is regular mail service. This applies to:

- The ten-day period for supplying additional information or verification needed to establish eligibility.
- The period allowed for an applicant or participant to timely report changes.
- The ten-day period allowed for reporting a change in exempt PROMISE JOBS referral status.
- The 20-day period allowed the client to provide evidence to document good cause for failure to cooperate with the Child Support Recovery Unit.

EXCEPTION: If the client is required to report or supply information by the end of the report month and the last day of that month falls on a weekend or legal holiday, the due date is the last working day of the report month. Do not extend the report month. Also see **4-G, Effective Date of Adjustment**.

The client must report changes to the Department. The client's report to PROMISE JOBS does not fulfill the reporting requirement. Although PROMISE JOBS staff are

under contract with the Department, they are **not** considered employees of the Department.

See **4-C, Hardship Exemption** for procedures for obtaining hardship evidence from families that are applying for FIP beyond the 60-month limit.

Examples of situations in which you should check further are:

- Living expenses are greater than income. This is the strongest indicator of possible ineligibility or overpayment. Three possible explanations are:
  - The client is not paying all expenses.
  - The client is concealing something that will not affect the case (for example, shared living arrangement, companion in the home, unearned income in kind).
  - The client is concealing something that will affect the case (for example, resources, income, or the presence of a parent or stepparent in the home). The client may also have exaggerated shelter expenses to receive more SNAP benefits.

  Since most FIP cases also receive SNAP, you probably already verified the household's shelter expenses and already have general knowledge of the family's expenses. However, clients often have expenses besides shelter costs, such as car payments or insurance, credit cards, or life insurance.

  Whenever known expenses are close to reported income, you must consider whether the household is likely to have other expenses that cause total expenses to exceed income. You cannot deny or cancel a case simply because expenses exceed income. There must be another reason for the action.
- The client's circumstances indicate potential resources, such as medical insurance, sick leave benefits, or eligibility for OASDI, veteran's benefits, or unemployment compensation.
- Property or cash holdings are at or near limits.
- The person's condition indicates that verification of some or all eligibility factors is necessary, such as when the person:
  - Appears to be mentally confused;
  - Has a known history of misrepresentation;
  - Is a transient who has no permanent address or moves frequently; or
  - Is physically ill or disabled and cannot adequately participate in the eligibility determination process.

Suggested Procedure for Reviewing Questionable Information

Clients are usually able to select the most likely sources of information about themselves. When you require further verification, the client must supply evidence to document information provided.

If the client is unwilling to get the required information or to help you make the necessary inquiries, explain that you are unable to approve assistance because you cannot establish eligibility. When the client cannot clarify the situation, then you should attempt to obtain the verification.

1. Compare the client's known expenses with income. Count the amount of SNAP the client receives as income. Find the maximum SNAP allotment for the client's family size and count that as an expense. (See **7-F, Calculating Benefit Level** for a chart showing the maximum allotments.)
2. Review the case record for indications of income and resources that may not have been acted upon (complaints, IEVS reports, etc.).
3. Discuss the problem with the client. If the client has a plausible explanation or has solved the problem, document this in the case record. Review the case in a month to ensure that the problem was resolved.
4. If the client does not have a plausible explanation or the problem continues, refer the case to Front-End Investigations or investigate the case yourself. In the latter case, write to the client to schedule an interview. Here is an example of a letter you might send to schedule an interview:

> Dear:
>
> While following up on our earlier contact, I found that your family's expenses seem to be greater than your income. Since this indicates that you may have income or resources that you have not reported, you must explain how you are paying your expenses.
>
> I have made an appointment for you to come in and talk to me about this at ( ). Please bring these with you:
>
> - Rent and utility bills and payment receipts for the last ( ) months.
> - ( ) bills and payment receipts for the last ( ) months.
> - Your bank statements and checkbook records for the last ( ) months showing the deposits and withdrawals that have occurred on your account.

- (Other items that the EBS believes are appropriate.)

You must appear for your appointment or reschedule the interview. You must bring all of these items with you. If you do not, your FIP, SNAP, and Medicaid benefits will be (denied/canceled).

Allow the client at least ten days before the interview date to obtain the requested information.

5. If the client does provide the data, determine if the client is paying all expenses. If expenses are in line with income, the issue is resolved. If not, ask the client to describe how such payments are possible with existing income.

Processing Standards

Legal reference: 441 IAC 40.25(239B)

Policy: A decision to approve or deny an application shall be made as soon as possible, but no later than 30 days after the date the application is filed. The 30-day period may be extended in unusual circumstances. A written notice of decision shall be issued the next working day following the decision to approve or deny.

Procedure: Approve or deny each application unless the applicant:

- Dies or cannot be located. Document this in the case record.
- Voluntarily withdraws the application. Issue a **Notice of Decision** documenting the withdrawal and file a copy in the case record.

Process applications on the earliest possible date, but no earlier than the effective date of assistance. See Effective Date of Assistance for more information. Do not use the 30-day limit as a waiting period before approving the application or as a basis for denial of the application.

Day one of the 30-day processing period is the calendar day after the date of application. Determine eligibility and issue a written notice of decision by making system entries no later than the 30th day following the date of application. If the 30th day falls on a weekend or holiday, process the application by making system entries the next working day.

You can extend the 30-day limit if:

- You and the applicant have made every reasonable effort to get information that has not arrived.
- Emergencies, such as fire, flood, or other conditions beyond control of the local office, delay action.
- Eligibility is dependent on the birth of a child. You may hold the application for an additional 30 days or slightly longer if the birth appears imminent at the end of the first 30 days. See Effective Date of Assistance for more information.

If the client does not attend a scheduled interview and does not contact the office to reschedule, deny the application.

If the client fails or refuses to provide requested information, deny the application.

If you cannot establish eligibility within the 30-day limit due to local office error, approve the application pending the eligibility determination. After the eligibility determination, issue a corrective payment or recoup the excess amount of assistance paid, if applicable.

Do not deny an application based on presumptive eligibility. If it appears that eligibility does not exist, delay processing of the application until you receive all information you need to make the eligibility determination, even if the delay exceeds the 30-day period.

Determine eligibility on the date information is successfully entered into the system. If the applicant is eligible on that date, approve assistance even if:

- You know the client will be ineligible for assistance later in the month or in a future month. (For example, if a 17-year-old child becomes 18 during the month of data entry, approve the application unless the birthday falls on the first day of that month.)
- The client was ineligible some time between the application date and the date eligibility information is entered into the system.

1. Ms. A applies for FIP on June 18. The EBS determines that Ms. A received assistance in Missouri for June and was canceled effective July 1. The EBS enters eligibility information into the system on July 3. The application is approved for July.
2. Ms. B applies for FIP on June 23. The EBS determines that Ms. B was unemployed on the date of application, but she began work on July 5. Her projected income for July exceeds the 185% standard. The EBS enters eligibility information into the system on July 14. The application is rejected and no payment is made.
3. Mr. C applies for FIP on June 5. The EBS enters eligibility information into the system on June 30. System entry errors prevent processing. The EBS corrects and completes the entries on July 1. If there is eligibility for July, the application is approved.

Refer to **4-C, Hardship Exemption Decision** for specific instructions for processing requests for a hardship exemption for families that are applying for FIP beyond the 60-month limit.

Grace Period Following Denial of an Application

Legal reference: 441 IAC 40.23(4)

Policy: A grace period may be allowed:

- When an application is denied for failure to provide requested information. Eligibility for FIP can be reconsidered without a new application if all information necessary to establish eligibility, including verification of any changes, is provided within 14 days of the date on the **Notice of Decision** denying the application.

  If eligibility is established, the effective date of FIP is the date all of the information is provided.

- When an application is denied for failure to attend an interview with the income maintenance EBS. Eligibility for FIP can be reconsidered without a new application if the interview is completed and all information necessary to establish eligibility, including verification of any changes, is provided within 14 days of the date on the **Notice of Decision** denying the application.

  NOTE: The grace period does not apply when an application is denied for failure to attend an interview with PROMISE JOBS.

If eligibility is established, the effective date of FIP is the date the interview is completed or the date all of the information is provided, whichever is later.

Procedure: When an application is denied for failure to provide requested information or for failure to attend the application interview, allow a 14 calendar day "grace period" to correct the reason for denial.

The first day of the grace period is the day following the date printed on the **Notice of Decision** denying the application. If the fourteenth day falls on a weekend or holiday, the due date is extended to the next working day for which there is regular mail service.

- Failure to provide requested information:

  If an application is denied for failure to provide requested information, all of the information requested and verification of any changes in the family's circumstances that affect eligibility must be provided within 14 days of the date on the **Notice of Decision** denying the application. If eligibility is established, the effective date of FIP is the date the final piece of the information is provided.

- Failure to attend interview:

  If an application is denied for failure to attend the application interview, the interview must be completed and all of the necessary information, including verification of any changes in the family's circumstances that affect eligibility, must be provided within 14 days of the date on the **Notice of Decision** denying the application.

  If eligibility is established, the effective date of FIP is the date the interview is completed or the date the final piece of the information is provided, whichever is later.

- Family Investment Agreement:
  - If a family investment agreement (FIA) was signed before the application was denied, that FIA will be reinstated if the application is reconsidered during the grace period and eligibility is established.
  - If a required FIA has not yet been signed, the agreement must be signed within the 14-day period for eligibility to be redetermined. If a PROMISE JOBS appointment cannot be scheduled soon enough to complete the FIA before the end of the 14-day period, inform the family that a new application is required.

- No information provided or interview not completed:

  If the information is not provided or the interview is not completed by the 14th day, no further action is required. Do not issue another notice.

- Partial information provided:

  If part of the information is provided, do not issue a **Notice of Decision**. However, it is good practice to contact the family to let them know that you still do not have everything you need to reconsider the application.

- If a change is reported during grace period:

  If the previously requested information is provided within the 14-day period, but the family also reports another change that must be verified, make every effort to help the client verify the information within the 14-day period.

  - A written request for information for the subsequent change is not necessary. However, inform the family that the application cannot be reopened until the change is verified.
  - If a generic release is on file, use it to attempt to verify the information.
  - If the new information is not verified by the end of the 14-day period, send a **Notice of Decision** stating the application remains denied. This is required because the original reason for denial has been cured, but the family did not provide verification of the new information.

When it appears unlikely that you will be able to verify additional information or complete the interview before the end of the 14-day period, inform the family that they should submit a new application to preserve the earliest possible effective date of assistance.

Comment:

1. Ms. A, a FIP applicant, fails to provide verification of income that was requested by the Department. The EBS issues a notice denying the application, which is dated December 2.

   Ms. A provides the verification on December 10. There have been no other changes in the family's circumstances. The EBS reprocesses the application and approves FIP effective December 10.

2. Ms. B, a FIP applicant, fails to provide verification of income that was requested by the Department. The EBS issues a notice denying the application, which is dated December 2. Ms. B provides the missing verification on December 10, but also reports that she has begun a new job.

   The EBS explains that Ms. B has until December 16 to provide verification of the change. Ms. B fails to provide the verification. The EBS issues a notice stating that the application remains denied for failure to provide the requested verification.

3. Ms. C, a FIP applicant, fails to attend her interview with the EBS . The EBS issues a notice denying the application, which is dated December 2. On December 6, Ms. C calls the EBS and asks to complete the interview.

   The EBS completes the interview by telephone that day and schedules an FIA appointment with PROMISE JOBS. Ms C signs her FIA on December 10 and provides the last of the required verification on December 12. The EBS approves FIP effective December 12.

Effective Date of Assistance

Legal reference: 441 IAC 40.24(4), 40.26(239B), 41.24(8), 41.25(2)

Policy: The effective date for assistance cannot be earlier than seven days after the date of application.

When an application has been denied for failure to provide requested information but eligibility is established during the 14-day grace period, the effective date of assistance is the date the final piece of the required information is provided.

When an application is denied for failure to attend the application interview but eligibility is established during the 14-day grace period, the effective date of assistance is the date the interview is completed or the date the final piece of the required information is provided, whichever is later.

When approving an application for a household following a **first** limited benefit plan imposed effective on or after June 1, 1999, the effective date of assistance is the **latest** of the following:

- The date the FIA is signed, or
- Seven days from the application date, or
- The date the household is otherwise eligible.

When approving an application for a household following a **subsequent** limited benefit plan imposed effective on or after June 1, 1999, the effective date of assistance is the **latest** of:

- The date the FIA is signed, or
- Seven days from the application date, or
- The first day after the six-month period of ineligibility expires, or
- The date the household is otherwise eligible.

When approving an application following any limited benefit plan effective **before** June 1, 1999, the effective date of assistance is the **latest** of the following dates:

- Seven days from the application date,
- The first day after the period of ineligibility expires, or
- The date the household is otherwise eligible.

Families that are subject to the 60-month limit cannot receive FIP beyond that period unless they are determined eligible for a hardship exemption. For applicants whose FIP eligibility depends on qualifying for a hardship exemption, the effective date of assistance cannot be any earlier than the **later** of:

- The date a valid form 470-3826 or 470-3826(S), **Request for FIP Beyond 60 Months**, is received in any Department or PROMISE JOBS office, or
- Seven days from the date the **Food and Financial Support Application** was received.

Procedure: Approve the application when you have established that the applicant meets all eligibility requirements. Check the FIP Eligibility Tracking (FET) whenever a family applies for FIP to determine the status of the family's 60-month period.

Determine the date seven days after the date of application by counting the day after the application is received in the office as "day one." Do not include any period for which a client received assistance from either Iowa or another state.

When approving an application following a subsequent limited benefit plan, do not process the approval until PROMISE JOBS stops the limited benefit plan. This will occur after all people who are required to do so have signed an FIA and completed 20 hours of work or other approvable PROMISE JOBS activity. See **4-J, Reconsidering a Limited Benefit Plan** for more information.

If the effective date is not the first of the month, prorate the initial grant. To prorate:

1. Determine the amount of assistance for a full month for the case.

2. Subtract the effective date of assistance from 31. Divide the resulting figure by 30.
3. Multiply the amount from Step 1 by the result in Step 2. Carry to five decimal places.

Total amount of assistance	x	(31 - effective date of assistance) / 30	=	Prorated amount (before rounding)

4. Round this figure down to the next whole dollar.

If the client is eligible only on the thirty-first of a month, prorate based on one day of eligibility.

When the applicant is eligible for some, but not all, months of the application period because of the 60-month limit, first determine FIP eligibility for the month of decision. Then determine eligibility for the immediately preceding month, the second preceding month, and so on, until the 60-month limit has been reached. For additional information, see **4-F, Determining Eligibility for a Prior Month**.

Comment: When FIP eligibility depends on the birth of a child, the effective date is either seven days from the date of application or the date the child is born, whichever is later. (For more information, see 4-C, **Who Must Be in the Eligible Group**.)

1. The C household applies for FIP on May June 15. The household received TANF benefits in Mississippi for June. The effective date of assistance is July 1.
2. Ms. A applies for FIP on May 10. She expects her first child at the end of the month. The child is born on June 5. The FIP effective date is June 5 if the family is otherwise eligible.
3. Ms. B is pregnant with her first child. She applies for FIP on August 5. On August 10, Ms. B gives birth. The FIP effective date is August 12 if the family is otherwise eligible.

See Grace Period Following Denial of an Application for more information on approving applications during the 14-day grace period

See **4-C, Effective Date of Assistance for a Hardship Exemption** for specific information on qualifying for an exemption.

An applicant becomes a participant on the date you enter eligibility information into the system and the system determines the applicant is eligible for assistance. Payments are not made when:

- The budgetary deficit is less than $10, or
- The initial payment is less than $10 due to proration.

The client is still considered a participant for any month for which there is FIP eligibility but a payment is not issued because of the limitation on grants below $10 or due to rounding.

Referrals to CSS

Legal reference: 441 IAC 41.22(5)

Refer the absent parent (including an adoptive parent) to Child Support Services (CSS) within two working days of the date assistance is approved.

- If a mother claims more than one alleged father for a child, enter a referral on the **same** ICAR case for each alleged father.
- If the mother claims that her children have different but unknown fathers, establish a **separate** ICAR case for each child to reflect that child's alleged fathers.

> The father of child A is unknown, and the father of child B is unknown. The mother states that child A and child B have different fathers, but that child B's father could have been one of two people. One ICAR case must be set up for child A's father, and another ICAR case for child B's alleged fathers.

- When the putative father is deceased, send CSS a copy of the application that lists the deceased father. Attach a memo stating that the information pertains to a deceased father.
- If a mother claims that the father of the child is someone other than the man to whom she was married when the child was conceived or born (the legal father), make a referral on the legal father, but identify the biological father in the "Comment" section of the REFER2 screen.
- When FIP is reapproved following a break in assistance, link the FIP case to the ICAR case established previously on the same absent parent. Update information in the "Comment" section of the REFER2 screen as needed.
- Make a new referral whenever a new absent parent is determined on a FIP case that was previously referred for a different absent parent. If a parent later leaves the home, refer the absent parent via entries on the REFER screen.

- See **4-L, Battered Aliens** for instructions on making child support referrals for battered alien FIP cases.

EXCEPTIONS: Do **not** make a referral to CSS:

- When both parents are in the home and **paternity has been established** or there is no other legal father.
- On a parent whose parental rights have been **terminated** by the court.
- On the parents of the **underage** parent who is a payee.
- When the **same** absent parent was referred while a Medicaid-only case. Link the existing ICAR case to the FIP case. Update information in the "Comment" section on the REFER2 screen as needed to reflect current case circumstances.
- When a parent's absence is solely because of the performance of **active duty** in the uniformed services of the United States. "Uniformed service" means the United States Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanographic and Atmospheric Administration, or Public Health Service.

  NOTE: A parent whose absence is because of active duty is considered to be absent for purposes of determining FIP eligibility and benefits. See **4-C, Absence**. However, a parent who is absent for this reason is not referred to CSS.

If the parent leaves the household and the children later receive FIP on a nonparental case, notify CSS of the change in caretaker by making entries on the system. Refer both absent parents when establishing the nonparental case. CSS makes the determination of whether a caretaker assignment is necessary or whether the existing assignment can continue with the new caretaker.

If an absent parent returns to the home and FIP eligibility continues, continue to link the case. Enter in the "Comment" section on the REFER2 screen that the absent parent has returned to the home and that FIP eligibility continues. Do not make a new referral but change the code in the ABC system's deprivation (DEP) field on the TD03 screen to reflect the change.

IOWA Health and Human Services

Employees' Manual
Title 4, Chapter C

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Family Investment Program
Nonfinancial Eligibility

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Overview

This chapter covers nonfinancial eligibility requirements of the FIP program. Nonfinancial requirements are such factors as age, residency, and cooperation. The chapter is arranged alphabetically starting with absence.

The fundamental qualification for FIP benefits is that there is a dependent child who is living with a specified relative. The relationships of other household members to the dependent children determine who is in the eligible group and thus is subject to FIP eligibility requirements.

The legal basis for this chapter is found in Title IV-A of the Social Security Act, Iowa Code Chapter 239B, and 441 Iowa Administrative Code, Chapters 40 and 41.

Absence

Legal reference: 441 IAC 41.23(3)

Do not include in the assistance unit any person who is absent from the home, unless the person meets the temporary absence provisions. Consider a parent to be absent from the home when:

- The parent is committed, imprisoned, or admitted to an institution.
- The parent is a convicted offender who is permitted to live at home while serving a court-imposed sentence by performing unpaid public work or unpaid community service during the workday.
- The parent is absent because of the performance of active duty in the uniformed services of the United States. “Uniformed service” means the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanographic and Atmospheric Administration, or Public Health Service of the United States.

NOTE: Although a parent on active duty in the uniformed services is considered “absent,” do not make a referral to CSS. See 4-B, Referrals to CSS.

Mr. A is on active duty with the U.S. Army, based in Texas. Mrs. A and their children live in Iowa. Mr. and Mrs. A do not consider themselves estranged. Mr. A is absent only because of his military service. If Mrs. A applies for FIP, Mr. A is not included in the eligible group. His income is considered only to the extent he makes it available.

Do not consider a parent to be absent from the home when the parent is absent solely because of employment, such as sales representatives and truck drivers.

1. Mr. and Mrs. B receive FIP for themselves and their children. Mr. B takes a job as a truck driver. Due to the nature of the job, he will be home only one or two days a week and on the road the rest of the week. Mr. B is away solely because of his employment. He is not considered to be absent. He must be included in the eligible group and his income considered in determining eligibility for the family.
2. Mr. C and Ms. D receive FIP for themselves and their common child. Mr. D takes a job with a carnival that will require him to be away from home for six months. He is away solely because of his employment. He is not considered to be absent. Mr. C must be included in the eligible group and his income is considered in determining eligibility for the family.

Questionable Cases

Legal reference: 441 IAC 41.23(3)

In questionable cases, you may need verification to determine whether a parent is absent. Do not take action based on suspicion or complaint alone when you believe that an “absent parent” is not absent. Try to get several items that support your belief. The following are examples of situations that could be questionable and justify more verification.

- The case was recently denied or canceled because the “absent” parent’s income or resources were considered.
- The absent parent moves in and out of the home frequently.
- Living expenses exceed income.
- The parent’s absence occurs when the parent is on strike or during slack times for a self-employment business, etc.
- There is no verifiable residence for the absent parent.
- The verifiable residence for the absent parent is very close to the child’s home.
- The absent parent may be out of contact with the family, especially if the separation was recent. The client may verify the circumstance by providing a statement from the landlord, minister, lawyer, or other knowledgeable nonrelative. Apply the “prudent person” concept and document the basis for the decision on all questionable cases.

If the case is complex, consult your supervisor. Also, if the case meets the error-prone profile described on form 470-5130, DHS Investigative Referral to DIA refer the case to DIAL for a front-end investigation. See 6-Appendix for information on form 470-5130.

Temporary Absence

Include in the eligible group the needs of a person who is temporarily out of the home, if otherwise eligible. A temporary absence exists when the person is:

- Out of the home to secure education or training.
- In a medical institution for less than a year.
- Out of the home for another reason and the payee intends that the person will return to the home within three months.

The following sections describe each of these temporary absence provisions.

Temporary Absence for Education

Legal reference: 441 IAC 41.23(3)“b”

Include in the assistance grant the needs of a person who is temporarily out of the home for the purpose of education or training. A temporary absence exists as long as the parent or specified relative retains supervision of a child.

The child may secure education or training outside the home community. If the child was in the home before leaving for education or training, continue assistance as long as the parent or specified relative retains supervision. The child must remain a member of the person’s family group.

When a child is attending Job Corps, the Iowa Braille and Sight-Saving School, or the Iowa School for the Deaf, consider the child in a public educational or vocational training institution. Include the child in the assistance grant if otherwise eligible.

A parent or specified relative who is temporarily out of the home for training or education may be included in the assistance grant, provided the person was in the home before leaving to secure education or training. “Education and training” means any academic or vocational training program that prepares the person for a specific professional or vocational area of employment.

Temporary Absence in a Medical Institution

Legal reference: 441 IAC 41.23(3)“b”

Include in the assistance grant the needs of a person who is temporarily absent from the home and in a medical institution. A temporary absence exists when a person is anticipated to be in a medical institution for less than a year, as verified by a physician’s statement. If the person does not return within one year, remove the person’s needs from the grant.

Assistance may be approved for a person who is confined to or living in a medical institution as long as:

- The person left the home to enter the institution.
- The total length of absence from the home is expected to be less than one year.
- The person will be returning directly to the home from the medical institution.

A “medical institution” is a facility that provides medical care, including nursing and convalescent care, in accordance with accepted standards as authorized by state law and as evidenced by the facility’s license. A medical institution may be public or private. Medical institutions include:

- Hospitals
- Nursing facilities
- Intermediate care facilities for mentally retarded
- Psychiatric medical institutions for children
- Psychiatric institutions
- State hospital schools
- Mental health institutions

Include in the grant a person who is otherwise eligible and was living in the home before entering the medical institution, and is expected to return directly to the home from the institution in less than a year.

EXCEPTION: Children in a psychiatric medical institution for children who are in court-ordered foster care status are not eligible for FIP. See Duplicate Assistance.

A person who enters a medical institution from foster care (or from any place other than the home) is not eligible for FIP. This is true even if the person is anticipated to be in the medical institution for less than a year and to return to the home when leaving the medical institution.

EXCEPTION: Include in the eligible group a child who has remained in a medical institution since birth, but is expected to enter the home in less than one year.

1. Mrs. A applies for assistance for herself and her child, who has been in the hospital for five months. The child left the home to enter the hospital and is expected to return to the home in two months. Mrs. A and the child are eligible, because the total time the child is expected to be out of the home and in a medical institution is less than one year.
2. Mrs. B applies for assistance for herself and her child, who has been in a nursing facility for ten months. The child is expected to return home in four months. There is no FIP eligibility because the total length of time the child is expected to be out of the home is more than one year.
3. Mrs. C applies for FIP for herself and her child. The child was in foster care for two months before entering the medical institution. The child is expected to return to the home within three months. There is no FIP eligibility, because the child did not enter the medical institution from the home.

Temporary Absence for Less Than Three Months

Legal reference: 441 IAC 41.23(3)“b”

Include in the grant the needs of a person who is temporarily absent from the home. A “temporary absence” exists when:

- A person is out of the home for reasons other than care in a medical institution or education or training, and
- The payee intends that the person will return to the home within three months.

The three-month period begins with the first full calendar month after the person has left the home. If the person does not return home within three months, remove the person’s needs from the grant.

The temporary absence policy applies only to people who do not receive public assistance under any other program, including state-funded or IV-E foster care and kinship caregiver payments. See Duplicate Assistance.

A child may be out of the home for purposes such as visiting the absent parent or vacation. The child remains eligible if the child's absence is anticipated to last less than three months.

Even though the payee's responsibility for care and control is lost, as long as the loss is temporary, continue eligibility. For example, a child visiting the other parent or a person who is in jail is eligible to be included in the grant, as long as the absence is expected to be less than three months and all other factors of eligibility are met.

Assistance may be approved for a person when the total length of time the person is anticipated to be out of the home is less than three months. The "total length of time" is from the date the person left the home (not the date of application) until the date the person is expected to return.

1. Jim, who is a member of the FIP eligible group, leaves home on May 2 to visit his father. He is expected to return home August 29. His needs continue to be included in the FIP grant.
2. Mrs. A applies for assistance for herself and four children. Three of her children live with her. The fourth child has been living with his father for the past two months and will be returning to Mrs. A's home in two months.

   Mrs. A is eligible to receive assistance for the three children living in the home. The fourth child is not eligible until he returns to the home because his total length of absence from the home is anticipated to be greater than three months.
3. Mrs. B applies for assistance for herself and one child. The child was living with her grandmother for one month. Before this, the child had been living with Mrs. B. The child will be returning to Mrs. B's home in one month.

   If the grandmother is not receiving assistance for the child, the worker approves assistance for Mrs. B and the child, because the total length of absence is anticipated to be less than three months.

4. Ms. C receives FIP for herself and one child. On May 5, Ms. C leaves town to care for a sick relative. She expects to return by the end of July. Ms. C will not be maintaining her current apartment. Her child will stay with a friend while she is gone.

   FIP eligibility continues for Ms. C and her child. Even though Ms. C is not maintaining her current home, this is considered a temporary absence, since she will return home to her child within three months.

5. Mr. D receives FIP for himself and two children. On May 15, Mr. D goes to jail. The children go to stay with Mr. D's mother. Mr. D is expected to get out of jail on May 20 after his court appearance.

   FIP eligibility for Mr. D and his children continues during their absence from the home. This is considered a temporary absence because Mr. D and his children will be returning to the home within three months.

6. Ms. E receives FIP for herself and one child. On May 10, Ms. E goes to prison. The IM worker is notified that Ms. E is in prison and will be incarcerated for three years. The IM worker cancels the household's FIP benefits. The temporary absence policy does not apply because Ms. E will be out of the home for more than three months.

Age

Legal reference: 441 IAC 41.21(1)

A child in need can receive FIP assistance until the age of 18 without regard to school attendance. An 18-year-old can receive FIP assistance if a full-time student in a secondary school (or in the equivalent level of vocational or technical training) and reasonably expected to complete the program before reaching age 19. See School Attendance later in this chapter.

A child is eligible on the date of decision if the child was eligible on the first day of the month of decision. The child remains eligible the entire month of the child's eighteenth (or nineteenth) birthday, unless the birthday is on the first day of the month.
For example, a 17-year-old applicant is still eligible if the child becomes 18 during the month of data entry, unless the birthday falls on the first day of that month.

For FIP purposes, a child becomes an adult when the child gets married, unless the marriage is annulled. However, the child remains an adult if divorced.

Assignment of Support

Legal reference: 441 IAC 41.22(7)

Policy: Each applicant or participant must assign to the Department any rights the person has to support from any other person. This includes rights to support for each family member for whom assistance is received.

The assignment of support rights includes all rights to support payments that accrue during the time the person is on assistance, up to the total amount of assistance received.

Support owed for a period the person was not on FIP is not assigned to the Department.

Comment: Although alimony is assigned to the Department, the Child Support Services(CSS) does not pursue enforcement of alimony. See 4-E, Alimony for information on considering alimony as income.

Procedure: At the application interview and later whenever appropriate, explain the effect of the assignment of support payments to the applicant or participant.

When CSS collects support owed for a period the person was not on FIP, CSS will release that amount to the client. See 4-E, Treatment of Support for Participants for information about how to consider support released to clients.

> Ms. A is approved for FIP effective November 1. The absent parent has been ordered to pay $100 per month in child support and is $1,200 behind on the payments when the application is approved. In January, the absent parent makes a payment of $800.
>
> $300 of the payment is retained by the Department as it is considered assigned support for the months of November through January when the family received FIP. The remaining $500 is considered unassigned support for the period when FIP was not received and will be released to the family.

When a support order covers two or more children with the same absent parent, and one child is ineligible, support for the ineligible child is not assigned to the Department. CSS will determine what amount of the child support belongs to the ineligible child and release that amount to the client.

The following sections explain:

- The effective date of assignment
- Terminating the assignment
- Suspending and reinstating child support orders

Effective Date of Assignment

Legal reference: 441 IAC 41.22(7)

Policy: The assignment is effective the date the eligibility information is successfully entered into the Department's computer system approving FIP.

The assignment remains in effect for the entire period for which assistance is paid.

Procedure: The rights to support are assigned automatically when FIP is approved. However, you must do the actual referral of the absent parent through the Iowa Collection and Reporting (ICAR) system. See 14-D(1), IABC/ICAR Referral for specific instructions.

EXCEPTION: Make the referral manually for battered alien cases. See 4-L, Battered Aliens for instructions on referrals for battered alien families.

CSS processes assignments and terminations to out-of-state clerks of court. If you become aware that an out-of-state court order exists, enter that information on the ICAR system to notify CSS.

Terminating the Assignment

Legal reference: 441 IAC 41.22(7)

Policy: The support assignment is terminated as of the effective date of FIP cancellation. NOTE: When the assignment covers two or more children by the same absent parent, the assignment is terminated when the last child by that parent becomes ineligible for FIP.

Procedure: Termination of the support assignment is system-generated on cases that are linked with the ICAR system. The system distributes copies of the termination to the clerk of court and CSS but not to the client.

If there are two or more assignments for two or more absent parents of children in the FIP eligible group, the system will terminate each separate assignment effective the date that each absent parent's children become ineligible for FIP.

EXCEPTION: CSS must manually terminate the assignment when a battered alien case is canceled. See 4-L, Battered Aliens for more information.

CSS processes terminations to out-of-state clerks of court.

Suspending and Reinstating Child Support Orders

Legal reference: Iowa Code Section 252B.20

Policy: CSS is authorized by law to provide assistance in suspending certain ongoing support obligations for cases that are under Iowa support orders and are receiving CSS services or for which a referral to CSS would be appropriate.

Six months after a suspension order is filed, the suspension will automatically result in termination of the support obligation. CSS is authorized to initiate reinstatement of a suspended support obligation.

Procedure: Use electronic mail to communicate with CSS regarding suspension or reinstatement activities. Save copies of any communication on suspension or reinstatement activities in the permanent section of the case record.

When contacted by a client about suspension or reinstatement services, refer the person to CSS for further information.

Suspension Services

Legal reference: 441 IAC 99.103(252B), 99.104(252B)

Policy: Support orders may be suspended when:

- The person who is ordered to pay the support (payor) and the person to whom the support is owed (payee) have reconciled and are living with at least one of the children on whose behalf the support is ordered, **or**
- One or more of the children covered by the support order live with the payor.

Procedure: CSS will:

- Notify the income maintenance (IM) worker within ten days when contacted by a household about suspension services because:
  - Thes payor has returned to the household, or
  - One or more of the children covered by the support order have left the FIP household to live with the payor.

- Start suspension activities after IM has acted on the reported change in household composition. However, CSS will not file the suspension order until on or after the first day of the month after the change occurred rather than during the month of change.
- Notify the assigned IM worker within ten days of the date that a suspension order was entered CSS will not report to IM inquiries from a household in which a change in household members has not actually taken place (e.g., the inquiring party merely wants to know how the suspension process works).

When an absent parent returns to an active FIP household:

- Report to CSS regardless whether the absent parent's return results in FIP cancellation or adding the parent to the FIP case.
- Notify CSS within ten days of issuing a *Notice of Decision* because the absent parent has returned to the FIP household.
- Provide the date of the *Notice of Decision* and the date of the actual change to CSS.
- Document this information in the case record.

Reinstatement Services

Legal reference: 441 IAC 99.107(252B), 99.108(252B)

Policy: CSS is authorized to reinstate a suspended support order within six months of the date a suspension is entered. A new support order may be established when the suspended order is not reinstated within the six-month period.

Reinstatement may be initiated by CSS or upon request of any party to the suspension order who has physical custody of one or more children covered by the suspended order, when one the following conditions exist:

- FIP is approved during the suspension period and the payor is absent.
- FIP continues but the payor has left the household.
- One or more of the children covered by the suspended support order have left the payor's household and started to receive FIP.

Procedure: CSS will:

- Notify IM of any reinstatement inquiries or requests for an active FIP case within ten days of receipt.

- Determine whether reinstatement of support applies or whether to establish a new support order (in cases where the six-month reinstatement period has run out).
- Notify IM of a reinstatement order within ten days of the date that CSS receives the order. Reinstatement of support is effective the date that FIP benefits are issued based on absence of the payor.

When you are notified by CSS of an inquiry or request for reinstatement:

- Contact the household for information about the possible change in household (unless you are already aware of the change and are pursuing appropriate action).
- Notify CSS within ten days of issuing a **Notice of Decision** because the obligor has left the FIP household or the children have left the obligor's home and start to receive FIP.
- Provide the date of the **Notice of Decision** and the actual date of the change to CSS.
- Document this information in the case record.

Benefits from Other Sources

Legal reference: 441 IAC 41.27(1)"g" and "j"

Every person in the eligible group and any parent living in the home of a child on FIP must apply for and accept other benefits for which the person qualifies. The most common sources of other benefits are:

- Social Security benefits.
- Supplemental Security Income (SSI) benefits.
- Railroad Retirement benefits.
- Worker's Compensation.
- Union benefits.
- Veteran's benefits. The client must also apply for and accept any "improved VA pension" which provides higher VA benefits than the regular VA pension for those who qualify.
- Unemployment benefits. The client must apply and draw benefits when the client is eligible even if early application results in reduced benefits.

- Iowa Public Employees Retirement System (IPERS). If the client who leaves public employment covered by IPERS is 55 or over and has four years or more of service, the person must apply for early retirement. See 4-D, Resources and 4-E, Income for instructions on how to treat payments from a retirement fund.

NOTE: This policy does **not** apply to:

- Earned sources of income.
- Financial assistance for education or training.

When you have reason to believe that someone in the eligible group may be eligible for other benefits, instruct the client in writing to apply for the benefits. Give the client ten days to provide proof of application.

The following sections address procedures for:

- Requiring application for and acceptance of Social Security and SSI benefits
- A client refuses to apply for or accept Social Security or SSI benefits
- A client refuses to apply for benefits other than Social Security or SSI benefits
- A client who has refused to apply for benefits decides to cooperate

Application for and Acceptance of Social Security and SSI Benefits

Legal reference: 441 IAC 41.27(1)“g”

Require a person to apply for and to accept Social Security Disability (SSD) or SSI benefits due to disability when:

- The person claims a physical or mental disability that is expected to last continuously for 12 months from the time of the claim or that is expected to result in death,
- The person claims to be unable to engage in substantial activity due to the disability, and,
- The person is in the FIP eligible group or is a parent living in the home of the child on FIP. This policy applies to a needy specified relative or an incapacitated stepparent when the person is applying for or receiving FIP for the person’s own needs.

Inform PROMISE JOBS of an SSD or SSI application at the time of referral. When the person claiming a disability is currently referred to PROMISE JOBS, use your local communication procedures to inform PROMISE JOBS staff if the person applies for SSD or SSI benefits.

Keep PROMISE JOBS informed of any changes in the SSD or SSI application status that you become aware of, such as an approval or denial. For more information, see 4-J, Referring Disabled People and Sharing Disability Information with PROMISE JOBS.

A person may be eligible for Social Security retirement benefits when the person is retired and aged 62 or older. Social Security survivor's benefits may be available to the spouse or child of a deceased person. Require a person to apply for and accept the Social Security benefit when the person is in the FIP eligible group or is a parent living in the home of the child on FIP.

Require a person who is aged 65 or older or who is blind or disabled to apply for and accept SSI benefits when the person is in the FIP eligible group or is a parent living in the home of the child on FIP.

Refusal to Apply for or Accept Social Security or SSI Benefits

Legal reference: 441 IAC 41.27(1)"g"

A client who refuses to cooperate in applying for or accepting Social Security or SSI benefits when required creates FIP ineligibility for the entire FIP eligible group for as long as the person's circumstances indicate potential eligibility for the benefits.

For applicants, deny the application for the entire eligible group when the refusal occurs. For participants, cancel FIP for the entire eligible group effective the first of the month after the refusal occurs.

When timely notice cannot be met, cancel FIP effective the second month after the refusal occurs. Recover excess assistance issued for the first month after refusal.

Draw a distinction between situations when a person **refuses** to apply for or accept Social Security or SSI benefits and situations when a person **fails to provide requested information**.

When a person indicates refusal to apply for or accept Social Security or SSI benefits, the refusal creates FIP ineligibility for the entire eligible group. Deny or cancel FIP based on the refuse.

However, when a person fails to return the requested proof of application for Social Security or SSI benefits, the failure to provide information creates ineligibility for the entire eligible group. Deny or cancel FIP based on the failure to provide requested information needed to determine eligibility.

Refusal to Apply for or Accept Other Benefits

Legal reference: 441 IAC 41.27(1)“g” and “j”

A client who refuses to cooperate in applying for or accepting benefits other than Social Security or SSI benefits, is ineligible for FIP benefits for as long as the other benefit is available upon request. This includes health or medical insurance that is available at no cost.

For applicants, do not include the person’s needs when approving FIP. For participants, remove the person’s needs from the grant the month after the refusal to apply for the other benefits, subject to timely notice.

When timely notice cannot be met, remove the person’s needs effective the second month after the refusal to apply for or accept other benefits. Recover excess assistance issued for the first month after the refusal.

If a parent who refuses to apply for or accept other benefits has nonexempt earned or unearned income, apply the following deductions, disregards, and diversions:

- The 20% earned income deduction.
- A diversion for court-ordered child support for a child not living in the home.
- A diversion for the needs of the parent’s ineligible dependents in the home.
- The 58% work incentive deduction.

Do **not** allow a diversion from the parent’s income for the parent’s own needs.

Draw a distinction between situations when a person **refuses** to apply for or accept other benefits and situations when a person **fails to provide requested information** that is needed to determine the eligible group.

When a person indicates refusal to apply for or accept the other benefits, the refusal creates FIP ineligibility for only that person. The refusal does not affect your ability to determine the eligible group. Thus, exclude only the needs of that person.

However, when a person fails to return the requested proof of application for the other benefits without any further communication, you do not know if the person has applied for the other benefits.

As a result, you do not know if the person is eligible for FIP. Since you do not have enough information to determine the eligible group, the entire household is ineligible for FIP.

Do not remove the client's needs when the client applies for other benefits but is then disqualified from receiving the other benefits because of not complying with the particular requirements for the other program's benefits.

> Ms. A and her child are on FIP. Ms. A receives $75 biweekly in unemployment benefits. She fails to provide required job search documentation to Iowa Workforce Development (IWD).
>
> Therefore, Ms. A is disqualified by IWD from receiving unemployment benefits. Ms. A's needs remain included in the FIP grant because she failed to meet an IWD requirement rather than a FIP requirement.

When a Client Decides to Cooperate

Legal reference: 441 IAC 41.27(1)"g" and "j"

When a client who is excluded from the eligible group for refusing to apply for other benefits decides to cooperate, the date of application to add the client is the date the client expresses willingness to cooperate.

If otherwise eligible, the person may be added to the grant effective seven days from the date the person expresses willingness to cooperate. Do not take action to add the person until the person has actually cooperated.

For example, if a client is excluded for refusing to apply for VA benefits for which the client may be eligible, the date of application is the date the client expresses willingness to apply for the benefits. Document that date in the case record. Also instruct the client in writing to provide proof of application for the benefits within ten days.

If the excluded client fails to provide the requested information by the due date (or the extended filing date, if applicable), cancel the existing FIP case and deny the application. Timely notice is required. When timely notice cannot be met, cancel FIP assistance effective the second month after the failure to return the required proof. Recover excess assistance issued for the first month.

When the excluded client provides the requested information in time for reinstatement, reinstate FIP. Since the original application was denied earlier, the date the information is provided constitutes a new application date to add the person.

When FIP is denied to a household due to a person's refusal to apply for or accept Social Security or SSI, or for a person's failure to provide proof of application for these benefits, the household must reapply for FIP eligibility to be considered.

When the entire FIP case is canceled due to a client's refusal to apply for or accept Social Security or SSI benefits, reinstate FIP if the client decides to cooperate and provides proof of application before the effective date of cancellation.

The household must reapply for FIP when proof of application for Social Security or SSI is received on or after the effective date of cancellation. The household must also reapply when the person decides to cooperate after the effective date of FIP cancellation.

Citizenship

Legal reference: 441 IAC 41.23(5)"b"

As a condition of eligibility, all applicants and participants must declare their citizenship or alien status by signing either:

- Form **470-0462** or **470-0462(S), Food and Financial Support Application**, or
- Form **470-2549, Statement of Citizenship Status**.

In this policy, "participant" refers only to the person for whom assistance is being paid. It does not include an ineligible parent living in the home with the eligible child or a nonparental relative who receives the grant for the child.

If the applicant or participant is incompetent or incapacitated, a person acting responsibly on the applicant's or participant's behalf must sign. If both parents or a parent and stepparent are in the home, either parent or stepparent may sign the form to attest to citizenship for the household. An adult participant must sign the form for dependent children.

If form 470-2549 is not signed when requested, the entire group is ineligible. See 6-Appendix for more information on form 470-2549.

Applicants and participants must attest to their citizenship or alien status **once**. When the participant has already attested to this status on form 470-0462 or form 470-0462(S), the participant is not required to complete the **Statement of Citizenship Status**. Once a participant has attested to the citizenship or alien status on the **Statement of Citizenship Status**, the participant is not required to do so again.

When a person claims to be a U.S. citizen, verification of citizenship is not required unless the person's statement appears to be questionable. Refer to 4-L for additional information.

When a child enters an existing FIP household and the child's citizenship or alien status was not previously declared on a FIP application or on form 470-2549, the adult FIP participant must attest to the child's citizenship or alien status on form **470-2881, Review and Recertification Document (RRED)** at the annual review.

Issue form **470-2549, Statement of Citizenship Status** when a parent who did not previously sign a FIP application or form 470-2549 enters an existing FIP household. The parent must complete and return the form before the parent can be added to the eligible group.

When the form is returned, approve the case. The effective date of assistance is seven days from the date of report, provided eligibility exists. (Extend the due date, if appropriate.)

When the household fails to return the required statement by the due date, cancel the existing FIP case (subject to timely notice). The eligible group cannot be established without the statement. Also deny the application to add the parent.

When timely notice cannot be met, cancel the case effective the second month after the failure to return the required statement. Recover excess assistance issued after the first month following the failure.

If the household returns the required statement in time for reinstatement, reinstate the existing FIP case. Since the application to add the parent was denied, the date the statement is received constitutes the new date of application to add the parent to the eligible group.

Contract for Support

Legal reference: 441 IAC 41.25(4)

A person entitled to total support under the terms of an enforceable contract is not eligible to receive FIP when the party obligated to provide such support is able to fulfill that part of the contract.

Cooperation with Child Support Services

Legal reference: 441 IAC 41.22(6), Iowa Code Section 239B.2(6)

Unless good cause is established, all applicants and participants must cooperate with IM and CSS for purposes of child support recovery on behalf of a child whose needs are included in the grant. “Child” includes a minor parent who receives FIP on the adult parent’s case.

Cooperation is required in providing information about the absent parent that is needed to establish paternity and obtain support. Cooperation is required from both parental and nonparental specified relatives, regardless if they are included in the FIP grant. If an applicant or participant refuses to cooperate without good cause, the family’s FIP grant is reduced by 25%.

CSS determines when a FIP client has not cooperated. CSS delegates IM to make this determination in application situations or when a participant receives direct support and fails to refund the nonexempt portion. When a client fails to cooperate with CSS, CSS issues notification to the IM worker.

When an applicant has failed to cooperate or CSS notifies you of a participant’s noncooperation, take action as described in Sanction for Failure to Cooperate.

A parent’s failure to cooperate with CSS while on Medicaid only does not affect the person’s eligibility for FIP. Also, a FIP parent or specified relative is not required to cooperate on behalf of a child who is not on the grant, such as:

- A child receiving SSI.
- A child excluded from the FIP eligible group due to sanction.
- A child excluded from the FIP eligible group due to age limits.

1. Ms. M and her children are on FIP. Ms. M fails to cooperate with CSS on behalf of one of the children, and her FIP grant is reduced by 25%. Her case is canceled for another reason. She later applies as a needy specified relative for a niece.

   Assuming all other eligibility factors are met, Ms. M can be included as a needy specified relative on the case. The previous noncooperation on her former parental case has no effect on the nonparental case.

2. Same as Example 1, except Ms. M later reapplies for a parental case for herself and her children. The child for whom she failed to cooperate with CSS in the previous FIP period is 18 and will not be included in the grant. As long as Ms. M cooperates with CSS on behalf of the eligible children, her FIP grant will no longer be subject to a 25% reduction.

3. Mrs. E receives FIP for herself and two children. She also receives FIP for a niece on a separate nonparental case. CSS notifies IM that Mrs. E failed to cooperate on behalf of the niece. The grant on Mrs. E's nonparental case is subject to a 25% grant reduction. The parental case is not affected.

4. Mr. A is on SSI. He receives FIP for his two children. CSS notifies IM that he failed to cooperate. Even through Mr. A is not included in the grant, he is still required to cooperate with CSS on behalf of his children who are on FIP. Consequently, the FIP grant is reduced by 25%.

See the following sections for more information on:

- What the client must do to cooperate
- Sanction for failure to cooperate
- Action when the parent or nonparental specified relative begins to cooperate
- Action when a participant fails to refund direct support
- Determining if a client has good cause for failure to cooperate

See 4-B, Referrals to CSS for information on referring the absent parent to CSS.

What the Client Must Do to Cooperate

Legal reference: 441 IAC 41.22(6), 41.22(7), 41.22(8)

Unless good cause exists, clients must cooperate in the following areas:

- Identifying and locating the parent of the child for whom the aid is requested.
- Establishing the paternity of a child born out of wedlock for whom aid is requested.

- Obtaining support payments for the applicant or participant and for a child for whom aid is requested.
- Supplying enough information about the absent parent, the receipt of support, and the establishment of paternity (when needed) to establish FIP eligibility and to permit an appropriate referral to the CSS.
- Appearing at the local office or the CSS to provide verbal or written information needed to establish paternity or secure support for the children in the eligible group. This includes information or documentary evidence that the client knows about, possesses, or could reasonably obtain.
- Appearing as a witness at judicial or other hearings or proceedings.
- Providing information, or attesting to the lack of information, under penalty of perjury.
- Paying to the Department any nonexempt cash support payments received by a participant after the date of decision.
- Completing and signing documents needed by the state's attorney for any relevant judicial or administrative purpose.

Sanction for Failure to Cooperate

Legal reference: 441 IAC 41.22(6)"f," Iowa Code Section 239B.2(6)

Cooperation with child support services is required from parents as well as nonparental specified relatives. When an applicant or participant does not cooperate with you or with CSS without good cause, the household becomes subject to sanction.

The sanction is a 25% reduction of the household's FIP grant. The 25% reduction is applied to the family's grant amount before any deduction for recoupment of a prior overpayment. Impose the grant reduction as long as the person who failed to cooperate is in the home and has a child on the grant, regardless whether that person is included in the FIP grant.

$ 426.00	FIP payment standard for three people
- 100.50	Countable income
325.50	Deficit before sanction
- 81.37	Child support sanction (25% of $325.50)
$ 244.13	Deficit after sanction
$ 244.00	Grant amount (rounded)
- 42.60	Recoupment (10% of $426)
$ 201.40	**Payment amount**

The reduction is applied only in calculating the grant. It is not applied in any of the three income tests. FIP eligibility continues when the payment amount is zero because the grant amount is under $10 when the reduction is applied.

$ 426.00	FIP payment standard for three people
- 414.50	Countable income
11.50	Deficit before sanction
- 2.87	Child support sanction (25% of $11.50)
$ 8.63	Deficit after sanction
$ .00	**Payment amount**

For any month a reduction is in effect, the reduction is applied whenever the grant is recalculated for any reason other than the child support sanction. The reduction is also applied to one-time and ongoing special needs-special allowance codes “E” (school expenses) and “G” (guardianship/conservatorship fee).

When a participant fails to cooperate with you, reduce the grant effective the first month after the noncooperation occurred, subject to timely notice. When a participant fails to cooperate with CSS, the grant reduction becomes effective the month after CSS notifies you of the noncooperation, subject to timely notice.

If you cannot give timely notice, reduce the grant effective the second month after the noncooperation with you or after being notified by CSS. Recover excess FIP issued for the first month.

When a minor parent and the minor parent’s child receive FIP on the adult parent’s FIP case, and the minor parent fails to cooperate with IM or CSS without good cause, initiate the 25% grant reduction. Even though the minor parent is considered a child on the adult parent’s case, the minor is also a parent and therefore is required to cooperate with CSS.

The household is subject to only one 25% grant reduction, even if more than one parent who has a child on the grant fails to cooperate. For example, if a minor parent and baby receive FIP on the adult parent's case and both parents fail to cooperate, the household's FIP grant is reduced by 25%. Issue notice each time CSS notifies you of a person's noncooperation.

The 25% reduction is applied to the family's grant amount before any deduction for recoupment for a prior overpayment.

See 14-B(6), CSS Sanction for system coding instructions for imposing or lifting the CSS sanction.

When the Parent or Nonparental Specified Relative Cooperates

Legal reference: 441 IAC 41.22(6)"f"

Remove the 25% grant reduction effective the first day of the **next** calendar month after the parent or nonparental specified relative who failed to cooperate expressed willingness to cooperate. Delay taking the action until the person cooperates. Issue adjustive benefits if appropriate.

- If the person failed to cooperate with IM, delay the action to remove the grant reduction until the client has cooperated with you.
- If the person failed to cooperate with CSS, delay removing the grant reduction until CSS notifies you that the person has cooperated.

1. On March 31, the parent (or nonparental specified relative) who failed to cooperate with CSS, expresses willingness to cooperate. On April 20, CSS notifies the IM worker that the client cooperated on April 15. The worker removes the grant reduction effective April 1.
2. On April 1, the previously noncooperating parent (or nonparental specified relative) expresses willingness to cooperate with CSS. On April 20, CSS notifies the IM worker that the client cooperated on April 17. The worker removes the grant reduction effective May 1.
3. Same as Example 2, except that the client cooperates on May 3 and CSS notifies the IM worker on May 5. The worker still removes the grant reduction effective May 1.

4. On June 5, the IM worker initiates grant reduction effective July 1, based on notification from CSS. On June 20, the client calls the IM worker and expresses willingness to cooperate. The IM worker instructs the client to contact CSS for further instructions. On June 26, CSS notifies the IM worker that the client cooperated on June 25. The IM worker removes the grant reduction effective July 1.
5. On June 23, CSS notifies the IM worker that the FIP parent failed to cooperate. Since the required timely notice cannot be met for July 1, the worker delays the grant reduction until August 1.

   On June 29, the client contacts the IM worker to express willingness to cooperate. On July 5, CSS notifies the worker that the client cooperated on July 3. The worker removes the grant reduction effective August 1. Since the client expressed willingness to cooperate before July 1, no overpayment has occurred for July.

   NOTE: Had the client not expressed willingness to cooperate until July 1 or later, an overpayment would be due for July (i.e., the difference in the FIP grant amount with and without the 25% grant reduction).

If more than one parent who has a child on the grant fails to cooperate, continue the sanction until each parent has cooperated. If you are notified that one of the parents has cooperated, send a memo informing the household that the grant reduction continues until CSS notifies you that the other parent (state the name) has cooperated.

Ms. A, a minor parent, and her baby receive FIP on the adult parent's case. Both the minor parent and the adult parent fail to cooperate on behalf of their respective child on the grant, resulting in a 25% grant reduction.

CSS subsequently notifies the worker that the adult parent has cooperated. The worker notifies the adult parent that the grant reduction continues until CSS notifies the worker that Ms. A has cooperated.

The parent or specified relative's contact with **either** you **or** CSS to express willingness to cooperate determines the effective date for removing the 25% grant reduction. When the noncooperation was with CSS, but the client contacts **you** to express willingness to cooperate, tell the client to contact CSS.

Notify the client in writing that the client must report back to you within ten days the name and phone number of the person the client contacted in CSS. (State this due date.) Also state that the grant reduction continues until the client has followed through on the action required by CSS. Grant an extension of the due date, if appropriate.

If the client fails to provide you with the requested information by the due date, continue the grant reduction. Take no further action. However, this failure to provide the requested information also voids the client's original expression of willingness to cooperate. A new expression of willingness to cooperate is needed from the client to determine the effective date for removing the grant reduction.

When the client provides the name and phone number of the CSS staff who was contacted, call or send an e-mail to the CSS staff to confirm the client's contact. Obtain from CSS the date the client is scheduled to take the required action to cure the noncooperation issue (appear for an interview, provide absent parent information, etc.).

Contact CSS the first working day **after** the date the client was to take the required action. If CSS informs you that the client failed to comply without any explanation, continue the grant reduction. Take no further action. However, failure to comply voids the client's original expression of willingness to cooperate. A new expression of willingness is needed from the client to determine the effective date for removing the grant reduction.

If CSS informs you that the client has rescheduled, consult with CSS on whether the client is continuing to make an effort to cure the noncooperation. If CSS indicates the client is making an effort, contact CSS the first working day after the rescheduled date. If the client has carried out the required action, remove the sanction effective the first of the next month after the date the client originally expressed willingness to cooperate.

If CSS informs you that the client has rescheduled, but CSS indicates a lack of effort by the client, this voids the client's original expression of willingness to cooperate. Continue the grant reduction. A new expression of willingness to cooperate is needed from the client to determine the effective date for removing the grant reduction.

Repeat these steps when the client requests additional extensions.

NOTE: Whenever a delay in completing the cooperation process is due to constraints **by CSS**, remove the grant reduction effective the first day of the next calendar month after the client expressed willingness to cooperate. However, delay the action until CSS notifies you that cooperation has occurred. Issue adjustive payments as appropriate.

CSS will notify you when the client has cooperated. When the client contacted CSS (rather than IM) to express willingness to cooperate, the CSS notification is to include the date the client initially expressed willingness to cooperate. If necessary, contact CSS to confirm this date to determine the effective date for removing the grant reduction. Document in the case record details of any contact with the client or with CSS.

When a Participant Fails to Refund Direct Support

Legal reference: 441 IAC 41.22(7), 41.22(6)“b”(4)

When approved for FIP, the participant signs over to the Department any right to receive direct support. Consequently, sanction a participant for failure to cooperate with Child Support Services (CSS) if the participant directly receives an assigned support payment and does not refund it. See 4-E, Treatment of Support for Applicants for more information.

Do **not** impose a grant reduction on a first failure to refund direct support as long as the parent promises to cooperate in the future. Inform the client **in writing** of the requirement to refund direct support and that a second violation will result in the FIP grant being reduced by 25%. Allow one written warning per period on FIP.

Initiate a 25% grant reduction for a second or subsequent failure to refund direct support. Do not stop the grant reduction until the parent has proven cooperation by refunding any future direct support payment.

NOTE: A change in the client’s circumstances may indicate a need to review the sanction (for example, the absent parent returns home, or other changes occur that make future support payments unlikely). In such cases, or if you are unable to determine if a parent’s sanction should stay in effect, contact central office policy staff through the usual channels.

If the client receives and retains direct support again after a warning letter is issued, begin to consider the nonexempt portion of the child support income prospectively, effective the next month. Continue using the income prospectively until the client shows that the income will not continue, as described above.

Recover any excess FIP issued for months following the first month the direct support was received and retained by the client.

> In June, the IM worker learns that Ms. C, a FIP participant, received and kept direct support in May and June. The worker issues a warning letter.
>
> Ms. C receives and keeps direct support again in July. The worker imposes a 25% grant reduction, considers the child support income prospectively beginning with the month of August, and recoups the excess FIP received in June and July. No recoupment is done for the month of May, as it is the month of change.

Good Cause for Refusal to Cooperate

Legal reference: 441 IAC 41.22(9), 41.22(10)“g”

Policy: Each applicant and participant has the opportunity to claim good cause for refusing to cooperate with the Child Support Services (CSS) in establishing paternity or securing support payments.

Procedure: Give applicants and participants form **470-0169** or **470-0169(S), Requirements of Support Enforcement**. This form explains the client’s right to claim good cause as an exception to the cooperation requirement, and how to file a claim. Document in the case record that the form was provided.

Issue form **470-0170, Requirements of Claiming Good Cause** whenever the client asks for a copy or wants to make a claim of good cause. Give one copy of the signed form to the client and keep the other copy in the case record.

(See 6-Appendix for instructions on forms 470-0169, 470-0169(S), and 470-0170.)

The client has the burden of proof that circumstances providing good cause exist. To meet this requirement, the client must:

- Specify the circumstances that the client claims as good cause for not cooperating.
- Corroborate the good cause circumstances.
- When requested, provide enough information to permit an investigation.

If an **applicant** claims good cause, do not act on the application until the period for providing the evidence has lapsed or until the applicant provides the evidence, whichever is sooner. You have good cause to delay the eligibility determination if the period for providing the evidence exceeds the 30-day period for processing applications.

If the applicant is making efforts but can't provide the evidence within the required time frame, allow an extension of the due date and continue pending the application until all members are eligible.

If a **participant** claims good cause, do not impose the 25% grant reduction during the required time frame for submitting evidence. If the participant fails to provide the needed proof by the due date, initiate the grant reduction effective the first of the following month.

Once the client has provided all necessary proof, process the good cause claim.

The following sections explain:

- Standards for determining whether good cause exists
- Client responsibilities when filing a good cause claim
- Worker responsibilities when a good cause claim is filed
- Procedures for making the decision about good cause

Determining if Good Cause Exists

Legal reference: 441 IAC 41.22(8)

Good cause exists when cooperation in establishing paternity and securing support is against the best interest of the child. Cooperation is against the best interests of the child only if one of the following exists:

- The child for whom support is sought was conceived as a result of incest or forcible rape.
- Legal adoption proceedings are pending before a court of competent jurisdiction.
- The applicant or participant has been working with a public or licensed private social agency less than three months to decide whether to keep the child or relinquish the child for adoption.
- It is reasonably anticipated that the client's cooperation would result in physical or emotional harm to the child for whom support is being sought.

- It is reasonably anticipated that:
  - The client's cooperation would result in physical or emotional harm to the parent or specified relative with whom the child is living, and
  - The harm would reduce the person's capacity to care for the child adequately.

Definition of Physical and Emotional Harm

Legal reference: 441 IAC 41.22(11)

Physical and emotional harm must be of a serious nature in order to justify a finding of good cause.

A finding of good cause because of emotional harm must be based on a demonstration of an emotional impairment that substantially affects the person's functioning. Consider the following when deciding if good cause exists based on anticipated *emotional* harm:

- The current and past emotional state of the person subject to emotional harm.
- The emotional health history of the person subject to the emotional harm.
- The intensity and probable duration of the emotional impairment.
- The degree of cooperation required.
- The involvement of the child in the paternity establishment or support enforcement activity to be undertaken.

When a claim is based on the client's anticipation of *physical* harm, and corroborative evidence is not submitted in support of the claim, investigate the claim if you believe that:

- The claim is credible without corroborative evidence, and
- Corroborative evidence is not available.

Grant good cause if the claimant's statement and the investigation that is conducted provide sufficient evidence that the client has good cause for refusing to cooperate. Your immediate supervisor must approve or disapprove your decision. Record the findings in the case record.

Client Responsibilities When Filing a Good Cause Claim

Legal reference: 441 IAC 41.22(9) and 41.22(11)

The client must prove the existence of good cause circumstances. Evidence must be provided within 20 days from the date of the claim. If your supervisor approves, you may allow more time in exceptional cases where the evidence is especially difficult to obtain.

A good cause claim may be supported by the following types of evidence:

- Birth certificates or medical or law enforcement records that indicate the child was conceived as the result of incest or forcible rape.
- Court documents or other records that indicate that legal proceedings for adoption are pending before a court of competent jurisdiction.
- Court, medical, criminal, child protective services, social services, psychological, or law enforcement records that indicate that the putative father or absent parent might inflict physical or emotional harm on the child or the caretaker relative.
- Medical records that indicate emotional health history and present emotional health status of the caretaker relative or the child for whom support would be sought.
- Written statements from a mental health professional indicating a diagnosis or prognosis concerning the emotional health of the caretaker relative of the child for whom support would be sought.
- Written statements from a public or licensed private social agency that the client is being assisted by the agency to resolve the issue of whether to keep the child or relinquish the child for adoption.
- Sworn statements from people other than the client with knowledge of the circumstances that provide the basis for the good cause claim.

Written statements from the client's relatives only are not sufficient to grant good cause but may be used to support other evidence provided.

If requested, the client must also provide additional evidence that may be needed and help with an investigation of good cause. Failure to meet these requirements is sufficient basis for determining that good cause does not exist.

Worker Responsibilities When a Good Cause Claim Is Filed

Legal reference: 441 IAC 41.22(10), (11), and (12)

Immediately notify the child support services office whenever a client files a claim for good cause. Enter all information relating to the claim and determination of good cause into the case record.

When a client asks for help in getting evidence, offer suggestions about how to obtain the necessary documents. Make a reasonable effort to obtain necessary documents that the client has been unable to obtain.

Further investigation of good cause may be necessary if the client's claim and the supporting evidence are not enough to make a decision. Notify the client in writing if additional supporting evidence is needed, and what types of documents are needed.

If you need to contact the putative father or absent parent, notify the client first. The client can choose to:

- Give additional supporting evidence so that you will not need to make the contact.
- Withdraw the application or have the case closed.
- Withdraw the good cause claim.

Consult the child support services office before contacting an absent parent, and document details in the case record. If there is any indication the absent parent may try to harm the child or the caretaker either physically or emotionally, be especially careful not to reveal any information about their location.

Confer with the CSS before making a final decision about good cause.

Making the Decision About Good Cause

Legal reference: 441 IAC 41.22(10)

Within 45 days from the date the claim is filed, determine whether or not good cause exists. Determine each good cause claim at the earliest possible date. Do not use the 45-day time frame as a waiting period before determining good cause or as a basis to deny the good cause claim.

Extend the time frame only if:

- You cannot obtain evidence needed to verify the claim within the 45-day time limit, or
- The client cannot provide supporting evidence within the required 20-day time limit.

Document any time extensions in the case record.

Grant good cause if the claimant's statement and the investigation that is conducted provide sufficient evidence that the client has good cause for refusing to cooperate. Your immediate supervisor must approve or disapprove your decision. Record the findings in the case record. Update ICAR to show that good cause has been granted (See 14-D(1)).

Notify the child support services office within two working days after the final decision to deny or grant good cause has been made. Give the child support recovery office the opportunity to participate in any appeal hearing.

Notify the client of your final decision in writing. This notification must explain the decision and the basis for the decision.

- If the decision is that good cause does *not* exist, give the client the opportunity to cooperate, withdraw the application, or have the case closed. Also notify the client that continued refusal to cooperate will result in imposition of sanctions.
- If the decision is that good cause *does* exist, consult with the CSS to decide whether child support enforcement can proceed without risk of harm to the child or caretaker relative if the enforcement activities do not involve their participation.

When child support enforcement activities will proceed without the caretaker's cooperation, notify the client in writing, and provide the client the opportunity to withdraw the application or have the case closed.

At least once every six months, review cases where the participant has been excused from cooperation due to circumstances that are subject to change.

If circumstances have changed and good cause no longer exists, notify the participant in writing that child support enforcement activities will proceed. Also, notify CSS within two working days of the determination that good cause no longer exists.

Cooperation With Investigations and Quality Control

Legal reference: 441 IAC 40.27(4)“d”

To be eligible for FIP, applicants and participants must cooperate with Quality Control and the Economic Fraud Control Unit of the Department of Inspections, Appeals, and Licensing (DIAL) when the applicant’s or participant’s case is selected or referred for investigation.

DIAL conducts front-end investigations of applicant as well as participant cases. DIAL also conducts fraud investigations.

When Quality Control or the Economic Fraud Control Unit notifies you that a client has failed to cooperate in an investigation, deny or cancel FIP assistance. (Do not cancel or deny FIP if the investigation centers solely around a person whose income and resources do not affect FIP eligibility.)

Issue a timely **Notice of Decision** to cancel FIP. When timely notice cannot be met, cancel the FIP case effective the second month after you are notified of the failure to cooperate. Recover assistance issued in the first month.

Procedures for front-end investigation and what to do when a client reapplies after being canceled for failure to cooperate are explained in the following sections. Refer to 5-D for more information on Quality Control procedures.

Front-End Investigation Procedures

Refer questionable applicant and participant cases to the Economic Fraud Control Unit of the Department of Inspections, Appeals, and Licensing (DIAL) for front-end investigation. Before making a referral, take a “prudent person” approach to the information the client gives you. Allow the client the opportunity to explain the situation or resolve any questionable information.

Referring a Household to the Investigation Unit

Make referrals for investigation using form **470-5130, DHS Investigative Referral to DIA**. One or more of the factors listed on the form must be present in order to make a referral. See 6-Appendix for more information about filling out the form.

If a client does not cooperate with DIAL and later reapplies, see Application After Failure to Cooperate.

Investigation Process

Legal reference: 481 IAC 72.2(10A), 72.3(10A)

The purpose of a front-end investigation is to prevent households from fraudulently receiving FIP by conducting investigations on applications and reapplications before an eligibility determination is made, and also on participant cases. Front-end investigations are conducted to:

- Determine if information supplied by the client is correct.
- Assist in reducing the program error rate.
- Identify overpayments for recovery.

If an interview is needed, the investigator sets up the interview. The interview request notifies the client that the case has been referred to the Economic Fraud Control Unit. Before the interview, the investigator informs the client of:

- The purpose of the investigation.
- The type of information being reviewed.
- The client's responsibility to cooperate.
- The consequences of refusing to cooperate in an investigation.

Investigators decide which eligibility items need further verification. If the client previously received benefits and there is a discrepancy, the investigation may continue. However, the investigation does not continue if the client withdraws the application and never receives benefits, or the client is denied benefits.

Investigators may request and have access to the HHS client file if they determine it is necessary. They must follow the terms of the contract between HHS and DIAL with respect to confidentiality.

Acting on Investigation Findings

Legal reference: 481 IAC 72.4(10A)

The investigator reports the results of the investigation to the Department IM worker.

When an applicant household was referred, do not pend the application beyond the usual 30-day processing period. Before making a decision, check with the investigator to find out whether the applicant is cooperating in the investigation. If not, deny the application for that reason.

If the applicant is cooperating, pend the application as long as possible in the 30-day period, awaiting outcome of the investigation. If you approve FIP before the investigation is completed, redetermine eligibility and benefits upon receipt of the investigator's findings.

After an investigation has been completed on an ongoing case, determine eligibility and benefits, taking into consideration the findings of the investigator. Consider the evidence in the investigator's findings as verified information. Complete form **470-5129, DHS Investigative Referral Follow-Up to DIA**, within no more than 30 days after receiving the final investigative report from DIAL. See 6-Appendix for more information about how to fill out the form.

If you so request, the investigator will attend appeal hearings and testify to the information gathered by the investigator.

Application After Failure to Cooperate

Legal reference: 481 IAC 72.4(10A)

Assistance cannot be reestablished until cooperation criteria have been met. If a family who failed to cooperate later meets the Quality Control or front-end investigation requirements and is otherwise eligible, approve assistance retroactive to the date the client agreed **in writing** to cooperate. Do not process the approval until you are notified that cooperation has actually occurred.

When a client reapplies on or before the date of cancellation, the client is eligible for benefits on the effective date of cancellation or on the date the client agrees to cooperate, whichever is later. If the application is received after the date of cancellation, assistance is effective no earlier than seven days after the Department receives the application.

Ms. A, a FIP participant, fails to cooperate with the front-end investigation. DIAL informs the IM worker of the failure in early April. The IM worker issues a notice on April 5 to cancel assistance effective May 1.

On April 25, Ms. A contacts the IM worker and writes a note stating her intent to cooperate with the front-end investigation. However, the IM worker must refer the case to DIAL. The investigator is not able to meet with Ms. A until May 10. As a result, Ms. A cannot resolve the issue before the effective date of cancellation. The case is canceled May 1.

Because she cannot be reinstated, Ms. A must file a reapplication on or before May 1 in order to avoid loss of benefits. Since she files the application May 1, cooperates with the investigation, and is otherwise eligible, the application is approved effective May 8. Corrective benefits are issued retroactive to May 1.

Had Ms. A not indicated her desire to cooperate until May 1, the day she reapplied, she would not be entitled to corrective benefits for the period of May 1 through May 7.

When a household reapplies after being denied or canceled for failure to cooperate with front-end investigations decide whether the situation is resolved. If the situation is resolved:

- Document this in the case record.
- Notify DIAL of this decision and approve the application if otherwise eligible.

If the situation has not been resolved, re-refer the case to DIAL by completing a new **470-5130, DHS Investigative Referral to DIA**.

Duplicate Assistance

Legal reference: 441 IAC 41.25(2)

A participant whose needs are included in a FIP grant cannot receive at the same time a grant from any other public assistance program administered by the Department or by another state, including:

- Tribal TANF payments.
- Foster care.
- Kinship caregiver payments.
- Preparation for adult living (PAL) stipends.

- Subsidized adoption (unless excluding the person from the FIP grant would reduce benefits to the family).
- Refugee matching grant.

Consider subsidized guardianship assistance (whether from Iowa or from another state) the same as foster care. That is, a child is not eligible for FIP while receiving subsidized guardianship assistance.

Consider kinship caregiver payments the same as foster care. That is, a child is not eligible for FIP while receiving kinship caregiver payments. For more information on handling foster care, kinship caregiver payments, and adoption placements, see 4-G, When a Child Goes into Foster Care or the Kinship Caregiver Payment Program, 4-E, Adoption Subsidy, and 4-C Foster Care and Kinship Caregiver Payment Program.

Effective October 1, 2006, a tribal TANF program became available to Native Americans living in Woodbury County who are also members of a federally recognized tribe. The Woodbury County Tribal TANF Program is operated by the Winnebago Tribe of Nebraska. Tribal TANF programs may eventually be available in other counties.

Native Americans living in a county that has a tribal TANF program have the option of applying for FIP or for the tribal TANF program, but cannot receive benefits for both programs for the same month.

A person is not considered a FIP participant in any month that FIP assistance was incorrectly paid and is subject to recovery. A person who moves from one eligible group to another can receive assistance in the new household if the payment received by the old household is subject to recovery.

> On June 22, a child moved from household A to household B. Due to timely notice requirements, the child's needs are not removed from household A's case until August 1. However, the FIP that household A receives for the child in July is subject to recoupment since the child is ineligible to receive assistance on household A's case for that month.
>
> Household B applies for FIP for the child on June 22. Provided all other eligibility requirements are met, the child is eligible for FIP in household B effective July 1.

A person may receive public assistance from another state and then apply in Iowa for the same period. They are eligible for in Iowa if assistance from the other state is:

- Subject to recovery by the other state.
- Retained by or returned to the other state and not available to the person.

When a state issues semimonthly payments and a person receives assistance for only part of the month, the person may be eligible in Iowa for the rest of that month. Eligibility in Iowa begins the day **after** the time period the other state's grant was intended to cover or seven days after the date of application, whichever is later. Do not count the assistance from the other state as income.

Electronic Access Card Usage

Legal reference: 441 IAC 41.25(11)

Policy: A participant cannot use an electronic access card (EAC) or personal debit card to access FIP benefits at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other state.

As a condition of eligibility, all applicants and participants must agree in writing, to not use the EAC or their personal debit card at prohibited locations by signing either:

- Form **470-0462** or **470-0462(S), Food and Financial Support Application** or
- Form **470-2881** or **470-2881(S), Review/Recertification Eligibility Document (RRED)**.

When both parents or both a parent and stepparent are in the home, either parent or stepparent may sign the application or RRED agreeing to not use the EAC at prohibited locations. When a minor parent lives with a self-supporting parent and applies for or is receiving FIP, only the minor parent is required to sign the application or RRED to agree to not use the EAC at prohibited locations.

If the applicant or participant is incompetent or incapacitated, a person acting responsibly on the applicant's or participant's behalf must sign. Only one signature is required on the form. When the parent or stepparent signs the application or RRED they are agreeing to this condition for the entire household.

When the Department receives a detailed complaint or suspects that a participant used an EAC at a prohibited location, refer the case to the Department of Inspections, Appeals, and Licensing (DIAL) for further investigation.

When DIAL finds that a participant accessed FIP benefits with an EAC at a prohibited location, the household:

- Will have committed fraud,
- Will have to repay the amount of cash accessed at the location, as well as any access fees, and
- Will be ineligible for FIP for:
  - Three months for the first misuse and
  - Six months for each additional misuse.

NOTE: When FIP funds are deposited into a participant's bank account, the funds are considered comingled with private funds. Do not refer a complaint that a participant has used a personal debit card at a prohibited location to DIAL because we cannot identify if it was FIP funds accessed at the location.

When parents from a two-parent family separate during an ineligibility period, if the DIAL report:

- Identifies the participant who used the EAC at a prohibited location, the ineligibility period will follow that participant.
- Does not identify the participant who used the EAC at a prohibited location, the ineligibility period will follow the participant who is the case name when the violation occurred.

Procedure: At the application interview, at review, and whenever appropriate, explain to the applicant or participant that the EAC or personal debit card cannot be used at certain locations. This includes using the card at the cash register's point-of-sale terminals as either a debit or credit card and at any ATMs at the location.

When the Department receives a complaint that a participant has used an EAC at a prohibited location, gather as much of the following information from the person making the complaint:

- The participant's demographic data (name, date of birth, social security number, address),
- Where the EAC was used (type of business where the card was used and the business's name and address), and
- When the EAC was used (month, day, year).

To make a referral to DIAL we must have enough details to show that the person is:

- A FIP participant who has an EAC,
- The type of prohibited location where the card was used, and
- When the card was used at the prohibited location. (At a minimum, the month and year.)

When the Department has this information, make a referral to DIAL for an investigation. Forward a copy of the DIAL referral to the FIP policy specialist in the Bureau of Financial, Food, and Work Supports (FFWS) in the Division of Community Access.

Appeals

Legal reference: 441 IAC 7.9(6), 41.25(11)“e”

Policy: Follow the instructions in 4-A, Appeals when processing appeals resulting from an electronic access card usage ineligibility period.

In addition, use the following guidelines. An ineligibility period with a new effective date applies when the final appeal decision affirms the ineligibility period and:

- The appeal was filed:
  - Before the effective date of the intended action on the *Notice of Decision* establishing the beginning date of an ineligibility period, or
  - Within 10 days from the date the participant receives the notice establishing the beginning date of an ineligibility period. The date on which the notice is received is considered to be five days after the date on the notice, unless the participant shows that the participant did not receive the notice within the five-day period, and
- FIP assistance continued pending the outcome of the appeal.

FIP assistance issued pending the appeal is not subject to recoupment when an ineligibility period with a new effective date applies.

Procedure: Impose a new ineligibility period in ABC, allowing for timely notice, when the final decision affirming the Department’s action is received.

Eligible Group

Certain people in a household **must** be in the FIP eligible group; others **may** be included in the group. A single household may contain one or more eligible groups, depending on the relationships of household members. See Absence for information on who is considered to be a member of the household.

The following sections explain:

- Who must be in the eligible group
- Who may be in the eligible group
- Defining the number of eligible groups in a household

Who Must Be in the Eligible Group

Legal reference: 441 IAC 41.28(1) and (2), 41.22(3)

The eligible group consists of all eligible people living together. The group is considered a separate and distinct group, regardless of other people in the home and the relationship or liability of these other people to the eligible group.

The following people must be included in the eligible group **if living together** and meeting nonfinancial eligibility requirements:

- The dependent child.
- Any brother or sister of the dependent child (of whole, or half blood, or adoptive) who meets the age, and school attendance requirements. Refer to Age and School Attendance for more information.
- Any natural or adoptive parent of the dependent child, regardless if the parents are married to each other.

Neither the presence of a stepparent nor a friend in the home disqualifies a child from assistance, as long as the child meets the nonfinancial eligibility factors.

A group must have at least one child to be considered eligible for FIP assistance. See 4-B, Effective Date of Assistance for information on when FIP eligibility depends on the birth of a child.

EXCEPTION: The parent or needy specified relative can be the only member of the eligible group if the only eligible child receives SSI. The child who receives SSI is not considered a "dependent child." This also means that siblings of the SSI child (of whole or half-blood or by adoption) who live in the home can be excluded from the eligible group because they are not siblings of a **dependent** child.

1. Mrs. K applies for FIP. She has three children: Mary, age 6, who receives SSI; Bobby age 8; and John, age 10. John is Mrs. K's child from another relationship. He gets $375 per month social security benefits from his deceased father's account.

   Because Mary is on SSI, she is not considered a dependent child. Mrs. K has two options: She can receive FIP (1) for herself only, or (2) for herself, Bobby, and John.

2. Same as Example 1, except that Mary is ineligible for FIP because she has no social security number rather than because she receives SSI. Mrs. K, Bobby, and John have to be **one** eligible group, because Mary is still considered a dependent child even though she is ineligible.

3. Mr. L and Ms. M, who are not married, have one common child, Susan, who receives SSI. Ms. M also has one child, Bill, from another relationship. Because Susan is on SSI, she is not considered a dependent child and the family has two options: They can receive FIP:

   - For Mr. L, Ms. M, and Bill as one eligible group; or
   - For Ms. M and Bill only.

A person cannot be included in the eligible group if that person is ineligible for a nonfinancial reason. Examples are a person who:

- Has no social security number.
- Is an ineligible alien.
- Is sanctioned.
- Is a striker.
- Receives a nonrecurring lump sum.
- Is an SSI recipient.
- Receives duplicate assistance.
- Is not living with a specified relative. (See Specified Relatives for details.)

When a **child** is ineligible for any of these reasons, the income and resources of that child are exempt.

Income and resources of a parent who is an SSI recipient are exempt. Income and resources of a *parent* who is excluded from the eligible group for any other reason are considered. See 4-D, Resources and 4-E, Income for instructions about how to treat the resources and income of an excluded parent.

1. Mrs. T receives assistance for herself and her two children, Kate, age 17, and Terry, age 14. Kate has a baby. Mrs. T is not required to add the baby, because the baby is neither a sibling nor a parent of the two eligible children, Kate and Terry. However, if FIP is requested for the baby, the baby must be added to Mrs. T's case.
2. Mrs. C has two children, a 6-year-old daughter from her most recent marriage and a 15-year-old son by a previous marriage. Both fathers are absent. Her son has a $2,500 savings account.

   Mrs. C would like to apply for just herself and her daughter. However, because the boy is a half-brother to the daughter, he must be included in the eligible group. The worker must deny Mrs. C's application, since the resources of the eligible group exceed the $2,000 applicant resource limit.
3. Mrs. G, a grandmother, has three minor grandchildren living in her home. Child A and Child B are brothers and Child C is their cousin.

   Child A and Child C both have resources that would affect eligibility, so Mrs. G wants to apply only for Child B. She cannot do so. Since Child A and Child B are brothers, both must be in the eligible group. Since Child C is a cousin, he can be excluded from the eligible group.
4. Mr. D applies for assistance for himself and his two children, a boy, age 5, and a girl, age 7. Each child has a different mother. Both mothers are absent. Mr. D has a social security number for himself and his son. He has not been able to apply for a social security number for his daughter. Since the girl is ineligible for FIP, the eligible group consists of Mr. D and his son.
5. When Mrs. E applies for FIP, her household includes Bobby, age 6, her child by a previous marriage, Mr. E, and Rick, their common child, age 3.

   Although Mrs. E would like to apply for only herself and Bobby, Rick must also be included, since he is a half-brother to Bobby. Since this means that Rick is an eligible child, his father, Mr. E, must also be included in the eligible group.

The following sections explain how to determine the eligible group when the household contains a person who receives:

- Supplemental Security Income, or
- State Supplementary Assistance.

SSI Recipient

Legal reference: 441 IAC 41.28(1)

Exclude the needs of a person who receives Supplemental Security Income (SSI).

When a person has applied for SSI, include the needs of the potential SSI recipient in the eligible group. Remove the person's needs prospectively when the Social Security office notifies you that the SSI application is approved.

FIP ineligibility for a person with continuing SSI eligibility begins the month in which the person receives the SSI payment. Remove the person's needs effective the first of the following month.

SSI policy is to make retroactive payment to the first of the month in which application is made. The retroactive SSI payment is adjusted by the amount of FIP paid for the person during the period covered by the retroactive payment. FIP payments issued before the receipt of SSI are not overpayments and not subject to recovery.

When the SSI payment covers only a retroactive period *before* the month of receipt and continuing eligibility is not granted, the person is not considered an SSI recipient. However, a person who receives medical benefits from SSI but no cash SSI benefits is still considered an SSI recipient.

See Limit on FIP Assistance later in this chapter for information on the impact of the 60-month limit on SSI recipients.

State Supplementary Assistance Recipient

Legal reference: 441 IAC 41.26(2)"d"; 41.27(6); 41.28(1)

For FIP purposes, the term "SSI" also includes mandatory or optional State Supplementary Assistance (SSA) payments. The SSA program supplements the income of aged, blind, or disabled people who receive SSI or would be eligible for SSI except that their income exceeds SSI limits.

Consider an SSA recipient the same as an SSI recipient. That is, exclude the needs of the SSA recipient from FIP. Also, do not count the person's income or resources when determining FIP eligibility or benefits for the remaining family members.

The SSA program, in turn, includes the dependent person program. To qualify for an SSA dependent person benefit, the aged, blind, or disabled person must have a dependent family member, such as spouse or child, who is living in the home and who is financially needy. See 6-B, Dependent Person Program for SSA dependent person eligibility criteria.

The aged, blind, or disabled person may receive a dependent person allowance for only **one** dependent family member. If there is more than one dependent in the home, the SSA recipient must choose which of the dependents to include.

A person who is eligible for FIP is not considered financially needy by SSA dependent person policy. Thus, a person cannot receive dependent person benefits if the aged, blind, or disabled person or that person's dependent is eligible for FIP. Consequently, you must first determine FIP eligibility before determining the dependent person eligibility.

Treat the person who is being considered as the dependent the same as an SSA (and thus, SSI) recipient. Do not include the needs of the dependent. Also, do not count the person's income or resources when determining FIP eligibility or benefits for the remaining family members.

Thus, while the entire family may be over income for FIP **before** the SSA dependent person approval, the remaining family members may be FIP-eligible after the dependent person approval.

1. Mrs. A receives $550 monthly social security disability benefits. Her six minor children each receive $10 social security disability benefits based on Mrs. A's disability. The family's social security income is less than a $670 FIP grant for seven people.

   If the family is FIP-eligible, Mrs. A will not qualify for SSA or a dependent person allowance. If FIP is approved, the family is eligible for a $60 grant ($670 basic needs for all seven people minus $610 social security disability benefits).

2. Mr. D receives $600 monthly social security benefits. His wife and two children each receive $80 social security benefits. Their combined social security benefits exceed a four-person FIP grant. Since the family is not eligible for FIP, Mr. D can qualify for SSA for himself and an SSA dependent person allowance for one of his dependents.

   Upon the SSA approval, the two remaining family members could then qualify for FIP. If approved, the family would be eligible for a $201 FIP grant ($361 basic needs for two people minus their $160 social security benefits).

It is important that the FIP worker and the SSA person worker coordinate their efforts when determining a family's eligibility for SSA or FIP.

See Limit on FIP Assistance later in this chapter for information on the impact of the 60-month limit on SSA and dependent person recipients.

Who May Be in the Eligible Group

Stepparents and needy specified relatives may be included in the eligible group, depending on the circumstances. Children receiving subsidized adoption assistance are usually excluded from the eligible group. See 4-E, Adoption Subsidy for information on when a child receiving subsidized assistance may be included in the eligible group.

The following sections explain the policies that apply to:

- Incapacitated stepparents
- Needy specified relatives
- Needy specified relatives and parents

Incapacitated Stepparent

Legal reference: 441 IAC 41.28(1)“b”

An incapacitated stepparent **may** be included in the eligible group if the person:

- Is the legal spouse of the natural or adoptive parent by ceremonial or common-law marriage, **and**
- Does **not** have a child in the eligible group.

When the incapacitated stepparent has a child in the eligible group, the incapacitated stepparent **must** be included in the eligible group, unless not eligible for a nonfinancial reason, such as receiving SSI.

A stepparent is considered incapacitated when a clearly identifiable physical or mental defect has a demonstrable effect upon earning capacity or the performance of the homemaking duties required to maintain a home for the stepchild. The incapacity must be expected to last for a period of at least 30 days from the date of application.

1. Mrs. A receives FIP for herself and her children. Her husband, Mr. A, is also in the home, and they have no common children. Mr. A is being treated for cancer and will be unable to work for several months as a result. If Mrs. A requests to include Mr. A in the eligible group, he can be added as an incapacitated stepparent.
2. Mrs. B receives FIP for herself and her children. Her husband, Mr. B, is also in the home, and they have no common children. Mr. B is unemployed, but has been caring for his stepchildren while Mrs. B works.

   Mr. B breaks his legs in an accident and will be unable to provide care for the children for six weeks. If Mrs. B requests to include Mr. B in the eligible group, he can be added as an incapacitated stepparent.

When a stepparent recovers from incapacity, remove the recovered stepparent from the grant the first month after recovery.

See Limit on FIP Assistance for information on the effect of the 60-month limit on an incapacitated stepparent who is included in the FIP grant.

Verification of Incapacity

Legal reference: 441 IAC 41.28(1)“b”

Receipt of Social Security or SSI payments based on disability or blindness is considered proof of incapacity. All other determinations involving incapacity must be supported by medical or psychological evidence.

Participation in vocational rehabilitation services is not considered proof of incapacity, but it indicates that a disability may exist. Obtain medical evidence from a physician (including a chiropractor) or from the Rehabilitation Services Bureau in the Department of Education.

Evidence can be submitted either by a letter from the physician or on form **470-0447, Report on Incapacity**. See 6-Appendix for instructions on the use of this form.

When an examination is required but medical resources, such as county hospitals or free clinics, are not available, you may authorize a physician to perform the examination. The examination must be limited to verification of the specific illness or physical or mental disability upon which the determination of incapacity will be considered.

Issue form **470-0502, Authorization for Examination and Claim for Payment** to the physician to submit for payment of the claim. See 6-Appendix for instructions on how to use this form.

Needy Specified Relative

Legal reference: 441 IAC 41.28(1)“b”(1), 41.28(2)

A needy specified relative who assumes the role of parent may be included in the eligible group if the specified relative’s:

- Resources are within the resource limits, and
- Income is below the FIP income standards for one person.

See Specified Relatives for information on who can be a specified relative. Also, see Limit on FIP Assistance for information on the effect of the 60-month limit on needy specified relatives.

Explain the advantages and disadvantages of having the specified relative included or excluded from the eligible group, such as the differences in grant amounts and earned income deductions, so that the family can make an informed choice.

1. Aunt M applies for FIP for her two nieces. She has unearned income of $125 a month and no resources. The two nieces have no income. Aunt M wants to have her needs included in the eligible group because her income is under FIP standards for one person.

   The worker explains that if she elects **not** to be included in the eligible group, the total family income would be $486 ($361 FIP for the two nieces + $125). If she elects to be included in the eligible group, the total income would be $426 ($301 FIP + $125 income).

2. Mrs. G applies for FIP for herself and one granddaughter. Mrs. G has $200 gross monthly earnings. The granddaughter has $75 unearned income per month.

   Step 1. The worker first determines if Mrs. G is needy.

   185% Eligibility Test:

   Mrs. G passes the 185% test, as $200 is less than the $675.25 standard for one person.

   Standard of Need Test:

$ 200.00	Mrs. G's gross earned income
- 40.00	20% earned income deduction
$ 160.00	This is less than $365, the standard of need for one person, so Mrs. G passes the standard of need test.

   Payment Standard Test:

$ 200.00	Mrs. G's gross earned income
- 40.00	20% earned income deduction
$ 160.00	
- 92.80	58% earned income incentive
$ 67.20	$67.20 is less than the $183 payment standard for one person, so Mrs. G is considered needy.

Step 2. The worker determines FIP eligibility and benefits for Mrs. G and her granddaughter.

185% Eligibility Test:

$ 200.00	Mrs. G's gross earned income
+ 75.00	Granddaughter's unearned income
$ 275.00	The household passes the 185% test, as $275 is less than the $1,330.15 standard for two people.

Standard of Need Test:

$ 200.00	Mrs. G's gross earned income
- 40.00	20% earned income deduction
$ 160.00	
+ 75.00	Granddaughter's unearned income
$ 235.00	The household passes the standard of need test, as $235 is less than $719, the standard of need for two people.

Payment Standard Test:

$ 200.00	Mrs. G's gross earned income
- 40.00	20% earned income deduction
$ 160.00	
- 92.80	58% earned income incentive
$ 67.20	
+ 75.00	Granddaughter's unearned income
$ 142.20	Countable income
$ 361.00	Payment standard for two people
- 142.20	Countable income
$ 218.00	FIP grant amount (rounded)

When the specified relative has a spouse, determine the fact that one of them is needy by establishing that their combined income and resources are within FIP standards for the needy specified relative and spouse.

1. A grandmother applies for FIP for her grandchild. She has no income, and her spouse has $200 month income from Social Security. They have no resources. One of them may be considered needy, because their income and resources are under FIP standards for two people.

   If the grandfather elects to be in the eligible group, the eligible group will consist of the grandfather and the grandchild. Excess income above the needs of the grandmother ($200 - $183 = $17) will be applied to the basic needs of the eligible group ($361), for a grant of $344.

2. A grandmother is payee on a FIP case for her two grandchildren. She requests to be added to the grant. Also in the home is the grandfather, who has $900 gross earnings.

   Step 1. The worker determines if the grandmother is needy.

   The worker treats the grandparents as if they were an eligible group. The grandfather's $900 earnings pass the 185% gross income test for two people.

   The worker applies all applicable deductions and diversions to the grandfather's earnings and compare the remaining income against a $361 FIP grant for the two-person household. The group is within limits, and the grandmother is considered "needy."

   Step 2. The worker determines how much of the grandfather's income must be attributed toward the FIP grant for the grandmother and the grandchildren:

$900.00	Gross earning
- 180.00	20% earned income deduction
- 183.00	Diversion for the grandfather's needs
- 311.46	58% earned income incentive
$225.54	Countable income

   His countable $225.54 income is considered as unearned income to the eligible group, leaving a $200 FIP grant.

   NOTE: The countable $225.54 plus any gross nonexempt income of the eligible group must pass the 185% gross income test for the eligible group.

Needy Specified Relative and Parent

Legal reference: 441 IAC 41.28(1)“b”(2)

A needy specified relative who acts as payee may be included in the eligible group when the parent is in the household but the parent is unable to act as the payee. The FIP case is still considered as a parental case rather than a nonparental case.

“Unable to act as payee” means that the parent is physically or mentally incapable of caring for the child. There is no time limit on how long the needy specified relative who acts as a payee may be included in the eligible group. The parent could be permanently unable to act as payee (e.g., severely retarded) or temporarily unable (e.g., hospitalized due to a car accident).

> Ms. A and her child are on FIP. Ms. A is in an auto accident and is hospitalized. She will be unable to care for her child until she has recovered. Ms. A’s mother has moved into the home to take care of her grandchild in the interim.
>
> Even though Ms. A remains on the grant, Ms. A’s mother, if needy, may be added to the eligible group for as long as she acts as payee.

See Limit on FIP Assistance for information on the effect of the 60-month FIP limit on this type of FIP case.

Defining the Number of Eligible Groups in a Household

Legal reference: 441 IAC 41.28(1), 41.28(2)“b”

After deciding who **must** be in the eligible group and who **may** be in the eligible group, there are additional considerations involved in determining the composition of each eligible group.

The following sections list different types of household relationships and, in turn, how the relationships affect the eligible group:

- Parents and married couples
- Minor parents
- Nonparental specified relative

Parents and Married Couples

Legal reference: 441 IAC 41.28(1), 41.28(2)“b”

Parents and their children are one eligible group.

Unmarried adults, their respective own children, and common children are one eligible group.

Unmarried adults with their respective own children but no common children are two eligible groups.

A married couple and their respective own children but no common children are one eligible group, if both spouses wish to receive FIP for themselves and their children.

A married couple, their respective own children, and their common children are one eligible group.

1. Ms. G has one child and Mr. S has one child. They are living together but are not married, the FIP grant is computed on the basis of two separate eligible groups.
2. Mr. B has two children and Mrs. B has one child, all from previous relationships. Since there are no common children, the following options exist:
   - Mr. B may receive FIP for just himself and his two children, or
   - Mrs. B may receive FIP for just herself and her child, or
   - Mr. and Mrs. B can both receive FIP assistance for themselves and their respective children. In that case, the FIP grant is computed on the basis of one five-member eligible group.
3. The household consists of a mother and her two children, a father and his two children, and their two common children. The family must apply as one eight-member eligible group, whether or not the parents are married to each other.

Minor Parent

Legal reference: 441 IAC 41.28(2)“b”

Policy: A minor parent and children are one eligible group when living with self-supporting parents.

Ms. H, age 17, lives with her self-supporting parents. She has a baby and applies for FIP. Ms. H and her baby comprise the eligible group.

A minor parent and children living with the adult parent who receives FIP are in the same group with adult FIP parent.

1. Ms. X is 16 and lives with her mother, Mrs. X, who receives FIP for Ms. X and her younger brother. In October, Ms. X has a baby. If assistance is requested for the baby, the eligible group will consist of Mrs. X, the brother, Ms. X, and her baby.
2. Mrs. S receives FIP for herself and her two children, aged 14 and 17. The 17-year-old, Ms. T, has a baby. Mr. U, the 20-year-old father of the child, moves into the home. Mrs. S is not required to apply for assistance for the baby. If she does request assistance for the baby, Mr. U must also be included in the eligible group.

   Ms. T is a minor parent living with her adult parent who receives FIP, so Mrs. S, her 14-year-old child, Ms. T, Mr. U, and the baby are all included in the same eligible group.

Procedure: When the minor parent turns 18 but is in school and will complete the course of study before reaching age 19, the minor parent and the child remain in the adult parent's group until the course of study is completed.

Ms. W is a 17-year-old student who lives with her mother, Mrs. W. Mrs. W receives FIP for herself, Ms. W, and Ms. W's baby. Ms. W will turn 18 in December. However, she is expected to complete her course of study the following May, before she reaches age 19.

Ms. W and her baby remain on her mother's grant through May. Mrs. W's case is canceled effective June 1. Ms. W is eligible to have her own case effective the same date. An application is required.

When the minor parent turns 18 and is **not** in school or will **not** complete the course of study by age 19, remove the minor parent and the child from the parent's group and set them up as a separate eligible group. An application is required.

Ms. Y is 17. She lives with her mother, Mrs. Y, who receives FIP for Ms. Y and two other children. Ms. Y has a baby. If assistance is requested for the baby, the eligible group will consist of Mrs. Y, Ms. Y, Mrs. Y's two other children, and Ms. Y's baby.

Ms. Y will turn 18 on May 15. She is not in school. Since Ms. Y will not be eligible as a child past May, Ms. Y and her baby will be removed from Mrs. Y's grant effective June 1. Ms. Y may receive FIP for herself and her baby as a separate eligible group. An application is required.

When the minor parent is subject to a sanction (other than a CSS sanction) or otherwise ineligible (e.g., has an ineligible alien status), remove the minor parent and her child from the adult parent's case. If there are no other eligible children in the home, cancel the adult parent's case for that reason.

Once the minor parent and child are removed from the adult parent's case, the minor parent can apply for FIP for the baby only. A new application is required. The minor parent remains ineligible until the sanction is fixed.

If the minor parent continues to live with the adult parent who is no longer eligible for FIP, consider the minor parent as living with a self-supporting parent. This means you consider the adult parent's income to determine the baby's FIP eligibility. See 4-E, Income.

If the adult parent has other children and remains FIP-eligible, do not consider the adult parent's income on the minor parent's FIP case for the baby. Whether or not the adult parent remains FIP-eligible on a separate case, consider any income of the minor parent the same as any other excluded parent.

Ann is 16 years old. She has a baby and lives with her mother, Mrs. Z, who receives FIP for Ann and the baby. In May, Ann is sanctioned. Even though both Ann and the baby are on the grant, only Ann is the child of Mrs. Z.

Therefore, when Ann becomes ineligible, Mrs. Z no longer has an eligible child in the home. Mrs. Z's case is canceled effective June 1. A new case is opened with Ann as the payee for her child. Ann's income is treated the same as any other excluded parent.

See 4-J, Minor Parents Living with FIP Parent for information on the effect of a limited benefit plan. See Limit on FIP Assistance in this chapter for information on the effect of the 60-month limit on minor parents.

When the minor parent is living with a nonparental relative or in an independent living arrangement, determine need in the same manner as if the minor parent had attained majority.

However, if the nonparental specified relative assumes a parental role over the minor parent, the nonparental specified relative may establish a caretaker case and may be included in the eligible group if needy.

Nonparental Specified Relative

Legal reference: 441 IAC 41.28(1)"b," 41.28(2)

Children in a nonparental home are one eligible group, whether or not they are siblings. The parent, the needy nonparental specified relative who acts as payee when the parent is unable to act as payee, and the children are one eligible group.

When a nonparental specified relative has children on FIP, this is a separate eligible group from the nonparental children. The two groups are:

- The specified relative and the relative's own children.
- Children for whom the specified relative is responsible.

A needy nonparental specified relative acting as payee who has chosen to be included in the eligible group and the child are one eligible group. The needy nonparental specified relative's needs are determined the same as on a parental case.

1. A sister applies for her brother. She does not want her needs to be considered. The basic needs of the brother are $183.
2. An aunt applies for a niece and a nephew. She does not want her needs to be included. The basic needs of the niece and nephew are $361, whether or not they are siblings.
3. A grandmother who is needy applies for herself and two grandchildren. The needs of the grandmother and two grandchildren are $426.

When a minor nonparental specified relative lives with self-supporting parents, the eligible group consists of only the child for whom the minor is caretaker.

When a minor nonparental specified relative lives with an adult parent who receives FIP, there are two eligible groups:

- The adult FIP parent and children.
- The children for whom the minor specified relative is responsible. (The needs of the minor specified relative are not included in the grant.)

The 60-month FIP limit does not apply to nonparental specified relatives who are not on the FIP grant with the child. See Limit on FIP Assistance.

Family Investment Agreement

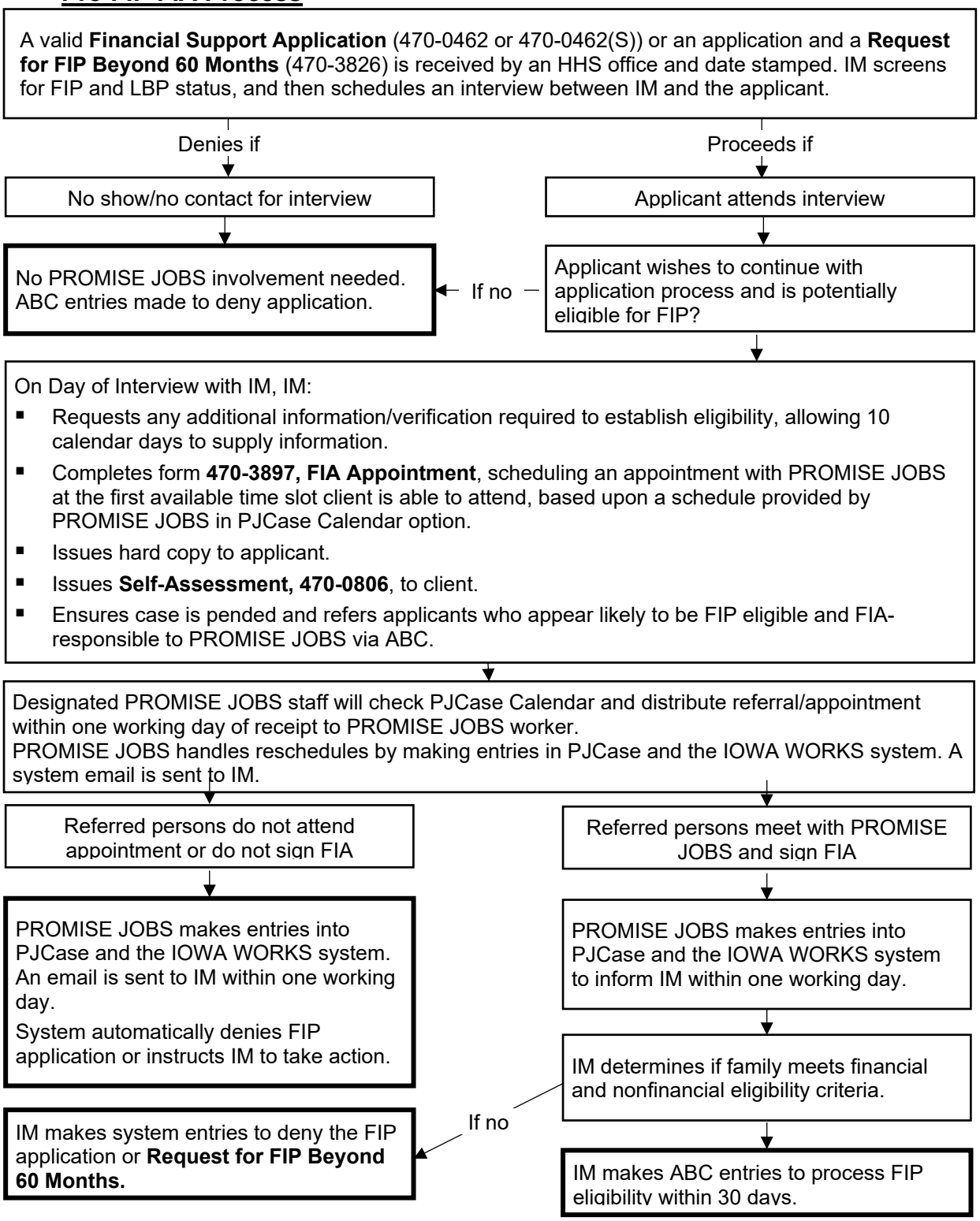
Legal reference: 441 IAC 41.24(239B)

Policy: Applicants who are not exempt from PROMISE JOBS must meet with PROMISE JOBS to write and sign a family investment agreement (FIA) before FIP approval. Do not approve FIP until you have received confirmation from PROMISE JOBS that the family investment agreement is written and signed.

Procedure: As part of the application interview, schedule a PROMISE JOBS appointment for applicants who appear eligible for FIP and who are FIA-responsible. Do not make the referral to PROMISE JOBS before the FIP application interview.

The following flow chart illustrates the procedure to be followed when an applicant is FIA-responsible. See 4-J, Referring Clients to PROMISE JOBS for additional instructions on the actions required to refer applicants to PROMISE JOBS.

Pre-FIP FIA Process



Ms. J applies for FIP on January 15. The application interview is held January 19. Although some additional verification is required, the IM worker determines that Ms. J appears to be eligible for FIP. During the application interview, the IM worker refers Ms. J to PROMISE JOBS and schedules an appointment for her to meet with PROMISE JOBS to write and sign a family investment agreement.

Ms. J signs the family investment agreement on January 23 and the IM worker receives confirmation that the family investment agreement was signed. Ms. J returns the other requested verification on January 25. On January 26, the IM worker approves FIP with an effective date of January 22 (seven days after the date of application).

When an applicant signs the family investment agreement, the PROMISE JOBS worker will make entries in the PJCase system to record the date the family investment agreement was signed. An e-mail will automatically be sent to notify the IM worker of the date the family investment agreement was signed. If all other eligibility factors have been met, make system entries to approve FIP.

If an applicant who is FIA-responsible fails to sign a family investment agreement, FIP eligibility is affected as follows:

Person Failing to Sign the FIA	**Action**
Parent	The entire household is ineligible. In two-parent households, if both parents are FIA-responsible and either fails to sign the family investment agreement, the entire household is ineligible.
Mandatory child	The child is ineligible. The other household members may be eligible if there is an eligible child.
Minor parent	The minor parent and any child of the minor parent are ineligible. The other household members may be eligible if there is an eligible child.
Needy specified relative	The specified relative is ineligible. The children may be eligible.
Stepparent included as an optional household member	The stepparent is ineligible. The other household members may be eligible.

If an applicant fails to sign a family investment agreement, the PROMISE JOBS worker will make entries in the PJCase system to record that the person failed to sign. An email will automatically be sent to notify the IM worker that the person has failed to sign.

If it is a case application and the person who failed to sign the family investment agreement is a parent, the system will automatically deny the pending application. If it is an application to add a person to an active FIP case, or if the person who failed to sign the family investment agreement is not a parent, the e-mail will provide instructions to the IM worker to deny the application.

1. Ms. A applies for FIP for herself and her children. The IM worker refers Ms. A to PROMISE JOBS, but she fails to sign a family investment agreement. The PROMISE JOBS worker records in the PJCase system that Ms. A failed to sign the family investment agreement. An e-mail is sent to the IM worker and the ABC system automatically denies Ms. A's FIP application for herself and her children.
2. Ms. B is a FIP participant, receiving FIP for herself and her children. The absent parent, Mr. B, returns to the home. The worker refers Mr. B to PROMISE JOBS to sign a family investment agreement before he can be added to the FIP case.

   Mr. B refuses to sign a family investment agreement. The PROMISE JOBS worker records the refusal on the PJCase system. An e-mail is sent to the IM worker who denies the application to add Mr. B and cancels the FIP case with timely notice.
3. Mrs. C applies for FIP for herself and her grandchild. The worker refers Mrs. C to PROMISE JOBS, but she fails to sign a family investment agreement. The PROMISE JOBS worker records in the PJCase system to that Mrs. C failed to sign the family investment agreement. An e-mail is sent to the IM worker, who denies FIP for Mrs. C but approves FIP for the grandchild only.

If an application is approved in error before the family investment agreement is signed, take the following actions as soon as the error is discovered:

- If an FIA-responsible has not already been referred to PROMISE JOBS, schedule an appointment with PROMISE JOBS, according to the instructions in 4-J, PROMISE JOBS.
- Contact the person to explain that failure to follow-through with signing the family investment agreement would result in cancellation of FIP and recoupment of the benefits issued in error.

- Notify PROMISE JOBS that the person has been approved in error before signing the family investment agreement.
- If the person follows through and signs the family investment agreement when referred, do not take any negative action.
- If the person does not follow through and sign the family investment agreement, cancel FIP with timely notice for the case or person (as described above) and recoup the benefits issued in error.

If a FIP participant who becomes FIA-responsible while receiving FIP fails to sign a family investment agreement, PROMISE JOBS will impose a limited benefit plan (LBP). The only time an exempt person would become FIA-responsible while on FIP would be when:

- A person age 16 to 18, who is not a parent, drops out of school, or
- A minor becomes a parent.

Fleeing Felons and Probation or Parole Violators

Legal reference: 441 IAC 41.25(10)

Exclude from the FIP eligible group a person who is:

- Violating a condition of probation or parole imposed under any state or federal law; or
- Convicted of a felony under any state or federal law and is fleeing to avoid prosecution, custody or confinement.

EXCEPTION: Convicted people who are pardoned by the President of the United States may be eligible for FIP beginning with the month after the pardon is given. See 4-G, Establishing the Date of Application and Eligibility for additional information on adding a pardoned person to the eligible group.

The disqualification applies only to the convicted person. It extends only over the period that the convicted felon is on the run, or that the person is in violation of probation or parole conditions. Follow the instructions in Treatment of Income and Resources of Disqualified People. Give timely notice when removing the convicted person from the grant.

When you become aware that the eligible group includes a person with one of these statuses, contact the local police or sheriff's department if necessary to verify if there is an outstanding arrest warrant for the convicted felon, parolee, or probationer. A signed release from the client is not needed, as this information is a public record.

Failure to provide needed information about the convicted person when so requested results in FIP ineligibility for the entire household.

Foster Care

Legal reference: 441 IAC 41.25(2)

Depending on school attendance and type of placement, a person may be in foster care up to age 20. When a parent under age 20 and the parent's child are living in a foster care setting, FIP eligibility for the child depends on whether the child's needs are included in the parent's foster care maintenance payment.

When the parent is in either a family or group foster care arrangement, both the parent's needs and the baby's needs must be included in the foster care maintenance payment. Consequently, there is no FIP eligibility for either the parent or the baby.

However, when the parent under age 20 is in a supervised apartment living foster care arrangement with the child, only the parent's needs are included in the foster case maintenance payment. In that case, the parent may apply for and receive FIP assistance for the child, if otherwise eligible. The income and the resources of the parent are exempt, including the independent living payment from foster care.

Verify with the foster care worker whether the child's needs are included in the parent's foster care maintenance payment. Document the reason for the child's FIP eligibility or ineligibility in the case record based on the foster care worker's clarification.

Some former foster children aged 18 to 21 may qualify for a preparation for adult living (PAL) stipend for their own needs. When a person who receives a PAL stipend has a child, the parent may apply for FIP for that child and receive assistance if otherwise eligible. The needs of the parent receiving the PAL stipend are excluded. The income and resources of the parent, including the PAL stipend, are exempt.

Psychiatric medical institutions for children (PMICs) are both medical and foster care facilities. Children in these facilities who are court-ordered into foster care are not eligible to receive FIP even though they do not receive a foster care maintenance payment. Children in PMICs who are **not** in foster care may be FIP-eligible. See Temporary Absence in a Medical Institution for more information.

See 4-G, When a Child Goes into Foster Care or the Kinship Caregiver Payment Program for information on canceling FIP when a child goes into foster care or the kinship caregiver payment program.

Kinship Caregiver Payment (KCP) Program

Legal reference: 441 IAC 41.25(2)

Kinship Caregiver Payment (KCP) program provides an eligible caretaker payments for a child placed in their home by HHS. Caretakers who have a relative or fictive kin* child placed in their home will receive a payment equal to the daily base foster care maintenance rate based on the child's age per child for up to 120 days. Caretakers are not eligible for KCP for the child for the first 14 days they are in the home.

KCP is not optional program. Caretakers don't apply for the KCP, they are automatically placed in the program after a child is in their home for 14 days.

While receiving this payment, the caretaker will be encouraged to become a licensed foster parent but is not required to do so. If the caretaker is approved to receive a foster care payment for the child, they are no longer eligible for the KCP.

A person cannot receive KCP and FIP at the same time. That is duplicate assistance.

* The definition of caretaker for the KCP is different than who can be a caretaker for FIP purposes. For KCP caregiver means a person to whom a child is related by blood, marriage, or adoption. Fictive Kin means an individual who is not related by birth, adoption, or marriage to a child, but who has a significant, committed, positive relationship with the child.

A child can be in KCP until age 18. When a parent under the age of 18 and the parent's child are in the caretaker/fictive kin placement both will receive KCP. Verify with the foster care worker whether the child's needs are included in the KCP payment.

The household must file a new application if they want FIP after KCP ends. If the caretaker has an active FIP case for other specified relative children, the caretaker must request the former KCP child be added to the FIP household. Note: the effective date of FIP must be the day after the last day of KCP eligibility or seven days after the application date, whichever is later. If you have a question if a child is still receiving KCP or the last day the child was eligible for KCP, contact the child's social worker.

Hardship Exemption

Legal reference: 45 CFR 264.1; 441 IAC 41.30(3)

Federal law limits a family's lifetime FIP assistance to a total of 60 months. The program's goal is that the family becomes self-sufficient within this 60-month limit.

However, recognizing that this goal is not attainable for all families, the program allows assistance to be provided beyond 60 months to families in hardship conditions. This is called a “hardship exemption.”

“Hardship” is defined as a circumstance that is preventing the family from being self-supporting. A hardship exemption is not intended as an automatic extension of the 60-month limit but is intended for families that are faced with barriers that are beyond their control and affect their ability to become self-sufficient. The family’s safety takes precedence over the goal of self-sufficiency.

Families with adults that have received 60 months of FIP assistance, as defined in Limit on FIP Assistance, may request a hardship exemption. Requests for hardship exemption must be made on form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**.

Families no longer on FIP that have received FIP for 60 months must also complete an application as a condition for regaining FIP eligibility.

Families may be denied or granted a hardship exemption. The determination is a one- or two-step process:

1. Based on supporting evidence, you determine whether a hardship exists that prevents the family from being self-supporting.
2. For an FIA-responsible person, PROMISE JOBS determines how the hardship issues will be addressed in the family investment agreement (FIA).

A family:

- Without an FIA-responsible person has to meet step 1.
- With an FIA-responsible person has to meet both steps before the hardship exemption request can be granted.

The family requesting the hardship exemption has primary responsibility for identifying hardship barriers and providing supporting documentation.

For a family with an FIA-responsible person, PROMISE JOBS, along with the family and recommendations from the family’s service worker, will determine the focus of the steps to be included in the six-month family investment agreement.

Make the hardship exemption determination as soon as possible but no later than 30 days after the date a valid form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** is received in any HHS or PROMISE JOBS office.

When an application is required for the family to regain FIP eligibility, the 30 days begin the day after the application is received, if that date is later. (See Hardship Exemption Decision.)

Federal regulations require that a hardship exemption must not begin until the adult in the family has received FIP for at least 60 months. A hardship exemption is limited to six consecutive calendar months.

Families may request and be granted more than one hardship exemption if warranted by their hardship circumstances, if they otherwise qualify for the exemption and meet FIP eligibility requirements. A new six-month FIA and a new hardship exemption determination are required for each subsequent hardship exemption period.

Each hardship exemption approval or denial must be disposed of with a corresponding **Notice of Decision**. Families whose request for a hardship exemption is denied are afforded normal appeal rights. In addition, you must record the family's particular hardship exemption approval or denial reasons in the FIP Eligibility Tracking (FET).

The following sections explain:

- Who may qualify for a hardship exemption
- The process for issuing and receiving a hardship request
- The process for determining whether a hardship exists
- Development of the six-month Family Investment Agreement
- Making the final exemption decision
- The six-month hardship exemption period
- PROMISE JOBS participation requirements for families receiving the exemption
- Hardship appeal procedures
- Overpayments related to the hardship exemption

Who May Qualify for a Hardship Exemption

Legal reference: 441 IAC 41.30(3)

A family that includes an adult who is subject to the 60-month FIP limit may receive FIP for more than 60 months if the family requests and is granted a hardship exemption as described in this manual and meets all other FIP eligibility requirements.

"Adult" means:

- The parent in the home with the child (even if the parent is or will be excluded from the FIP grant).
- The parent's spouse in the home with the parent and child, whether or not the stepparent is included in the FIP grant.
- A needy nonparental specified relative who is or requests to be on the FIP grant with the child.
- A minor parent in the home who is payee for the minor's own FIP case, even if the minor parent is excluded from the grant.

When the only parent receives SSI (or both parents or both the parent and stepparent receive SSI), the 60-month limit does not apply. Therefore, a hardship exemption is not needed for the family to be FIP-eligible. The 60-month limit does apply when both parents or the parent and stepparent are in the home but only one parent or stepparent receives SSI.

The 60-month limit does not apply when a specified relative receives FIP for a child but the relative is **not** included in the FIP grant. When the specified relative is needy and is included in the FIP grant, only the relative becomes ineligible at the end of the 60-month period. FIP for the child may continue.

Eligibility for a hardship exemption cannot begin until the adult in the family has received FIP for at least 60 months. See Limit on FIP Assistance for more information.

Families may be eligible for a hardship exemption when circumstances prevent them from being self-supporting. The purpose of the hardship exemption is to allow families that have not been able to achieve self-sufficiency during their 60-month FIP period another opportunity to address the hardship barriers that have prevented them from becoming self-sufficient.

Families who successfully left FIP also may qualify for a hardship exemption if a hardship condition has affected their ability to remain self-sufficient.

The hardship exemption eligibility determination is a one- or two-step process. See Hardship Exemption.

- Based on supporting evidence, you must determine whether the family has a hardship condition that affects its ability to be self-supporting.

- If you determine the family meets hardship criteria, the FIA-responsible adults in the family must meet with PROMISE JOBS to develop and sign a six-month family investment agreement (FIA) that addresses the family's documented hardship condition.

A hardship exemption is not a separate program but is a special eligibility factor that, if met, allows families with hardship barriers to receive FIP beyond the 60-month limit. This means that, in addition to meeting hardship exemption criteria, families must meet all other FIP requirements to continue to receive FIP beyond the 60-month period.

It is important that you and PROMISE JOBS staff, when appropriate, help families to fully understand that their hardship condition does not excuse them from any financial or nonfinancial FIP requirements during the hardship exemption period.

The purpose of the hardship exemption is to involve the family with an FIA-responsible person in activities that can reasonably be expected to lead to self-sufficiency, rather than to use the hardship as a reason for excusing the family from program requirements.

Families with FIA-responsible people who are approved for a hardship exemption must be willing to take steps to overcome their hardship. They must participate to their maximum potential in activities reasonably expected to result in self-sufficiency and demonstrate incremental progress toward that goal. However, a family's' safety shall take precedence over the goal of self-sufficiency.

In two-parent families, both parents must meet the hardship exemption requirements.

Hardship Conditions

"Hardship" is defined as a circumstance that is preventing the family from being self-supporting. The family's safety takes precedence over the goal of self-sufficiency.

The family requesting the hardship exemption has primary responsibility for identifying hardship barriers. The hardship condition may be the result of a past or current experience that is affecting the family's current functioning. "Current experience" may include fear of an event that is likely to occur in the future.

The hardship exemption applicant is a victim of domestic violence. The victim claims to be unable to look for work for fear of being harmed by the abuser.

If the abuser is in prison, this would not be considered a reasonable fear, unless the victim suffers from mental or emotional health problems that affect the person's ability to be self-supporting.

However, if the abuser is in the community and likely to harass or harm the victim or the victim's family, the fear is reasonable and a hardship exemption may be considered.

The definition of "hardship" emphasizes the impact of the hardship circumstance on the family's ability to become self-supporting. Circumstances that may lead to a hardship exemption include, but are not limited to, the following:

- **Domestic violence**, meaning that the family includes someone who has been battered or been subjected to extreme cruelty, including:
  - Physical acts that resulted, or threatened to result, in physical injury.
  - Sexual abuse.
  - Sexual activity involving the child.
  - Threats of, or attempts at, physical or sexual abuse.
  - Mental abuse (includes emotional abuse).
  - Neglect or deprivation of medical care, and/or
  - Being forced to engage in nonconsensual sexual acts or activities.
- **Lack of employability**, which includes situations when the "adult" is functioning at a level that prevents steady or gainful employment, lacks marketable skills, or lacks basic work habits needed to remain employed.
- **Lack of suitable child care**. To be considered "suitable," a child care provider must be registered or licensed or must meet the required criminal and child abuse record checks.
- **Physical or mental health issues**. For the purpose of the hardship exemption, a physical or mental health issue is a condition that affects the family's ability to be self-supporting, but does not appear to be sufficiently serious or long term as to warrant application for Social Security Disability (SSD) or Supplemental Security Income (SSI) benefits.

  The health issue may be the result of a past or current circumstance and may be temporary, recurring, or chronic. "Mental health" also includes emotional health. A medical professional must verify the health issue and prepare a professional treatment plan that addresses the health issue.

NOTE: Normal pregnancy or childbirth does not, in itself, meet hardship exemption criteria.

- **Disability**. For the purpose of the hardship exemption, a disability is a condition that appears to be sufficiently serious or long term as to warrant application for SSD or SSI.

  FIP applicants and participants are required to apply for and accept SSD or SSI benefits when:

  - The person claims a physical or mental disability that is expected to continue at least 12 months or results in death, and
  - The person claims to be unable to engage in substantial activity due to the disability.

  Adults who claim disability must:

  - Be determined by a physician to be unable to work, and
  - Provide verification to substantiate their claim.

  Receipt of SSD or SSI benefits based on disability or blindness is considered proof of disability.

  (Remember, the 60-month limit does not apply when the only parent in the home, or both parents or both the parent and stepparent are SSI recipients.)

- **Housing situations** that make it difficult or impossible to work, such as when:

  - The family's belongings are destroyed in a fire or flood, interrupting or delaying the family's employment arrangement; or
  - Travel time from the family's home to the job exceeds one hour each way, including time needed to take the child to day care.

  Living in another person's home does not in itself qualify for an exemption unless the living arrangement affects the family's ability to become self-supporting.

- **Substance abuse issues**. A claim of substance abuse must be verified by a clinical assessment or other supporting evidence.

- **Having a child with special circumstances** that require the parent (or the needy relative) to be in the home to provide care or supervision. This may be:
  - A child with physical or mental health issues or
  - A child that receives child protective, juvenile court or juvenile justice services, or other child welfare services.

  The child's safety takes precedence over the goal for the family's self-sufficiency.
- **Other circumstances** that prevent the family from being self-supporting. Families whose hardship is not specifically listed are not automatically excluded from consideration for a hardship exemption. Each family is unique and has different circumstances that may hinder its efforts to achieve self-sufficiency.

  NOTE: Needing more time to complete an educational program does not, in itself, meet hardship exemption criteria.

When a hardship exemption is approved based on medically determined physical or mental health issues or disability, PROMISE JOBS may require the affected FIA-responsible adult to participate in vocational rehabilitation services. PROMISE JOBS will contact you to request referral of the adult to the Department of Education, Rehabilitation Services Bureau. Enter the referral into the ABC system.

A barrier to economic self-sufficiency that existed and was identified before the family reached the 60-month limit is not considered as meeting hardship exemption criteria. However, if the person complied with PROMISE JOBS activities offered to overcome the specific barrier, a hardship may still exist.

A parent requests a hardship exemption based on lack of employability because she does not have a GED. The PROMISE JOBS worker verifies that this parent was offered opportunities to complete her GED while on FIP, but she refused the offer or failed to participate and complete the program.

If no other hardship reason exists, the hardship exemption is denied as not meeting hardship criteria.

Types of Supporting Evidence

The family is responsible for identifying the hardship barrier and for providing supporting evidence of the hardship barrier and its impact on the family's ability to become self-supporting. The supporting evidence must identify the circumstance that creates the barrier rather than just the type of barrier. The reason for the barrier and its impact are identified in this example:

> A parent claims hardship because of inability to maintain employment. Statements from previous employers indicate that the parent repeatedly failed to show up for work and was fired.
>
> However, additional evidence from a domestic violence counselor reveals that the absences were caused by domestic violence that the parent did not want divulged to the employers rather than inappropriate work habits.

Examples of supporting evidence include:

- Court, criminal, law enforcement, child protective services, social services, medical, psychological, or psychiatric records that indicate physical, mental, or emotional harm to the child or the parent (or the needy specified relative, if the relative requests to be on the FIP grant).
- Statements from a domestic violence counselor that indicate domestic violence issues. Living in a domestic violence shelter in itself does not automatically qualify the family for a hardship exemption, but is considered strong evidence of domestic violence issues.

  > Families A and B are both living at a domestic violence shelter. Parent A is still able to maintain employment. A hardship exemption based on domestic violence is not appropriate for family A.
  >
  > The domestic violence issue has interrupted Parent B's employment and keeps Parent B from participating in work-related or job-readiness activities. A hardship exemption may be granted for family B.

- Court, criminal, law enforcement, child protective services, social services, psychological or psychiatric records, or statements from a substance abuse counselor that substantiate substance abuse issues.

- Verification from the court system, probation officer, psychiatrist, psychologist, medical professional, protective or social services professional, etc., that the parent or needy specified relative is needed in the home to provide care for or supervision of a child that has special physical, mental, or emotional needs.
- Statements from a medical professional that substantiate a person's physical, mental, or emotional health issues. The statement must:
  - Identify the particular health issue or condition.
  - Specify that the person is unable to participate in work-related or work-readiness activities.
  - Include a date that the condition is expected to last and the date of a scheduled follow-up examination, if any.
  - Follow the procedures in Verification of Incapacity in this chapter for obtaining medical evidence.
- Proof of application for disability benefits from the Social Security Administration. NOTE: Participation in vocational rehabilitation services is not considered proof of disability but indicates that a disability may exist.
- A written statement from the child care resource and referral center that "suitable" child care as defined in not available in the area where the family lives or where the (potential) job is located.
- Media reports substantiating the family's belongings were destroyed in a fire or other natural disaster, or that the family was involved in an accident, resulting in interrupting or delaying the family's employment arrangement or plans.
- Written statements from people with knowledge of the family's hardship circumstance. Written statements from friends or relatives alone are not sufficient to grant a hardship exemption but may be used to support other evidence.
- Lack of employability may be substantiated by any entity that has had contact with the client and is in a position to know the client's limitations, such as the PROMISE JOBS, service, or FaDSS worker; a Vocational Rehabilitation or IWD counselor; or a former or current employer.

When a family claims hardship because of child abuse, in addition to the other possible sources of verification, ask the family to give permission for you to check the Central Abuse Registry to find out if an abuse determination has been made. See Hardship Claim Due to Child Abuse for procedures.

Hardship Exemption Requests

Legal reference: 441 IAC 41.30(3)“e”

Families with adults subject to the 60-month limit who have received or who are close to having received FIP for 60 months may request a hardship exemption. Families that have exhausted their 60-month FIP period may file a hardship exemption request at any time.

Requests for the exemption must be made on form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. Families that are no longer on FIP will also have to complete the **Food and Financial Support Application,** form **470-0462** or **470-0462(S)**, as a condition for regaining FIP eligibility.

Form 470-3826 or 470-3826(S) is also an authorization for release of information that allows IM, service, PROMISE JOBS, and FaDSS staff to share with each other substance abuse, mental health, and AIDS/HIV-related information about the family that may be relevant to the hardship exemption determination. Return a copy of form 470-3826 or 470-3826(S) to the hardship exemption applicant as a record of this authorization.

The date of the hardship exemption request is the date a valid form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**, is received in any HHS or PROMISE JOBS office. The form shall be date-stamped upon receipt in either office to preserve the date of the request. If received in a PROMISE JOBS office, the form must be forwarded to the local IM office within one working day.

You have no way of knowing if the family may request a hardship exemption or if a hardship exemption will be approved if requested. Therefore, cancel FIP for the end of the family’s 60-month period. Timely notice is required.

When case circumstances permit, it is suggested that you cancel FIP shortly after system cutoff of month 59 or at the beginning of month 60. This allows the family greater opportunity to return the exemption request before the effective date of cancellation and reduces the likelihood of loss of FIP benefits.

Proceed to cancel FIP even if the family has filed a valid form 470-3826 or 470-3826(S) in the meantime. The 60-month cancellation notice informs the family that it will get another notice about the status of its hardship exemption request. If the request is granted, the family’s FIP case will be reopened as appropriate.

The following sections explain the requirements for:

- Providing the request form to a family
- Determining if a submitted request form is valid
- Deciding to accept a hardship exemption request
- Deciding when a hardship determination is not needed
- Handling a request when a FIP application is also needed

Providing the Request Form

Provide form 470-3826 or 470-3826(S), *Request for FIP Beyond 60 Months,* upon the family's request and as described in the following paragraphs. Always include a return envelope.

Issue form 470-3826 or 470-3826(S) no later than at the time of the family's timely 60-month FIP cancellation.

Check the "Active Cases That Have Used FIP for 36 or More Months" report on FET each month to obtain a listing of participant families that have received FIP for 58 or more months. You can issue the request form to the family as early as month 58.

You can also issue the request form when issuing form 470-3851, *Important Information About Your FIP*, in month 58 of the family's 60-month period. You can obtain either form from FET.

Also access FET whenever a family reapplies for FIP to determine the family's 60-month count. Discuss the implications of the 60-month limit and the family's 60-month status during the application interview.

If the applicant family is close to the 60-month limit, explain the hardship exemption provisions and provide the family with form 470-3826 or 470-3826(S) during the interview. Also provide form **470-3851, Important Information About Your FIP**, together with **Comm. 137, 60-Month Limit on FIP**.

For families that are in an existing exemption period, issue a new form 470-3826 or 470-3826(S) upon request.

Refer to Limit on FIP Assistance in this chapter for additional information regarding the 60-month FIP limit, including the impact when another "adult" joins an existing FIP household.

Refer to 6-Appendix for specific instructions for the use of form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**, and for form **470-3851, Important Information About Your FIP**.

Valid Request

To be considered valid, form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** must contain a legible name and address and be signed by the adult in the family who is:

- The parent or the stepparent in the home (even if the parent is or will be excluded from the FIP grant) must sign the form 470-3826 or 470-3826(S) for the household.
- The needy nonparental specified relative who is or requests to be on the FIP grant.

No action is required upon receipt of a hardship exemption request that is not valid.

When the adult is incompetent or incapacitated, someone acting responsibly on the adult's behalf may sign the request.

FIP that a minor parent receives as a child on the adult parent's or specified relative's FIP case is not counted toward the minor parent's 60-month FIP limit. However, FIP a minor parent receives while living independently or with a self-supporting parent or legal guardian must be counted toward the minor parent's 60-month limit.

It is highly unlikely that a minor parent will exhaust the 60-month limit and be dependent on a hardship exemption while still a minor. But if so, the minor parent who is payee for his or her own FIP case must sign form 470-3826 or 470-3826(S) and meet hardship exemption criteria.

A complete form 470-3826 or 470-3826(S) that is faxed or is scanned and then emailed is acceptable and does not have to be resigned.

When to Accept a Hardship Exemption Request

Upon receipt of a valid form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**, check the family's FIP and LBP status to determine whether the hardship exemption request is appropriate. The family may be on FIP or may no longer be on FIP when you get the request form.

You must provide form 470-3826 or 470-3826(S) upon the family's request. However, hardship exemption requests are generally not accepted before the first calendar day of month 59 of the family's 60-month FIP period.

Do not automatically deny requests received before month 59 for that reason. Instead, you may pend a request depending on how long before month 59 the request is received.

Use prudent judgment. For example, since you may issue form 470-3826 or 470-3826(S) to the family as early as month 58, it is reasonable to pend a request form that is received in month 58. However, day one of the 30-day period for processing the request is the first calendar day of month 59. See Hardship Exemption Decision for details.

Deny requests received before month 58 because the family's circumstances that exist at that point may change. They may no longer be a true reflection of the circumstances that may exist when the 60-month FIP period ends and the hardship exemption period can begin. No involvement from PROMISE JOBS is needed in this situation.

Similarly, deny requests for a subsequent hardship exemption that are received before month four of the family's existing exemption period. Use notice reason 173. Process requests received in month five or six of the existing exemption period.

You may pend a valid request received in month four. However, the 30-day processing time frame does not begin until the first calendar day of month five of the exemption period.

Record the denial in FET. Complete Part A of form **470-3876, Hardship Exemption Determination** as directed in 6-Appendix.

When a Hardship Determination Is Not Needed

A family may request a hardship exemption that is not needed because of other overriding FIP case circumstances. If so, deny the request for the applicable reason.

1. The family has received FIP for 57 months. The family's 60-month ending date is too far into the future. The hardship exemption request is premature and is denied.
2. The family is exempt from the 60-month limit because the only parent in the home is on SSI. A hardship exemption is not needed for the family to qualify for FIP. The request is denied.

Record the applicable denial reason in FET. Complete Part A of form **470-3876, Hardship Exemption Determination**.

Even though the hardship exemption request is denied, the family may still be eligible for FIP. If the family is currently on FIP, no further action is needed.

If the family is not on FIP, issue a **Food and Financial Support Application** when the family has not already submitted an application. It's up to the family to return the application. No further action is needed to track return of the application.

If the family does not qualify for the hardship exemption because the family is not eligible for FIP, deny FIP for the applicable reason. Make corresponding entries on FET. Complete Part A of form 470-3876.

The family has received FIP for at least 58 months but is in a six-month period of ineligibility of a subsequent LBP. There is no FIP eligibility until after the end of the ineligibility period. Use notice reason 268 to deny FIP.

There may be other situations not mentioned here when it is evident to you that the family does not qualify for FIP regardless of its hardship circumstances.

When an Application Is Needed

When form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** is received from a family that is no longer on FIP and has not submitted form **470-0462, Food and Financial Support Application**, hold form 470-3826 or 470-3826(S) for later processing and request the application. An application is required for the family to regain FIP eligibility.

Issue the application within one working day from the date you receive form 470-3826 or 470-3826(S). Enclose a written note explaining the reason the application is required and that the hardship exemption request will be denied if the family fails to return the application by the stated due date. Also include a request for supporting evidence.

Allow the family ten days to return the application and the supporting evidence. Extend the due date upon request, if appropriate. If the family returns the application and the supporting evidence as requested, continue with the steps in making the hardship determination.

Deny the hardship exemption request if the family fails to return the application or the requested evidence by the due date. Record the denial in FET. In addition, complete Part A of form **470-3876, Hardship Exemption Determination** to document your decision.

NOTE: Unless otherwise specified, follow the policies and procedures in 4-B, Application Processing when processing the FIP application.

Determining if Hardship Exists

Legal reference: 441 IAC 41.30(3)"f"

Proceed with the hardship determination if the family's exemption request appears appropriate for the FIP case circumstances, meaning the family:

- Has received FIP for at least 58 months,
- Has submitted a required FIP application, and
- Meets FIP eligibility criteria.

The family's barrier to self-sufficiency may be caused by one primary hardship or by a combination of hardships. (See Hardship Conditions.) Consider the impact of the total circumstances on the family's ability to be self-supporting in the hardship determination.

Notify the family in writing of additional information that is needed to verify the hardship and its impact on the family's ability to become self-sufficient. Failure to supply necessary evidence by the requested due date or refusal by the family to authorize you to secure the evidence from pertinent third parties shall result in denial of the family's hardship exemption request.

Schedule a face-to-face or telephone interview, if necessary, to determine eligibility for hardship, but an interview is not routinely required. However, the FIA-responsible adults must meet with PROMISE JOBS and develop an FIA before you can approve the family's hardship exemption request.

The following sections explain the procedures for:

- Requesting supporting evidence
- Obtaining child abuse information
- Evaluating the family's hardship condition

Requesting Supporting Evidence

Request in writing the family provide supporting evidence of the hardship and its impact on the family's ability to become self-supporting. Include suggestions about how to obtain the necessary evidence. Instruct the family to provide the evidence within ten days from the request.

Extend the ten-day period as appropriate for the type of information that is being requested. Upon request, allow the family additional time when the family is making an effort to obtain the information but is unable to do so within the ten-day period.

When requested, assist the family in obtaining the supporting evidence by having the family sign releases that allow you to contact third parties.

For FIA-responsible people, the PROMISE JOBS worker may provide information about the client's participation in PROMISE JOBS or other circumstances that will help to determine whether hardship criteria are met.

For example, if the family with an FIA-responsible person has failed to comply with PROMISE JOBS activities that were offered to overcome a barrier to self-sufficiency, that specific barrier is not considered as meeting hardship criteria.

If appropriate, consult with the PROMISE JOBS worker whenever the PROMISE JOBS worker may have relevant information, such as when the family is currently active for FIP, has previously chosen an LBP or is applying for a subsequent hardship period.

Also determine whether the family has an active service case. If so, forward to the service worker:

- A paper copy of form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** and
- An electronic copy of form **470-3884, Hardship Exemption: Service Information**.

Request the service worker to complete form 470-3884 and return it to you within five working days. (See 6-Appendix for information on form 470-3884.) The purpose of the service information is:

- To help ensure that any hardship FIA being developed for an FIA-responsible person does not conflict with a service case plan already in place.
- To support the service plan, to the extent possible, while simultaneously moving the family toward self-sufficiency.
- To substantiate the family's hardship claim.

If the family fails to provide the requested information by the due date and refuses to authorize you to obtain the information, deny the hardship exemption request. Record the denial in FET.

Complete Part A of form **470-3876, Hardship Exemption Determination** to document your decision. Forward a copy of form 470-3876 to the service worker.

If you want to request pertinent information from FaDSS about a family that is or was involved with FaDSS, forward a copy of the family's hardship exemption request. The signed form verifies to FaDSS that they are authorized to release the requested information. Request FaDSS staff to return the information in five working days.

Hardship Claim Due to Child Abuse

When a family claims hardship because of child abuse, ask the family to permit you to check the Central Abuse Registry to find out if an abuse determination has been made. To give permission, the adult in the family must complete two forms:

- **Authorization for Release of Information, 470-0461** or **470-0461(S)**, stating that you are authorized to obtain information from the Central Abuse Registry and the service worker. Specify on the release that the staff doing the child abuse check provide the status of the child abuse report and the name, worker number, and phone number of the service worker involved.
- **Request for Child and Dependent Adult Abuse Information, 470-0643**. Have the adult complete Section I of the form. Complete Section II of the form yourself.

Send or give a copy of both completed forms to the person authorized to access information in the Central Abuse Registry for your area.

If the Registry shows that the alleged abuse has been **founded or registered**, contact the service worker involved to confirm that the physical or emotional health or safety of the child is at risk. If that worker is no longer a HHS employee, contact the service supervisor to request that the supervisor or another service worker check the records.

If nothing appears on the Registry, this can indicate that:

- The alleged abuse was never reported, or
- The alleged abuse was not investigated or assessed, or
- The abuse report was not confirmed, or
- The abuse was confirmed but not placed on the Registry.

Because of the variables, lack of such a report on the Registry in itself is not sufficient to deny the hardship claim due to abuse. Check with the service worker involved to see if the service worker has identified concerns for the safety of the child that, together with the other available evidence, serve to corroborate the claim.

A check of the Central Abuse Registry is just one method by which to substantiate alleged abuse. The family may provide other corroborating evidence, such as court, medical, psychological, psychiatric, social services, or law enforcement records that indicate (potential) physical or emotional harm to the child.

Evaluating the Hardship Condition

When the family provides the supporting evidence as requested, determine whether the family has a hardship condition that affects its ability to be self-supporting.

Evaluate the hardship condition in terms of its impact on the family's ability to be self-supporting, rather than in terms of excusing the family from program requirements. Consider the information on form **470-3884, Hardship Exemption: Service Information**, provided by the family's service worker.

- If you determine the family does **not** meet hardship criteria, deny the hardship exemption request. Record the denial in FET. Complete Part A of form **470-3876, Hardship Exemption Determination** to document your decision. Forward a copy of the form to the service worker identified on form 470-3884.

  See Denial of Hardship Exemption for further procedures.

- If you determine the family with an FIA-responsible person **meets** hardship criteria, forward a copy of each of the following to the local PROMISE JOBS office within one working day:

  - Form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**.
  - Form **470-3884, Hardship Exemption: Service Information**.
  - The supporting evidence.
  - Form **470-3876, Hardship Exemption Determination**, with all items in Part A completed.

  These documents:

  - Notify PROMISE JOBS that the family has a hardship condition and must now develop and sign a six-month family investment agreement before the hardship exemption request can be granted.
  - Provide PROMISE JOBS with information about the specific reasons for approval of the hardship so that the family investment agreement can be written to address those specific barriers.

- If you determine the family that does not have an FIA-responsible person meets hardship criteria, process the approval as described under Hardship Exemption Decision and Six-Month Hardship Exemption Period.

See 4-J, Referring Hardship Exemption Families for information on how to refer the family to PROMISE JOBS to sign the family investment agreement. Refer to 6-Appendix for information on the hardship exemption forms.

Six-Month Family Investment Agreement for FIA-Responsible People

The FIA-responsible adults in a family with a hardship condition must meet with PROMISE JOBS to develop and sign a six-month family investment agreement before the hardship exemption request can be approved. The agreement must address the circumstances that are creating the family's barrier to self-sufficiency.

A stepparent is not required to sign the six-month family investment agreement unless the stepparent's needs will be included in the FIP grant and the stepparent is an FIA-responsible person.

> Mrs. J applies for FIP for herself and her child. Also in the home is her spouse, Mr. J. Mr. J has used 60 months of assistance. Therefore, Mrs. J and her child will not be eligible unless they have a hardship condition and Mrs. J signs an FIA. Mr. J is not required to sign the FIA, as he is a stepparent whose needs will not be included in the grant.

See 4-J, Referring Clients to PROMISE JOBS for instructions on how to refer the FIA-responsible adults to PROMISE JOBS to write and sign the six-month family investment agreement.

In developing the agreement, PROMISE JOBS incorporates information provided by the family's service worker to:

- Help ensure that the agreement does not conflict with a service plan already in place.
- Support the service plan, to the extent possible and practicable, while simultaneously moving the family toward self-sufficiency.

PROMISE JOBS documents in Part B of form **470-3876, Hardship Exemption Determination** whether the family has met the family investment agreement requirement and returns a copy of the form to you.

A family with an FIA-responsible person is required to develop and sign a six-month family investment agreement **before** FIP can be approved. Therefore, failure to develop and sign the agreement results in denial of the family's hardship exemption request rather than a limited benefit plan.

See PROMISE JOBS Participation for FIA-Responsible People for requirements after a family with an FIA-responsible person is approved for hardship exemption.

Hardship Exemption Decision

Make the hardship exemption determination after you have determined whether the family:

- Has a hardship condition, and
- Has completed a six-month FIA with PROMISE JOBS for all FIA-responsible people.

Make the hardship exemption determination as soon as possible but no later than 30 days after the date a valid form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** is received in any HHS or PROMISE JOBS office.

When a *Food and Financial Support Application* is required for the family to regain FIP eligibility, the 30 days begin the day after the application is received, if that date is later. Follow the instructions in 4-B, Filing a FIP Application.

NOTE: For requests received in month 58 that are pended, the 30-day period begins on the first calendar day of month 59. Similarly, for subsequent requests received in month four of an existing exemption period, the 30-day period begins on the first calendar day of month five. See When to Accept a Hardship Exemption Request for details.

You have good cause if the 30-day limit cannot be met due to circumstances beyond the family's or your control, such as:

- Information has not been provided by the due date when you and the family have made every reasonable effort to secure it; or
- Emergencies, including, fire, flood, or other conditions occur that are beyond the administrative control of the HHS office.

However, you must issue a **Notice of Decision** the next working day after you have made the final hardship exemption determination to inform the family of its eligibility status for the exemption.

NOTE: You are also responsible for determining eligibility for other assistance programs for which the family may have applied when submitting a **Food and Financial Support Application** as part of its hardship exemption request. Do not delay the eligibility determination for other programs pending the hardship exemption determination.

Make the final determination whether a hardship will be granted as soon as possible. For a family with an FIA-responsible person, make the final determination upon receipt of form 470-3876 from PROMISE JOBS with Part B completed indicating whether the family has attended any required interview and signed the family investment agreement.

- If the family with an FIA-responsible person failed to attend the interview with PROMISE JOBS or failed to sign the FIA, the family is not eligible for a hardship exemption. Document the denial in Part C of the form by checking the "Denied – no FIA" box. Process the denial as directed under Denial of Hardship Exemption.
- If the family with an FIA-responsible person attended any required interview, signed the family investment agreement, and continues to meet all nonfinancial FIP eligibility criteria, process the approval as described under Six-Month Hardship Exemption Period.

  However, do not complete Part C of the form or make FET entries until after your approval entries on ABC have updated and the system has determined whether the family is financially eligible for FIP.

  - If the family is financially ineligible due to excess countable income or resources, the family is not eligible for a hardship exemption. Document the denial in Part C of the form by checking the "Denied – no FIP eligibility" box. Process the denial as described under Denial of Hardship Exemption.
  - If the family is financially eligible for FIP, the family is eligible for a hardship exemption. Document the final hardship exemption approval in Part C of the form by checking the "Approved" box. Complete processing the approval as described under Six-Month Hardship Exemption Period.
- For a family with an FIA-responsible adult, forward a copy of the completed form 470-3876 to:
  - PROMISE JOBS
  - The service worker identified on form 470-3884

- If the family's circumstances have changed since you completed Part A of the form and the family no longer meets all nonfinancial FIP eligibility criteria, the family is not eligible for a hardship exemption. Document the denial in Part C of the form by checking the "Denied – no FIP eligibility" box. Process the denial as described under Denial of Hardship Exemption.
- If the family that does not have an FIA-responsible person is eligible for a hardship exemption and continues to meet all nonfinancial FIP eligibility criteria, process the approval as described under Six-Month Hardship Exemption Period.

  However, do not complete Part C of the form or make FET entries until after your approval entries on ABC have updated and the system has determined whether the family if financially eligible for FIP.

  - If the family is financially ineligible due to excess countable income or resources, the family is not eligible for a hardship exemption. Document the denial in Part C of the form by checking the "Denied – no FIP eligibility" box. Process the denial as described under Denial of Hardship Exemption.
  - If the family is financially eligible for FIP, the family is eligible for a hardship exemption. Document the final hardship exemption approval in Part C of the form by checking the "Approved" box. Complete processing the approval as described under Six-Month Hardship Exemption Period.

Denial of Hardship Exemption

When the family's hardship exemption request is denied because a hardship does not exist or because a family with an FIA-responsible person fails to meet the FIA requirement, proceed as follows:

- If the family's FIP eligibility depends on the exemption, FIP eligibility does not exist for the family. If the family is still active on FIP (e.g., in month 59 or 60), timely cancel FIP for the end of the family's 60-month limit.
- If the family does not need the exemption to qualify for FIP and is currently receiving FIP, no further action is needed.
  - If the family is not on FIP but has a filed a FIP application, determine FIP eligibility in the normal manner.
  - If the family is not on FIP and has not filed a FIP application, issue the form to the family. You do not need to track return of the application.

When form 470-3876 reflects a denial of the hardship exemption request, FIP eligibility does not exist for families whose eligibility depends on the exemption. Record the denial in FET. Also enter the denial onto the ABC system as follows:

- Use “C” entry reason and “M” status code if you receive form 470-3826 or 470-3826(S) before the date of the 60-month FIP cancellation or on or before the end date of an existing exemption period, and an application is not needed to process the exemption request.
- Use entry reason “A” and status code “M” if form 470-3826 or 470-3826(S) is received on or after the effective date of the FIP cancellation or after the end date of an existing exemption period, and an application is processed.
- Enter the notice reason code that corresponds to the denial reason on form **470-3876, Hardship Exemption Determination**.
- Make entries on other screens in the normal manner.

NOTE: Except when issuing a notice with an “R” entry reason only, delay entering the denial onto ABC until the FIP status has changed to a closed status. For example, enter the denial after the 60-month FIP cancellation or after the system has closed the FIP case in the last month of an existing exemption period. You cannot process a denial on an active FIP case.

When the family’s hardship exemption request is denied because the family fails to meet nonfinancial FIP eligibility criteria, follows the steps described above except:

- Process the decision as a denial for FIP rather than a hardship exemption denial.
- Enter on the ABC TD02 screen the FIP notice reason that reflects the nonfinancial reason for the family’s FIP ineligibility. For example, if the only eligible child has left the home, deny FIP because there is no eligible child in the home.
- Make entries on FET to reflect that the hardship exemption is denied because the family is not eligible for FIP.

When the family meets hardship exemption criteria but the ABC system determines that the family’s countable income or resources exceed limits, ABC will override your approval entries and deny FIP. Document in Part C of form 470-3876 and record on FET that the hardship exemption is denied because the family is not eligible for FIP.

NOTE: Even though denied for a hardship exemption and ineligible for FIP, the family may still qualify for assistance from other programs, such as SNAP or Medicaid. Refer to When a Hardship Determination Is Not Needed for situations when a hardship exemption denial does not create FIP ineligibility.

Six-Month Hardship Exemption Period

Legal reference: 441 IAC 41.30(3)“d” and “e”

When form **470-3876, Hardship Exemption Determination** reflects approval of the hardship exemption request, the earliest effective date of the six-month hardship exemption period is the latest of:

- The effective date of the 60-month FIP cancellation, or
- The day after an existing hardship exemption period ends, or
- The date form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** is received in any HHS or PROMISE JOBS office, or
- Seven days after the date the **Food and Financial Support Application** is received, if applicable.

Process the hardship exemption approval according to the family’s FIP status, as follows:

- If you received form 470-3826 or 470-3826(S) **before** the effective date of the family’s 60-month FIP cancellation (or on or before the last day of an existing exemption period), a **Food and Financial Support Application** is not needed.

  If the family is otherwise eligible, reopen FIP to the effective date of the 60-month cancellation (or the day after the existing exemption period ends). Do so even if you do not receive the supporting evidence or determine hardship until on or after that date.
- If you did not receive form 470-3826 or 470-3826(S) until **on or after** the effective date of 60-month FIP cancellation (or after the existing exemption period has ended), a **Food and Financial Support Application** is required for the family to regain FIP eligibility. The family must meet all FIP eligibility requirements before the hardship exemption approval can be processed.

There is no limit on the number of times a family may receive a hardship exemption. The family must submit form **470-3826 or 470-3826(S), Request for FIP Beyond 60 Months** for each hardship exemption request. A new hardship exemption determination is required for each subsequent request. Each subsequent hardship exemption requires a new six-month FIA.

The following sections explain:

- The effective date of assistance for an initial or subsequent hardship exemption
- The duration of the exemption period
- Applying the exemption to a needy specified relative
- The impact of changes in the eligible group
- The effect of changing the 60-month FIP period or six-month exemption period

Effective Date of Assistance for a Hardship Exemption

Participant families that submit form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months before** the effective date of their 60-month FIP cancellation and that are approved for the exemption are eligible to have their FIP case reopened without a new application.

Reopen FIP from the effective date of the 60-month FIP cancellation, as follows:

- Use “reopen” procedures to enter the approval on the ABC system.
- Enter “C” entry reason and status code.
- Enter the notice reason code that reflects the hardship exemption approval.
- Enter the last month of the exemption period in the LIMIT field on TD02.
- Make entries on other screens in the normal manner.

Also make entries on FET to identify the family’s hardship reason, as reflected on form 470-3876.

Use the same procedures when a family submits a new form 470-3826 or 470-3826(S) for a subsequent hardship exemption on or before the ending date of its current six-month hardship exemption period and the exemption is approved.

NOTE: You cannot process a hardship approval on the ABC system on an active FIP case. The case must be canceled for the 60-month FIP period before you can process the hardship exemption approval. Similarly, delay processing a subsequent hardship exemption approval until after the system has closed the FIP case in the last month of the existing exemption period.

1. Family E's 60-month FIP period ends effective January 1. On December 25, the family submits form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. Additional evidence is needed. On January 10, the family provides the additional information. On January 20, the family signs the six-month FIA.

   The IM worker approves the family's hardship exemption request the next day. The six-month hardship exemption period is from January 1 through June 30.

2. Family B is in a six-month hardship exemption period from March through August. The family's hardship condition continues. On August 31, the family submits a new form 470-3826 or 470-3826(S). More information is needed from a third party. On September 25, the family provides the information.

   On October 4, the family signs the new six-month FIA. The IM worker approves the hardship exemption request the next day. The six-month hardship exemption period is from September 1 through February of the next year.

In both examples, a new application is not needed because the hardship exemption request is received on or before the ending date of the respective 60-month or six-month FIP period. Therefore, in both examples, entry reason "C" and FIP status code must be used when processing the approval on the system.

When form 470-3826 or 470-3826(S) is received **on or after** the effective date of the 60-month FIP cancellation, a **Food and Financial Support Application** is required for the family to regain FIP eligibility. If approved, the effective date of the six-month hardship exemption period shall not be earlier than the date form 470-3826 or 470-3826(S) is received, or seven days after the date of the application, whichever date is later.

The same principle applies when a family submits form 470-3826 or 470-3826(S) for a subsequent hardship exemption after the end of its current hardship exemption period.

Provided the family is otherwise FIP-eligible, process the hardship exemption approval as any other FIP approval:

- Enter entry reason "A" and FIP status code.
- Enter the notice reason code that reflects the hardship exemption approval.
- Enter the last month of the exemption period in the TD02 LIMIT DT field.
- Make entries on other screens in the normal manner.

Make entries on FET to identify the family's hardship reason, as reflected on form 470-3876.

1. Family B's 60-month FIP period ends January 31. On February 1, the family submits a new application and form 470-3826 or 470-3826(S). If approved for a hardship exemption, the six-month period will be from February 8 through July 31.
2. Family L's 60-month FIP period ends April 30. On June 26, the family submits a new application. On July 1, the family submits form 470-3826 or 470-3826(S). If approved for a hardship exemption, the six-month period will be from July 3 through December 31.
3. Family D's 60-month period ends May 31. On June 15, the family submits a new application. On June 25, the family submits form 470-3826 or 470-3826(S). If approved for a hardship exemption, the six-month period will be from June 25 through November 30.
4. Family E's six-month hardship exemption ends June 30. On July 1, the family submits a new form 470-3826 or 470-3826(S). On July 2, the family submits a new application. If approved for a subsequent hardship exemption, the period will be from July 9 through December 31.

In all four examples, the family must file an application to regain FIP eligibility under hardship. Therefore, entry reason "A" and FIP status code must be used when processing the hardship exemption approval on ABC.

NOTE: The system will automatically override hardship exemption "reopening" or approval entries and deny FIP when income or resource information entered into the system exceeds applicable limits. The resulting **Notice of Decision** will reflect the denial and the reason for the denial as in other FIP "reopening" or approval situations.

If the ABC system denies FIP for financial reasons, deny the hardship exemption request as described under Denial of Hardship Exemption.

FIP may be reinstated during an **existing** hardship exemption period when the family provides all needed information before the effective date of cancellation and FIP eligibility can be reestablished as described in 4-G, Reinstatement.

> Family A's six-month hardship exemption period will end June 30. In March, the family fails to provide requested verification and FIP is canceled for that reason for April 1. On March 31, the family provides the verification. FIP is reinstated for April and may continue through the remainder of the six-month period.

Duration of Exemption

Eligibility for a hardship exemption lasts for six consecutive calendar months even if the hardship condition is resolved before the end of the six-month period. FET continues to count each adult's FIP months while in a hardship exemption period.

The exemption period includes:

- A month for which FIP issued is subject to recoupment, and
- A month when no FIP payment is made, e.g., due to the limit on FIP grants below ten dollars.

Entering the last month of the six-month hardship exemption period into the LIMIT DT field on TD02 prevents FIP benefits from being issued beyond the six-month period. Also, the *Notice of Decision* will specify the beginning and ending dates of the approved six-month period. You do not need to issue another *Notice of Decision* to notify the family when the period ends.

Refer to Needy Specified Relative for specific procedures when a needy specified relative requests a hardship exemption.

The six-month hardship exemption stops when the family's FIP case is canceled for any reason **other than** hardship and a **Food and Financial Support Application** is needed for the family to regain FIP eligibility. The normal adverse action notice requirements apply.

If the family's FIP eligibility continues to be dependent on a hardship exemption, the family must also submit a new form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** in addition to filing a FIP application. A new hardship exemption determination is needed before FIP can be approved.

1. Family C is approved for a hardship exemption based on physical or mental health issues. The six-month period is from April through September. In July, Mr. C is released to return to work. Provided his earnings do not create financial ineligibility, the hardship exemption period continues through September as originally approved.
2. Family A's hardship exemption period is from January through June. On March 15, Mrs. A reports that the only eligible child has moved out. Mrs. A's FIP case is canceled effective April 1. A Notice of Decision is issued stating FIP is canceled because no eligible child is in the home.

   NOTE: If, before April 1, Mrs. A reports that the child has returned to the home, FIP shall be reinstated and the hardship exemption period continued through June.
3. Family J's hardship exemption period is from March through August. In May, they fail to return a complete RRED for their review and FIP is canceled for June 1. On May 30, they return the RRED and all necessary information to reinstate FIP. FIP is reinstated for June and the hardship exemption period continues.

   NOTE: If eligibility is not reestablished in May or during the grace period, FIP remains canceled and a new application is required to regain FIP eligibility.

   If the family's FIP eligibility continues to be dependent on a hardship exemption, the family must also submit a new form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. A new hardship exemption determination is made and a new period established.

4. Family B's hardship exemption period is from February through July. Ms. B fails to follow the terms of her six-month FIA and a limited benefit plan results. FIP is canceled effective April 1 because of the limited benefit plan. Since this is Ms. B's second limited benefit plan, she is ineligible for FIP for a minimum of six months.

   If Ms. B reapplies for FIP after the period of ineligibility has ended and she is still dependent on a hardship exemption to qualify for FIP, a new form 470-3826 or 470-3826(S) and a new hardship exemption determination are required.

   NOTE: If this were Ms. B's first limited benefit plan, and Ms. B reconsidered before the effective date of the FIP cancellation, FIP would be reinstated and the hardship exemption continued through July.

FIP received for a partial month of the exemption period counts as a full month.

The family's 60-month FIP period ends December 31. In June, the family has an emergency. On June 12, the family submits form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**, and the required FIP application. If the family is approved for a hardship exemption, the six-month period will be from June 19 through November 30.

In some situations, a family that is in a hardship exemption period is no longer dependent on a hardship exemption to qualify for FIP beyond the 60-month limit.

Mrs. A and her two children are in a six-month hardship exemption period. The period is from January through June. On March 5, the Social Security office notifies the IM worker that Mrs. A has been approved for SSI. The worker removes Mrs. A's needs from the FIP case effective April 1.

Because the 60-month limit does not apply to parents who receive SSI, the family's FIP eligibility is no longer dependent on the hardship exemption. The family's hardship reason on FET must be changed to indicate that the family's FIP eligibility is no longer dependent on hardship.

The worker removes the six-month ending date from the LIMIT DT field on TD02. The worker also issues a *Notice of Decision* that the family does not need the hardship exemption to qualify for FIP.

Needy Specified Relative

FIP assistance that a specified relative receives for a child when the relative is not on the FIP grant is not counted toward the 60-month limit. When the specified relative is needy and is included in the FIP grant, only the relative becomes ineligible for FIP at the end of the 60-month period. FIP for the nonparental child may continue.

A needy specified relative who has received FIP for 60 months may be included in the FIP grant beyond the 60-month limit if the relative requests and is determined eligible for a hardship exemption.

The relative must submit a valid form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** provide supporting evidence of the hardship and meet with PROMISE JOBS to develop and sign a six-month family investment agreement that addresses the relative's hardship before an exemption can be granted.

Except as noted in this section, hardship exemptions are determined on a family or case level. When a needy specified relative has used FIP for 60 months and is requesting a hardship exemption, use the following person-level procedures.

- If FIP is active for the child when the hardship request is denied, make the normal TD03 entries when denying the needy specified relative's hardship exemption request. Use the applicable hardship exemption denial reason. If the relative appeals the denial, there are no reinstatement rights.

- If FIP is active for the child when the hardship exemption request is approved, make the normal TD03 entries to add the needy specified relative to the case. Use person reason code 952. Set a tickler to remove the relative for the end of the sixth month of the hardship exemption period.

  Remove the needy specified relative from the case in the normal manner for the end of the sixth month. Give timely notice. Use person reason code **951**. Removing the relative's needs will cause the system to recalculate FIP and issue a **Notice of Decision**. If the relative appeals the action, only reinstate the relative's needs when the appeal is filed timely.

- If FIP is not active for the child, in addition to form 470-3826 or 470-3826(S) on behalf of the needy specified relative, a **Food and Financial Support Application** is required to gain FIP eligibility for both people.

  When you determine the child is eligible for FIP and the relative is eligible for the hardship exemption, first process the FIP approval for the child in the normal manner. The next processing day, add the needy specified relative to the case. Use person reason code 952. Set a tickler to remove the relative for the end of the hardship exemption period.

  Remove the needy specified relative from the case in the normal manner for the end of the sixth month. Give timely notice. Use person reason code 951. Removing the relative's needs will cause the system to recalculate FIP and issue a **Notice of Decision**. If the relative appeals the action, only reinstate the relative's needs when the appeal is filed timely.

  When you determine the needy specified relative is not eligible for the hardship exemption, first process the child's FIP approval. Then make the normal TD03 entries to deny the needy specified relative's hardship exemption request. Use the applicable hardship exemption denial reason. If the relative appeals the denial, there are no reinstatement rights.

- When the child is ineligible for FIP, this creates FIP ineligibility for the needy specified relative. Therefore, a hardship exemption cannot be granted. Deny FIP for the needy specified relative because there is no eligible child.

Make corresponding denial or approval entries on FET as you would on a case-level hardship exemption determination. Denial of the needy specified relative's hardship exemption request does not affect FIP for the eligible child.

Follow all other instructions for a hardship exemption when processing the relative's hardship request. Refer to 4-A, Appeals for more information on appeal procedures.

Impact of Changes in the Eligible Group

To receive more than 60 months FIP assistance, families must be eligible for a hardship exemption and meet all other FIP eligibility requirements (unless otherwise specified). For example:

- Returning parent or stepparent has received FIP for 60 months:

  In two-parent families and families with a parent and stepparent, the entire family becomes ineligible when either parent or the stepparent reaches the 60-month limit.

  Therefore, when a parent or stepparent who has received FIP for 60 months joins a participant family that **has not received** FIP for 60 months, FIP eligibility can continue only if the participant family submits form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**, and is approved for a hardship exemption.

  When the FIP participant reports that an absent parent or stepparent has entered the home, check FET for the returning parent or stepparent's FIP count.

  If FET indicates that the parent or stepparent has received FIP for 60 months, cancel the existing FIP case effective the first day of the next month. Use notice reason code 360. Give timely notice. Also issue form 470-3826 or 470-3826(S) to the family. Include a return envelope.

  If timely notice cannot be met, cancel FIP effective the second month. Excess assistance for the first month is subject to recoupment unless the family requests and is determined eligible for a hardship exemption that includes the first month. Make necessary entries on FET to reflect either outcome.

  If the family returns form 470-3826 or 470-3826(S) **before** the effective date of the FIP cancellation and is subsequently approved for a hardship exemption, FIP may be reopened to the effective date of the FIP cancellation. A **Food and Financial Support Application** is not required to reopen the FIP case.

If the family returns form 470-3826 or 470-3826(S) **on or after** the effective date of the FIP cancellation, a **Food and Financial Support Application** is required for the family to regain FIP eligibility and to be considered for a hardship exemption. For more information, refer to Hardship Overpayments.

Mrs. A and her children have been on FIP for 34 months. On April 5, Mr. G, father of one of the children, returns to the home. Mrs. A reports his return the next day. The IM worker checks FET and finds that Mr. G has received FIP for 60 months on two other FIP cases. As a result, Mrs. A is ineligible for FIP effective May 1.

Because Mr. G causes the 60-month cancellation, he must be entered on Mrs. A's FIP case to record his attachment to her case. The worker makes entries to deny his needs, using notice reason code 920.

The next processing day, the worker issues timely notice and cancels Mrs. A's FIP case effective May 1. The worker also sends form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** to the family.

Had Mr. G's return not been reported in time for the required timely notice, FIP would be canceled effective June 1. FIP issued for May would be subject to recoupment unless the family requests and is found eligible for a hardship exemption that includes the month of May.

NOTE: If the family returns form 470-3826 or 470-3826(S) before May 1 and is approved for a hardship exemption, FIP may be reopened effective May 1. If form 470-3826 or 470-3826(S) is not returned until on or after May 1, a FIP application is needed for the family to regain FIP eligibility and be considered for a hardship exemption.

- Parent returns during exemption period:

  When a parent joins a participant family that is in a hardship exemption period, continue the exemption if the family otherwise remains FIP-eligible. Add the joining parent, if eligible, for the remainder of the exemption period even if the joining parent has received FIP for 60 months.

1. Mrs. B and her child receive FIP in a hardship exemption period that ends June 30. On March 10, Mr. B, the child's father, joins the family. The hardship exemption continues regardless of how long Mr. B has received FIP.

   If Mr. B is otherwise eligible, the worker adds him to the FIP eligible group. The worker does not need to check Mr. B's 60-month FIP count on FET or make any entries to FET. FET will pick up Mr. B's FIP count when he is entered on Mrs. B's FIP case.

2. Same as Example 1, except Mr. B's countable income exceeds the limits for the three-person eligible group. Mrs. B's FIP case is canceled effective April 1.

3. Ms. H and her child from another relationship receive FIP during a hardship exemption period that ends August 31. Also in the home is Mr. P, the father of Ms. H's expected child. On May 5, Ms. H gives birth to their common child.

   The worker must add Mr. P to the FIP eligible group if he is otherwise eligible. The hardship exemption continues regardless of whether Mr. P has received FIP for 60 months. The worker does not need to check Mr. P's 60-month FIP count on FET or make any entries to FET. FET will pick up Mr. P's count when he is entered on Ms. H's FIP case.

4. Same as Example 3, except Mr. P's countable income exceeds the limits for the four-person eligible group, causing the FIP case to be canceled effective June 1.

- Parents separate during exemption period:

  When two parents who are in hardship exemption period separate, the remainder of the exemption period follows the parent who keeps the current FIP case if that parent's FIP eligibility continues to depend on the exemption.

Mr. and Mrs. D and their three children receive FIP. They are in a hardship exemption period that ends June 30 because Mrs. D has received FIP for 60 months. On March 5, Mr. D reports that Mrs. D and one of the children have moved out.

The worker checks FET and finds that Mr. D has received FIP for only 46 months. The worker removes Mrs. D and the one child from the FIP case effective April 1. Mr. D retains the current FIP case with the two remaining children. FET will count April as month 47 for Mr. D.

Continuing FIP eligibility for Mr. D and the two children no longer depends on the hardship exemption. The worker removes the six-month ending date in the LIMIT field on TD02. The worker informs PROMISE JOBS about the changes. Mr. D's FIA may need to be amended. The worker also refers Mrs. D to CSS.

The worker changes the FET hardship reason to reflect that Mr. D's FIP eligibility is no longer dependent on hardship. The worker enters case notice reason 369 to generate a *Notice of Decision* and inform Mr. D his FIP eligibility is no longer dependent on the hardship exemption.

NOTE: If Mrs. D applies for FIP for herself and the child with her, she must submit a new form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. A new hardship determination will be required.

Had Mr. D also received FIP for 60 months, FIP eligibility for Mr. D and the two remaining children would cease at the end of the six-month hardship exemption period.

Had Mr. D and the two children moved out, Mrs. D would retain the FIP case. FIP for Mrs. D and the remaining child would continue through the remainder of Mrs. D's six-month exemption period.

Mr. D and the children with him would be removed from Mrs. D's case. To receive FIP for the remainder of his 60-month period, Mr. D would have to reapply for FIP for himself and the children with him.

Changing the 60-Month FIP or Six-Month Hardship Exemption Period

A six-month hardship exemption period cannot begin until the family has received FIP for the entire 60-month period. Changes in a previously established 60-month FIP period may result when:

- A coding error on ABC results in an inaccurate 60-month count on ETS, or
- A final appeal decision resulting from appeal of a 60-month cancellation upholds the family and orders the Department to extend the 60-month period.

A change in the 60-month FIP period also changes the date that the six-month hardship exemption period can begin. ETS and ABC entries are required to reflect the revised 60-month period or the revised six-month hardship exemption period.

A hardship exemption request may need to be denied, or an existing hardship period removed as unnecessary, when it is determined that the family is eligible for additional months in the 60-month period.

When the additional months of the revised 60-month period extend into an existing six-month hardship exemption period, the exemption period is extended by the same number of months. A new hardship determination is not needed. Change the hardship exemption ending date in the LIMIT DT field on TD02 as appropriate.

Issue a **Notice of Decision** to reflect the circumstances of the changes in the 60-month or six-month period. When a hardship exemption period needs to be extended, the notice should inform the family to contact PROMISE JOBS, if appropriate, to amend the FIA and that a limited benefit plan results from failing to do so.

Notify PROMISE JOBS of the changes and the need for amending the family's current FIA to extend over the revised 60-month or six-month FIP period.

1. The family's 60-month FIP period ends 12/31/01.

   12/15/01 IM worker cancels FIP effective 1/1/02.

   12/20/01 Family appeals the FIP cancellation. FIP is reinstated for 1/1/02.

   12/21/01 Family files a hardship exemption request, which the worker must act on.

   01/18/02 Hardship exemption is approved from 1/1/02 through 6/30/02.

   02/15/02 Final appeal decision upholds the family and determines a 3/31/02 ending date of the family's 60-month period.

   Since the appeal decision extended the 60-month ending date to March 31, the six-month hardship exemption period cannot start until April 1. Therefore, January, February, and March of the original hardship period become part of the revised 60-month FIP period.

   The revised hardship period then is from April 1 through September 30. The family's FIA scheduled to end June 30 must be amended to extend through the revised September 30 hardship exemption ending date.

   The IM worker issues a **Notice of Decision** to inform the family about the revised 60-month and six-month periods via notice reason 372. The notice informs the family to amend the FIA, if appropriate, and that a limited benefit plan results from failing to do so.

   For FIA-responsible people, the worker also notifies PROMISE JOBS of the changes and the need for amending the family's FIA. The IM worker makes entries on ABC and FET to reflect the changes in the 60-month and the six-month periods.

2. The family's 60-month FIP period ends March 31. The family requests and is approved for a six-month hardship exemption from April 1 through September 30. In May, the IM worker discovers an ABC coding error that resulted in two FIP months erroneously being counted toward the family's 60-month period.

   This means the family's 60-month period should have ended May 31. As a result, April and May become part of the revised 60-month FIP period. The revised hardship period is from June 1 through November 30.

   The same steps as in Example 1 must be followed with respect to notifying the family and PROMISE JOBS, if appropriate, of the revised 60-month and six-month periods, and making necessary system entries.

If the additional months of the 60-month period extend beyond the end of the current hardship exemption period, the current period is void. Instead, these months become part of the family's revised 60-month period. Cancel FIP at the end of the revised 60-month period. The family may reapply for a hardship exemption at the end of the revised 60-month FIP period.

The hardship period is from January 2002 through June 30, 2002. In March, the IM worker discovers that the 60-month FIP period should extend through August 31.

The worker makes necessary changes to FET and ABC to void the hardship exemption. The worker sends a **Notice of Decision** to inform the family that the hardship exemption period is not needed, using notice reason 369. The worker informs PROMISE JOBS, if appropriate, of the changes.

PROMISE JOBS will contact the family to amend the FIA to extend through August 31. FIP must be canceled effective September 1. The family may reapply for a hardship exemption in the usual manner when the new 60-month period is over at the end of August.

The changes in a previously established 60-month or six-month FIP period may result in an overpayment or in an underpayment.

As in other situations, excess FIP assistance issued during a 60-month or six-month FIP period to which the family is not entitled is subject to recoupment. Refer to the section on Hardship Overpayments later in this manual and also to 4-H, Payments and Adjustments for more information.

Issue retroactive corrective benefits as appropriate if the family is canceled or denied in error because of an error in determining the 60-month or six-month FIP period. Follow the instructions in 4-H, Underpayments.

> The family's 60-month period is canceled effective January 1. In February, the worker discovers that the family's 60-month period should not have ended until January 31. The worker must determine retroactive corrective benefits for January. The family is responsible for providing all information necessary to determine FIP eligibility and benefit amount for January.

Refer to Hardship Appeals and Hardship Overpayments for more information.

PROMISE JOBS Participation for FIA-Responsible People

Legal reference: 441 IAC 41.30(3)"g"

Families that are approved for a hardship exemption must meet all other FIP financial and nonfinancial requirements during the six-month period. Families with FIA-responsible people that are approved for a hardship exemption must participate in PROMISE JOBS and be involved in activities reasonably expected to lead to self-sufficiency. PROMISE JOBS provides supportive services and monitors the family investment agreement.

After the FIA-responsible adults have signed the six-month family investment agreement and the family's hardship exemption is approved, the FIA-responsible adults are mandatory PROMISE JOBS participants. They cannot be exempt from PROMISE JOBS. Adults with disabilities will have the disabilities addressed in the six-month family investment agreement.

Other members of the family may also be required to participate in PROMISE JOBS and sign the family investment agreement. This includes a minor parent who is a child on the adult's FIP case and 16- to 18-year-old children who are not in school. (See 4-J, Referring Clients to PROMISE JOBS for information.)

Families with FIA-responsible people that are approved for a hardship exemption that have difficulty fulfilling the terms in their six-month family investment agreement must work with PROMISE JOBS and amend the family investment agreement.

Families with FIA-responsible people must also amend their family investment agreement when their six-month hardship exemption period is revised, e.g., as a result of a final appeal decision. Refer to Changing the 60-Month FIP or Six-Month Hardship Exemption Period for more information.

Limited Benefit Plan

A family with an FIA-responsible person that has been granted a hardship exemption and does not follow the terms of the six-month family investment agreement or that fails to amend the family investment agreement when necessary will have chosen a limited benefit plan, the same as families that are in their 60-month FIP period.

When families with FIA-responsible people choose a first limited benefit plan during the hardship exemption period and take appropriate reconsideration action before the effective date of the FIP cancellation, FIP must be reinstated and the hardship exemption resumed for the remainder of the six-month period.

Family A's six-month hardship exemption period is from January through June. Mr. A, who is an FIA-responsible person, fails to follow the terms of his FIA, and a limited benefit plan results. A **Notice of Decision** is sent canceling FIP effective April 1 because of the limited benefit plan. This is Mr. A's first limited benefit plan.

If Mr. A takes necessary reconsideration action before April 1, his FIP case is reinstated and may continue for the remainder of the six-month hardship exemption period.

If Mr. A does not reconsider the limited benefit plan before April 1, FIP remains canceled. A new application is required to regain FIP eligibility.

If the family's FIP eligibility continues to depend on receiving a hardship exemption, the family must submit a new form **470-3826, Request for FIP Beyond 60 Months**. A new hardship exemption determination is required before FIP approval.

The same as in other FIP situations, families that choose a subsequent limited benefit plan during the hardship exemption period are ineligible for FIP for a minimum of six months. They are not allowed to reconsider until the six-month period of ineligibility has ended. As a result, their FIP case must be canceled for the remainder of the hardship exemption period.

FIP eligibility cannot be regained until the limited benefit plan period of ineligibility has ended and the family meets all other requirements. A new application will be required. In addition, families whose FIP eligibility depends on receiving a hardship exemption must submit a new form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. A new hardship determination is required before FIP approval.

Family B's six-month hardship exemption period is from July through December. Mrs. B fails to follow the terms of her family investment agreement, and a limited benefit plan results.

This is Mrs. B's second limited benefit plan. A **Notice of Decision** is sent canceling FIP effective August 1 because of the limited benefit plan. The family cannot regain FIP eligibility until the six-month limited benefit plan ineligibility period is over and the family meets all other requirements. A new application is required for the family to regain FIP eligibility.

If the family's FIP eligibility continues to depend on receiving a hardship exemption, the family must also submit a new form **470-3826 or 470-3826(S), Request for FIP Beyond 60 Months**. A new hardship exemption determination is required before FIP approval.

Refer to 4-J, Limited Benefit Plan for specific instructions.

Hardship Appeals

Legal reference: 441 IAC 41.30(3)"h"

Follow the instructions in 4-A, Appeals, when processing appeals resulting from a 60-month FIP cancellation or from a denial or cancellation of a six-month hardship exemption.

In addition, use the following guidelines:

- **Reinstate** FIP when a family appeals either the 60-month cancellation or a hardship exemption denial **before** the effective date of the 60-month FIP cancellation or within 10 days from the date the notice is received. The date the notice is received is considered to be five days after the date on the notice. Use notice reason code 208.

  Because of their interrelatedness, the Appeals Section will certify both the 60-month FIP cancellation and the hardship exemption denial for hearing even if the family does not appeal both issues. Therefore, provide relevant information on both the FIP cancellation and the hardship exemption denial to the Appeals Section within the normal time.

- If FIP is canceled **before** the end of the family's 60-month limit for a reason **other than** the limit e.g., excess countable income, and the family files an appeal before the effective date of the intended action or appeals within 10 days from the date the notice is received, reinstate FIP in the normal manner.

  Then timely cancel FIP at the end of the 60-month period. A separate appeal request is required if the family wishes to appeal the 60-month cancellation. If the family appeals the 60-month cancellation before its effective date or within 10 days from the date the notice is received, reinstate FIP as described in the preceding paragraph.

- **Do not reinstate** FIP when the family appeals either the 60-month cancellation or a hardship exemption denial **on or after** the effective date of the 60-month FIP cancellation or more than 10 days from the date the notice is received.

  As stated above, because of their interrelatedness, the Appeals Section will certify both issues for hearing even if the family does not appeal both issues. Provide relevant information on both the 60-month cancellation and the hardship exemption denial to the Appeals Section within the normal time.

- **Do not reinstate** FIP when the family appeals cancellation of a hardship exemption at the end of the period. The ending date of the period is specified in the *Notice of Decision* that approves or revises the family's hardship exemption. No additional notice is issued at the end of the period.

  Therefore, an appeal close to the end of the hardship exemption period is not considered timely, and reinstatement is not appropriate. The system automatically stops FIP from being issued after the ending date in the LIMIT field on TD02.

The Appeals Section will certify the issue for hearing. Provide information relevant to the cancellation to the Appeals Section within the normal time frame.

- If the family's hardship exemption is canceled for another reason, e.g., countable income exceeds limits, and the family files an appeal before the effective date of the intended action or appeals within 10 days from the date the notice is received, reinstate FIP in the normal manner.

  However, the hardship exemption period will stop on the originally determined ending date that was stated in the *Notice of Decision* that approved or revised the hardship exemption period. No additional notice is sent. If the family then appeals the hardship exemption cancellation, do not reinstate FIP. Follow the instructions in the preceding paragraph.

Refer to Needy Specified Relative for additional appeal information.

When a hardship exemption request is received while FIP is reinstated pending the outcome of an appeal of a 60-month FIP cancellation, process the hardship exemption request in the normal manner as described throughout this manual.

If the final appeal decision upholds the family, this may result in a revised 60-month ending date, which in turn may affect the family's six-month hardship exemption period.

The family's 60-month FIP period ends 12/31/01.

12/15/01	Worker enters the 60-month FIP cancellation effective 1/1/02.
12/20/01	Family appeals the FIP cancellation. FIP is reinstated for 1/1/02.
12/21/01	Family files a hardship exemption request, which worker must act on.
01/18/02	Hardship exemption is approved from 1/1/02 through 6/30/02.
02/15/02	Final appeal decision upholds the family and determines a 3/31/02 ending date of the family's 60-month period.

A six-month hardship exemption period cannot begin until the family has received FIP for the entire 60-month period. Since the appeal decision moved the 60-month ending date to March 31, the six-month hardship exemption period cannot start until April 1.

The revised six-month hardship exemption is from April 1 through September 30. FET and ABC entries are required to reflect the revised 60-month period and the revised hardship exemption period.

The family must be issued a **Notice of Decision** about the revised hardship exemption period. The notice also informs the family to contact PROMISE JOBS because the six-month month FIA must be amended and that an LBP results for failing to do so.

Follow the same procedures if the family files a hardship exemption request **on or after** the effective date of the intended FIP cancellation that is under appeal. The family is not required to file a new application as long as FIP is still active pending the appeal outcome when form 470-3826 or 470-3826(S) is received.

If the final appeal decision upholds the Department, excess FIP assistance is subject to recoupment. Refer to Changing the 60-Month FIP or Six-Month Hardship Exemption Period and also to Hardship Overpayments for more information.

Hardship Overpayments

Recoup FIP issued during an erroneously approved hardship exemption period. Also recoup when FIP is issued beyond the family's 60-month limit for any of the following reasons:

- Pending the outcome of an appeal of the 60-month FIP cancellation when the final appeal decision later upholds the Department;
- Due to worker error in properly coding months that are subject to the 60-month limit preventing FET from counting those months;

- When the required timely notice to cancel FIP at the end of the 60-month period cannot be met.

FIP issued beyond the family's 60-month period is subject to recoupment unless the family requests and is approved for a hardship exemption period for any of these months. If so, consider months of FIP assistance beyond the 60-month limit toward the approved six-month hardship exemption period. No overpayment is due for any month that becomes part of the six-month hardship exemption period.

When a month of FIP assistance beyond the family's 60-month limit is subject to recoupment, identify that month in FET.

1. The family's 60-month FIP period ends 12/31/01.
   - 12/15/01 IM worker enters the FIP cancellation effective 1/1/02.
   - 12/20/01 Family appeals the 60-month FIP cancellation. FIP is reinstated for 1/1/02.
   - 02/15/02 Final appeal decision upholds the Department.

   FIP is canceled effective March 1 in accordance with the final appeal decision. FIP issued for January and February is subject to recoupment. Entries on FET are required.
2. The family's 60-month FIP period ends 12/31/01.
   - 12/15/01 IM worker issues a notice and cancels FIP effective 1/1/02.
   - 12/20/01 Family appeals the FIP cancellation. FIP is reinstated for 1/1/02.
   - 01/26/02 Family files a hardship exemption request, which the worker must act on.
   - 02/12/02 Hardship exemption is approved from 1/1/02 through 6/30/02.
   - 02/15/02 The final appeal decision upholds the Department.

   FIP is canceled effective March 1 in accordance with the final appeal decision. During the period that FIP assistance continues pending the outcome of an appeal, the family is considered a "participant." Therefore, FIP benefits issued during any month of the appeal period are not subject to proration.

Since the appeal upheld the original December 31 FIP ending date, the six-month hardship exemption period is from January 1 through June 30 of the next year as originally determined. January and February become part of the family's six-month exemption period. No overpayment is due.

NOTE: Even though the hardship exemption request is filed after the effective date of the intended 60-month FIP cancellation, since FIP is active because of the pending appeal, a new application is not needed for the hardship eligibility determination.

NOTE: When the family is approved for a hardship exemption without securing a properly signed form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months,** consider this as a procedural error. No overpayment is due solely based on a procedural error.

Limit on FIP Assistance

Legal reference: Public Law 104-193, 441 IAC 41.30(1)

Federal law imposes a 60-month lifetime limit on the period that families with adults can receive TANF-funded assistance. The TANF (Temporary Assistance for Needy Families) program provides federal funding for the Family Investment Program (FIP) and the PROMISE JOBS program. Iowa implemented TANF in January 1997.

Months of TANF assistance countable toward the 60-month limit may have been received in:

- Any state in the United States
- District of Columbia
- Puerto Rico
- Guam
- Virgin Islands
- American Samoa
- A tribal TANF program

The state, territory or tribe where the assistance was received is responsible for determining whether the type of assistance is countable toward the 60-month limit on assistance and whether the person was an adult whose assistance is countable.

In Iowa, "assistance" means a FIP grant for basic or special needs that the adult receives for the family. The 60-month limit applies to a family with an "adult" who is:

- A parent in the home with the child, even if excluded from the FIP grant.

- The parent's spouse in the home with the parent and child, whether or not the stepparent is included in the grant.
- A needy nonparental specified relative included in the FIP grant with the child.
- A minor parent in the home who is payee for the minor's own FIP case, even if the parent is excluded from the grant.

EXCEPTION: The 60-month limit does not apply when the only parent in the home (or both parents or both the parent and stepparent) receives Supplemental Security Income (SSI). The 60-month limit does apply when both parents or a parent and stepparent are in the home but only one parent or stepparent receives SSI. The term "SSI" also includes State Supplementary Assistance dependent-person assistance. See SSI Recipient and State Supplementary Assistance Recipient for additional information.

Families that are subject to the 60-month limit cannot receive FIP beyond that limit unless they request and are determined eligible for a hardship exemption. Refer to Hardship Exemption in this chapter for specific information.

The entire family is ineligible when the person who has received assistance for 60 months is:

- The adult parent of the child on FIP, or
- The parent's spouse, who is in the home with the parent and child, or
- The minor parent of the child on FIP when the minor parent is payee.

1. Ms. A and her two children receive FIP. The entire family will be ineligible when Ms. A has received FIP for 60 months.
2. Mrs. K and her child receive FIP. Also in the home is Mr. K, the child's stepfather. The entire family is ineligible if either Mr. or Mrs. K has received FIP for 60 months.

In a nonparental case, only the needy specified relative becomes ineligible at the end of the 60-month period. FIP for the children may continue.

Mrs. C receives FIP for herself and two stepchildren as a needy specified relative. At the end of the 60-month period, only Mrs. C will be removed from the grant. She may continue to receive FIP for her stepchildren.

A needy specified relative who acts as payee may be included in the eligible group when the parent is in the home but is unable to act as payee.

Unless the needy specified relative is the parent's spouse, when the needy specified relative has received FIP for 60 months but the parent has not, remove only the needs of the relative from the parental FIP case.

FIP for the parent and children continues until the parent has reached the 60-month limit, if otherwise eligible. The relative may continue to act as payee regardless of whether the relative remains on the FIP grant.

If the parent reaches the 60-month limit before the needy specified relative, the entire parental FIP case is canceled. Even if the parent continues to be unable to act as payee, a nonparental case cannot be established while the parent is in the home with the child.

Discuss the 60-month limit during the application interview. Provide the client with a copy of form **470-3851, Important Information About Your FIP** and a copy of **Comm. 137, 60-Month Limit on FIP**. Stress the importance of planning early how to become self-supporting by the end of the 60-month FIP period. Let the family know that PROMISE JOBS staff can help them prepare for that time.

The 60-month limit applies only to FIP assistance. Families whose 60-month FIP period ends may still get other types of assistance, such as Medicaid or SNAP.

The following sections discuss:

- Determining the 60-month FIP limit for applicants and participants
- The impact of the 60-month limit on different family compositions
- Becoming exempt from, or subject to, the 60-month limit
- Appeal procedures
- Overpayments and underpayments

Determining the 60-Month Limit

Legal reference: 441 IAC 41.30(1) and (2)

The 60-month period need not be consecutive. As of January 1997, any month for which the "adult" receives FIP in Iowa or receives TANF benefits in another state or United States territory or from a tribe is counted toward the 60-month limit. FIP received for a partial month counts as a full month. Assistance received before January 1997 is not counted.

The FIP Eligibility Tracking (FET) tracks months of assistance for each adult whose assistance must be counted. Access FET regularly and routinely to determine applicants' and participants' 60-month FIP count. For example, access FET:

- Each month for participant cases
- When a family applies for FIP
- Before reinstating or reopening the FIP case
- When another "adult" enters an existing FIP household
- When an absent parent returns to an existing household
- When an exempt "adult" becomes subject to the 60-month limit
- At any other time when determining the family's 60-month FIP status is pertinent

The "Individual FIP History" screen reflects the 60-month count for each adult whose assistance must be counted toward the limit regardless of the adult's current FIP status. To obtain a listing of participant cases that have received FIP for 36 or more months, select the "Active Cases That Have Used FIP For 36 or More Months" report on FET.

Except for families that are exempt, observe the following basic principles for determining a family's 60-month count:

- Each "adult's" months are counted toward the family's 60-month limit. In families with two parents or a parent and stepparent, the 60-month limit is reached when either parent or the stepparent has reached the 60-month limit.
- Start counting assistance beginning with the month for which the "adult" receives a FIP grant for the family, even if the adult is excluded from the grant.
- Stop counting assistance beginning with the month for which the "adult" no longer receives a FIP grant for the family or becomes exempt from the limit.

When a stepparent is in the home, but the stepparent's needs are not included in the grant, months of assistance received by the family do not apply to the stepparent's count. However, months of assistance previously received by the stepparent remain in the stepparent's count and continue to apply to the family.

Mrs. D receives FIP for herself and her child. Also in the home is Mr. D, Mrs. D's spouse. Mr. D previously received 50 months of assistance on another case.

Months of assistance received on Mrs. D's case are counted for her, but not for Mr. D, because he is a stepparent whose needs are not included in the grant. However, the 50 months of assistance Mr. D previously received remain on his count and apply to Mrs. D's assistance.

In determining the number of months a family has received FIP assistance, do not consider toward the 60-month limit any month for which FIP was not issued for the family, such as when FIP is not issued for the month because the family was eligible for less than $10 (or due to rounding).

In addition, do not consider toward the 60-month limit FIP received:

- For a minor parent for any month in which the minor parent was a child on the FIP case of the adult parent or a nonparental specified relative.
- By a nonparental specified relative who was not included in the FIP grant with the nonparental child.
- By an adult while living in Indian country (as defined in 18 United States Code Section 1151) or a Native Alaskan village where at least 50 percent of the adults were not employed.

Verifying Out-of-State Months

When it comes to your attention that a FIP applicant or participant has received TANF assistance in another state, the District of Columbia, or a United States territory, or from a tribe, contact that state, territory, or tribe to verify whether the assistance received was TANF assistance that counts toward the federal 60-month limit.

TANF assistance may be identified by different names in different states, and states may provide forms of cash assistance that are not countable toward the federal limit. The state that provided the assistance must verify that the months are countable.

The states have developed a contact list for use in verifying countable months of TANF assistance. Use this contact list to verify months of out-of-state assistance.

Document information about the out-of-state assistance in the case record, including:

- The state where the assistance was received,
- The specific months that assistance was received,
- The date and method of verifying the information.

Record each countable month in the FET "Individual FIP History" screen. When you record out-of-state months in FET, FET considers them, in addition to any Iowa months received, in determining the number of months the person has used and has remaining. FET reports reflect that combined total.

If form **470-3851, Important Information About Your FIP** has previously been issued, issue a new form 470-3851 when out-of-state months are verified and recorded in FET to provide the family with the new total number of countable months of assistance they have used and have remaining.

Use local procedures to notify PROMISE JOBS whenever out-of-state months are added for a participant who has already been referred to PROMISE JOBS. It may be necessary to modify the family's family investment agreement to fit the shortened remainder of the 60-month period.

If the addition of countable out-of-state months causes a participant to exceed the 60-month limit, cancel the case with timely notice. See Hardship Overpayments for information on recouping assistance issued beyond the 60-month limit.

Participants

Check the FET report "Active Cases That Have Used FIP For 36 or More Months" each month to obtain a list of participant families that have received FIP for 58 or more months.

Issue form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**, to the family as early as month 58. Include a return envelope. You can issue this form when issuing form **470-3851, Important Information About Your FIP** and **Comm. 137, 60-Month Limit on FIP** in month 58 of the family's 60-month period.

Refer to 6-Appendix for specific instructions for the use of forms 470-3826 or 470-3826(S) and 470-3851. You can obtain these forms from FET.

NOTE: Depending on how late in month 58 you send form 470-3851, it may be month 59 when the family gets the form. When generating a blank form from the system, make sure you state the most current FIP count on the form (e.g., "59" if the family will not get the form until that month).

It is up to the family to decide whether to return the hardship exemption request form. You do not need to track return of the form.

You must send a timely **Notice of Decision** to cancel FIP at the end of the family's 60-month period. You have no way of knowing whether the family may request a hardship exemption or whether a hardship exemption will be approved, if requested.

Proceed to cancel FIP even if the family has filed a valid form 470-3826 or 470-3826(S) in the meantime. The 60-month cancellation notice informs the family that it will get another notice about the status of its hardship exemption request. If the request is granted, the family's FIP case will be reopened as appropriate.

On April 10, the worker checks the "Active Cases That Have Used FIP For 36 or More Months" file on FET and finds that Mrs. A has received FIP for 59 months. After system cutoff in April, the worker timely cancels Mrs. A's FIP case effective May 1 because she has reached the 60-month limit.

The worker also sends Mrs. A form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. It is up to Mrs. A whether to request FIP beyond her 60-month limit. The worker does not need to track return of form 470-3826 or 470-3826(S). If Mrs. A returns the form, the worker will initiate hardship exemption procedures.

If timely notice cannot be met, cancel FIP effective the second month. Excess assistance for the first month is subject to recoupment unless the family requests and is determined eligible for a hardship exemption that includes the first month. Make necessary entries on FET to record either outcome.

Issue form 470-3826 or 470-3826(S) no later than at the time of the family's 60-month FIP cancellation. When case circumstances permit, it is suggested that you cancel FIP shortly after system cutoff of month 59 or at the beginning of month 60.

This allows the family greater opportunity to return the hardship exemption request before the effective date of cancellation and reduces the likelihood of loss of FIP benefits.

NOTE: Follow these instructions for a nonparental FIP case that includes the needy specified relative on the FIP grant. However, remove only the needy specified relative from the grant at the end of the relative's 60-month FIP period. Give timely notice. Continue FIP for the nonparental child if the child is otherwise eligible.

Applicants

Check FET when a family reapplies for FIP to determine the family's FIP count. Ask if the family has received assistance in another state. If the applicant has received assistance in another state, verify and add the months to FET as described in, Verifying Out-of-State Months. Discuss the family's 60-month count during the application interview.

If the family has received assistance for at least 58 months, explain the hardship provisions and provide the family with the following:

- Form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**,
- Form **470-3851, Important Information About Your FIP**, and
- **Comm. 137, 60-Month Limit on FIP**.

An applicant who is close to the 60-month limit may be eligible for some, but not all, months in the application period. "Application period" means the period from the month in which the application is received through the month of decision.

If the applicant is close to the limit, determine FIP eligibility first for the month of decision, then the month immediately before the month of decision, then the second month before the month of decision and so on, until the family's 60-month limit has been reached.

Make sure that you do not approve FIP for more months than are left in the family's 60-month period. This means, you have to determine the proper FIP effective date in accordance with the number of FIP months the family has left to use to avoid issuing FIP beyond the 60-month limit.

Issue a **Notice of Decision** to deny FIP for a month in the application period that cannot be included in the family's 60-month FIP period because the family has received assistance for 60 months. If it is necessary to manually issue the notices, use the text from FIP case notice reason 360 (or person notice reason 920) to deny FIP for the particular month.

When an application is approved for some, but not all of the months of the application period, notify PROMISE JOBS of the months approved, so the family investment agreement period can be updated, if necessary.

If the family is not eligible in the month of decision, deny the FIP application as in any other situation. The family must reapply to complete its 60-month FIP period.

1. Mrs. A applies for FIP on April 15. The worker checks FET and finds that Mrs. A has received FIP for 59 months. She has one more FIP month left to use.

   During the application interview, the worker gives Mrs. A form **470-3851, Important Information About Your FIP** together with **Comm. 137, 60-Month Limit on FIP**. The worker discusses the family's 60-month status with Mrs. A. The worker explains that FIP will be canceled at the end of Mrs. A's 60-month period.

   The worker also goes over the hardship exemption provisions and gives Mrs. A form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. The worker explains that if Mrs. A submits a hardship exemption request, a separate determination is required and Mrs. A will get another **Notice of Decision** about the outcome. The worker informs Mrs. A that if her hardship exemption request is granted her FIP case will be reopened.

   Mrs. A signs a family investment agreement. On May 10, the worker makes the eligibility decision. If Mrs. A is eligible in the month of decision, FIP assistance is approved effective May 1 through May 31 only, as that month concludes Mrs. A's 60-month period.

   FIP for April must be denied because the family has received FIP for 60 months. The worker notifies PROMISE JOBS that FIP was approved for the month of May. Mrs. A is ineligible for FIP effective June 1 because of the 60-month limit.

2. Same as Example 1, except Mrs. A has received FIP for 58 months when she reapplies on April 15. Mrs. A signs a family investment agreement. The worker makes the eligibility decision on May 10.

   If Mrs. A is eligible in the month of decision, FIP will be approved effective April 22 through May 31, because April and May complete her 60-month period. Mrs. A will be ineligible for FIP effective June 1 because of the 60-month limit.

3. Mrs. B applies for FIP April 26. According to FET, she has received FIP for 57 months. Mrs. B signs a family investment agreement. On May 20, the worker makes the eligibility decision. If Mrs. B is eligible in the month of decision, FIP will be approved effective May 2 through July 31. Mrs. B will become ineligible for FIP effective August 1 because of the 60-month limit.

4. Mr. C applies for FIP on April 20. According to FET, he has received FIP for 58 months. Mr. C has difficulty obtaining needed information. As a result, the eligibility decision is not reached until June 3.

   If Mr. C is eligible in the month of decision, FIP is approved effective May 1 through June. FIP for April must be denied because the family has received FIP for 60 months.

   Mr. C becomes ineligible for FIP effective July 1 because of the 60-month limit. The worker notifies PROMISE JOBS that FIP was approved for the months of May and June.

In all examples, the FIP application must be denied if the family is not eligible in the month of decision. The family must reapply and, as in other application situations, be determined eligible in the month of decision to complete its 60-month FIP period.

When an applicant has exhausted the 60-month period, issue form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**. Attach a note to explain that FIP beyond the 60-month limit can be granted only if the family requests and is determined eligible for a hardship exemption. State a ten-day due date for returning the form.

If the form is not returned by the due date, deny the application because the family has exhausted its 60-month FIP limit. If the family returns the **Request for FIP Beyond 60 Months** by the due date, initiate the hardship exemption process. Follow the instructions under Hardship Exemption in this chapter.

Reinstatements

Check FET before taking action to reinstate or reopen FIP to determine the family's 60-month FIP status to allow for timely 60-month cancellation when applicable.

1. Mr. E's FIP case is canceled effective March 1 for failure to provide income verification from a new job. March is Mr. E's 60th FIP month. On February 25, the requested information is received.

   Mr. E remains prospectively eligible. The worker reinstates FIP for March. In March, the worker takes necessary action to timely cancel FIP effective April 1 because of the 60-month limit. The worker also issues form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months**, to Mr. E.

   NOTE: If timely notice requirements delay the 60-month FIP cancellation until May 1, FIP issued for April is subject to recoupment unless the family requests and is approved for a hardship exemption that includes April. FET entries are required to document either outcome.

2. Same as Example 1, except Mr. E is prospectively ineligible. FIP is canceled effective March 1 because of the projected income. Mr. E will have one FIP month left to use should he reapply.

   NOTE: If it is too late to cancel FIP for March 1, FIP must be canceled effective April 1. FIP issued for March is subject to recoupment because Mr. E is prospectively **ineligible** for that month.

   However, since Mr. E did receive FIP for March, the month is counted toward the 60-month limit. March is Mr. E's 60th FIP month even though FIP for that month is subject to recoupment.

   A *Notice of Decision* is issued informing the family that FIP is canceled effective April 1 due to excess income. A second notice must be sent to inform the family that FIP is canceled effective April 1 because the 60-month FIP has ended.

Impact on Different Family Compositions

The following sections explain the impact of the 60-month limit on:

- Two-parent families
- Stepparent families
- Situations when a new "adult" joins the household

- Minor parent
- Families with a member that could qualify for State Supplementary Assistance dependent person benefits

Two-Parent Families

In two-parent families, months of assistance are counted for each parent. When two parents in a two-parent family have different FIP counts, the parent with the higher FIP count determines the family's 60-month limit.

Therefore, when a parent who has received FIP for 60 months joins a participant family that has not received FIP for 60 months, FIP eligibility can continue only if the participant family submits form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** and is approved for a hardship exemption. See Hardship Exemption for details.

When a FIP participant reports that the absent parent has returned to the home, check FET for the status of the returning parent's number of FIP months. If FET indicates the parent has received FIP for 60 months, cancel the FIP case effective the first day of the next calendar month. Give timely notice. Issue form 470-3826 or 470-3826(S) to the family.

If timely notice cannot be met, cancel FIP effective the second month. Excess assistance for the first month is subject to recoupment unless the family requests and is determined eligible for a hardship exemption that includes the first month. Make entries on FET to reflect the first month as either being subject to recoupment (or as a hardship exemption month, if applicable).

Mrs. A and her two children have been on FIP for 34 months. On January 5, Mr. G, one of the children's fathers, returns to the home. Mrs. A reports Mr. G's return the next day.

The IM worker checks FET and finds that Mr. G has received FIP for 60 months on two other FIP cases. Even though Mrs. A has received FIP for only 34 months, FIP must be canceled because Mr. G has received FIP for 60 months.

Because Mr. G. caused the 60-month cancellation, he must be entered on Mrs. A's FIP case to record his attachment to her case. The worker makes entries to deny his needs, using notice reason code 920.

The next processing day, the worker issues timely notice and cancels Mrs. A's FIP case effective February 1. The worker also sends out form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months** to the family.

Had Mr. G's return not been reported in time for timely notice, FIP would be canceled effective March 1. FIP issued for February would be subject to recoupment unless the family qualified for a hardship exemption that includes the month of February.

Stepparent Families

For parental cases with a parent and stepparent in the home, the entire family is ineligible when either the parent or the stepparent has received FIP assistance for 60 months.

For nonparental cases, when a stepparent is acting as a needy nonparental caretaker, only the stepparent is ineligible at the end of the 60-month period. FIP for the stepchildren may continue.

For both parental and nonparental cases, months of assistance received by the family count for the stepparent if the stepparent's needs are included in the grant. If the stepparent's needs are not included in the grant, months of assistance received by the family are not added to the stepparent's count.

1. Mrs. R applies for FIP for herself and her child. Also in the home is Mr. R, the child's stepparent. Mrs. R has used 48 months of assistance and Mr. R has used 60 months. The family is ineligible for FIP unless they qualify for a hardship exemption.
2. Mr. S applies for FIP for himself and his stepson as a needy nonparental caretaker. Mr. S has used 60 months of assistance. Mr. S is ineligible for FIP unless he qualifies for a hardship exemption, but he can receive FIP for the child without regard to hardship.

When Another "Adult" Joins an Existing FIP Household

Each "adult's" FIP months are counted toward the family's 60-month limit unless exempt. When a person who is subject to the 60-month limit joins an existing FIP household, check FET to determine that person's FIP count and the impact on the FIP household.

Unless exempt from PROMISE JOBS referral, the person must sign an FIA before being added to the case. See Family Investment Agreement.

1. Mrs. D is receiving FIP for herself and her two children, whose father is absent. Also in the home is Mr. W, the father of Mrs. D's expected child. On June 1, Mrs. D has received FIP for 13 months. On June 10, Mrs. D reports the birth of the common child on June 9, making Mr. W a mandatory household member.

   Mr. W refuses to apply for benefits from other sources. As a result, he is considered as an excluded parent. The worker checks FET and finds that Mr. W was a parent on another FIP case for 19 months. Mr. W has no income.

   The worker adds the baby to Mrs. D's FIP case effective June 17 and adds Mr. W to the FIP case as an excluded parent. June is month 20 for the family, because June is the month for which the baby is added and Mr. W. becomes an excluded parent.

2. Same as Example 1, except Mr. W has countable income that must be verified. On June 23, the requested verification is received. The income will reduce the grant.

   Because it is too late to give timely notice to reduce the July FIP grant, the baby cannot be added until August 1. Therefore, Mr. W cannot become an excluded parent until August 1. August is month 20 (rather than 21) for the family, because August is the first month that the excluded parent has a child on the FIP grant. Excess FIP issued for July is subject to recoupment.

3. Mrs. D and her two children receive FIP. On April 1, Mrs. D has received FIP for 29 months. On April 4, Mrs. D reports that Mr. D, the children's stepfather has moved into the home. The worker checks FET and finds that Mr. D received FIP for 53 months on another case.

   If Mr. D. is added to the grant as an incapacitated stepparent, months of assistance will continue to count for him and the family will be ineligible when he reaches month 60. If Mr. D's needs are not included in the grant, his count will remain at 53.

4. Mrs. E has a nonparental FIP case for her two stepchildren. On May 15, she asks to be added to the grant as a needy specified relative. The worker checks FET and finds Mrs. E has previously received FIP for 35 months on her own parental case. The worker adds Mrs. E to the grant effective May 22. May is month 36 for Mrs. E.

   Should she remain on the FIP grant with the stepchildren, only Mrs. E will become ineligible at the end of the 60-month period. FIP for the stepchildren may continue.

Minor Parent

When a minor parent and child receive FIP on the adult parent's case, and the adult parent becomes ineligible due to the 60-month limit, the minor parent may apply for FIP as a minor parent living with a self-supporting parent.

1. Mrs. T receives FIP for herself; her two sons, aged 11 and 14; her 16-year-old daughter, Mary; and Mary's three-month old child. Mrs. T's FIP case is canceled effective February 1 because she has received FIP for 60 months.

   On February 5, Mary applies for FIP for herself and her child. They are still living in Mrs. T's home. Her application is approved effective February 12. A new FIP case is established for Mary and her child. Because Mary is payee on her own FIP case now, February is month one of her 60-month FIP period.

2. Ms. B is a 17-year-old parent who was granted good cause to live independently with her ten-month-old child. FIP assistance she receives on her own case is counted toward the 60-month limit. As of March 1, she has received six months assistance while payee for her own case.

   On March 15, Ms. B reports that she and her child have moved back to her mother's home. The adult parent is on FIP with Ms. B's two siblings. The worker cancels Ms. B's FIP case effective April 1.

   Ms. B and her child are added to the adult parent's FIP case effective April 1. FIP assistance Ms. B receives while a child on her adult parent's case is not counted toward Ms. B's 60-month limit.

Ms. B turns 18 in November. She and her child are removed from the adult parent's FIP case effective December 1. On December 3, she reapplies for FIP for herself and her baby.

FIP for Ms. B and her child is approved effective December 10. Because Ms. B is payee on her own FIP case, she is again subject to the 60-month limit. December will be month seven of Ms. B's 60-month period.

Dependent Person

The term "SSI" also includes payments from the State Supplementary Assistance program, including dependent person payments. Therefore, treat the person who receives State Supplementary Assistance payments the same as an SSI recipient.

To be eligible for a State Supplementary Assistance dependent person allowance, the dependent person must be considered financially needy. A person who is eligible for FIP is not considered financially needy. Consequently, FIP eligibility must be examined first before the dependent person determination can be made.

When a family becomes ineligible for FIP due to the 60-month limit, FIP has no policy that requires the family to request additional FIP assistance under the hardship exemption provisions. However, dependent person policy requires the family to request and be determined ineligible for the hardship exemption. Dependent person eligibility does not exist if the family chooses not to apply for a hardship exemption.

1. In the home are Mr. and Mrs. A and their two children. Mr. A is disabled and he receives SSI. Mrs. A receives FIP for herself and the two children. Effective January 1, the family's FIP case is canceled because Mrs. A has received FIP for 60 months. The family's subsequent request for a hardship exemption is denied.

   If Mrs. A is approved for the State Supplementary Assistance dependent person program, she is considered the same as an SSI recipient. In that case, the 60-month FIP limit no longer applies to the family.

The family may reapply for FIP for just the children. FIP eligibility stops when either parent in the home becomes ineligible for SSI or the dependent person program, respectively.

2. Ms. B receives FIP for herself and one child. Her other child in the home is an SSI recipient. Ms. B reaches her 60-month limit and her FIP case is canceled. Her subsequent request for a hardship exemption is denied.

   If Ms. B is determined eligible for the dependent person program, she can reapply for FIP for the child who is not on SSI. FIP eligibility for the child stops when Ms. B becomes ineligible for the dependent person program.

When a family reaches the 60-month limit and the parent has not been able to reach self-sufficiency because of the need to care for a disabled child or spouse who is a State Supplementary Assistance or SSI recipient:

- If it is possible for the parent to participate in PROMISE JOBS activities and take steps toward self-sufficiency or is only prevented from doing so on a short-term or temporary basis, the family should be considered for hardship.
- If the requirements of caring for the disabled child or spouse make it impossible for the parent to participate in PROMISE JOBS activities on a permanent or long-term basis, hardship should be denied and eligibility for the dependent person program considered.

1. Ms. C provides verification that she has been needed in the home to care for her disabled son, an SSI recipient. Although the requirements of caring for him have prevented her from becoming self-supporting, she is able to participate in PROMISE JOBS activities during the time he is in school, and work toward becoming self-supporting.

   If all other requirements are met, hardship is approved.

2. Mrs. D provides verification that she is needed in the home to care for her disabled husband, an SSI recipient. The doctor states that she will need to provide full-time care until her husband recovers from surgery. She is expected to be able to begin participating in PROMISE JOBS work activities in three months.

   If all other requirements are met, hardship is approved.

3. Ms. E provides verification that she is needed in the home to care to her disabled son, an SSI recipient. The son's condition requires full-time care and Ms. E does not have anyone who can provide the appropriate level of care while she participates in PROMISE JOBS activities. This situation is expected to continue for more than six months.

   Hardship is denied and eligibility for the dependent person program is considered for Ms. E.

Becoming Exempt from or Subject to the 60-Month Limit

A family that is subject to the 60-month FIP limit may become exempt from the limit.

Mrs. A and her two children receive FIP. As of March 1, the family has received FIP for 35 months. On March 5, the Social Security office notifies the IM worker that Mrs. A has been approved for SSI. She receives her initial SSI payment in March.

Because of Mrs. A's SSI status, the family is no longer subject to the 60-month limit. The worker removes Mrs. A's needs from the FIP case effective April 1. Starting with the April FIP grant, the family's FIP assistance will no longer be counted toward the 60-month limit.

On June 10, Mr. A, the father of one of the children returns to the home. Mrs. A reports his return the next day. Mr. A is not on SSI, and the family is no longer exempt from the 60-month limit. The worker checks FET and finds that Mr. A has received FIP for only 23 months. The worker adds Mr. A to the FIP case effective June 18.

The family's FIP count will remain at 35 months until Mr. A's FIP count surpasses Mrs. A's 35 FIP months. Mr. A's FIP count will continue to go up while he receives FIP for the family, even if he is not added to the FIP grant (e.g., if he is sanctioned because he refuses to apply for unemployment benefits). Mrs. A's FIP count will remain at 35 months as long as she remains on SSI.

A family that is exempt from the 60-month limit may later become subject to the limit.

Mr. B has been receiving FIP for his two children for over 60 months. Because Mr. B is an SSI recipient, FIP he receives for his children is not counted toward the 60-month limit.

In April, Mr. B is canceled from SSI. As a result, the family is no longer exempt from the 60-month limit. The worker adds Mr. B's needs to the FIP grant effective May 1. May will be the first month of the family's 60-month period.

SSI Approval After the 60-Month Limit

When the parent, both parents, or both the parent and stepparent have received FIP for 60 months and are later approved for SSI, FIP assistance may be granted for the children if all other eligibility factors are met.

Mr. and Mrs. M and their children have received FIP for 60 months. Their FIP case is canceled effective January 1. Mr. and Mrs. M are subsequently approved for SSI.

In July, the Ms reapply for FIP. FIP may be approved for the M children if they are otherwise eligible. FIP for the children may continue for as long as both parents in the home remain on SSI and the children remain eligible.

In December, Mrs. M reports that Mr. M has moved out. Mrs. M can continue to receive FIP for as long as she remains on SSI and the children remain eligible.

FIP Limit Appeals

Follow the instructions in 4-A, Appeals when processing appeals resulting from a 60-month FIP cancellation. In addition, use the following guidelines:

- **Reinstate** FIP when a family appeals the 60-month cancellation **before** the effective date of cancellation or within 10 days from the date the notice is received. The date the notice is received is considered to be five days after the date on the notice. Use notice reason code 208. Provide relevant information on the 60-month cancellation to the Appeals Section within the normal time frame.

- If FIP is canceled **before** the end of the family's 60-month period for a reason **other than** the limit, e.g., due to excess income, and the family files a timely appeal or appeals within 10 days from the date the notice is received, reinstate FIP in the normal manner. Then take action to timely cancel FIP at the end of the 60-month period.

  A separate appeal request is required if the family wishes to appeal the 60-month cancellation. If the family appeals before the effective date of the 60-month cancellation, reinstate FIP as described in the preceding paragraph.

- **Do not reinstate** FIP when the family appeals the 60-month cancellation **on or after** the effective date of cancellation or more than 10 days from the date the notice is received. Provide relevant information on the 60-month cancellation to the Appeals Section within the normal time limit.

- When a hardship exemption request is received while FIP is reinstated pending the outcome of an appeal of a 60-month FIP cancellation, process the hardship exemption request as described in Hardship Exemption.

- If the final appeal decision upholds the family, this may result in a revised 60-month ending date, which, in turn, may affect the family's six-month hardship exemption period.

The family's 60-month FIP period ends 12/31/01.

12/15/01	Worker enters the 60-month FIP cancellation effective 1/1/02.
12/20/01	Family appeals the FIP cancellation. FIP is reinstated for 1/1/02.
12/21/01	Family files a hardship exemption request, which the worker must act on.
01/18/02	Hardship exemption is approved from 1/1/02 through 6/30/02.
02/15/02	Final appeal decision upholds the family and determines a 3/31/02 ending date of the family's 60-month period.

A six-month hardship exemption period cannot begin until the family has received FIP for the entire 60-month period. Since the appeal decision moved the 60-month ending date to March 31, the six-month hardship exemption period cannot start until April 1.

The revised six-month hardship exemption is from April 1 through September 30. FET and ABC entries are required to reflect the revised 60-month period and the revised hardship exemption period.

The family must be issued a **Notice of Decision** about the revised hardship exemption period. The notice also informs the family to contact PROMISE JOBS because the six-month month FIA must be amended and that an LBP results for failing to do so. The IM worker notifies PROMISE JOBS about the revised hardship exemption period.

If the final appeal decision upholds the Department, excess FIP assistance is subject to recoupment.

Refer to Hardship Appeals for additional information on appeals involving both the 60-month FIP cancellation and a hardship exemption denial.

FIP Limit Overpayments and Underpayments

When FIP issued for a month in the 60-month period is subject to recoupment, the month is still considered toward the 60-month limit.

As of May 1, Mrs. A has received FIP for 49 months for herself and her children. On May 20, she reports a new job. On May 24, she provides the requested income verification.

Based on the new earnings, Mrs. A is prospectively ineligible as of June. However, it is too late to issue the required timely notice to cancel FIP for June. Therefore, the worker cancels Mrs. A's FIP case effective July 1. Even though FIP issued for June is subject to recoupment, June is month 50 of Mrs. A's 60-month FIP period.

FIP issued beyond the 60-month limit is subject to recoupment. FIP may be issued beyond a family's 60-month limit for any of the following reasons:

- Pending the outcome of an appeal of the 60-month FIP cancellation when the final appeal decision upholds the Department.
- Due to worker error in properly coding months that are subject to the 60-month limit, preventing FET from counting those months.
- When the required timely notice to cancel FIP at the end of the 60-month limit cannot be met.

- Due to discovery of out-of-state months of assistance that, when combined with months received in Iowa, exceed the 60-month limit.

Recoup excess assistance unless the family requests and is determined eligible for a hardship exemption for any of the overpayment months. No overpayment is due for any month that exceeds the 60-month limit that becomes part of the six-month hardship exemption period. Refer to Hardship Overpayments for more information.

As in other situations that result in the client receiving fewer benefits than the amount for which eligible, make corrective underpayments when you discover the client received an underpayment as a result of an incorrect 60-month FIP count. Follow the instructions in 4-H, Underpayments.

> The family's 60-month FIP period is canceled effective January 1. In February, the worker discovers that the family's 60-month period should not have ended until January 31. The worker must determine retroactive corrective benefits for January. The family is responsible for providing all information necessary to determine FIP eligibility and benefit amount for January.

Minor Parents

Legal reference: 441 IAC 41.22(15)

To receive FIP assistance, a minor parent and the dependent child in the minor parent's care must live in the home of the minor parent's adult parent or legal guardian, unless good cause for not living with the parent or guardian is established.

A "minor parent" is a parent who is less than 18 years of age and has never been married. A person whose marriage is annulled is not considered to have been married. A common-law marriage does not apply to minors because of the statute requiring parental consent to obtain a marriage license.

"Living in the home" of the parent or legal guardian includes living in:

- The same apartment.
- The same half of a duplex.
- The same condominium or row house.
- An apartment in the home of the adult parent or legal guardian.

Two minor parents who live together with their common child must live in the home of the adult parent or legal guardian of one of the minor parents or establish that **both** of them have good cause for not living with their parent or legal guardian.

> Ms. A and Mr. B are minor parents who apply for FIP for themselves and their common child. They can meet the requirement by living with either Ms. A's or Mr. B's parents or legal guardian. Since they live with Mr. B's parents and all other eligibility requirements are met, FIP is approved.

When a two-parent household consists of a minor parent, a parent who is not a minor, and their common child, they must live with a parent or legal guardian of the minor parent or establish good cause for not living with a parent or legal guardian of the minor parent.

See Defining the Number of Eligible Groups in a Household: Minor Parent, for information on who to include in the eligible group.

> Ms. C, a minor parent, applies for FIP for herself, her boyfriend Mr. D, and their common child. Mr. D is 21 years of age. Ms. C is not living with her parent or legal guardian and does not establish good cause. The FIP application is denied.

Make an entry on the ABC system to indicate each minor parent's living situation:

- Living with self-supporting parents.
- Living in a three-generation FIP household.
- Living with a legal guardian.
- Living independently with good cause.
- Living with a nonparental specified relative with good cause.

Make an entry when pending or approving the FIP case, or when there is a change in the living situation.

A minor parent determined to have good cause for not living with a parent or legal guardian must attend FaDSS or another family development program. PROMISE JOBS will include the family development participation in the minor parent's Family Investment Agreement.

The following sections address:

- The consequences of a minor parent's failure to live with a parent or guardian
- What is required to establish good cause for not living with a parent or guardian

Failure to Live with Parent or Guardian or Establish Good Cause

Legal reference: 441 IAC 41.22(15)

When a minor parent applicant or participant does not live with an adult parent or legal guardian **and** does not establish good cause, the minor parent and the dependent child in the minor parent's care are not eligible for FIP assistance.

For **applicants**, determine whether the minor parent and child are living with a parent or legal guardian or have good cause as of the date of the application.

- If the minor parent and child are living with a parent or legal guardian on the date of the interview or have good cause not to, approve the FIP application as early as seven days from the application date, if otherwise eligible.
- If the minor parent and child are not living with a parent or legal guardian on the interview date and they do not have good cause, deny the FIP application.

See 4-G, Effective Date of Adjustment for information on what to do if the applicant moves out of the parent or legal guardian's home after the date of interview but before the date of decision on the application.

For **participants**, redetermine continuing eligibility when changes occur. If the minor parent does not continue to live with a parent or legal guardian or have good cause, cancel the case effective the first of the month following the change, subject to timely notice.

When timely notice cannot be met, cancel FIP assistance for the minor parent and child effective the second month after the change. Recover excess assistance issued in the first month after the change.

1. Ms. E, a minor parent, applies for FIP for herself and her child on May 1. On May 9, at the application interview, Ms. E reports that she moved in with her self-supporting parents on May 6. Because she is living with a parent as of the date of interview, and meets all other eligibility requirements, FIP is approved effective May 8.

2. Ms. F, a minor parent living independently, applies for FIP for herself and her child on May 1. At the application interview on May 9, she claims good cause for not living with a parent or legal guardian. The worker requests verification of the good cause claim.

   Ms. F provides the requested verification on May 14. Good cause is determined to exist and all other eligibility requirements are met. FIP is approved effective May 8.

3. Ms. G, a minor parent, applies for FIP for herself and her child. Ms. G states she is planning on moving in with her parents next month. However, on the date of interview, Ms. G is living independently and does not have good cause for not living with a parent or legal guardian. The FIP application is denied.

4. Ms. H, a minor parent, applies for FIP for herself and her child. She is living with her self-supporting parents on the date of interview, January 10. On January 17, while the application is still pending, Ms. H reports that she has moved out of her parent's home. She does not claim good cause, so the FIP application is denied.

5. Same as Example 4, but Ms. H claims good cause. The worker requests verification of the claim. The application remains pending until the good cause determination is made.

6. Ms. I, a minor parent, applies for FIP for herself and her child. Ms. I is living with her self-supporting parents on the date of interview, July 10. On July 27 the FIP application is approved.

   On July 29 Ms. I reports that she moved out of her parents' home July 25. She does not establish good cause. Her FIP benefits are canceled effective September 1 and the benefits for August are subject to recovery.

7. Ms. J, a minor parent, receives FIP for herself and her child while living with her self-supporting parents. In December, while still a minor parent, she moves out of her parent's home. Ms. J does not establish good cause for not living with a parent or legal guardian. Her FIP case is canceled effective January 1.

Good Cause for Not Living with a Parent or Guardian

Legal reference: 441 IAC 41.22(16), 41.22(17)

Each minor parent applicant or participant who is not living with an adult parent or legal guardian has the opportunity to claim good cause for not living with a parent or legal guardian. Good cause exists when at least one of the following applies to each parent of the minor parent (or to the legal guardian):

- The parent or guardian is deceased, missing, or living in another state.
- The parent or guardian is incarcerated or otherwise lives at a residence that prohibits the minor parent and child from living with the parent or guardian. Good cause is considered to exist for as long as the person lives at the facility.
- The minor parent is in a foster care supervised apartment living arrangement.
- The minor parent is participating in the Job Corps solo parent program.
- The parent or guardian refuses to allow the minor parent and child to return home AND the minor parent is living with a specified relative, aged 21 or over, on the date of interview, and the specified relative is the applicant and payee.
- The minor parent and child live in a maternity home or other licensed adult-supervised supportive living arrangement as defined by the Department of Health and Human Services.
- The physical or emotional health or safety of the minor parent or the child would be jeopardized if the minor parent is required to live with the parent or guardian.

  The physical or emotional harm must be of a serious nature to justify a finding of good cause. Physical or emotional harm includes situations of documented abuse or incest. Consider the following when deciding if good cause exists based on emotional harm:

  - The present emotional state of the person subject to emotional harm.
  - The emotional health history of the person subject to emotional harm.
  - The intensity and probable duration of the emotional harm.
- Other circumstances exist which indicate that living with the parents or legal guardian will defeat the goals of self-sufficiency and responsible parenting.

NOTE: Refer situations with "other circumstances" to the administrator of the Division of Adult, Children and Family Services for determination of good cause. Make the referral in a memo explaining the situation and requesting a decision on the good cause claim. Attach a statement from the minor parent and copies of all relevant verification.

The following sections explain:

- Responsibilities in relation to a minor parent's potential good cause claim
- Verification of a good cause claim
- Making the decision about good cause for not living with an adult

Worker Responsibilities

Legal reference: 441 IAC 41.22(18), 41.22(19)

Issue **Comm. 133, FIP for Minor Parents** when:

- A minor parent applies for FIP.
- You determine a minor parent participant no longer lives with a parent or legal guardian.

If the minor parent claims good cause:

- Discuss with the minor parent the reason for the good cause claim.
- Discuss with the minor parent possible sources of verification and if needed, offer suggestions as to how to obtain them.
- Give the minor parent a written request for the necessary verification with a due date.
- Notify the minor parent of the right to request an extension of the time period for providing verification, if needed. Document any extensions of the deadline in the case record.
- Notify the minor parent of the right to request assistance in obtaining the verification when needed, by signing releases to allow you to contact third parties.
- Check the Family and Children Services (FACS) computer system to find out if a service case is open or has previously existed for the minor parent. If a service case is found, contact the service worker to determine if the service worker has any information that would help you in making a decision on the good cause claim.

Further investigation of good cause may be necessary if the client's claim and the supporting evidence are not enough to make a decision. Notify the client in writing if additional supporting evidence is needed, what types of documents or signed releases are needed, and the date due.

Verification of a Good Cause Claim

Legal reference: 441 IAC 41.22(19)

The client must prove the existence of good cause circumstances. Evidence must be provided within ten days from the date you request it. Allow additional time, at the client's request, when the client is making an effort to obtain the information but is unable to do so.

If requested, the client must also provide additional evidence that may be needed to establish good cause. Failure to cooperate in meeting this requirement is a basis for determining that good cause does not exist.

A good cause claim may be corroborated with one or more of these kinds of evidence:

- Court, medical, criminal, child protective services, social services, psychological, or law enforcement records which indicate that the parent or legal guardian might inflict physical or emotional harm on the minor parent or child.
- Medical records that indicate the emotional health history and present emotional health status of the minor parent or child.
- Written statements from a mental health professional indicating a diagnosis or prognosis concerning the emotional health of the minor parent or child.
- Sworn statements from people other than the applicant or participant with knowledge of the circumstances that provide the basis for the good cause claim. Written statements from the client's friends or relatives are not sufficient alone to grant good cause based on physical or emotional harm, but may be used to support other evidence.
- Notarized statements from the parents or guardian or other reliable evidence to verify that the parent or guardian refuses to allow the minor parent and child to return home.

- Court, criminal, child protective services or other records which verify that:
  - The parents or legal guardian of the minor parent are deceased, missing, living in another state, or living in a facility that prohibits the minor parent and child from living there, or
  - The minor parent is in a foster care supervised apartment living arrangement, the Job Corps solo parent program, a maternity home or other licensed adult-supervised supportive living arrangement.

Good Cause Claims Due to Abuse

When a minor parent claims good cause because of abuse, in addition to the other possible sources of verification, ask the minor parent to give permission for you to check the Central Abuse Registry to see if an abuse determination has been made.

To give permission, the "adult" in the family must complete two forms:

- **Authorization for Release of Information, 470-0461**, stating that you are authorized to obtain information from the Central Abuse Registry and the service worker. Also specify on the release that the staff doing the child abuse check provide the status of the child abuse report and the name, worker number, and phone number of the service worker involved.
- **Request for Child and Dependent Adult Abuse Information, 470-0643**. Have the adult complete Section I of the form. Complete Section II of the form yourself.

Send or give a copy of both completed forms to the person authorized to access information in the Central Abuse Registry for your area.

If the Registry shows that the alleged abuse has been **founded or registered**, contact the service worker involved to confirm that the physical or emotional health or safety of the child is at risk. If that worker is no longer an HHS service worker, contact the service supervisor to request that the supervisor or another service worker check the records.

If nothing appears on the Registry, this indicates that the alleged abuse either was never reported or was not investigated or assessed, or that the abuse report was not confirmed. It may also be that the abuse was confirmed but not placed on the Registry.

Thus, lack of such a report on the Registry in itself is not sufficient to deny the minor parent's good cause claim due to abuse. Check with the service worker involved to see if the service worker has identified concerns for the safety of the minor parent or child which, together with the other available evidence, serve to corroborate the claim.

A check of the Central Abuse Registry is just one method by which to substantiate alleged abuse. The minor parent may provide other corroborating evidence, such as court, medical, psychological, psychiatric, social services, or law enforcement records that indicate (potential) physical or emotional harm to the minor parent or child by the adult parent or legal guardian.

If a minor parent claims good cause because of abuse that has not been reported to child protective services, you as a mandatory reporter must make a report to child protective services according to local procedures.

Make the report within 24 hours. If you report orally, also make a written report within 48 hours of your oral report. The results of this investigation may help to establish whether good cause exists.

Making the Decision About Good Cause

Legal reference: 441 IAC 41.22(16), 41.22(18)

Determine each good cause claim at the earliest possible date. Do not use the 30-day limit for processing applications as a waiting period before making a decision or as a basis for denying the application. Extend the time frame only if you and the client have made every reasonable effort but have been unable to get the needed evidence within the time limit.

Notify the client in writing of your decision whether good cause does or does not exist. This notification must explain the decision and the basis for the decision. Keep a copy of the notification in the case record.

When you determine that good cause **does not** exist, also deny the application or cancel the case.

When you determine that good cause **does** exist, also:

- Enter a code on the Automated Benefit Calculation (ABC) system to indicate the good cause reason.

- Review the decision at least every six months if the good cause circumstance is subject to change.

If circumstances change so that good cause no longer exists, notify the participant in writing and proceed to enforce the requirements.

Persons Who Misrepresent Their Place of Residence

Legal reference: 441 IAC 46.29(239B)

A person who is convicted in any state or federal court of having made a fraudulent statement or misrepresentation about the person's place of residence in order to get assistance from two or more states at the same time is ineligible for FIP for ten years.

The disqualification from FIP applies to people who are convicted of having fraudulently obtained assistance from two or more states at the same time from programs under:

- Title IV-A of the Social Security Act, which includes FIP (if in Iowa) or AFDC or TANF (if in another state), but does not include Refugee Cash Assistance; or
- Title XIX of the Social Security Act (Medicaid); or
- Food Stamp Act of 1977; or
- Supplemental Security Income (SSI) program under Title XVI.

The ten-year disqualification period begins on the date the person is convicted. Impose the disqualification on people who are active or inactive on FIP. Do not delay the disqualification for people already excluded from FIP who chose a limited benefit plan or who failed to cooperate with other program requirements. Once a disqualification penalty is imposed, the disqualification continues uninterrupted until completed.

The disqualification applies only to the convicted person. Follow the instructions in Treatment of Income and Resources of Disqualified People. Give timely notice when removing the convicted person from the grant.

If a court decision is pending, include the person's needs in the FIP eligible group until the court decision is made. If the person is convicted, remove the person's needs from the grant beginning the month following the month of conviction. When timely notice cannot be met, remove the person's needs effective the next month. Recover excess assistance issued for any months following the month of conviction.

Consider a conviction in another state the same as a conviction in Iowa. Exclude the person until the ten-year disqualification period imposed by the other state has ended.

Criminal convictions are public records. If a conviction is reported to you, contact the clerk of court in the county (of the state) where the person was convicted for verification of the person's conviction and to determine the ten-year disqualification period. Document the findings in the case record.

Failure to provide needed information about the convicted person when so requested results in FIP ineligibility for the entire household. See 6-G, Making Fraud Referrals for information on referring suspected fraud to DIAL.

NOTE: The disqualification does not apply to a convicted person who is pardoned by the President of the United States, beginning with the month after the pardon is given.

See 4-G, Establishing the Date of Application and Eligibility for information on adding a person to the eligible group after the disqualification period has ended.

Treatment of Income and Resources of Disqualified People

Legal reference: 441 IAC 41.26(239B), 41.27(239B)

During the disqualification period, do not divert income to the needs of any disqualified person living in the home. If the disqualified person is a parent, treat the parent's income and resources in accordance with 4-D, Whose Resources to Count and 4-E, Excluded Parent.

Also, do not consider the income and resources of a **needy** specified relative whose needs are removed from the grant due to a disqualification. Stop counting the person's income or resources beginning with the first payment month after removing the needs of that person.

When the disqualified person is a nonneedy, nonparental specified relative, the income and resources of that person are exempt. However, the nonneedy relative is not eligible for FIP on any case until the disqualification period is over.

> Mrs. A receives FIP for her three grandchildren. Her needs are included because she is determined needy. While on the grant, Mrs. A is found guilty of misrepresenting her place of residence. Her needs are removed from the grant effective December 1. Any income or resources of Mrs. A will not be counted beginning with the December benefit month.

When the disqualified person is an incapacitated stepparent whose needs are included in the FIP grant, remove the person from the grant.

Follow the usual stepparent policies, **except** do not divert income for the stepparent's own needs during the disqualification period. Allow appropriate diversions for the needs of the stepparent's ineligible dependents living in or outside the home as described in 4-E, Stepparent Income.

Residency

Legal reference: 441 IAC 41.23(239B)

A child must be a resident of Iowa to be eligible for FIP. Consider a person a resident of Iowa if the person meets one of the following criteria:

- The person is living in Iowa voluntarily, intends to make a home in the state, and is not in Iowa for a temporary purpose.
- The person does not receive assistance from another state and entered Iowa with a job commitment or to seek employment, whether or not the person is currently employed. In this case, the child is a resident of the state in which the caretaker is a resident. This policy allows migrants, itinerant workers, and their families to meet the residency requirement and receive FIP if otherwise eligible.

Consider a child a resident of Iowa if living in the state as part of a plan by the person responsible for the child's care, custody, and control. Do not consider a person a resident of Iowa if:

- Living in Iowa on a temporary basis.
- In Iowa solely on vacation. (For example, a child who lives with a parent in another state spends the summer with the other parent in Iowa.)

People in Iowa to attend school are not considered to be here temporarily. This includes foreign students. Children who meet citizenship requirements and are otherwise eligible are entitled to FIP assistance, regardless that their parents are foreign students. (NOTE: While foreign students may meet residency requirements, they may be ineligible for FIP, depending on their alien status. See 4-L, Alien Status for more details.)

Residency continues until the client has left the state. When a person temporarily leaves the state but plans to return, do not cancel assistance based on residency requirements.

Continued maintenance of a home in Iowa or the fact that most household goods remain in the state is considered evidence of temporary absence from Iowa. However, the acceptance of employment or the enrollment of the child in school in the other state is an indication that Iowa residency may have been abandoned. Discuss with your supervisor any case in which you question whether the participant is out of the state temporarily or permanently.

School Attendance

Legal reference: 441 IAC 41.21(1), 41.24(1); Iowa Code section 239.5B

Policy: A needy child can receive FIP assistance until the age of 18 regardless of school attendance.

FIP is available to a needy 18-year-old child only if the child is:

- A full-time student (see Defining Full-Time School Attendance), and
- Reasonably expected to complete training before the child's nineteenth birthday or any time during the month of the nineteenth birthday, unless the birthday is on the first of the month. For example, a child turning 19 on May 2 and completing training on May 23 is eligible through May.

A child between the ages of 16 and 18 who does not attend school full time must cooperate with PROMISE JOBS.

Procedure: Document in WISE if a child aged 16-18 is a full-time student or not. Documentation may include narration of the client's statement about the child's student status, a statement from the client on the application or RRED about the child's student status, or if the status is questionable, verification of the child's student status form the school. Student status for a 16–18-year-old child mut be documented when a child turns 16, at application, and at review. If the 16–18-year-old is not a full-time student, or the household does not respond to a request for clarification of the child's student status, refer the child to PROMISE JOBS.

Prior to a child turning 18, obtain written verification from the school or institution of the date the student is expected to complete requirements for graduation. You need a signed release or form **470-1638, Request for School Verification** before contacting the school.

Defining Full-Time School Attendance

Legal reference: 441 IAC 41.21(1)

Policy: A person is in school full time if enrolled or accepted in a full-time elementary school, secondary school, or equivalent level of vocational, technical, or training school, including Job Corps. The school or program must lead to a certification or diploma. Do not allow correspondence school as a program of study.

Procedure: Consider a person to be attending school until officially dropped from the school record. Continue assistance for a reasonable period of time when a person's education is temporarily interrupted because of a change in the education or training program.

The school determines whether the student's hours of attendance are considered full time. Obtain a statement from school officials if you question full-time status of a student who is:

- Working on a GED.
- Enrolled in a "drop-in" school.
- Enrolled in any other public educational program that has irregular or shortened hours.

Consider a person to be in school full time, regardless of any of the following:

- Official school vacation
- Training program vacation
- Illness
- Convalescence
- Family emergency

Consider a child who receives home schooling the same as any other student, provided:

- The home schooling arrangement is certified by the school system. Obtain any needed verification of student or attendance status from the school system that certified the arrangement. A signed release from the client is needed (the same as when a child is enrolled in a regular school setting), or
- The parent states they are home schooling the child and they consider the instruction full time and the home schooling will lead to a diploma or certificate (this could be a high school equivalency diploma or a certificate the parent makes up).

Graduate Students

Legal reference: 441 IAC 41.25(6)

Students enrolled in an educational program leading to a degree beyond a bachelor's degree and their families are ineligible for FIP.

Programs leading to a degree beyond a bachelor's degree include programs to obtain a master's degree; a Ph.D.; a doctor of medicine (M.D.), chiropractic, or veterinary medicine; or other advanced degree. Students enrolled in these advanced degree programs and their families are ineligible for FIP, whether or not they have already received a bachelor's degree.

If the type of program a student is enrolled in is questionable, verify it with the school.

1. Ms. A applies for FIP for herself and her child. She is enrolled in a master's degree program at the university. FIP assistance is denied for Ms. A and her child because she is enrolled in a program leading to a degree beyond a bachelor's degree.
2. Ms. B applies for FIP for herself and her child. She is enrolled in a bachelor's degree program. If otherwise eligible, she and her child are approved for FIP. Ms. B would also be able to receive FIP if she was enrolled in a program to receive an associate's degree, LPN, RN, or other degree that is **not** beyond a bachelor's degree.
3. Mr. and Mrs. C apply for FIP for themselves and their children. Mr. C has been admitted into the doctor of dentistry program, even though he has not yet completed his bachelor's degree. FIP assistance is denied for the entire family, because Mr. C is enrolled in a program leading to a degree beyond a bachelor's degree.

Social Security Number

Legal reference: 441 IAC 41.22(13)

As a condition of eligibility, all applicants and members of the eligible group must either provide a social security number (SSN) or provide proof that an SSN has been applied for, but has not yet been issued or is not known. If a person proves that number has been applied for, do not delay or deny FIP assistance pending issuance or verification of the number.

Do not include in the eligible group the needs of any person for whom:

- A valid SSN has not been provided, or
- An application for an SSN has not been made, or
- Proof of application for an SSN has not been provided, or
- The number has not been reported within the defined period.

EXCEPTION: Battered aliens may receive FIP before applying for an SSN. See 4-L, Battered Aliens for more information.

If the excluded person is the parent or needy specified relative, that person may still act as payee for any eligible children. An SSN or proof is not required of a payee who is not a member of the eligible group.

Pend the application to allow the applicant additional time if the applicant cannot apply for a number because of circumstances beyond the applicant's control. Determine whether the applicant is **refusing** to meet the requirement or is **unable** to meet the requirement right away.

> The child was born in another state and the applicant has difficulty in getting the verification needed to apply for an SSN for the child. The applicant is not refusing to meet the requirement but is unable to meet it immediately.

If a grant can be approved for some members but not for other members because of the SSN requirement, offer the applicant the following alternatives:

- Pend the application until all members are eligible. The grant, covering all members, will then become retroactive to seven days after the date of application or the date the family was otherwise eligible, whichever is later.
- Approve the assistance grant for the members who are immediately eligible, with the expectation that the other members will be added to the grant after a proof of SSN application is provided.

There is no retroactive payment for members who are added at a later date. The date of application to add the previously excluded members is the date the participant provides you with proof of application for the SSN.

1. Ms. A applies for assistance on April 1 for herself and her child, who was born in Utah. Ms. A hasn't been able to get the child's birth certificate to apply for an SSN. Her application is pending. On June 2, Ms. A receives the birth certificate and applies for the child's SSN. She provides proof on June 3. If otherwise eligible, Ms. A receives assistance retroactive to April 8.
2. Ms. B applies for assistance on March 10. She has applied for an SSN for one of her two children, but is having trouble getting a birth certificate for the other. She elects to receive assistance for herself and one child. On March 25, the assistance is approved effective March 17 for Ms. B and the one child.

   On April 15, Ms. B receives the necessary verification and applies for an SSN for the second child. On April 18, she provides proof of application for the second child's SSN. If otherwise eligible, the child is added to the grant effective April 25.

When the FIP application is pended, make monthly contacts with the applicant to determine if the applicant is making continued efforts to secure the necessary documentation or verification.

The following sections address:

- Obtaining the social security number
- Failure to give or supply a social security number
- Social security number requirements for newborns
- Follow up after receiving proof of application for a Social Security Number
- Verifying a social security number

Obtaining a Social Security Number

A client can obtain a social security number (SSN) in several different ways:

- The client can use form **SS-5, Application for a Social Security Number Card**. This form results in the Social Security Administration (SSA) automatically notifying the Department when the number has been received. See **14-G, Social Security Number Verification** for more information.
- The client can apply directly to the SSA and give the Department a receipt from SSA, form **SSA-5028, Proof of Application**. The client must also report the number to the Department upon receipt.

- Through the "Enumeration at Birth" project, the client can apply for a number for a newborn child at the hospital where the child was born. If an infant is born in a hospital, consider that an SSN has been applied for. The client must report the number to the Department upon receipt. If the number is not provided in a reasonable time, follow normal procedures to request the number.

For a client who is a qualified alien that is not authorized to work in the U.S.:

- complete **470-5745, Enumeration Referral**,
- sign the form in blue ink,
- include the form with the RFI requesting the client apply for an SSN, and
- inform the client they must take the form to the SSA when they apply for an SSN.

Inform the client that the SSA requires proof of age, identity, and citizenship or alien status when applying for an SSN. Help the client to get these documents, if necessary. For example, the client may need help in getting a certified copy of a birth certificate when a child was not born in Iowa.

See 4-L, Battered Aliens for information on how a battered alien obtains an SSN.

Failure to Give or Apply for a Social Security Number

Legal reference: 441 IAC 41.22(13)

If an applicant refuses to give or apply for an social security number (SSN) for a member of the eligible group, do not include the needs of that member when approving the application. If the applicant fails to apply for or provide a number for the only eligible child, deny the entire application.

If a participant refuses to give an SSN for a member of the eligible group, remove the individual from the eligible group. If the participant fails to provide a number for the only eligible child, cancel the entire case.

With the exception of newborns, do not add a person to an existing FIP case without that person's SSN or proof of application for an SSN.

1. A mother with two children refuses to apply for a SSN for the younger child. The younger child is not included in the eligible group.
2. A mother with one child refuses to apply for a SSN for the child. The case is ineligible.

When adding a person who has been excluded from the eligible group for failure to provide an SSN or proof of application for the number, the date of application is the date when the SSN or the proof of application is provided. The effective date of eligibility is seven days after the date that the number or proof is provided.

> Ms. T and two of her children receive FIP. A third child is excluded from the grant due to lack of a SSN. On May 5, Ms. T provides proof of application for the excluded child's number. The child is added to the grant effective May 12.

EXCEPTION: Battered aliens may receive FIP before they apply for an SSN. See 4L, Battered Aliens for more information.

Social Security Number Requirements for Newborns

Legal reference: 441 IAC 41.22(13)"b"

When a baby is born in a hospital, consider that a social security number (SSN) has been applied for through the "Enumeration at Birth" project. The client must report the number to the Department upon receipt. If the number is not provided within three months from the date of birth, follow normal procedures to request the number.

> Ms. C has a baby on April 7 in a hospital. She requests to add the baby to her eligible group on April 15. On April 25, the baby is added to the grant effective April 22 (seven days after Ms. C's report).
>
> Ms. C is not required to supply proof of application for an SSN before the baby is added. However, she must supply the SSN for the baby by the end of the third month following the baby's birth.
>
> When the local office adds the child on April 25, the worker sets a task for the beginning of July to request the SSN if it hasn't been provided.
>
> On July 5th the worker receives the task and reviews the file and sees that the SSN has not been provided for the baby. The worker sends the household a request for the SSN the same day. If Ms. C supplies the SSN application by July 15, no further action is taken. If the proof is not supplied by that date, the worker removes the child effective August 1.
>
> If Ms. A provides the required proof on July 25, the child is reinstated for August 1. If Ms. A provides proof on or after August 1, the worker adds the baby to the grant effective seven days after the date the SSN is received.

When a baby is not born in a hospital, or tells you they did not apply for an SSN at the hospital through the "Enumeration at Birth" project, a FIP participant who is the mother of a newborn child has until the last day of the month following the month:

- the baby was born, or
- she was released from the hospital to apply for the newborn's SSN. The month the mother is discharged is the month of change.

Proof of application for the baby's SSN must be in the case record no later than the last day of the month following the month the baby was born or the mother is released from the hospital in order to avoid a payment error. For example, whether the baby was born or the mother is discharged June 1 or June 30, proof of application must be in the case record no later than July 31.

You do not need to wait until the month after the baby was born or mother's release from the hospital to take action.

1. Ms. A has a baby on March 7 and is released from the hospital on March 10. She requests to add the baby to her eligible group on March 15 and tells you that she did not apply for an SSN for the baby at the hospital. On March 25, the baby is added to the grant effective March 22 (seven days after Ms. A's report).

   Ms. A is not required to supply proof of application for an SSN before the baby is added. However, she must supply proof of the application for a number by April 30, or the child will be removed effective May 1.

   When the local office adds the child on March 25, the worker makes changes on the system and also sends a letter to Ms. A telling her that she must provide proof of application for an SSN by April 15, or the baby will be removed from the grant.

   If Ms. A supplies the proof of SSN application by April 15, no further action is taken. If the proof is not supplied by that date, the worker removes the child effective May 1.

   If Ms. A provides the required proof on April 25, the child is reinstated for May 1. If Ms. A provides proof on or after May 1, the worker adds the baby back to the grant effective seven days after the date proof is received.

2. Ms. D has a baby on October 3 at home. She requests to add the baby to her eligible group on October 10 and tells you that she applied for an SSN for the baby. On October 15, the baby is added to the grant effective October 10 (seven days after Ms. D's report).

   Ms. D is not required to supply proof of application for an SSN before the baby is added. However, she must supply proof of the application for a number by November 30th, or the child will be removed effective December 1.

   When the local office adds the child on October 15, the worker makes changes on the system and also sends a letter to Ms. D telling her that she must provide proof of application for an SSN by November 15, or the baby will be removed from the grant.

   If Ms. D supplies the proof of SSN application by November 15, no further action is taken. If the proof is not supplied by that date, the worker removes the child effective December 1.

   If Ms. D provides the required proof on November 25, the child is reinstated for December 1. If Ms. D provides proof on or after December 1, the worker adds the baby back to the grant effective seven days after the date proof is received.

Follow Up After Receiving Proof of Application for a Social Security Number

When a participant has provided proof of application for a social security number (SSN) at application time the participant has until the end of the third month after application to provide the SSN. The local office should set an event to request the SSN at the beginning of the third month.

Verifying a Social Security Number

Legal reference: 441 IAC 41.22(13)

Social security numbers (SSN) must be verified by the Social Security Administration. Assume the number is verified unless you receive an alert that there is an error. When an SSN entered into the system does not match SSA records, the SSA generates an error report and an alert is issued to the worker.

If you receive an alert:

1. Check the system to confirm that the number the client gave was correctly entered into the system.

2. If the number was correctly entered but cannot be verified, instruct the client in writing to apply for a new number to resolve the discrepancy. Allow the client ten days to provide form **SSA-5028, Proof of Application**.
3. If the client does not provide the form within ten days, remove the needs of the person without a verified social security number from the grant. If that person is the only eligible child, cancel the entire FIP grant. Issue timely notice and recoup assistance if necessary.

Specified Relatives

Legal reference: 441 IAC 41.28(1), 41.22(3)

Policy: To be eligible for FIP, a child must live with a specified relative. “Relative” includes people related by blood, marriage, or adoption. The child’s home can be with either the specified relative or the spouse of the specified relative, even if the marriage is terminated by death or divorce. The following is a list of people who qualify as specified relatives.

- Father, adoptive father
- Mother, adoptive mother
- Grandfather, grandfather-in-law (the subsequent husband of the child’s natural grandmother, i.e., step-grandfather), adoptive grandfather
- Grandmother, grandmother-in-law (the subsequent wife of the child’s natural grandfather, i.e., step-grandmother), adoptive grandmother
- Great-grandfather, great-great-grandfather
- Great-grandmother, great-great-grandmother
- Stepfather, but not his parents
- Stepmother, but not her parents
- Brother, brother-of-half-blood, stepbrother
- Brother-in-law, adoptive brother
- Sister, sister-of-half-blood, stepsister
- Sister-in-law, adoptive sister
- Uncle, aunt (of whole or half blood)
- Uncle-in-law, aunt-in-law (the spouse of the child’s natural uncle or aunt)
- Great uncle, great-great-uncle

- Great aunt, great-great-aunt
- First cousins, nephews, nieces
- Second cousins

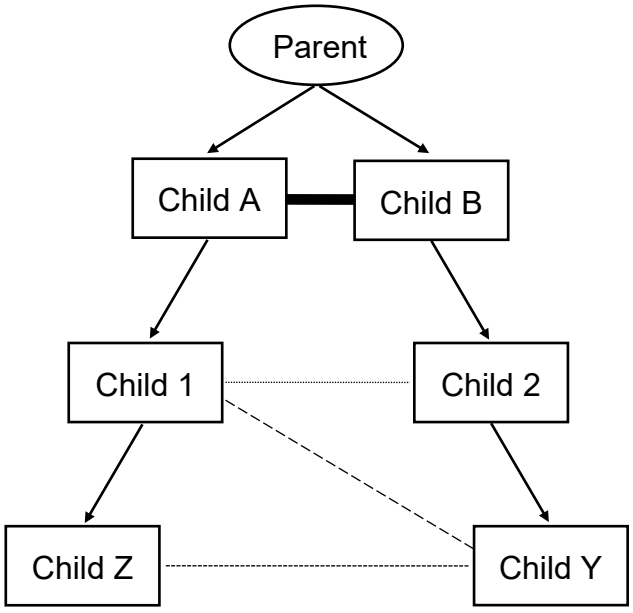
NOTE: If the person with whom the child is living does not meet the definition of "specified relative," there is no FIP eligibility even if the household contains half-siblings of the child who are FIP eligible.

The household consists of Ms. A, Ms. A's child by Mr. B, and Mr. B's child from another relationship. Even though the two children are half-siblings, Ms. A cannot receive FIP for Mr. B's child because she is not a specified relative to that child.

A person's first cousin's child is their first cousin once removed. This relationship does not meet the definition of a specified relative, so there is no FIP eligibility.

The household consists of Ms. B and child C. Child C's mother is Ms. B's first cousin. Child C is Ms. B's first cousin once removed. Ms. B cannot receive FIP for child C because she is not a specified relative to that child.

Second cousins are children of people who are first cousins to each other (i.e., grandchildren of siblings).



= Child A and Child B are siblings.

= Child 1 and Child 2 are first cousins to each other.

= Child Z and Child Y are second cousins to each other.

= Child 1 and Child Y are first cousins once removed.

Procedure: Use the prudent-person concept to determine whether a person meets the second cousin definition. Ask the applicant to describe how the child in question is related.

If the applicant is not sure or the applicant's description is questionable, ask for documentation to reveal how the parties are related (e.g., birth certificates of the applicant and second cousin, their parents and grandparents, or any court documents or other records that may contain clarifying information). Follow the policies in 4-B, Verification in those situations.

A guardian or conservator of the child can act as the applicant or participant and receive the FIP grant only if the person is a specified relative to the child and the child lives with that person.

Relatives of the "putative" father can qualify as a specified relative only after the court has established paternity, or the putative father has acknowledged paternity with written evidence and there is no other legal father.

Written evidence can include a letter, an affidavit, or a signed *Food and Financial Support Application*. Use the prudent-person concept regarding written evidence. A favorable determination made by another government agency (e.g., the Social Security Administration, the Veteran's Administration) is also reliable evidence of paternity.

The following sections address procedures for:

- Determining the natural father
- Determining if a common-law marriage exists
- Determining if a child lives with a specified relative

Determining the Natural Father

Legal reference: 441 IAC 41.22(3)"b," 41.28(1)"b"

The term "natural father" refers to the male who can be considered to be the child's father for the purpose of determining eligibility. Consider a man as the natural father if he:

- Was married to the mother at the time of the child's conception or birth (unless the court has declared this man **not** to be the father), or
- Has been declared by the court to be the father, even though not married to the mother at the time of the child's conception or birth, or
- Claims to be the father, **unless** the child already has a legal father.

When paternity has not been established through marriage or a court decision, allow a man claiming to be the natural father to be the payee or be included in the eligible group if he:

- Signs the **Food and Financial Support Application** or
- Provides a signed statement that he is the father of the child.

"Biological father" is the male responsible for the conception of the child. "Legal father" is the male considered the father under Iowa law. When the child's biological father is someone other than the child's legal father, consider the legal father to be the parent. Do so until the court establishes that the legal father is not the parent of the child. See 4-B, Referrals to CSS for more information.

Mrs. A, a FIP participant, is separated from Mr. A. She lives with Mr. K and has a child by him. Mr. A is considered the legal father of the child and must be referred to CSS. The child is considered deprived based on Mr. A's absence.

Although Mr. K is the child's biological father, he cannot be included in the eligible group until the court declares Mr. A not to be the child's father. Until then, Mr. K's income and resources are not considered (except for amounts he makes available to the eligible group).

Determining If a Common-Law Marriage Exists

Legal reference: 441 IAC 41.28(1)

When determining if someone is a specified relative, there may be situations where a common-law marriage exists or the applicant or participant claims a common law marriage exists. A common law marriage exists if **both** people:

- Are free to marry,
- Have intended or have agreed to be married, and
- Publicly declare themselves to be husband and wife.

Since a common-law marriage affects who may be considered as a specified relative, determine if such an arrangement exists when the client claims a common-law marriage, even if the two parties are no longer living together when the claim is made.

If a common-law marriage currently exists (or existed in the past), either party can be considered as a specified relative (stepparent) to a child of the other party and may receive FIP for the child on a nonparental case, if otherwise eligible.

Accept a couple's claim that a common-law marriage exists unless you have reason to question the claim. The following items can further indicate that a common-law marriage exists:

- Joint income tax forms
- Joint purchase of property (house, car, etc.)
- Mortgages or loans
- Insurance policies
- School records
- Employment records
- Birth records
- Joint bank accounts
- Statements to friends or relatives
- Hotel or motel registrations

Evidence must represent the couple as husband and wife. One item is not enough evidence, but several items might indicate a common-law marriage.

To enter into a common-law marriage, the two people must be **free to marry**, the same as for a ceremonial marriage. If either common-law party is currently married to someone else, but a divorce did not take place between the two parties, that negates a claim of common-law marriage.

Because a common-law marriage is a legal and valid marriage, a divorce is needed to dissolve the marriage to render the two parties free to marry again (or enter a new common-law marriage). But remember, just like couples who are in a ceremonial marriage, the common-law parties may choose to separate rather than go through a divorce.

When a common-law marriage exists, treat the adults the same as any other married couple. This means you apply either stepparent or parental policies.

Treat a case as a shared living arrangement when a couple claims not to have a common-law marriage.

When a couple claims their relationship is not a common-law marriage, but you believe one might exist, refer the case to the Department of Inspections, Appeals, and Licensing (DIAL), for front-end investigation. See Front-End Investigation Procedures for more information on referrals.

Treat the case as a shared living arrangement until DIAL has determined that a common-law marriage exists and has notified you to that effect.

Determining If Child Lives with a Specified Relative

Legal reference: 441 IAC 41.21(3)

When a specified relative accepts responsibility for the child's welfare and the child shares a home with the relative, the relative and child are considered "living with" each other. If the child or relative is **temporarily** absent from the household, the relationship continues to exist even **if** the relative temporarily loses responsibility for the care and control of the child.

A child may be under the jurisdiction of the court, or a person or agency may hold legal custody, but the child does not **live** with the person or agency. There may be a court order specifying that public assistance should not be sought.

Regardless of existing legal documents, FIP eligibility is based on all factors in the child's current living arrangement. The child is considered to be "living with" the relative, as long as the child is either physically present or temporarily absent.

The following sections address circumstances involving:

- Adoption
- Termination of parental rights
- Joint custody
- Definition of a "home"

Joint or Shared Custody

Legal reference: 441 IAC 41.21(3)

A child must be living in the home at least 50% of the time to be in the FIP eligible group. A child is eligible for FIP in one home only. When a child spends equal amounts of time (50/50) in the home of each parent, you must designate with which parent the child is living.

- If only one parent is interested in applying for FIP, consider the child as "living with" that parent when determining FIP eligibility.
- If one parent is receiving FIP and the other parent applies, advise both parents that FIP assistance cannot be paid to both parents. In this case, assistance will not be paid to the parent who applied, unless the other parent voluntarily agrees to cancel the grant currently received.
- If both parents apply for FIP assistance, talk to the parents, together if possible, to determine with which parent the child is "living." Again, keep in mind, the child can be eligible in one parent's home only.

If the parents cannot decide who should get FIP, make the determination yourself. Document the basis for your decision in the case record. Explain the situation in the comment section when referring the absent parent to CSS.

The following questions may be helpful when deciding who the child is "living with" if the child appears to be spending equal amounts of time in each home and the parents cannot decide who will receive the grant. This is not a complete or final list of questions but gives some general guidance.

- Which parent lives in the same school district as the child?
- Who purchases most of the child's clothing?
- Which parent does the school contact in an emergency?
- Where are most of the child's clothing and toys stored?
- Who does most of the child's laundry?
- Who maintains medical records and sets up routine doctor's appointments?
- Who has the final say as to what the child can or cannot do if there is a disagreement?

Adoption

Legal reference: 441 IAC 41.21(3)

When a mother intends to place her child for adoption shortly after birth, the child is considered as living with the mother until she signs the legal release of custody and actually relinquishes custody. Under Iowa law a release of custody to voluntarily place a child for adoption cannot be signed less than 72 hours after the child's birth.

Establish a parental case for the adoptive parent. Include on the case the parent's biological child (if applicable) and the adopted child. Establish a separate nonparental case for the adopted child's sibling in the home who was not adopted.

An adoption severs the legal relationship between the child who is adopted and that child's biological parents and biological siblings. However, the adoption does **not** sever their blood relationship.

Consequently, when a child who was adopted returns to the home of the biological parent, the biological parent is not considered the legal parent of the child but is still considered a specified relative to the child. For FIP purposes, establish a nonparental case for the child, with the biological parent as payee. Treat the case like any other nonparental case.

If the biological parent requests FIP assistance as well, include the biological parent on the case as a needy specified relative, if otherwise eligible. Treat the eligible group according to Needy Specified Relative in this chapter.

If the biological parent's home also includes biological siblings of the child who was adopted, and assistance is requested for everyone, establish two separate FIP cases:

- A parental case for the biological parent and the biological siblings.
- A nonparental case for the child who was adopted. See Nonparental Specified Relative in this chapter.

Parental Rights Terminated

Legal reference: 441 IAC 41.28(1) and (2)

When parental rights have legally been terminated, but the child has **not** been adopted by another person, the parent is still considered a parent of the child for FIP purposes. Therefore, establish a parental case when the child lives in the home of a parent whose parental rights were previously terminated.

Definition of a "Home"

Legal reference: 441 IAC 41.21(3), 41.23(2); Iowa Code Chapter 235A

A home is defined as an established family setting or a family setting that is in the process of being established. Evidence must show that the relative assumes and continues the responsibility for the child in this setting. This includes living together or sharing a household.

A home is considered suitable unless the court rules it unsuitable and removes the child. When you have reason to believe a home is unsuitable because of neglect, abuse, or exploitation of the child, refer the family to the Protective Service Unit for investigation. Make an oral report to the unit within 24 hours.

Strikers

Legal reference: 441 IAC 41.25(5)

A “strike” is defined as a concerted stoppage, slowdown, or interruption of operations by employees. This includes a stoppage because a collective bargaining agreement has expired.

When a **parent** participates in a strike on the last day of the month, the entire family is ineligible for FIP for that month. However, when a person **other than a parent** participates in a strike on the last day of the month, only that person is ineligible for FIP for that month.

> Mr. C reports on November 5 that he was on strike from October 10 through October 28. No action is needed because Mr. C was not on strike the last day of October.

The following sections address:

- Actions required when a person is participating in a strike
- Circumstances that are not included as “being on strike”

When a Person Is Participating in a Strike

Legal reference: 441 IAC 41.25(5)

For **applicant** cases, if the striker is **not** the parent, only the person who is on strike is ineligible for any and all months in which the person was participating in the strike on the last day of that month. When the strike is expected to continue through the month of decision, the person is ineligible for all prior months.

If the striker is a parent **applying** for FIP:

- Deny the application if you anticipate that the parent will continue on strike through the last day of the month of decision.
- Approve the application (if all other eligibility criteria are met) if you anticipate that the strike will not continue through the month of decision. However, the family is not eligible for any prior month in which the parent was on strike on the last day of the month.

If the striker is a parent on an **active** case, cancel the case if the strike is expected to continue through the last day of the month. If the striker is not a parent but is included in the grant, remove the striker's needs from the grant if the strike is expected to continue through the last day of the month.

No recoupment is necessary for the month of change (the month the strike began). Recoup the striker's portion of the FIP benefits issued for any month following the month of change in which the person continued to participate in the strike on the last day of the month.

1. Ms. A receives FIP for herself and her child. In May, she reports her union is on strike. The strike began April 28. The IM worker contacts the union representative and determines that the workers are expected to return to work no later than May 25. Ms. A remains eligible. No recoupment is necessary if the strike actually ends in May.
2. Same situation as in Example 1, except the strike is not expected to end in May. Ms. A's case is canceled effective June 1 and May benefits are subject to recoupment.
3. Ms. B receives FIP for herself and her child. In September, the IM worker learns that Ms. B has been on strike since July 15. It appears that the strike will continue through the last day in September. Ms. B's case is canceled effective October 1. Benefits issued for August and September are subject to recoupment.

When a Person Is Not Participating in a Strike

Legal reference: 441 IAC 41.25(5)"c"(2)

A person is not participating in a strike if the person meets all of the following conditions:

- The person is not picketing and does not intend to picket during the strike,
- The person does not draw strike pay, and
- The person either:
  - Crosses the picket line and goes to work, or
  - Provides a signed statement indicating the person is willing to return to work but does not want to cross the picket line for fear of injury, death, or trauma from harassment. The service area manager determines if such a risk to the person's physical or emotional well-being exists.

STATE OF IOWA DEPARTMENT OF
Health AND Human
SERVICES

Employees' Manual
Title 4, Chapter D

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Family Investment Program
Resources

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Overview

This chapter explains resources to count when determining eligibility for the Family Investment Program (FIP). This section describes the resource limits for FIP. The next section defines whose resources to include and how to decide if the resource is available to the client.

The next section is an alphabetical list of resources that are exempt or exempt under certain circumstances. The following sections explain how to handle mortgages, trusts, and vehicles. The final sections deal with transfer of assets and how to treat property that the client is trying to sell.

The policies on resources are found in 441 Iowa Administrative Code 41.26(239B). These rules are based upon Section 402(a)(7) of Title IV of the Social Security Act and on Iowa Code Section 239B.2.

Resource Limits

Legal reference: 441 IAC 41.26(1)"e"

The countable resources of FIP applicants and participants cannot exceed these limits:

- $2,000 in countable resources for applicant households.
- $5,000 in countable resources for participant households.

EXCEPTION: Use the $5,000 limit for applicant households with at least one member who was a FIP participant in Iowa in the month before the month of application. This includes clients who did not receive an assistance grant due to the $10 grant limit or due to rounding the grant amount, and clients whose grants were suspended.

The resource limits apply to the entire eligible group. Participant status does not change when you add a new household member to an existing eligible group.

1. Ms. B is canceled from FIP effective November 1. She reapplies on November 5. She has $3,000 in countable resources. The $5,000 resource limit applies, because Ms. B was a participant in the month before reapplying. Ms. B is resource-eligible.
2. Same as Example 1, except Ms. B does not reapply for FIP until December 2. The $2,000 resource limit applies because Ms. B was not a participant in the month before reapplying. The application is denied.

When the applicant received FIP benefits in the month before the month of application, but eligibility is delayed into the month after the month of application, the $5,000 participant limit applies.

1. Mr. C is canceled from FIP effective November 1. He reapplies on November 26 with a December 3 effective date. Because Mr. C was a participant in the month before reapplying for FIP, the $5,000 resource limit for participants applies.
2. Family X is canceled from FIP effective October 1. They reapply on October 17. The worker approves the application on November 12. The family is denied for FIP for October due to income but is eligible in November. The $5,000 participant limit applies because the family received assistance in September (month before the month of application).

The data processing system determines whether to apply applicant or participant limits according to the system entries you make. If system entries indicate an applicant household, the system looks at each person's status in the month before the month of application. If the system finds an active FIP status for any member of the household for the month before the month of application, it applies the $5,000 participant resource limit.

The system is **not** able to determine whether the assistance received in the month before the month of application is subject to recoupment. Households are not considered participants for a month of recoupment and thus are not entitled to the $5,000 participant limit.

Therefore, when you approve a reapplication for a household that has countable resources in excess of $2,000 and received assistance in the month before the month of application, determine if that month's assistance is subject to recoupment. If so, make system entries to override the system-determined $5,000 participant limit. This results in the system applying the $2,000 applicant limit, as required in such a situation.

1. Mr. D is canceled from FIP effective August 1. He reapplies on November 2. He has $3,000 in countable resources. On November 22, the worker makes a system entry error that causes the system to apply the $5,000 resource limit for participants rather than the $2,000 limit for applicants. Since it is past timely notice to cancel for December, the worker cancels FIP effective January 1. November and December FIP benefits are subject to recoupment.

   If Mr. D reapplies in January, he will be subject to the $2,000 limit for applicants. Since the FIP benefits issued in November and December are subject to recoupment, Mr. D lost participant status for those months.

2. Same as Example 1, except on December 1, Mr. D verifies that his resources are $1,800. Mr. D is eligible for FIP in December and ongoing. However, his November assistance is subject to recoupment.

   NOTE: Had Mr. D's countable resources not been below $2,000 until December 2, his December benefits would also be subject to recoupment.

3. Family A is approved for FIP effective October 12. The following March, the worker discovers that the family had these amounts in a savings account that the family had failed to report: October, $2,500; November, $2,500; December, $1,800; January, $2,400; February, $2,300; March, $2,400.

   The family was totally ineligible for FIP in October and November, because their countable resources exceeded the $2,000 applicant limit. FIP benefits issued in those two months are subject to recoupment. However, in December, the family was eligible, because their countable resources were below the $2,000 applicant limit.

   Once eligibility is established, the $5,000 resource limit for participants applies. Therefore, Family A continues to be eligible in January, February, and March.

For **applicant** households, the effective date of assistance is the first day the household is within the $2,000 resource limit, or seven days from receipt of the application, whichever is later.

An application is received on October 1. The date of decision is October 20. The applicant's countable resources exceeded limits through October 15. The effective date of assistance is October 16 rather than October 8.

An applicant becomes a participant when the application is approved on the system, regardless of whether the date of decision is in the month of application or the following month. Therefore, apply the applicant limit through the month of decision. Apply the participant limit beginning with the month after the month of decision.

1. Ms. A applies for FIP on October 15. The worker approves the application on November 12. The $2,000 applicant limit applies to October and November. The $5,000 participant limit applies beginning with the month of December.
2. Mr. B applies for FIP on October 12. The worker makes the decision on November 8. In October, the applicant's countable resources were $1,800. On the date of decision, Mr. B's resources are $2,100. The worker denies the application because Mr. B's resources exceed the $2,000 applicant limit on the date of decision.

Countable Resources

The following sections explain:

- Whose resources to count
- What resources to count
- Treatment of resources under joint ownership

Whose Resources to Count

Legal reference: 441 IAC 41.26(2), 41.27(6)"x"

Count the resources of all persons in the eligible group. Include the resources of a parent who is living in the home with the eligible children but who is not a member of the eligible group (e.g., excluded parent).

Do **not** consider the resources of:

- An ineligible stepparent living in the home.
- A Supplemental Security Income (SSI) recipient.
- A self-supporting parent on a minor parent case, when determining eligibility for the minor parent and the minor parent's child.
- An ineligible child living in the home. This includes a child who is excluded because the child receives subsidized adoption assistance.

What Resources to Count

Legal reference: 441 IAC 41.26(1), 41.26(5), 41.26(6)"a" and "c"

Unless specifically exempt, all resources are considered countable. Examples of resources that are countable include:

- Cash on hand.
- Money in checking or savings accounts.
- Stocks. (Use the closing price of the stock as of the date of decision or the time of review.)
- Bonds. (Use the redemptive value as of the date of decision and at the time of review.)
- Mutual funds.
- Retirement accounts such as IRAs, Keoghs, 401Ks, and IPERS.
- Promissory notes and contracts.
- Motor vehicles. (See Vehicles.)
- The net market value of nonexempt nonhomestead property. See Exempt Resources and Inaccessible Resources for certain exceptions. (See Determining Net Market Value of a Countable Resource for instructions.)
- Cash value of life insurance. This is the amount the insurance company pays upon cancellation of the policy before death. Use form 470-0444, *Insurance Report*, to obtain the client's authorization to verify the amount of the cash value and that the client has ownership or access to this cash value.

When a client leaves employment, the client may receive a lump-sum payment from the retirement fund. Consider the employee's portion plus accumulated interest as a resource.

Count a resource only when:

- The applicant or participant owns the property in part or in full and has control over it (meaning it can be occupied, rented, sold, etc. at the client's discretion).
- The applicant or participant has a legal interest in a liquidated sum and has the legal ability to make the sum available.

Determine the availability of a resource regardless of the equity (net market) value. See also Inaccessible Resources.

Joint Ownership

Legal reference: 441 IAC 41.26(6)"c"

When a resource is owned by more than one person, assume everyone has equal shares unless you have verification to determine that the shares are different.

If an applicant or participant owns a resource with another person but indicates that ownership is not equal, ask the co-owner to provide a written statement specifying the intent, degree, and terms of the joint ownership.

The intent of the co-owner is important. If the co-owner does not intend to provide the client access, the resource is unavailable. Examples include:

- An elderly parent of a FIP participant who has a joint account with the participant in the event the parent becomes disabled.
- An adult child (a FIP participant) who is added to the title of a parent's home for ease of transfer in the event the parent should die.

In cases such as these, ask the other owner to write a statement indicating whether or not the FIP participant has access to the account. If the statement indicates no access to the resource, consider it unavailable. Periodically check the availability of the resource.

If the client has joint ownership or tenancy-in-common ownership:

1. Determine the equity (net market) value of the total resource. If the total value plus other resources owned by the client are less than resource limits, take no further action.
2. Determine the client's share of the total equity (net market) value of the jointly owned resource. If the client's share plus other resources owned by the client are less than the resource limit, take no further action.
3. If the client's share of the equity value would affect eligibility, contact the co-owner to determine if the co-owner would be willing to sell the resource. If so, count the client's share of the total equity value.
4. If the co-owner refuses to cooperate in the sale of the property, determine the equity (net market) value of only the client's share. The client must provide a written estimate of the value from a knowledgeable source.

   The source must consider local market conditions as well as the condition and location of the resource. The source must also consider that the client has only a partial interest and that the co-owner refuses to sell.

   If the estimate provided by the client appears reasonable, accept it. If the estimate is questionable, ask the client to sign a release of information so that you can independently verify the estimate.
5. Approve assistance, if otherwise eligible, when the equity value of the client's share in combination with other resources does not exceed resource limits. Deny or cancel assistance if that equity value, in combination with other resources, exceeds resource limits.

If the client disagrees with your decision, ask the client to supply additional information regarding the availability or value of the property.

If you are not able to determine availability, refer the case to central office staff on form 470-0116, *Clarification Request*.

Determining Net Market Value of a Countable Resource

The following sections explain how to determine the net market value of:

- Contracts.
- Other resources.

Contracts

Legal reference: 441 IAC 41.26(4)"b"

Consider any principal payments received on a contract as a resource upon receipt. Consider the monthly interest portion of the payment as a resource, effective the first of the month after the month of receipt. The resource value of a contract is the gross price for which it can be sold or discounted on the open market, minus any legal debts, claims, or liens against it. If the contract has terms which, as a practical matter, prevent sale, do not count it as a resource.

In Iowa, contracts are always legally transferable, even if the terms of the contract prohibit it. Although such terms are not legally enforceable in Iowa, they may affect the current market value of the contract.

> Ms. B owns a contract with her two sisters, Ms. C and Ms. D. The terms of the contract prohibit any transfer or sale of the contract without approval of all of the siblings. Neither Ms. C nor Ms. D is willing to sell her shares or to buy Ms. B's share.
>
> In reviewing the contract, a knowledgeable source determines that the terms of the contract prevent the sale. Even though these terms are not legally enforceable, they affect the market value of the contract. Therefore, the contract is considered to have a value of zero.

Ask the client for a written estimate of the contract value. The estimate must be based on local market conditions and the condition and location of the property. If the estimate provided by the client appears reasonable, accept that value. If you have more than one valuation, average the values.

> Ms. A owns a contract. She obtained three written valuations: $925, $850, and $800. The worker averages the three evaluations ($925 + $850 + $800 = $2,575 divided by 3 = $858). The average value of $858 is considered the fair market value of the contract.

If you doubt the value of the estimate, or if the client cannot get one, ask the client to sign a release of information so that you can independently verify or obtain the estimate.

Obtain one or more estimates of value from sources knowledgeable in the business of buying and selling contracts. These sources do not need to be in the area where the property is located, but the source must consider local market conditions and the condition and location of the property when determining the value. Valuations must be based on the most complete information possible.

If the client disagrees with your estimate, allow the client to provide additional information.

Other Resources

Legal reference: 441 IAC 41.26(5)

Determine the net market (equity) value of countable resources only. The net market value is the gross price for which an item or property can be sold on the open market, less any legal debts, claims, or liens against it.

Consider each resource separately. The value of one resource does not affect another. To determine the net market value:

1. Establish the gross sales price, called the "fair market value." Consider local market conditions and the condition and location of the property in determining the fair market value. For example:
   - A piece of real property may be worth less in one part of the state than a similar property is worth in another part of the state, due to a distressed local economy.
   - A piece of property may be worth less than it was previously because of depressed market conditions.
   - An item of real property may have a lower fair market value because of the location of that property (on a flood plain, remote location, etc.).

   Contact a source knowledgeable about similar property, such as a car dealer, stockbroker, realtor, or banker.

   If the client disagrees with the fair market value you determine, give the client an opportunity to provide written evidence of a different valuation.
2. Verify and subtract legal debts, claims, or liens, and document them in the case record. To be considered a lien or encumbrance against a resource, a loan or lien must give the creditor a legal right to satisfy the debt. In most cases, loans from family or friends do not meet this requirement.

   When there is a legal debt against a combination of exempt and nonexempt property, look at the terms of the loan to see if any of the debt is deductible.

   When the terms of the loan require the proceeds from the sale of any part of the property to be applied to the balance of the loan, deduct the total legal debt from the fair market value of the nonexempt property.

   When the terms of the loan place a lien against the exempt property only, there is no legal debt to apply in determining the net market value of the nonexempt property.

1. Mr. A owns a home on 80 acres of land outside a city plat. There is a lien of $20,000 on the total property. Proceeds from the sale of any part of the property must be used to reduce the balance of the loan. Deduct the entire $20,000 from the gross value of the nonexempt property. 2. Ms. B owns a home on one acre of land inside a city. There is a lien of $40,000 on the house and one-half acre. Do not deduct the $40,000 from the gross value of the nonexempt property.

The balance after subtracting debts from fair market value is the net market (equity) value. Count as "zero" a resource that has a negative net value (the debt against the property is more than the fair market value). Do not assign a negative number to any resource.

Subtract the client's expenses in selling the property only after it is sold.

Exempt Resources

Legal reference: 441 IAC 41.26(1), 45.24(4)

Some resources are always exempt under FIP. However, for other resources, the exemption lasts only for the month of receipt and the month following the month of receipt. Any resources remaining are then counted towards the maximum resource limit.

The following sections explain exempted resources. The resources described in these sections are **totally exempt** under FIP. **EXCEPTIONS:** The following resources are exempt only in the month of receipt and perhaps in the month following the month of receipt:

- Retroactive corrective payments.
- Earned income credit payments.
- Property settlements.
- Insurance settlements.
- Damage judgments.

See individual sections for more information.

Count any resources not in the exempt lists as well as the value of any resources exceeding the excluded amounts toward the resource limit.

Achieving a Better Life Experience (ABLE) Payments

Exempt as a resource the balance in ABLE accounts. ABLE accounts are a type of tax-advantaged account that an eligible individual can use to save funds for the disability-related expenses of the account's designated beneficiary, who must be blind or disabled by a condition that began before the individual's 26th birthday. An eligible individual can open an ABLE account through the ABLE program in any state.

AmeriCorps
Public Law 103-82,
441 IAC 41.27(239)

Exempt as a resource the living allowance (stipend) payments made to participants in the AmeriCorps*VISTA program as long as the Director of ACTION determines that the value of all such payments is less than either the federal or state minimum wage when divided by the number of hours the volunteer is serving.

To date, no AmeriCorps*VISTA payments have been determined by the Director to equal or exceed the minimum wage.

Exempt the educational award as a resource, because the award is issued directly to the educational institution or the holder of the loan and is not considered available to the participant.

Also exempt as a resource the health insurance, reasonable accommodations, supplies, and services made available for AmeriCorps participants who have disabilities.

Burial Plot
441 IAC 41.26(1)"i"

Exempt one burial plot for each member of the eligible group. A burial plot is a grave site, crypt, mausoleum, urn, or other repository customarily used for the deceased's remains.

When the client owns more than one plot for each member of the eligible group, count the net market value of the excess plots towards the resource limit. Also count the net market value of a burial plot for an ineligible person whose resources must be considered (e.g., an excluded parent).

Burial Trusts or Funeral Contracts
441 IAC 41.26(1)"h"

Exempt equity not to exceed $1,500 in one burial trust or funeral contract for each member of the eligible group. Count any amount over $1,500 towards the resource limit, unless the contract or trust is irrevocable. ("Irrevocable" means that the contract or trust cannot be terminated or amended unless both parties to the contract or trust agree.)

Count burial trusts and funeral contracts held by an ineligible person whose resources must be considered (e.g., an excluded parent).

Child Support $50 Exemption
441 IAC 41.27(6)"u"

Exempt the first $50 received and kept by a FIP applicant or participant which represents a current monthly support obligation or a voluntary support payment paid by a legally responsible person for a child in the eligible group. (A parent of a child is considered legally responsible, whether or not that parent is ordered to pay support.)

The maximum exempt amount is the lowest of the following:

- $50.
- The amount paid.
- The monthly obligation.

Corrective Payments
441 IAC 41.26(1), 45.24(4)

Exempt retroactive FIP payments in the month received and in the following month.

Current Month's Income
441 IAC 41.26(1)"f"

Do not add current month's income to the total countable resource amount for that month. This includes situations when you prorate lump-sum or self-employment income and project it as future months' income.

Exclude the prorated income from consideration as a resource during the period of months over which you prorate it and count it as income. Count recurring lump sum income that is not subject to proration as a resource the month after receipt. See 4-E, *Lump-Sum Income* for details.

When you verify that a liquid resource amount includes current month's income, subtract the income from the resource amount you count for the month. Count any income remaining after the month of receipt as a resource.

Disaster and Emergency Assistance Payments
441 IAC 41.27(6)"y"

Exempt disaster and emergency assistance payments as provided under the Disaster Relief Act of 1974, as amended by Public Law 100-707, the Disaster Relief and Emergency Assistance Amendments of 1988.

This policy covers:

- Payments provided by the Federal Emergency Management Agency (FEMA), including payments from the Individual and Family Grant Program.
- Disaster unemployment benefits provided under the 1988 amendments to the Disaster Relief Act of 1974. Under this Act, unemployment benefits are provided to persons who are out of work due to a major disaster, including self-employed persons and others who are not covered under regular unemployment insurance benefits.
- Disaster and emergency assistance provided under the 1988 Amendments to the Disaster Relief and Emergency Assistance Act of 1974 and comparable assistance provided by states, local governments, and disaster assistance organizations.

Exempt vendor payments made under Iowa's Emergency Assistance program.

Verify the source of the payments before exempting them.

Domestic Volunteer Services Act
441 IAC 41.27(6)"j"

Exempt payments from programs under Titles II and III of the Domestic Volunteer Services Act made to volunteers for support services or reimbursement of out-of-pocket expenses.

Programs under this act include:

- University Year for Action (UYA)
- Service Corps of Retired Executives (SCORE)
- Active Corps of Retired Executives (ACE)

Foster Grandparents

Earned Income Credit (EIC) Payments
441 IAC 41.26(1), Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P. L. 111-312)

Exempt Earned Income Credit (EIC) payments in the month received as well as in the following month. Exempt payments in these two months whether they are received with a regular paycheck or in a lump sum as part of a federal or state income tax refund. Funds remaining are countable resources after the end of the second month.

NOTE: Exclude for 12 months from the date of receipt all EIC payments received as part of a federal tax refund between January 1, 2010, and December 31, 2012.

Education Assistance
441 IAC 41.27(6)"r"

Exempt all earned and unearned financial assistance for education or training.

Energy Assistance Payments
441 IAC 41.27(6)"f"

Exempt energy assistance payments made to eligible households through the Division of Community Action Agencies of the Department of Human Rights under the Low-Income Home Energy Assistance Act of 1981 (LIHEAP). LIHEAP covers costs such as:

- Insulation.
- Home energy assistance.
- Emergency lodging because utilities have been shut off.
- Winterizing old or substandard dwellings. (Neither the cost of the materials nor the cost of labor is counted as a resource.)

Exempt other support and maintenance energy assistance when the assistance is based on need and is furnished by a:

- Supplier of home heating gas or oil, whether in cash or in kind.
- Municipal utility providing home energy, whether in cash or in kind.
- Private nonprofit organization, but only if the assistance is in kind.
- Rate-of-return entity providing home energy, whether in cash or in kind. "Rate-of-return" means that revenues are primarily received from charges to the public for goods or services, and the charges are based on rates regulated by a state or federal agency.

"Support and maintenance" assistance is any assistance designed to meet day-to-day living expenses. This includes assistance to pay for heating or cooling a home.

"Based on need" means that assistance is issued to or on behalf of a person according to income limits at or below 150 percent of the federal poverty level.

There may be other assistance for home energy costs provided to FIP households. When other assistance meets the criteria above, that assistance is also exempt.

Family Support Subsidy Program
441 IAC 41.27(6)"p"

Exempt Iowa Family Support Subsidy payments made to families with children who have special educational needs due to physical or mental disabilities. The purpose of the program is to reduce the need for out-of-home placements or to facilitate the return of the child from an out-of-home placement.

Federal Tax Refunds
Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P. L. 111-312) and the American Taxpayer Relief Act of 2012 (P. L. 112-240)

Federal tax refunds are excluded for 12 months from the date of receipt.

Food Programs
441 IAC 41.27(6)"b" through "e"

Exempt the value of:

- SNAP program benefits.
- Commodities donated by the U.S. Department of Agriculture.
- Supplemental food assistance received under the Child Nutrition Act of 1966, as amended, and the special food service program for children under the National School Lunch Act, as amended, (Public Laws 92-433 and 93-150).
- Congregate meals or other benefits received under Title III-C of the Older Americans Act of 1965, Nutrition Program for the Elderly.

Grants and Scholarships
441 IAC 41.27(6)"q"

Exempt grants and scholarships obtained and used under conditions that preclude their use for current living costs.

Home Produce for Personal Consumption
441 IAC 41.27(6)"a"

Exempt the value of home-produced garden products, orchards, animals, etc., that are eaten by the household. When home produce is raised for sale or exchange, consider it a business operation and treat it as self-employment income.

Homestead
441 IAC 41.26(1)"a," 41.26(3)

Exclude the client's homestead without regard to its value. A homestead is any house, mobile home, or similar shelter used as the client's home. It may contain one or more adjacent lots or tracts of land, including buildings and equipment.

A homestead may contain any type or number of buildings within the land limits described including:

- A duplex. (Exempt the entire duplex.)

- An apartment. (If the client lives in the building and does not sell any of the apartments, exempt the entire apartment house. Apartments include both standard buildings and single-family houses converted to apartments.)
- A family home containing a room or apartment. (If the client lives in one of the units, exempt the home.)
- A condominium or row house occupied by the client. (Exempt only the unit occupied by the client.)

There is a limit on the amount of land that may be exempted as part of the homestead:

- When outside a city plat, exclude no more than a total of 40 acres of land.
- Within the city plat, exclude no more than one-half acre of land.

To determine if the homestead within a city plat is within size limits, multiply the length of the property by the width to calculate the square footage. Compare this figure to 21,780 – the number of square feet in one-half acre. If necessary, obtain courthouse or tax records to find the legal descriptions of the property.

Property that exceeds the allowable limit is counted as a resource.

Exempt a homestead when a client temporarily leaves if the client:

- Is absent for a defined purpose, **and**
- Lived in the home immediately before the absence, **and**
- Intends to return when the purpose of the absence has been accomplished.

Regularly document the client's intentions to return home. If the client does not intend to return home, the homestead becomes a countable resource.

Do not apply the homestead exemption to nonhomestead property which the household acquires intending to make the property its homestead in the future.

Household Goods and Personal Effects
441 IAC 41.26(1)"b"

Exempt household goods and personal effects without regard to their value. Household goods are items used in and about the house in connection with home occupancy. They are items used to maintain the home as well as to accommodate, comfort, and entertain the occupants.

Personal effects are the belongings of family members, including clothing, books, grooming aids, jewelry, hobby equipment, and similar items.

Animals, pets, and collections are **not** excluded and must be counted.

Inaccessible Resources
441 IAC 41.26(6)"a," "c" and "d"

Exempt resources that are not available to the client. Examples of instances in which a resource is **not** available include:

- Property jointly owned by spouses involved in a divorce proceeding. The property is not available until a decision on property distribution has been made.
- Real or personal property in which the terms of the joint tenancy or tenancy in common make the property unavailable. See Joint Ownership.
- Nonhomestead property jointly owned by a FIP parent and a separated or divorced spouse or a deceased spouse's estate, when the parent is not able to have control of it. This may occur because the other owner has possession of the property or because it is in litigation.
- Nonhomestead property that is publicly advertised for sale at an asking price consistent with its fair market value. To verify that the property is up for sale at fair market value, use collateral contacts and documentation, such as newspaper ads or real estate broker listings.

Income in Kind
441 IAC 41.27(6)"o"

Exempt as a resource **unearned** income in kind, such as money paid on a client's behalf to a third party (vendor payments). Also exempt **earned** income in kind, such as meals or reduced rent received in exchange for performing work or a service.

Indian Tribe Judgment Funds
441 IAC 41.27(6)"h"

Exempt as a resource Indian tribe judgment funds that have been or will be distributed to each member or held in trust for members of any Indian tribe.

When all or part of the payment is converted to another type of resource, also exempt that resource. If this resource decreases in value, the exemption applies to the remaining value of the resource. If the resource appreciates in value, only the original amount is exempted.

Individual Development Accounts
441 IAC 41.26(1)"m"

Individual Development Accounts (IDAs) are optional, interest-bearing accounts much like IRAs. IDAs encourage families to save and plan for the future, without the savings affecting eligibility for assistance. The accounts allow withdrawal without penalty for items such as educational expenses, business start-up, home ownership, and emergencies.

Exempt the balance in an IDA and any interest applied to the account.

Insurance Settlements and Damage Judgments
441 IAC 41.26(7)"a"

Consider insurance settlements and damage judgments received for damage or destruction of an **exempt or nonexempt** resource as liquidating a resource and not as income.

When the client intends to repair or replace an **exempt** resource and signs a legal, binding commitment no later than the month after the payment is received, exempt the payments for the duration of the commitment (up to eight months following the commitment date).

For example, if a homestead is damaged by fire, the client must commit any settlement funds in excess of resource limits in a binding contract to rebuild or repair the home to avoid being over the resource limit.

Document the settlement and the legal commitment in the case record.

If the client does not intend to repair or replace the home, or the payments are for a **nonexempt** resource, count the settlement as a resource in the month following the month payment was received. Follow the instructions described under When an Asset Is Sold or Becomes Available as Cash to determine FIP eligibility.

Life Estates
441 IAC 41.26(1)"k"

Exempt a life estate of the life estate holder. A life estate is defined as the ownership of the right to live on or use or receive income from a property in which the person does not have full rights of disposition. The life estate holder may use the property but may not alter or transfer it.

Exempt any interest in a property held by an applicant or participant when the life estate is held by another person until the holder dies or surrenders the life estate to the client.

Life Insurance With No Cash Surrender Value
441 IAC 41.26(1)"c"

Exempt any types of life insurance that have no cash value, such as term insurance or group insurance. The owner of the life insurance policy is the person who pays the premium and has the right to change the policy.

The cash surrender value of insurance is generally available to the premium payor, unless it is assigned or in some other manner actually transferred on the records of the insurance company to the insured or another named person. Do not automatically assume that the client does not own the policy simply because another person is paying the premium.

Loans
441 IAC 41.27(6)"v"

Exempt bona fide loans. A bona fide loan is one that includes an agreement between the lender and the borrower that the money is a loan. This agreement may be oral or in writing, as long as it indicates an intent to repay the money.

Lump Sum (Nonrecurring)
441 IAC 41.26(1)"f"

Exempt the amount of a nonrecurring lump sum that is reserved for current or future month's income. See 4-E for more information about how to treat lump sums.

Medical Expense Settlement
441 IAC 41.26(1)"j"

Exempt settlements for payment of medical expenses.

Other Excluded Federal Payments
441 IAC 41.27(6)"w"

Exempt the following federal payments:

- Payments received through the Agent Orange Settlement Fund or any other fund established because of the settlement in the "In re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.)."

441 IAC 41.7(6)"k"

- Payments made by the U.S. government under Public Law 92-203, the Alaskan Native Claims Settlement Act. Exempt the tax-exempt portions.

441 IAC 41.27(6)"z"

- Payments made by the U.S. government to individual Japanese-Americans (or their survivors) who were interned or relocated during World War II.

441 IAC 41.27(6)"z"

- Payments made to eligible civilian Aleuts under section 206 of Public Law 100-383. This payment is available only to those Aleuts who were living on August 10, 1988, the date Public Law 100-383 was enacted.

441 IAC 41.27(6)"aa"

- Payments made under the Radiation Exposure Compensation Act, Public Law 101-426 which compensates persons for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining. After the affected person's death, payments are made to the surviving spouse, children, or grandchildren.

441 IAC 41.27(6)"l"

- Payments from the Experimental Housing Allowance Program under annual contribution contracts entered into before January 1, 1975, under section 23 of the U.S. Housing Act of 1936, as amended.

441 IAC 41.27(6)"g"

- Payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the Federal-Aid Highway Act of 1968. Local poverty agencies administer these payments to persons displaced when the government acquires their property for a federal or federally assisted project.

Property Producing Income Consistent with Fair Market Value
441 IAC 41.26(1)"o"

Exempt the value of nonhomestead property that produces income consistent with the property's fair market value, such as property rented for an amount consistent with income from similar rental properties in the area. Allow the exemption even when the property produces the income on a seasonal basis.

If the property does not produce income consistent with its fair market value, count the net market (equity) value of the property toward the resource limit. **NOTE:** If the household uses the real property for self-employment purposes, consider the exemption described under Tools of the Trade.

See Determining Net Market Value of a Countable Resource for information on determining net as well as fair market (gross) value. Also see Inaccessible Resources to determine availability of the nonhomestead property.

Property Settlements
441 IAC 41.26(4)

Exempt property settlements that are part of a legal action in the dissolution of marriage or palimony suits, regardless if received as a lump sum or in periodic payments. Exempt settlements for the month of receipt and the following month.

Property Sold Under Installment Contract
441 IAC 41.26(4)"b"

Exempt property sold under an installment contract or held as security in exchange for a price consistent with its fair market value. Also exempt the value of the installment contract.

If the price is not consistent with the fair market value, count the net market (equity) value of the installment contract (rather than the equity value of the property) toward the resource limit. See Determining Net Market Value of a Countable Resource for information on determining contract value.

Prorated Income
441 IAC 41.26(1)"f"

Exempt prorated income during the period of months over which you prorate it. See Current Month's Income.

Self-Employment Assets
441 IAC 41.26(10)

See 4-E for information on how to determine if an enterprise is considered self-employment.

Exempt **inventory** and **supplies** that are needed for self-employment.

"Inventory" is defined as all unsold items, whether raised or purchased, that are held for sale or use. Examples are:

- Merchandise
- Grain held in storage by a farmer
- Livestock raised for sale
- Antiques held by a dealer
- Cosmetics held by a beautician

Mr. A is a self-employed toy maker. His unsold toys (his inventory), as well as his lumber, glue, varnish, and other supplies are exempt as inventory.

"Supplies" are items that are necessary for the operation of the business like lumber, paint, seed, and fertilizer.

Capital assets are not considered to be inventory or supplies. These are assets that, if sold at a later date, could be used to claim capital gains or losses for federal income tax purposes. (See below.) Capital gains resulting from the sale of a resource are a resource upon receipt.

Continue to exempt self-employment inventory or supplies if the self-employment is temporarily interrupted due to circumstances beyond the control of the household, such as illness. There must be a defined purpose for the interruption and an intent to return to the self-employment. Apply prudent-person guidelines to determine if this is a situation where you can expect the person to return.

Tools of the Trade
441 IAC 41.26(1)"n"

Exempt up to a total of $10,000 in equity (net market) value for **tools of the trade or capital assets** for self-employed households. First deduct what the client owes on the tools. Then count any equity value over $10,000.

The $10,000 limit applies to the entire household, regardless of how many members are self-employed.

Tools of the trade and capital assets are those items that, if sold, could be used to claim gains or losses for federal income tax purposes. A capital asset usually has a life span of more than one year. It can include real as well as personal property.

Examples include:

- Farm equipment of a farmer
- Farm land
- Hair dryers of a beautician
- Tools of a mechanic
- Electric saw and sander of a toy maker
- Computer and other equipment of a word processor
- Stoves and ovens of a baker
- Photocopy machines in a copy center

Livestock used for breeding, show, or dairy purposes are capital assets if depreciated for federal income tax purposes. If not, the livestock is considered inventory and is entirely exempt.

When the household has a vehicle that is used for the self-employment enterprise and also for personal use, apply both the $10,000 exemption for capital assets and the vehicle exemption. See Vehicles.

The tools of the trade exemption also applies when:

- The household is in the process of setting up a business, and provides verification, or
- A participant's self-employment is temporarily interrupted because of circumstances beyond the control of the household (for example, because of illness or training directly related to self-employment).

The $10,000 exemption no longer applies when the self-employment ends or when the client files Chapter 7 bankruptcy. The household loses this exemption beginning the month after the self-employment ends.

Transfers to Minors
441 IAC 41.26(1), 41.26(6)

When a child has assets in an account set up under the Uniform Transfers to Minors Act (Iowa Code Chapter 565B), an adult is named as custodian of the account. The adult has discretion in withdrawing money from the account to give to the child (or spend for the child).

When the custodian of the account lives with the FIP household, consider the money in the account as a countable resource, regardless whether the custodian is included in the grant. If the custodian is a parent in the assistance unit, count the money as available even if the parent is temporarily absent.

When the custodian is someone who does **not** live with the FIP household (other than a parent who is temporarily absent), count as an available resource only the amount the custodian is willing to make available to the household.

Obtain a signed statement from the custodian to determine the amount the custodian is willing to make available to the FIP household. Consider the remainder in the account as an unavailable resource.

VISTA Payments
441 IAC 27(6)"i"

Exempt as a resource Title I VISTA volunteer payments, as long as the value of all payments is less than either the federal or state minimum wage when dividing the payments by the hours of service.

To date, no VISTA payments have been determined by the Director of ACTION to equal or exceed the minimum wage.

Women, Infants and Children (WIC) Nutrition Program
441 IAC 41.27"d"

Exempt the value of food assistance received through the Women, Infants, and Children Nutrition Program administered by the Department of Public Health through local health agencies.

Trust Funds and Conservatorships

The following sections explain policies on:

- Determining the resource value of conservatorships
- Determining the resource value of trusts
- Referring trusts or conservatorships to Central Office to determine availability of the funds

Conservatorships

Legal reference: 441 IAC 41.26(8)

Conservatorships are unavailable until the court releases funds. Refer all conservatorships to the Bureau of Financial, Food and Work Supports staff in central office to decide if a court petition should be filed.

Trusts

Legal reference: 441 IAC 41.26(8)

A trust is established to allow one person to hold property for the benefit of another. The person who holds or controls the property is the trustee. The person for whom the trust is created is the beneficiary. Generally, a trustee cannot use any trust funds for the trustee's own benefit.

Trusts may be available or unavailable. Obtain and examine the language in a trust to decide if the assets are available to the client. Consider the trust available if:

- Funds are available in their entirety; that is, the funds are not made available as periodic payments. (If the funds are periodic, treat them as unearned income as described in 4-E.)
- Funds are clearly available for care, support, or maintenance.
- The beneficiary is a child living with a relative who has control of the funds, and there are no restrictions on the use of funds for current support or maintenance.

Treat a trust as unavailable if:

- The terms clearly prohibit access (for example, funds are not available if the terms provide that no money will be released until a child reaches age 18).
- It is established solely for the payment of medical expenses.

Consider any settlement paid into an existing or simultaneously created unavailable trust or conservatorship to be an unavailable resource, rather than nonrecurring lump-sum income. Consider any settlement received *before* the establishment of a trust or conservatorship, or one paid into an available trust, as nonrecurring lump-sum income.

If it is not clear whether funds are accessible to the client, refer the case to central office staff, as described in the next section.

When you determine that the trust is available, allow the client the opportunity to present evidence showing that the trust is not available.

When the assets in the trust are not clearly available, central office staff may ask the trustee to make funds available. If the trustee chooses not to make the funds available, the Department may petition the court to have funds released.

Referring Trusts or Conservatorships to Central Office

Submit trust or conservatorship referrals on form 470-0116, *Clarification Request* to trust@dhs.state.ia.us. Include the client's name, case number, the program the client is applying for or eligible for, and a complete statement regarding what needs to be clarified on the *Clarification Request* form. Send as much information about the trust or conservatorship as possible, including:

- Copies of the trust or conservatorship, as well as any other legal papers about it.
- Correspondence from attorneys.
- Information about any previous petitions or actions to gain access to the trust or conservatorship.
- The reason the trust or conservatorship was established.
- The source of the funds.
- The terms under which funds can be released.
- The name of the person or organization that has control of the funds.
- Verification of the current amount of the funds (for example, bank statements).
- A statement defining the relationship between the trustee or conservator and the beneficiary.
- A statement about FIP case status (e.g., applicant or participant).

Do not delay processing an application because you are waiting for a response from central office staff regarding fund availability. Consider the funds unavailable until you receive a response.

Refer to central office trusts of **more than $5,000** if the trust meets any of the following:

- The terms are unclear about the availability of funds for care, support, or maintenance.
- The trust was established as a result of accidental injury, or for educational purposes, and it may be available for care, support, or maintenance.
- The terms indicate funds are legally available, but the trustee chooses not to make them available.

Before referring trusts of **$5,000 or less** to central office.

1. Determine if the funds are available, as defined under Trusts.
2. If the terms of the trust are unclear, check the following:
    - If the language of the trust indicates that funds cannot be given to the client without a court order, consider the trust unavailable.
    - If the trustee is not the parent in the home and the trustee refuses to make the funds available, do not consider the trust available.
3. If the terms of the trust are still unclear, refer it to central office.

Vehicles

Legal reference: 441 IAC 41.26(1)"d"

A vehicle is any motorized means of transportation that moves persons or articles from place to place. This includes automobiles, trucks, motorcycles, tractors, snowmobiles, recreational vehicles, campers, and motorized boats.

Vehicle policy is explained in the following sections:

- Vehicle exemption
- Equity exclusion
- Determining equity value

Vehicle Exemption

Legal reference: 441 IAC 41.26(1)"d"

Exempt one motor vehicle without regard to its value. This exemption applies to one motor vehicle for the FIP eligible group. Consider the value of any additional vehicles owned by the eligible group, as described in Equity Exclusion.

Equity Exclusion

Legal reference: 441 IAC 41.26(1)"d" and "n"

Exclude the equity value up to $9,027 in one motor vehicle for each adult (including a needy nonparental relative) and working teenage child whose resources must be considered in determining eligibility. The equity value limit changes each July to reflect the latest increase in the consumer price index for used vehicles.

The exclusion applies regardless of who owns the vehicle, as long as the owner is a person whose resources must be considered.

Do not allow an exclusion for additional vehicles over and above the number of exclusions to which the eligible group is entitled. When the considered person has multiple vehicles, apply the exemption and the exclusion in the manner that is most beneficial to the client.

Allow the exclusion for a working teenager regardless of the teen's legal driving age, whether the teen has a driver's license or whether the car is needed for the teen to drive to work.

The exclusion for the teen continues when the teen is temporarily absent from the job for illness, vacation, between jobs or due to the nature of employment (for example, if the teenager only works during summer vacation). The exclusion does not apply to a teenager who is looking for work but has not been employed in the past.

Ms. B receives FIP benefits for herself and three teenage sons. One son is employed. They own the following vehicles:

- Vehicle A, owned by Ms. B, who is not employed, has an equity value of $9,047.
- Vehicle B, also owned by Ms. B, has an equity value of $300.
- Vehicle C, owned by one son who is employed, has an equity value of $9,700.
- Vehicle D, owned by another son, has an equity value of $1,000.

Calculate the value to count towards the resource limit as follows:

- Apply the vehicle exemption to the vehicle with the highest equity value.
- Apply the equity exclusion to two vehicles, one for Ms. B and one for the son who is employed.
- Count the entire equity value of the remaining vehicle.

Vehicle	Exemption/Exclusion	Countable Value
A	$9,027 Excluded	$9,047- $9,027= $20
B	None	$300
C	Exempted	$0
D	$9,027 Excluded	$1,000 - $9,027 = $0
		$320 Total countable value

When the household has a vehicle that is used both for the self-employment enterprise and also for personal use, apply both the $10,000 exemption for capital assets and the vehicle exemption. See Self-Employment Assets.

Ms. A, an applicant has the following assets: two cars, one with $9,700 equity and another with $9,047 equity value that is used in her self-employment, $1,000 in savings, $200 cash value in an insurance policy, and $5,000 equity in tools needed for her self-employment.

Countable Resources		Exempt Resources	
$1,000	Savings	$9,700	Equity in car (vehicle exemption)
200	Cash value of insurance	$9,047	Equity in car ($9,027 vehicle equity exclusion and remaining $20 in equity exempt as capital asset)
$1,200	Countable resource	$5,000	Equity in tools (exempt as a capital asset)

Ms. A is eligible for assistance.

Determining Equity Value

Legal reference: 441 IAC 41.26(1)"d"

The value of the vehicle is usually found in "blue books," like the National Automobile Dealer's Association (NADA) ***Used Car Guide***. When using this source, use the average trade-in value to determine net market value. Do not increase the value because of low mileage or optional equipment.

If a new vehicle is not yet listed in the "blue book," use another reputable assessment, such as a new car dealership, to determine net market value.

If the vehicle is no longer listed in the "blue book," accept the estimated value given by the household, unless there is reason to believe the estimated value is not accurate and the value will affect eligibility. When the estimate is questionable, the household must verify the value of the vehicle using a reputable source (such as an appraisal or a newspaper ad for a like vehicle).

Ask the household to get proof of the value of any vehicle that is in less than average condition. Vehicles with body damage or engine problems may be worth less than the "blue book" value. Proof of the value of classic cars, antiques, or custom built cars must be from a reliable source. Do not count special equipment to accommodate the handicapped as increased value.

Transfer of Assets

Legal reference: 441 IAC 41.26(4)

Applicants or participants who have more countable assets than allowed under FIP limits are not eligible for a grant until they dispose of any excess assets.

Unlike some other programs, there is no provision in Title IV of the Social Security Act or in the Code of Iowa that prohibits FIP clients from disposing of excess assets. There is also no provision that requires that reasonable value be received for the asset.

Verify and document the disposition of any excess assets in the case record.

When an Asset Is Sold or Becomes Available as Cash

Legal reference: 441 IAC 41.26(4)

When an asset is sold or becomes available as cash, examine the case to determine if the liquidated asset puts the participant over resource limits.

If it appears the client may be close to or over the limit, request in writing that the client provide verification of the resources. Verification must be received no later than timely notice day in the month after the resource was converted to cash or sold.

If verified resources exceed the limit, cancel FIP effective the second month after the resource was converted to cash or sold. However, if the participant verifies before the effective date of cancellation that resources are again within limits, reinstate FIP in accordance with 4-G, *Reinstatement*.

Do not recoup for the month the asset is sold or becomes available and the following month, provided the only reason the participant is ineligible is due to these excess resources.

Document the circumstances in the case record.

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Income

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Overview

This chapter describes the types of income that are counted under the FIP program and how to treat the income. The first section gives general guidelines for counting income.

The next section lists most of the types of income alphabetically. Child support income, lump-sum income, and income from self-employment are described in separate sections because the policies on treatment of those types of income are longer and more detailed.

Deductions and diversions that are applied to the income comprise the next section of the chapter, followed by income-related policies for FIP parents and stepparent specific cases.

Legal Basis

The legal basis for this chapter includes the following:

- Title IV of the Social Security Act, Section 402
- Iowa Code Section 239B.2
- 441 Iowa Administrative Code Chapter 41

Income Guidelines

Legal reference: 441 IAC 41.27(1) and (2)

Consider all unearned and earned income when determining initial and continuing eligibility and the amount of the FIP grant except when the income is specifically:

- Exempted
- Disregarded
- Deducted
- Diverted

Unearned income is any income in cash that is not gained by labor or service. Examples of unearned income are:

- Investment income, such as dividends from stocks or bonds.
- Alimony or child support.
- Nonrecurring lump-sum payments.
- Rent from property handled by an agent.
- Interest income.

- Worker's compensation.
- Extended disability payments paid by an insurance company. See Disability Benefits for more information.
- Benefits or rewards for service, or compensation for lack of employment, such as Social Security benefits, Railroad Retirement, Veterans Administration pensions, unemployment insurance, and strike pay.

Earned income is income earned by the person's own efforts. Examples of earned income are:

- The total gross amount of salary, wages, tips, bonuses, or commissions earned as an employee, including vacation and sick-leave pay, regardless of any employment-related expenses.
- Net profit from self-employment. See Self-Employment.
- Income from Job Corps.

Earned income includes income from managerial responsibilities, such as the management of capital investments in real estate. However, in a capital investment where the owner carries no responsibility (such as where rental properties are in the hands of rental agencies and the check is forwarded to the owner), the income is classified as unearned income.

Whose Income Is Not Counted

Legal reference: 441 IAC 41.27(6)"m," "n," "x," 41.27(7)"s"

Do not count the income of the following persons:

- SSI recipients. (NOTE: When an SSI recipient acts as a representative payee for another person, income the SSI recipient receives for the other person is still considered income of the other person, and must be counted as appropriate.)
- Ineligible or excluded children. (Also exempt their resources.)
- Minor parents in foster care who receive FIP for a dependent child.
- Nonparental specified relatives who are not in the eligible group. (When the relative is needy and is included in the eligible group, treat the relative's income the same as the income of a parent.)

Income Under a Shared Living Arrangement

Legal reference: 441 IAC 41.27(3)

When a FIP parent shares the responsibility for paying household expenses with another family or person, consider as income only the funds made available to the FIP eligible group exclusively for their needs. Do not consider as income funds that are combined to meet mutual obligations for shelter and other basic needs.

Obtain a statement from the client that specifies their living arrangement, signed by both the person making the contribution and by the client.

Income Verification Requirements

Legal reference: 441 IAC 41.27(1)“i,” 41.27(2)“q”

Verify all earned and unearned income. The client must provide requested verification. The client meets the requirement when the client provides a signed release to a specific individual or organization for specific information that gives the Department permission to obtain the needed verification.

Require verification of income when it begins, ends, or is questionable, or when verification is otherwise specifically required. A self-employed person must keep any records necessary to establish eligibility and benefit amount.

If possible, verify income using documentary evidence in the person’s possession. For example, use an award letter from the Veterans Administration as verification of Veterans Administration benefits. Examples of documents verifying **earned** income include:

- Pay stubs
- Pay envelope
- Employee’s W-2 form
- Wage tax receipts
- State or federal income tax return
- Bookkeeping for a self-employment business
- Sales and expenditures records
- Employer’s wage records
- Statement from the employer

If verification is not available from the client, obtain verification from the source of the income. This includes contacting any relatives (other than parents and spouses of the eligible child) who may be contributing to the support of the family.

Verify the potential eligibility for and receipt of Social Security benefits for all applications which include a child whose parent is deceased or disabled when the disability exists or is expected to exist 12 months or longer. Use the TPQ1 screen in the Income and Eligibility Verification system (IEVS).

For participants, verify Social Security benefits via the Bendex. See **14-G, Wire Third-Party Query** and **BENDEX**.

See **4-G, Changes Reported from Automated Sources**, for information on verifying unemployment insurance benefits.

Dropping the Third Digit

Legal reference: 441 IAC 41.27(9)“d”

Drop the third digit to the right of the decimal point in any computation of income, hours of employment, or work expenses for care costs. EXCEPTION: When an employer’s rate of pay contains a third digit to the right of the decimal (e.g., hourly rate of $3.567), do not drop the third digit until a computation is performed (e.g., $3.567 x 36 hours = $128.412, which becomes $128.41).

Determining Whether Income Has Ended

Legal reference: 441 IAC 41.27(239B)

Use the following guidelines when determining if income has ended:

- Consider income that was received on a monthly or more frequent basis ended when it will not be received again for the remainder of the current month or the following month.
- Consider income that is received less often than monthly ended when it will not be received in the month that the next payment would normally be received.
- Consider income from self-employment ended on the date that the client says self-employment and the income from the business stopped.
- When a self-employed person changes the nature of a self-employment enterprise (e.g. changing from being a self-employed painter to being a self-employed auto mechanic), consider the first self-employment ended.
- When a self-employed person makes changes in the self-employment enterprise that do not change the nature of the enterprise (e.g. a farmer continues to farm, but changes from growing grain to raising livestock), consider this a continuation of the same self-employment enterprise.

- Consider income from an agency (Social Security Administration, Veteran's Administration, etc.) ended on the date the agency says that income or benefits stopped. Obtain verification of the date from the agency.
- If the source of income is a business that provides the household with sporadic but constant employment, such as on two weeks, off three weeks, do not consider the employment ended during the period the household is off work.
- When income, including contract income, is annualized or prorated on a monthly basis, consider the prorated amount as if it were received monthly.
  - Consider the last month of proration to be the last month the income is received.
  - When you anticipate that the client will not receive income from the same source again, stop counting the prorated income beginning with the next calendar month.
- Do not consider income ended when a person is promoted or switches to a different position with the **same** employer.

  When a person is working for a temporary agency, the agency is the person's employer. Do not consider income ended when the temporary agency moves the person to a new job assignment. However, consider income from a temporary agency ended if the length of time between placements is long enough that income from the agency:
  - Will not be received again for the remainder of the current month or the following month, or
  - Will not be received at the next expected date (if less often than monthly).

  When a person working for a temporary agency is hired by one of the temporary job assignments, this is a new employer. Consider the income from the temporary agency ended.

Do not consider nonrecurring lump-sum income as ended. When determining the lump-sum amount, do not include income that has ended.

1. In March, Mr. X receives a nonexempt, nonrecurring lump sum from Social Security. Also in March, Mr. X is laid off from his job. He receives his final earnings in that month.

   When determining the period of ineligibility based on the lump sum and other countable income received in March, the EBS considers only the lump-sum income to determine the period of ineligibility.

2. On January 12, Ms. U receives lump-sum unemployment benefits that cover the month of December and two weeks in January. This ends Ms. U's claim. The EBS uses only the lump-sum portion that represents December benefits when determining the period of ineligibility.

When an employee is laid off and later recalled by the same employer, consider the recall as a new job. Consider the previous employment as ended.

Types of Income

Legal reference: 441 IAC 41.27(239B)

This section lists the more frequent types of income alphabetically and tells how to treat them. The following types of income are discussed in depth under separate sections:

- Child support
- Lump sums
- Self-employment

Achieving a Better Life Experience (ABLE) Payments

Exempt as income payments to FIP applicants or participants from ABLE accounts. ABLE accounts are a type of tax-advantaged account that an eligible individual can use to save funds for the disability-related expenses of the account's designated beneficiary, who must be blind or disabled by a condition that began before the individual's 26th birthday. An eligible individual can open an ABLE account through the ABLE program in any state.

Adolescent Pregnancy Prevention Payments
441 IAC 41.27(7)"ab"

Exempt as income payment from state funded-adolescent pregnancy prevention programs, such as the "Dollar-A-Day" program. These programs focus on preventing subsequent pregnancies for mothers who are 18 or younger by providing a monetary incentive.

The participants are required to attend weekly support meetings that concentrate on preventing another pregnancy during the adolescent years, as well as meeting the social and economic needs of the participant. As long as the mother attends the weekly sessions and does not become pregnant, she receives an incentive payment.

Adoption Subsidy
441 IAC 41.27(6)“x”

Do not count the income and resources of a child who is excluded from FIP because the child receives subsidized adoption assistance.

Count subsidized adoption assistance as unearned income if the child is included in the eligible group. Also count the resources of the child.

A subsidized adoption payment for one person may be greater than one person’s share of the FIP grant. Consequently, in most cases, a child receiving subsidized adoption payments will not be included in the eligible group. However, if this is the only eligible child in the home, include the child in the eligible group in order to obtain FIP eligibility for the parents.

1. Mrs. A receives an adoption subsidy payment of $198 for one of her three children, Mary.

   If Mary is included in the eligible group, the family will be eligible for a FIP grant of $297 ($495 FIP payment standard for four, minus $198 adoption payment). The total income to the family will be $495 ($297 + $198).

   If Mary is excluded from the eligible group, the total income to the family will be $624 ($426 FIP payment standard for three, plus $198 adoption payment). Therefore, Mary is excluded from the eligible group.

2. Mrs. B receives an adoption subsidy payment of $198 for her son Bob. Bob is the only child in the home, so Mrs. B is not eligible to receive FIP unless he is included in the eligible group.

   If Bob is not included in the eligible group, the total family income will be the subsidized adoption payment of $198.

   If Bob is included in the eligible group, the family will be eligible for a FIP grant of $163 ($361 FIP payment standard for two, minus $198 adoption payment). The total family income will be $361 ($163 + $198). Therefore, Bob is included in the eligible group.

3. Mrs. C receives subsidy payments of $198 for her son Sam and $300 for her son Tom. To provide the family with the greatest income, Sam is included in the eligible group and Tom is excluded.

When a child who is a FIP participant is approved for subsidized adoption assistance while remaining in the same home, cancel FIP (or begin considering the assistance payments as income) effective the first of the next month following the date the subsidized adoption assistance approval is entered into the computer system.

FIP for the month the subsidized adoption assistance is approved or any retroactive months for which payments are made is not subject to recoupment. If timely notice delays action until the second month after approval of subsidized adoption assistance, recoup FIP for the first month after approval.

1. Mrs. A, who already has a caretaker FIP case for her niece, is approved to receive adoption presubsidy assistance for the niece. The adoption presubsidy is approved on the computer March 2, with a February effective date. The FIP case is canceled effective April 1. No recoupment is necessary.
2. Ms. B, who already has a caretaker FIP case for her grandchild, is approved to receive adoption presubsidy assistance for the grandchild. The adoption presubsidy is approved on the computer March 29. The FIP case is canceled effective May 1 and April FIP benefits are subject to recoupment.

Alimony
441 IAC 41.22(7), 41.27(1)

Count alimony as unearned income. Although alimony is assigned to the Department, CSRU does not pursue enforcement of alimony. Do not allow the $50 exemption on alimony payments received directly by a FIP applicant or participant. Do exempt the first $50 when a direct support payment includes both child support and alimony.

AmeriCorps
Public Law 103-82, 441 IAC 41.27(239B)

The National and Community Service Trust Act of 1993 amends the National and Community Service Act of 1990 and establishes a Corporation for National Community Service. The Corporation administers national service programs including AmeriCorps.

AmeriCorps engages Americans in a year or two of national service in exchange for an education award of $4,725 per year of completed service. It includes three programs:

- AmeriCorps*USA for participants 17 years and older
- AmeriCorps*VISTA for participants 18 years and older
- AmeriCorps*NCCC for participants 16 to 24 years of age

In addition to the educational award, payments to AmeriCorps participants may include a living allowance and a child care allowance, if child care is needed to participate in the program.

AmeriCorps participants may be provided health insurance if not otherwise covered by health insurance. People with disabilities are provided reasonable accommodations, supplies, and services they may need to participate.

Exempt as income and as a resource the living allowance payments made to participants in the AmeriCorps*VISTA program, as long as the director of ACTION (the Agency to the Corporation for National and Community Services) determines the value of all such payments is less than minimum wage. See VISTA Payments.

AmeriCorps (Cont.)

Count payments made to participants in other AmeriCorps programs as follows:

- Treat the living allowance (stipend) as earned income. Apply all the usual income deductions and disregards. If the AmeriCorps participant is a child by FIP definition, treat the earnings as described in Child's Earnings.
- Do not count the child care allowance as income.
- Exempt the educational award as income and as a resource.
- Exempt as income and as a resource the health insurance, reasonable accommodations, supplies and services made available for AmeriCorps participants who have disabilities. These are unearned in-kind benefits, and therefore, exempt.

Blind Training Allowance
441 IAC 41.27(7)"n"

Exempt as income a training allowance issued by the Department for the Blind to cover the cost of training, such as tuition, books, transportation, lodging away from home, and other related items.

Blood Plasma
441 IAC 41.27(2)

Count the sale of blood plasma as earned income. The plasma center is considered the employer.

Cafeteria or Flexible Benefit Plans
441 IAC 41.27(2)

Cafeteria or flexible benefit plans use either the employee's or employer's money to pay certain expenses, such as child care, medical expenses, health insurance, annual leave, or sick leave. (These benefits are not displayed in the same way on all pay stubs. The best source of information regarding them is the employer.)

Count as earned income the employee's gross wages, including any amount withheld for these plans, even if the employee loses any money left over at the end of the year.

Count as earned income any cash an employee receives of the employer's money because the employee did not use all of the money for benefits covered by the plan.

Carpool Payments
441 IAC 41.27(7)“o”

Exempt as income payments to FIP applicants or participants from a passenger in a carpool.

Census Earnings
41.27(7)“b” and “ak”

Exempt as income for eligibility and benefits census earnings received by temporary workers from the Bureau of Census. Exempt as income reimbursements for travel expenses. See Reimbursements for more information.

Child’s Earnings
441 IAC 41.27(239B)

Earnings of a child who is not a full-time student are countable income, subject to applicable earned income exemptions, deductions, or diversions. Count the earnings when determining eligibility or benefits under all three tests. See Student Earnings for more information.

Corporation Income
441 IAC 41.27(2)

All corporations are separate legal entities. The corporation is responsible for its debts and obligations. The income and resources of a corporation belong to the corporation.

A “closely-held” corporation is one that has only a few shareholders. An owner or employee of a corporation is not a self-employed person. A person who receives a salary from a corporation is an employee of the corporation.

Crime Victim Compensation
Public Law 103-322,
441 IAC 41.27(239B)

Exempt as income and as a resource payments received from a crime victim compensation program that is funded by the Crime Victims fund under Public Law 103-322.

Department of Labor Payments
441 IAC 41.27(239B)

Iowa Workforce Development administers U.S. Department of Labor employment and training programs. These programs may include Workforce Innovation and Opportunity Act (WIOA) programs, dislocated worker programs, and other on-the-job training and work experience programs.

FIP participants are required to report these payments whether or not the payments are exempt. To determine treatment of these payments, first find out the source of the payment and what the payment represents.

Department of Labor Payments (Cont.)

Exempt the payment if it is:

- A reimbursement (for child care, transportation, meals or any other miscellaneous expenses); or
- Earnings or compensation in lieu of wages of a person under age 20 and in high school or an equivalent program full time.

Count the payment as income if it is:

- Earnings or compensation in lieu of wages of an adult; or
- A needs-based payment made to adults or children for living expenses. These payments represent duplicate assistance.

Whether to consider the payment as earned or unearned income depends on program policy and how the payment is described by the entity issuing it.

Disability Benefits
441 IAC 41.27(1) and (2)

Count an employee's disability benefits as **unearned** income when the payment comes from an insurance company. Count an employee's disability payments as **earned** income when the payments are paid out of the employer's funds.

Disaster and Emergency Assistance
441 IAC 41.27(6)"y"

Exempt as income and as a resource disaster and emergency assistance payments as provided under the Disaster Relief Act of 1974, as amended by Public Law 100-707, the Disaster Relief and Emergency Assistance Amendments of 1988. This includes:

- Payments provided by the Federal Emergency Management Agency (FEMA), including payments from the Individual and Family Grant Program.
- Disaster and emergency assistance under the 1988 Amendments to the Disaster Relief and Emergency Assistance Act of 1974, and comparable assistance provided by states, local governments, and disaster assistance organizations.

Disaster and Emergency Assistance (Cont.)	Exempt as income and as a resource vendor payments made under Iowa's Emergency Assistance program. Verify the source of the payments before exempting them.
Dividend Income	See Interest Income.
Domestic Volunteer Services Act 441 IAC 41.27(6)"i"	Exempt as income and as a resource payments made to volunteers for support services or reimbursement of out-of-pocket expenses from programs under Titles II and III of the Domestic Volunteer Services Act. These programs include: ▪ University Year for Action (UYA) ▪ Service Corps of Retired Executives (SCORE) ▪ Active Corps of Retired Executives (ACE) ▪ Foster Grandparents
Earned Income Credit 441 IAC 41.27(7)"g"	Exempt as income an Earned Income Credit, whether received with regular paychecks or as a lump sum included with the federal or state income tax refund.
Energy Assistance Support and Maintenance 441 IAC 41.27(6)	Exempt as income and as a resource energy assistance support and maintenance when it is based on need and is furnished by a: ▪ Supplier of home-heating gas or oil, whether in cash or in kind. ▪ Municipal utility providing home energy, whether in cash or in kind. ▪ Rate-of-return entity providing home energy, whether in cash or in kind. ▪ Private nonprofit organization, but only if the assistance is in kind. "Support and maintenance" assistance is any assistance designed to meet day-to-day living expenses. This includes home energy assistance to pay for heating or cooling a home.

Energy Assistance Support and Maintenance (Cont.)	"Based on need" means that assistance is issued to or on behalf of a person according income limits at or below 150% of the federal poverty level. "Rate-of-return" means that revenues are primarily received from charges to the public for goods or services, and the charges are based on rates regulated by a state or federal governmental agency. There may be other assistance for home energy costs provided to FIP households. When other assistance meets the criteria above, that assistance is also exempt.
Family Self-Sufficiency Grants 441 IAC Chapter 47 Division II	Exempt as income PROMISE JOBS payments through Family Self-Sufficiency Grants. These are intended to help PROMISE JOBS participants with employment-related expenses. Assistance is intended to enable participants overcome barriers to employment and become self-sufficient. While the payments are not PROMISE JOBS expense allowance payments, they are considered in the same way. They are exempt as income, including when in the form of cash payments made directly to the family. See 4-J for more information.
Family Support Subsidy 441 IAC 41.27(6)"p"	Exempt as income and as a resource payments made through the Iowa Family Support Subsidy Program to families with children who have special educational needs due to physical or mental disabilities. The purpose of the program is to reduce the need for out-of-home placements or to facilitate the return of the child from an out-of-home placement. The Department's Division of Adult, Children and Family Services administers the program, and DHS issues the payment.

Federal Payments

Various specialized type of federal payments are excluded. Exempt as income and as a resource:

441 IAC 41.27(6)"w"

- Payments received through the **Agent Orange Settlement Fund** or any other fund established because of the settlement in the In re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.).

  NOTE: This settlement fund is now closed as all funds have been distributed.

Public Law 92-203,
441 IAC 41.27(6)"k"

- Distributions by a Native Corporation established under the **Alaska Native Claims Settlement Act** when distributed to an Alaskan Native or a descendent of an Alaskan Native. The exemption applies to the following:
  - Cash payments up to $2,000 per year. Count any excess.
  - Stock (including stock issued or distributed by the corporation as a dividend or distribution on stock).
  - A partnership interest.
  - Land or any interest in land (including land received as a dividend or distribution of stock).
  - An interest in a settlement trust.

441 IAC 41.27(6)"l"

- **Experimental Housing Allowance** program payments under annual contribution contracts entered into before January 1, 1975, under Section 23 of the U.S. Housing Act of 1936, as amended.

441 IAC 41.27(6)"z"

- **Wartime Relocation of Civilians** payments made under Public Law 100-383 to:
  - Certain United States citizens of Japanese ancestry (Section 105).
  - Certain eligible Aleuts (Section 206).

441 IAC 41.27(6)“aa”

- Payments made under the **Radiation Exposure Compensation Act**, Public Law 101-426. The program compensates people for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining. After the affected person’s death, payments are made to the surviving spouse, children, or grandchildren.

441 IAC 41.27(6)“g”

- **Relocation Assistance** payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the Federal-Aid Highway Act of 1968.

Financial Assistance for Education or Training
441 IAC 41.27(6)“r”

Exempt as income and as a resource all earned and unearned financial assistance received for education or training such as loans, grants and work study.

Focus Group, Survey or Study Income
44 IAC 41.27(6)“o,” 41.27(7)“a”

Count as income payments received for participating in a focus group, survey, or study unless the payment is a reimbursement or a gift certificate. Whether it is considered earned or unearned income depends on how the payment is described by the entity providing it.

Food Programs
441 IAC 41.27(6)“b-e”

Exempt as income and as a resource the value of:

- SNAP.
- Commodities donated by the U.S. Department of Agriculture.
- Supplemental food assistance received under the Child Nutrition Act of 1966 and the special food service program for children under the National School Lunch Act (Public Laws 92-433 and 93-150).
- Benefits received under Title III-C, Nutrition Program for the Elderly, of the Older Americans Act of 1965, such as the Congregate Meals Program administered through the Iowa Department of Elder Affairs.

Foster Care Payments
441 IAC 41.27(7)"d"

Exempt as income foster care payments, including therapeutic foster care payments, made to a FIP family operating a licensed foster family home. "Therapeutic foster care" payments are higher payments made on behalf of special needs foster children. See **4-C, Foster Care**, for policies regarding foster children.

Gambling Winnings
441 IAC 41.27(1)

Count recurring winnings from gambling (such as winnings from casino gambling) as unearned income in the budget month received. Do not offset the winnings with any amount lost. See Nonrecurring Lump Sum for treatment of one-time winnings (e.g., lottery winnings).

General Assistance
441 IAC 41.27(7)"h"

Exempt general assistance from county funds as income if it:

- Does not duplicate any basic need under FIP, or
- Is a duplication of a FIP basic need but is made on an emergency basis, not as ongoing supplementation.

Gifts
441 IAC 41.27(7)"f"

Exempt as income a nonrecurring monetary gift (for Christmas, birthdays, etc.) not to exceed $30 per person per calendar quarter. A calendar quarter is a period of three consecutive months, ending on March 31, June 30, September 30, or December 31.

When a gift from a single source exceeds $30, count the entire amount as unearned income. When monetary gifts from several sources are each $30 or less, but the total of all gifts exceeds $30, count only the amount in excess of $30 as unearned income.

When a gift is given to the entire eligible group, the gift may be divided among the members of the group in the most advantageous way to the client. When a gift is given to one member of the group, the gift may be divided among the members of the group if the participant claims the gift is intended for the entire group.

Verify gifts over $30 per person per calendar quarter. Allow the $30 exemption for any person whose income must be counted, regardless if that person is on the grant (e.g., excluded parents, ineligible stepparents).

1. Ms. A receives $50 from her mother in December as a Christmas gift. Since this exceeds $30 from a single source, the entire $50 is considered unearned income to Ms. A.
2. Bobby, a FIP child, receives $25 in October for his birthday and $25 in December as a Christmas gift. The $25 that Bobby received in October is exempt. Since $25 had already been exempted for Bobby for the quarter ending December 31, only $5 of the gift he received in December is exempt. $20 is considered unearned income to Bobby in December.
3. Ms. C and her three children received a Christmas gift of $100. As the gift was intended for the entire family of four, $25 is considered to be a gift to each person. If no other gifts were received during the quarter, the entire gift is exempt.

Grants Precluded From Use for Current Living Costs
441 IAC 41.27(6)“q”

Exempt as income and as a resource grants obtained and used under conditions that preclude their use for current living costs.

Home Produce for Personal Consumption
441 IAC 41.27(6)“a”

Exempt as income and as a resource the value of home-produced garden products, orchards, domestic animals, etc., that are eaten by the household. When home produce is raised for sale or exchange, consider it a business operation and treat it as self-employment income.

Housing Supplements
441 IAC 41.27(7)“l”

Exempt as income housing supplements received from any federal, state or local governmental agency as a result of an urban renewal or low-cost housing project. The most common housing supplements are issued by Low-Rent Housing and Housing and Urban Development (HUD).

Housing Supplements (Cont.)	Housing supplement payments or subsidies may be issued to help meet the costs of shelter and utilities. Those payments are exempt as income regardless of whether they are paid to a vendor or directly to the client.
Income Tax Refunds 441 IAC 41.27(7)“c”	Income tax refunds are considered a nonrecurring lump sum, and are exempt as income.
Indian Tribe Judgment Funds 441 IAC 41.27(6)“h”	Exempt as income and as a resource Indian tribe judgment funds that have been or will be distributed to each member or held in trust for members of any Indian tribe. When all or part of the payment is converted to another type of resource, also exempt that resource. See **4-D, Resources**, for details.
Individual Development Accounts 441 IAC 41.27(6)“ab”	Exempt as income and as a resource deposits to an Individual Development Account (IDA) when determining FIP eligibility or benefits. An IDA is an optional, interest-bearing account much like an IRA (but it is not a pension plan). IDAs encourage FIP clients to save for long term goals without the savings affecting eligibility or benefit amount. IDAs are opened in financial institutions and are set up in an individual’s name. Any Iowan whose family income is below 200% of the federal poverty level and who lives in an area where there is an IDA project can open an IDA. Withdrawals are allowed for approved purposes only and must be authorized by the operating organization. “Approved purposes” are for post secondary education or job training, buying a home or home improvement, starting a small business, or medical emergencies. Withdrawals may be in the form of a two-party check (in the name of the vendor and the client) or solely in the vendor’s name. Either way, consider the withdrawals as an unavailable resource (not income).

Individual Development Accounts (Cont.)

The account holder, another household member (regardless of the person's FIP status), or a source outside the household can make deposits. Deposits can be from earned or unearned income.

Allow a deduction to income only when the deposit is made from income of the particular household member who is the account holder and whose income must be counted. EXCEPTIONS: Do not deduct the deposit from:

- Income that is exempt.
- FIP grant.
- The client's *assigned* child support.

However, allow a deduction from child support received while the application is pending, when an assignment is not yet in effect.

Request the client to provide verification of the amount and date of the deposit. To allow the deduction, the county office must receive verification of the deposit by the end of the report month or the extended filing date, whichever is later. See **4-G, Providing Information and Verification**.

Accept the client's word with respect to whose income was deposited. If the client's statement appears questionable, obtain further information or verification. If the client fails to provide needed information or verification, do not allow a deduction.

Deduct the deposit from nonexempt earned or unearned income, or the net profit from self-employment received in the budget month in which the deposit is made. If the client has both nonexempt earned and unearned income, subtract the deposit from the nonexempt unearned income first.

The ABC system cannot make this deduction. You must manually subtract the deposit **before** you enter the remaining income on the BCW2 screen.

Individual Development Accounts (Cont.)

Mrs. A, a FIP participant, deposits $500 into her IDA in March. She has $850 gross earnings, $50 in-kind income, and $200 unearned income in March.

The EBS first subtracts $200 of the IDA deposit from the unearned income and then subtracts the remaining $300 from the earnings. Income entered on the BCW2 is $550 earnings. The IDA deposit is not subtracted from the in-kind income, because it is exempt income.

Allow applicable earned income deductions to the client's nonexempt earnings from employment or the net profit from self-employment that remain *after* subtracting the amount of the deposit.

Apply allowable deductions to any nonexempt unearned income that remains after subtracting the amount of the deposit. See Deductions later in this chapter.

If the client receives a deduction for a deposit in error, recoup any excess assistance.

1. Mr. and Mrs. A and their children are FIP participants. Mrs. A has an IDA. Mr. A is employed, and Mrs. A has no income. In March, Mr. A deposits $200 into his wife's IDA. Mrs. A states she also made a $50 deposit.

   Mr. A is not allowed a deduction from his earnings received in March, because he is not the account holder. Mrs. A is not allowed a deduction, as she has no income other than the FIP grant.

2. Ms. B and her son are on FIP. Ms. B is employed. Her son has an IDA, and receives social security benefits from a deceased parent. In April, Ms. B deposits $100 from her earnings plus $20 from her son's social security benefits into her son's IDA. Only a $20 deduction is allowed from the family's income received in April.

Individual Development Accounts (Cont.)

3. Mr. And Mrs. G receive FIP. Mr. G receives social security disability income. He has an IDA. In March, Mr. G receives a $5,000 nonrecurring lump sum from social security and deposits the entire amount into his IDA. The entire $5,000 is exempt.
4. Mrs. E and her children are on FIP. Mrs. E has an IDA. In March, she receives $100 direct child support from the absent parent. Rather than refunding the support, she deposits the $100 into her IDA.

   A deduction is not allowed, as child support is assigned to DHS while Mrs. E is on FIP. (The same would be true if the absent parent had properly sent the support payment to CSRU but CSRU released the payment to the client in error.)

   If Mrs. E fails to refund it, the nonexempt portion is considered as unearned income in the month received. Any overpayment that results is subject to recoupment. (See **4-C, When a Participant Fails to Refund Direct Support** for more information.)
5. Mrs. T and her child receive FIP. Also in the home is Mr. T, a stepparent. Mr. T is employed, and he has an IDA. In April, he has $500 gross earnings and deposits $300 into his IDA. Mr. A is allowed a $300 deduction from his earnings. If Mrs. T were the account holder, Mr. T would not be allowed a deduction from his earnings.
6. Mr. D, a FIP participant, is employed and has an IDA. In April, the children's grandmother deposits $100 into Mr. D's IDA. The deposit is exempt as income. Mr. D does not get a deduction for the deposit, because it was not made from his income.
7. Mrs. K, a FIP participant, has an IDA. In late March, she gets a $100 birthday gift. In early April, Mrs. K deposits the $100 gift into her IDA and provides verification to that effect.

   Mrs. K cannot get a deduction, as she received the gift in March but did not deposit it until April.

In-Kind Earned Income
441 IAC 41.27(6)“o”

Exempt earnings in kind as income and as a resource. “In-kind” earnings means:

- The client performs a service and, in exchange, receives a noncash benefit for which the client would normally have to pay, and
- The person for whom the service is provided would normally have to pay for the service.

1. Mrs. T works in a restaurant and receives meals as part of her salary. Her paycheck stub lists the value of the meals as $10 per week. Exempt the $10 as earned income in kind.
2. Mr. K receives reduced rent in exchange for managing an apartment building. His apartment would normally rent for $350, but Mr. K pays only $200. Exempt the difference of $150 as earned income in kind.

In-Kind Unearned Income
441 IAC 41.27(6)“o”

Consider monies paid to a third party on the client’s behalf as unearned income in kind. Exempt them as income and as a resource.

1. Ms. A’s mother pays Ms. A’s rent directly to Ms. A’s landlord. This is unearned income in kind and is not considered in determining eligibility or benefits for Ms. A.
2. Ms. B’s mother gives Ms. B $200 to use to pay her rent. Ms. B pays this money to her landlord. However, since this money passed through Ms. B’s hands, count it as a gift when determining her eligibility and benefits.

Interest Income
441 IAC 41.27(7)“ae”

Exempt as income interest and dividend income such as:

- Interest from savings.
- Interest on payments from property sold on contract.
- Interest payments from conservatorships and trusts.

Interest Income (Cont.)

Ms. A has a savings account that pays $5 interest per month. This interest is exempt as income.

Ms. B receives $400 each month from property sold on contract. Of the payment, $250 is interest income. The remaining $150 is payment on the principal. Both the principal and the interest part of the payment are exempt as income (but not as a resource). See **4-D** for information on treatment of the installment contract.

Exempt any amount that is **identifiable** as interest or dividend income. If the interest portion is not identified separately, but the client indicates that the payment includes interest, ask the client to provide verification of the interest portion. Unless the interest portion is identified, count the entire payment as income.

Job Corps
441 IAC 41.27(2), 41.27(9)“c”(1)

Job Corps participants may work toward a GED or high school diploma or be involved in postsecondary education or vocational pursuits.

Participants receive room and board, and a monthly salary. Part of the salary is received when it is earned, and part of it withheld until the participant completes or otherwise leaves the program after at least a six-month stay. In addition, participants may receive a bonus based on their performance in the program.

Exempt the value of the room and board. Count the ongoing part of the salary as earned income in the month in which the participant receives it.

Count both the lump-sum salary payout and the performance bonus as earned income in the month in which the payments are received. (See Other Recurring Lump Sum for details.)

Job Corps participants also receive a clothing allowance. However, Job Corps makes payment directly to the stores. Thus, exempt the clothing allowance as a vendor payment.

Job Corps (Cont.)

NOTE: Job Corps participants are considered full-time students. They may be in high school or post-secondary education. Accept the client's word as to which it is.

If the client's statement is questionable, require the client to obtain verification from Job Corps. Exempt only the earnings of participants 19 or younger who are in high school education. See Student Earnings for more details.

Jury Duty Pay
441 IAC 41.27(2)

Count compensation for jury duty as earned income unless it is a reimbursement for expenses (transportation, meals, or lodging).

Kinship Caregiver Payments
441 IAC 41.27(7) "d"

Exempt as income kinship caregiver payments, these payments are considered the same as foster care. See 4-C, Foster Care, for policies regarding foster children.

Loans
441 IAC 41.27(6)"v"

Exempt as income bona fide loans from any source, including undergraduate and graduate student loans. Check that the loan is from an institution or person engaged in the business of making loans and that there is a written agreement to repay the money within a specified time.

When the loan is from a person not normally engaged in the business of making loans, use at least one of the following criteria to establish that the loan is legitimate or bona fide:

- There is a borrower's acknowledgment of obligation to repay (with or without interest).
- The borrower expresses intent to repay the loan when funds become available.
- There is a timetable and a plan for repaying the loan.

For money received to be considered a bona fide loan, there must be an agreement between the person making the loan and the borrower that the money is a loan. This agreement may be oral or in writing, but there must be an intent to repay the money.

Low Income Home Energy Assistance Payments (LIHEAP)
441 IAC 41.27(6)"f"

Exempt as income and as a resource energy assistance benefits paid to eligible households under the Low-Income Home Energy Assistance Act of 1981.

This includes the Affordable Heating Program, administered through the Department of Human Rights, Division of Community Action Agencies. It covers costs such as:

- Insulation
- Home energy assistance
- Emergency lodging because utilities have been shut off
- Winterizing old or substandard dwellings (neither the cost of the materials nor the cost of labor is counted as income)

Medical Expense Settlement
441 IAC 41.27(7)"c"

Exempt as income and as a resource settlements for payment of medical expenses.

An insurance settlement may also include an amount for the repair or replacement of a resource or for pain and suffering.

When a client receives a lump sum with no specific amounts designated for the damage settlement and the pain and suffering settlement, exempt as income only the amount of the settlement actually spent for medical expenses or the repair or replacement of the resource. See also Nonrecurring Lump Sum.

When a specific amount for the replacement of the resource is identified, also exempt that portion of the settlement, whether or not it is actually used to replace the resource.

Preparation for Adult Living (PAL) Stipends
441 IAC 41.25(2)

Do not count the income or resources of a parent who is excluded from FIP because the parent receives a PAL stipend. See **4-C, Foster Care**.

PROMISE JOBS Payments
441 IAC 41.27(7)"l"

Exempt as income payments from the PROMISE JOBS program for child care, transportation or other expenses that are incurred as a result of participating in PROMISE JOBS.

PROMISE JOBS Payments (Cont.)

However, PROMISE JOBS payments paid to a FIP participant who provides child care services for a PROMISE JOBS participant are considered self-employment earned income to the child care provider.

See the **PROMISE JOBS Provider Manual** for a description of the payments made by this program.

Property Sold on Contract
441 IAC 41.26(4), 41.27(1)"f"

Exempt as income payments from property sold under an installment contract. The part of any payment received that represents principle is a resource upon receipt.

The interest portion of the payment is a resource the month following the month of receipt. See **4-D, Determining Net Market Value of a Countable Resource** for more information.

Refunds from Rent or Utility Deposits
441 IAC 41.27(7)"c"

Exempt as income refunds of security deposits on rental property or utilities.

Reimbursements
441 IAC 41.27(7)"b"

441 IAC 41.27(7)"a"

Exempt as income reimbursements from the employer for **job-related** expenses including travel expenses and uniform allowances.

Exempt as income **third-party** reimbursements when the payment is to pay or repay the client for an expense that was billed to the client, but owed by the third party.

Third-party payments are exempt whether the third party is living in the home or out of the home. Examples include reimbursement for long distance calls made by a friend using the client's phone, and payments on utilities by a person in a shared living arrangement.

Exempt as income payments received from other public and private assistance programs when the payments represent reimbursement for expenses incurred for participating in these programs. Reimbursable expenses may include travel, child care, meals, and lodging.

Reimbursements (Cont.)

Verify the purpose of the program with the source of the payments before applying the exemption. Document your action in the case record.

Representative Payee Income
441 IAC 41.27(6)“t”

Exempt any income restricted by law or regulation which is paid to a representative payee living outside the home (other than a parent who is the applicant or recipient), unless the representative payee actually makes the income available to the applicant or recipient.

Social Security and other federal benefits are sometimes required by law or regulation to be paid to a representative payee (for example, when the beneficiary is a minor).

The representative payee is to use the funds in the best interest of the beneficiary. The payee may decide to save the money for future use or may make only a part of the funds available for the current needs of the eligible group.

When such income is paid to a representative payee who lives outside the home, consider only the amount actually made available to the applicant or participant. Obtain a signed statement from both parties to verify the amount of income the payee makes available.

When the representative payee is a parent, count the total income, even if the parent is temporarily absent from the home. If the representative payee is living with the FIP household, count the total income when determining eligibility and the amount of the grant.

If the source of the income is child support, apply the $50 support exemption.

Representative Payee Income (Cont.)

1. Ms. A, who is 15 and lives with her aunt, applies for FIP for herself and a baby. The aunt receives a $250 monthly Social Security payment for Ms. A. She keeps $150 each month in an emergency account in the aunt's name and gives Ms. A $100.

   Because Ms. A is living with her representative payee, consider the total $250 Social Security per month as available to Ms. A.

2. Ms. B, who is 17 and lives alone, applies for FIP for herself and a baby. Ms. B's grandmother receives $200 a month Social Security for Ms. B. The grandmother keeps $100 each month in an account for Ms. B's college education and gives Ms. B $100. This $100 is countable income to Ms. B.

3. Ms. C is 18 years old. She and her child live with her self-supporting mother, who is the payee for child support for Ms. C. Ms. C's mother receives $200 child support for Ms. C. Only $150 ($200 - $50) is counted as income to Ms. C. (The same would hold true if Ms. C were under age 18.)

Retirement Benefits
441 IAC 41.27(1)

Treat retirement payments received on a monthly or more frequent basis as unearned income to determine eligibility and benefit amount. See **4-C, Benefits from Other Sources** for information on client responsibility to apply for and accept benefits from other sources.

Medicare premiums are withheld from Black Lung and Railroad Retirement benefits but are not taken out of civil service pensions. These benefits may also be reduced due to recovery of an overpayment. Count only the actual income received (plus the Medicare premium, if applicable).

Retirement Benefits (Cont.)	When the client receives an early lump-sum payment from a retirement fund, determine what portion of the payment represents the client's contribution plus accumulated interest, and what portion represents the employer's contribution. Consider the employer's portion as nonexempt nonrecurring lump-sum income. For more information, see Nonrecurring Lump Sum. When a client who leaves public employment covered by IPERS is under age 55, the **employer's** contribution to the IPERS fund reverts to the employer when the employee requests an early withdrawal of the benefits. When a client who leaves public employment covered by IPERS is age 55 or over and has 4 years or more of service, the person **must** apply for early retirement to be eligible for FIP (unless the funds have been withdrawn).
Retroactive Corrective Payments 441 IAC 41.27(7)"j"	Exempt as income retroactive corrective FIP payments.
Retroactive SSI Payments 441 IAC 41.27(6)"m" 441 IAC 41.27(7)"c"	A retroactive SSI payment is considered a nonrecurring lump sum. It is exempt as income and as a resource, whether or not the client is an SSI recipient when the lump sum is received.
Sick Pay 441 IAC 41.27(2)	Count sick pay as earned income if the person gets it while employed. Count payments for sick leave time donated by coworkers the same as the person's own sick pay. See Other Recurring Lump Sum for information on treatment of unused sick leave payout after employment has ended.
SNAP Employment and Training Allowance 441 IAC 41.27(7)"a"	Exempt as income the SNAP Employment and Training (E&T) component allowances.

Social Security Benefits Extended for Education
441 IAC 41.27(6)"r"

A person aged 18 can receive extended Social Security benefits based on a patent's disability or death if the person is attending high school full time.

The benefits stop at the end of the fourth month after the month the person turns 19 or completes high school, whichever occurs first. If the person's birthday falls on the first day of the month, the person is considered to have reached age 19 in the previous month.

Exempt any extended Social Security benefits received by a parent or nonparental needy relative. When a child in the eligible group receives extended Social Security benefits, consider the entire amount of the benefits as unearned income available to meet the needs of the eligible group.

1. Bob, an 18-year-old child on a FIP grant, receives $95 a month in extended benefits while in high school. Because he is a child, the $95 is counted against the needs of the entire eligible group.
2. Susan, age 18, has a child and is payee for her own FIP grant. She is receiving $150 a month in extended Social Security benefits while she attends high school. The entire $150 is exempt.

Social Security Income
441 IAC 41.27(1)"a"

Count social security benefits as unearned income when determining eligibility and the amount of the grant.

Consider social security benefit amounts reported on the Bendex as verified. (You must enter the correct social security claim number into the system to get a Bendex report.)

When a social security recipient is enrolled in Medicare Part B, the premium is deducted from the person's entitlement. Use the amount of the entitlement before a Medicare premium is withheld.

Social Security Income (Cont.)

If the Department pays the Medicare premium ("buys in"), the participant receives the full social security entitlement and a refund for the months the participant was included in the FIP eligible group and paid the premium. Do not count the refund as income.

> Mr. Z's Social Security payment decreased when he enrolled in Medicare, Part B. His total entitlement is applied toward the grant while the buy-in procedure is in process.
>
> When the buy-in takes place, his Social Security check increases, and he receives a refund for the number of months he was in the eligible group and paid his own premium. The refund is not considered as income, since his total entitlement was applied toward the grant during the buy-in process.

If the Social Security Administration is recouping for a prior overpayment, count only the amount the client actually receives (plus the Medicare premium, if applicable).

Amounts may be deducted from Social Security disability payments for a child support arrearage. The gross and net Social Security payment on IEVS reports may not reflect the correct Social Security payments in these cases. Determine the correct amount to consider.

See Diversion for Child Support and **14-G, BENDEX** for more information.

Student Earnings
441 IAC 41.27(7)"y"

Exempt earnings of an applicant or participant aged 19 or younger who is a full-time student in high school or in an equivalent program. NOTE: A person who has completed high school and is in postsecondary education is not eligible for this exemption.

Student Earnings (Cont.)

Exempt the earnings when determining eligibility or benefits under all three income tests. Apply the exemption regardless if the student is considered a child or is a parent on a case, and regardless of the student's living arrangement.

Employment does not alter a student's status. The person may be employed during school vacation periods. If the person qualified as a full-time student in the term preceding the vacation period, exempt the earnings.

When a full-time student completes high school or an equivalent curriculum, drops out of school, or begins attending less than full time, consider the person a student for that entire month. Exempt the earnings through the month in which the person completes high school, drops out, or decreases attendance.

Likewise, when a person under age 20 who has earnings **becomes** a full-time student, exempt the earnings beginning with the first **payment** month after the person becomes a full-time student.

Apply the student exemption for the entire month of the person's twentieth birthday unless it falls on the first day of the month.

The particular school defines "Full-time" student status. See **4-C, School Attendance** for more information.

Taxes
441 IAC 41.27(1)

Do not count taxes (FICA, state, and federal income taxes) that are actually withheld from unearned income. Count the net amount of income after the taxes were withheld. Do not count taxes when determining eligibility and the amount of the grant.

Some types of unearned income may be taxable but do not have taxes withheld. Do not allow a deduction for this type of tax.

Tips
441 IAC 41.27(2)

Count tip income as earned income.

Any reasonable form of verification is acceptable. Examples of documents verifying tip income include:

- Pay stubs
- Employee's statement
- Employer's statement

Tribal TANF Payments
441 IAC 41.25(2), 45 CFR 286

Exempt as income Tribal TANF payments that are made to members of certain tribes. Tribal TANF is duplicate assistance. See **4-C, Duplicate Assistance**.

Trust Payments
441 IAC 41.26(8), 41.27(1)

Count payments from trusts or conservatorships that are available for basic or special needs as unearned income in the month received.

Unemployment Insurance Benefits
441 IAC 41.27(1)

Count unemployment insurance benefits as unearned income. If unemployment insurance benefits are reduced due to recoupment, count only the actual amount the client receives.

Vacation Pay
441 IAC 41.27(2)

Count vacation pay for taking vacation while the person is employed as earned income in the month received. See Other Recurring Lump Sum for information on vacation payout instead of taking vacation or payout of unused vacation after employment has ended.

Vendor Payments
441 IAC 41.27(6)"o"

Exempt as income and as a resource vendor payments made to a third party on the client's behalf.

Veterans' Benefits
441 IAC 41.27(1)

Count veteran's benefits as unearned income. However, exempt as income payments made under the Aid and Attendance program or the housebound allowance. If a VA benefit is reduced due to recoupment, count only the actual amount the client receives.

Veterans' Benefits for Education or Training
441 IAC 41.27(6)"r"

A person eligible for financial assistance under the GI Bill may also receive additional assistance for each dependent.

Exempt the amount designated for the veteran's education.

Count the amount for the dependents who are included in the FIP grant as nonexempt, unearned income to determine eligibility and amount of the FIP grant.

VISTA Payments
441 IAC 41.27(6)"i"

Exempt Title I VISTA volunteer payments, as income and as a resource as long as the Director of ACTION determines the value of all such payments is less than the federal or state minimum wage when dividing payment by the hours of service.

To date, the Director of ACTION has determined no VISTA payments to equal or exceed the minimum wage. Central office will notify field offices when these payments are no longer exempt.

VISTA payments are considered as unearned income. This is because participants are considered volunteers rather than employees. When VISTA payments exceed the minimum wage limit, count the entire amount.

Vocational Rehabilitation Training Allowance
441 IAC 41.27(7)"k"

Exempt as income a training allowance issued by the Division of Vocational Rehabilitation Services of the Department of Education. The vocational rehabilitation counselor establishes an allowance amount that meets the client's needs for items relating to the rehabilitation program, such as tuition, books, transportation, lodging away from home, and similar items.

Wages
441 IAC 41.27(2)

Count all wages and salaries as earned income. Consider earnings received on the date the employer distributes payroll.

Wages (Cont.)

The employer determines payday. When the employer distributes payroll to the employees on a date other than the regular payday, consider the date distributed as the date of receipt.

For example, regular payday is on January 1. The employer distributes payroll on December 31 because January 1 is a holiday. Consider December 31 as receipt date.

If the employer merely grants an exception for a particular employee to pick up the paycheck early, consider the **regular** payday as the date of receipt.

When an employer **holds** wages at the employee's request, count the wages as income in the month the employer would normally pay the wages. However, when the employer holds wages as a general practice, count the wages as income in the month the household actually receives them.

Count wage **advances** as income in the month received only if the household has asked for or expects to ask for and receive an advance on wages.

Work Force Investment Project Incentive Allowances
441 IAC 41.27(7)"ad"

Exempt as income incentive allowance payments received from the Work Force Investment Project, a state-funded program administered by the Department of Economic Development.

The purpose of the program is to provide support services to pregnant teens and teen parents. It serves people who are traditionally underrepresented in the labor force, and people who usually have great difficulty entering the labor force. Participants attend high school, GED classes, workshops, and training at work experience sites.

When participants successfully achieve the objectives of their training program, they receive an incentive allowance. For example, a participant can receive an incentive allowance for perfect attendance at school and program workshops during a 15-day period.

Worker's Compensation 441 IAC 41.27(1)	Count worker's compensation payments as unearned income.

Child Support

Legal reference: 441 IAC 41.27(1)"h," 41.27(6)"o"

Policy: Child support is money that a legally responsible person pays for the support of a child. "Legally responsible person" means either:

- A parent of the child (whether or not the parent has been ordered to pay support), or
- A person who is ordered to pay support for the child.

A person may pay child support voluntarily or may be obliged to pay support under an order established through a judicial process or through an administrative process by the Child Support Recovery Unit (CSRU). The "monthly obligation" is the monthly amount payable under the terms of either an administrative order or a court order.

When an absent parent makes payments to a third party for a family's current basic or special needs, the payments are exempt as unearned income in kind. The payments are exempt even when made in compliance with a court order for support. See In-Kind Unearned Income.

FIP participants have assigned to the Department rights to support payments made for members of the eligible group. The assignment remains effective for the entire period for which assistance is paid. The Collection Services Center (CSC) collects support that is assigned to the Department. See **4-C, Assignment of Support**.

Procedure: Treat payments as a gift, rather than as child support, when the payments are:

- Gifts from friends or relatives who are not legally responsible to pay support, or
- Gifts from the absent parent or other legally responsible person that are intended for special occasions (like graduation, prom, birthdays, Christmas, or Easter).

See Gifts in this chapter.

Contact the Child Support Recovery Unit if you have questions about the amount of support ordered.

The following sections give more information on:

- The $50 exemption for cash support income
- Treatment of support for applicants
- Treatment of support for participants
- Participants who leave FIP to receive support
- Support for the first month of ineligibility
- Support for an ineligible or excluded child

$50 Exemption

Legal reference: 441 IAC 41.27(6)“u”

Policy: The first $50 of a current monthly support obligation or a voluntary support payment made by a legally responsible person is exempt. Regardless of how many absent parents pay support, the maximum exempt amount is the lesser of:

- $50, or
- The amount paid, or
- The monthly obligation.

The $50 exemption does not apply to back support due for past months.

Procedure: Apply the $50 exemption when an applicant or participant receives and keeps current month’s cash support.

When a support payment includes both the current month’s payment and payment for past months, allow the exemption of up to $50 only from the support due for the current month.

1. $200 is the monthly obligation
   $100 is paid to the client for the current month
   $50 is exempt.

2. $40 is the monthly obligation
   $50 is paid to the client, including $10 for delinquent support
   $40 is exempt

3. $200 is the monthly obligation
   $45 is paid to the client for the current month
   $45 is exempt

When a legally responsible person pays support for dependents who are in different FIP eligible groups, allow each eligible group an exemption up to $50 of the current monthly support payment.

1. $200 is the monthly obligation for two children. One child lives with the mother and the other child lives with the grandmother. Both the mother and the grandmother apply for FIP for the children on separate cases. The absent parent pays $100 support to the mother and $100 to the grandmother. Each eligible group is entitled to a $50 exemption.
2. Same as Example 1, except the father is ordered to pay $50 per month support for both children. $50 is exempt; the grandmother and the mother are entitled to a $25 exemption each from the support payments they receive.

Treatment of Support for Applicants

Legal reference: 441 IAC 41.27(1)“h,” 41.27(6)“u”

Policy: Any nonexempt cash support payment for a member of the eligible group that is made while the application is pending is countable as income when determining eligibility and the amount of the grant for the applicants.

Support the Department collects through the date of the FIP eligibility decision and distributes to the family is considered unassigned and is due the family.

One-time payment of support for past months is treated as a nonrecurring lump sum. Court-ordered support paid for future months is considered as unearned income in the month received.

Procedure: When determining eligibility and the amount of the grant for applicants, count as income all nonexempt support payments received through the date of the eligibility decision, regardless whether the support payment:

- Is for current or past support or a combination of the two, or
- Exceeds the monthly obligation.

Apply the $50 exemption to the month in which the applicant received the support. (See Establishing the Date of Receipt for details.) Manually deduct the exempt amount before entering the countable support on the system.

Mr. G files a FIP application on May 1. On April 28, CSC receives a $100 child support payment, which is mailed to Mr. G. He receives the payment on May 2. Although the $100 represents an April payment, $50 is exempted for May, because Mr. G received the payment in that month. The remaining $50 is counted as income for the May FIP grant.

Consider payments the FIP applicant receives through the date of decision as unassigned support. Because the support is considered unassigned:

- Do not require the family to refund the payments to the Department.
- Count the nonexempt amount of the support as unearned income.

Do not count as income nor enter onto the system support expected to be received after the date of decision. This is because support is assigned to the Department when FIP is approved. The participant must refund any assigned cash support payment the participant receives after the date of decision.

1. On June 15, Mrs. A applies for FIP. Before entering the FIP eligibility decision on July 3, the EBS checks the VPAYHIST screen on ICAR. VPAYHIST shows three payments of $70 each, distributed to Mrs. A on June 18, June 25, and July 2. All three payments are considered unassigned, even though Mrs. A will not actually receive the July 2 payment until after her FIP approval is processed on July 3.

   The EBS enters $90 income ($140 minus $50 exemption) for eligibility and the amount of the grant for June, and $20 income ($70 minus $50 exemption) for eligibility and the amount of the grant for July.

   NOTE: Current-month support payments the Department anticipates to collect after the date of decision are considered assigned and will be retained by the Department. The EBS enters $0 support for August and ongoing.
2. Mrs. D applies for FIP on May 2. Mr. D is ordered to pay $50 support per week, which Mrs. D receives every Friday. There are four Fridays in the month of application (May 6, 13, 20, and 27). It is anticipated that Mr. D will pay the total $200 in May.

On May 23, the EBS approves the application with an effective date of May 9. Through the date of decision, Mrs. D has received $50 support payments on May 6, 13, and 20. Therefore, the EBS enters $100 income ($150 received - $50 exemption) for eligibility for May and to determine the May FIP grant amount.

Ms. D is required to refund the entire payment she will receive on May 27. The payment will not be entered onto the system for eligibility, because support is assigned. The EBS enters $0 support for June and ongoing.

If the amount received up through the date of decision includes a one-time payment of support ordered for **prior** months, treat the retroactive amount as a nonrecurring lump sum. To determine the retroactive portion, deduct the amount of the current support obligation from the total support payment the applicant received.

The $50 exemption applies only to current support.

- If there is a court order, consider the amount of the obligation as current support.
- If there is no court order, consider the entire support payment the applicant receives as current support.

1. The FIP applicant gets a $350 support payment. There is no court order. Thus, the entire payment is considered as voluntary support. The first $50 is exempt. The remaining $300 is counted as unearned income in the month the applicant receives the payment.
2. The FIP applicant gets a $650 support payment that includes a one-time payment for past-due support. There is a court order for $200 monthly support. Therefore, $200 of the $650 payment is considered as **current** support, and the $50 exemption is applied to that portion. The remaining $450 is considered as past support and treated as a nonrecurring lump sum.

If support the applicant receives represents court-ordered support for future months, apply the $50 exemption and consider the remainder of the payment as unearned income in the month received.

Establishing the Date of Receipt

Policy: A support payment is considered as income in the month in which the applicant receives the payment.

Procedure: To determine the date of receipt for support distributed to an applicant by the Collection Services Center (CSC), check the dates recorded under the DISTR DATE column on the ICAR VPAYHIST and VPAYREC screens.

The date under DISTR DATE field reflects the date CSC processed the payment (and is not the date the applicant received it). Add two working days and two mailing days to the DISTR DATE on ICAR to determine when the applicant may have received the payment.

NOTE: Although the VPAYHIST screen provides more information about the distribution of payments, you should view both screens, as payments from some sources appear only on the VPAYREC screen.

If the applicant disputes your calculated date, accept the applicant's statement as to the date of receipt if that date appears plausible.

1. A $400 payment shows on VPAYHIST with a 5/28 DISTR DATE. Unless the applicant states otherwise, the payment is considered as received in June. The payment is considered as June income to the applicant regardless to what month CSC applies the payment.
2. A $400 payment shows on VPAYHIST with a DISTR DATE of 5/20. The payment is considered as received in May, unless the applicant states otherwise. The payment is considered as May income to the applicant regardless of what month CSC applies the payment.

When the applicant receives support payments from another source, such as directly from the absent parent or from a clerk of court, ask the applicant for verification of receipt dates and amounts.

Treatment of Support for Participants

Legal reference: 441 IAC 41.27(6)"u" and "ac"

Policy: Assigned support received and retained by the Department is exempt as income.

Participants must report and refund to the Department the entire amount of assigned support payments received directly from the absent parent or any other source.

Participants are not required to report and refund support released by CSC in the following circumstances:

- **Overages**. Overages are released when the assigned support collected and retained by CSC exceeds the entire amount of FIP assistance paid out to the family.
- **Unassigned support**. Unassigned support owed for a period when FIP was not received is released to the family.
- **Support for an ineligible or excluded child**. Support collected for a child who is not in the eligible group is released to the family.

Procedure: Exempt as income assigned support that is collected and retained by the Department.

1. Mrs. K. is employed and has $400 monthly countable earnings. She receives $26 FIP for herself and her two children. In March, the children's father starts to pay $150 per month child support to CSC. The entire $150 retained by CSC is exempt and is not used to determine Ms. K's FIP eligibility.
2. Mr. T receives $361 FIP for himself and one child. The child's mother pays $200 child support per month to CSC. Mr. T gets a new job, and his monthly countable income is $350. The $200 support amount retained by CSC is exempt and is not used to determine Mr. T's FIP eligibility.

When a participant refunds direct support, instruct the participant to refund the payment to the local Child Support Recovery Unit office rather than to CSC, to ensure the payments are properly credited.

If the client returns the support payment to you, forward it to the Child Support Recovery Unit. See Direct Support Not Refunded for instructions when a participant receives direct support and fails to refund it.

Consider any **countable** support payment released to the family as income in the month in which the participant receives the payment. See Establishing the Date of Receipt.

Depending on the family's other countable income, release of countable child support may result in FIP cancellation. However, do not project child support income that is not expected to continue to be released.

The participant is not required to report receipt or to verify the amount of a payment issued by the CSC because it was issued by the Department. CSC will notify you of the date and the amount released to the participant.

To determine how to treat the payment, it is important to know the reason CSC released it. Confer with the assigned child support recovery officer if you have questions on the reason CSC released the support to the participant.

Direct Support Not Refunded

Legal reference: 441 IAC 41.22(6)"f"

Policy: Failure to refund direct support may result in a sanction.

Procedure: If a participant fails to refund direct support:

- On the **first** failure:
  - Inform the participant in writing of the requirement to refund direct support and that a second violation will result in a 25% reduction of the FIP grant.
  - Talk to the assigned child support recovery officer about the participant's failure to refund support and provide details on the support payments.
- On the **second** or subsequent failure, initiate a 25% grant reduction.
  - Manually deduct the exempt amount from the direct support and begin to consider the countable amount as unearned income prospectively, effective the next month.
  - Recover any excess FIP issued for months following the first month the direct support was received and retained by the participant.
  - Do not stop the grant reduction until the parent has proven cooperation by refunding a future direct support payment, or the parent has expressed willingness to cooperate and a change in the circumstances indicate that the client is unlikely to get direct support payments in the future.

- Once cooperation is proven, remove the child support effective the next month.

1. In September, Ms. B, FIP participant receives $100 direct support that is released by CSC in error. Ms. B fails to refund the support. The EBS informs the client in writing of the requirement to refund direct support and the penalty for not refunding it.

   The EBS contacts CSC about the support. CSC adjusts the account to stop support from being released.

2. In October, Ms. C receives the $100 in direct support from the absent parent and fails to refund it. Ms. C had previously been informed in writing of her responsibility to refund direct support. The EBS imposes the 25% grant reduction. The EBS exempts $50 and counts $50 as unearned income effective November and ongoing.

   Ms. C receives and refunds direct support received in November. Because Ms. C has proven cooperation to refund support, the EBS lifts the 25% penalty and removes the unearned income effective December.

Overages

Legal reference: 441 IAC 41.22(7)

Policy: The Department keeps assigned support collected up to the total amount of FIP assistance paid out from the time a family began receiving FIP, even if the amount of support collected during a given month is more than the family's FIP grant for that month.

At the point that the support collected and retained by CSC exceeds the entire amount of FIP assistance paid out to the family, CSC will release the overage to the family the following month.

Procedure: If an overage payment represents current month's support, exempt the first $50 of an overage payment and consider the remainder as unearned income in the month received.

However, if the absent parent has a history of paying support only sporadically, and overage payments are not likely to continue, do not project countable child support income for future months.

Ms. B has received $1,500 FIP benefits over the past several months. When CSC receives the February child support payment from the absent parent, the total support collected and retained comes to $1,600. In March, CSC sends the $100 overage to Ms. B.

The child support is expected to continue at the same rate and the $100 overage will be sent to Ms. B monthly. Only $50 of the $100 overage is counted when determining Ms. B's FIP eligibility and benefit amount beginning in April.

If the child support overages were not expected to continue, no child support income would be projected for April and ongoing.

Consider an overage amount that represents support collected for a past month as a nonrecurring lump sum.

March support collections exceed the participant's FIP payout by $250. $100 of this is expected to continue. However, the monthly court-ordered obligation showing on ICAR is only $100.

When CSC issues the $250 overage to the client in April, allow the $50 exemption and use $50 as income beginning in May. The remaining $150 is considered as nonrecurring lump-sum income.

Unassigned Support

Legal reference: 441 IAC 41.22(7)

Policy: Unassigned support owed for a period when FIP was not received is released to the family. See **4-C, Assignment of Support**.

Procedure: Consider a one-time payment of unassigned retroactive support owed for a period when the family was not on FIP as a nonrecurring lump sum when it is released to the family. See Nonrecurring Lump Sum.

Ms. A is approved for FIP in November. The absent parent has been ordered to pay $100 per month in child support and is $1,200 behind on the payments when FIP is approved. In January, the absent parent makes a payment of $800.

The Department retains $300 of the payment as it is considered assigned support for the months of November through January when the family received FIP. The remaining $500 is considered unassigned support for the period when FIP was not received. The $500 released to the family is considered as a countable nonrecurring lump sum.

Consider regularly recurring payments of unassigned support owed for a period when the family was not on FIP as a recurring lump sum. See Other Recurring Lump Sum.

Ms. B is a FIP participant. The absent parent is ordered to pay $100 per month in current child support. He is current on payments owed since FIP was approved, but owes back support for a period when Ms. B was not on FIP. In addition to the current support, he has been ordered to pay $50 per month on the arrears and is making the payments regularly.

The $100 per month in current support is retained by the Department and not counted as income for the case. The $50 payment on the arrears is released to Ms. B each month and is considered as unearned income in the month as it is a recurring lump sum. The $50 exemption is not allowed, as the payments being released are not current months support.

Consider the current month's support payments as unearned income in the month when they are released because:

- The support was collected before the date of the FIP approval and is due to the family.
- The release of the payment could not be prevented due to the timing of the FIP reinstatement.

Support for an Ineligible or Excluded Child

Legal reference: 441 IAC 41.27(6)“n”

Policy: Child support is considered income of the child. The income and resources of an ineligible or excluded child are exempt for FIP.

Procedure: When the FIP parent receives child support for a child who is not in the FIP eligible group, consider the support payment as follows:

- If the ineligible or excluded child **lives in the home** with the eligible group, do not count the support payment as income or as a resource toward the eligible group, even if the FIP parent has access to the payment.
- If the child is **not** living in the home with the eligible group and the FIP parent uses the support for the needs of the eligible group, then count the support as unearned income to the eligible group. Do not allow the $50 support exemption, because it applies only to current support paid for a member of the eligible group.
- If the FIP parent claims to make the support payment available to meet the needs of the child, obtain written verification from both the FIP parent and the person receiving the payment. Do not count the support if both parties substantiate the client’s claim in writing.

Participants Who Leave FIP to Receive Support

Legal reference: 441 IAC 7.7(2)“b,” 41.22(7)

Policy: Participants may request to have their FIP canceled at any time and receive child support instead. The cancellation request need not be in writing, unless the timely notice requirement cannot be met.

Procedure: Cancel FIP at the participant’s request. Allow timely notice, or allow adequate notice if the request for cancellation is in writing. See **4-A, When Timely Notice Is Not Required**.

Mrs. A and her two children have been receiving $426 FIP each month. The children's father starts to pay $500 monthly support to CSC. Mrs. A can request FIP cancellation and receive child support instead.

Even though the monthly support exceeds the FIP grant, Mrs. A may continue on FIP if she wants. If she chooses to stay on FIP, the $500 support is not counted when determining her ongoing FIP eligibility so long as it is received and retained by the Department. When the amount of support collected and retained exceeds the total amount of FIP received, CSC will begin to issue overages.

The family is entitled to receive direct support the Department collects on or after the effective date of the requested FIP cancellation.

If a client requests FIP cancellation to receive child support instead, but it is too late in the month to stop the FIP benefits for the next month:

- Cancel FIP assistance effective the second month.
- Inform the client that support collected by the Department for the first month after the client's request (state the month) will be released to the client if the payment is returned in the month for which it is issued (state the month).
- Document your actions in the case record. If you issue instructions to the client in writing, make a copy for the case record.

If the client returns the FIP assistance in the month for which it is issued, send an E-mail to the assigned child support recovery officer. Keep a copy for the case record. Briefly explain in the note the circumstances of the client's delayed FIP cancellation, including:

- The date the client requested cancellation;
- The date of the system cancellation;
- The date the client returned the FIP benefits issued for the first month (state the month);
- That the support assignment is considered terminated as of the first of that month; and
- That support collected for that month (state the month) must be released to the former client.

A client who does not return the assistance issued for the first month is not entitled to receive the child support that was collected for that month. However, if the client is otherwise eligible for the month, there is no overpayment.

Make FIP participants aware of the importance of keeping track of the support the absent parent pays to CSC, so that they can make an informed decision whether they are better off to stay on FIP or to go off FIP and receive child support instead. Discuss these policies and procedures during the application interview and whenever indicated by the client's circumstances.

Encourage participants to check the quarterly report CSRU issues to them listing child support collections. Also inform participants that they can use the CSRU Web site or call 1-888-229-9223 at any time to get information on the support the absent parent paid to CSC.

There is no limit on the number of times a participant may request to be canceled from FIP in order to receive child support instead. Families may reapply and be reconsidered for FIP eligibility at any time.

Support for the First Month of Ineligibility

Legal reference: 441 IAC 41.27(7)"p"

Policy: When the support assignment is not terminated effective the same date as the family's FIP eligibility is canceled, support payments may be made to CSC in error. CSC must refund these payments to the client.

Procedure: Exempt as income support refunded for the first month of ineligibility if the family remains off FIP for the entire month. The refunds are exempt as income regardless of when the family receives the support, as long as the family remains off assistance for the month.

1. Ms. A's FIP case is canceled effective July 1. CSC receives support payments of $15 on July 10 and $25 on July 25. Ms. A reapplies for FIP on August 5. She receives the $40 July support refund on August 10. This $40 is exempt as income because it is support for the first month of ineligibility and the family remained off FIP for the entire month.

2. Ms. B is canceled from FIP effective July 1. CSC continues to receive support payments in July ($60) and August ($120). Ms. B reapplies for FIP September 7. She receives a payment of $180 from CSC on September 12.

   The $60 portion for July is exempt as income because it is support for the first month of ineligibility and the family remained off FIP for the entire month. The $120 portion for August is countable income because it was not intended for the first month of ineligibility, and it is received in the month of application for FIP.

This exemption applies only to cases that are canceled from FIP. Do not apply the exemption to families who are still considered participants but who do not get a grant due to rounding down or due to the limit on payments of less than $10.

Do not apply this exemption when the family reapplies and is found eligible for all or part of the first month following the termination. Determine benefits prospectively as in any other situation.

Lump-Sum Income

Discussion of lump sums is divided into the following sections:

- Income from contract employment
- Other recurring lump-sum income, which may be earned or unearned
- Nonrecurring (one-time) lump sums, which are always unearned income, in the nature of a windfall or a retroactive payment of benefits

Income from Contracts

Legal reference: 441 IAC 41.27(9)“c”(1)

If income from a contract is received on a recurring lump-sum basis, determine the period covered by the contract. Calculate the total amount payable under the contract and prorate it over the number of months the contract covers. Count the prorated monthly amount as part of the income projection.

- If the contract income is timely reported, begin using the prorated amount in the month following a ten-day notice.
- If the income is not reported timely, begin using the prorated amount in the month after the month in which the lump sum is received. Recoup any assistance that was paid in error.

1. Ms. A, a FIP participant, is employed under contract. In August, she timely reports receiving $300, which covers the months of July, August, and September. $100 prorated income ($300 divided by 3) is counted for the September, October and November months.
2. Mr. B is employed under contract and receives $600 in January. The contract period is January through June. On April 5, Mr. B applies for FIP. On April 26, the FIP application is approved. $100 prorated income ($600 divided by 6) is counted in the income projection for the months of April, May, and June.

Treat income from contractual employment that is received on a regular basis (weekly, biweekly, etc.) in the same manner as the earnings of a regular, noncontractual employee.

Consider recurring lump-sum contract income if it is received at any of the following times:

- During the month of decision.
- Any time during the receipt of assistance.
- Before the month of decision when the income is anticipated to recur.

NOTE: If the income will not continue, do not consider any lump sum received before the month of application.

If the initial month of eligibility precedes the month of decision, treat a recurring lump-sum contract payment received during this time as if it were received in the month of decision. In this context, “month of decision” includes the month in which the date of decision occurs and any prior months. (See **4-F, Determining Eligibility for a Prior Month**.)

NOTE: Do not apply these policies to contract income from self-employment.

Other Recurring Lump Sum

Legal reference: 441 IAC 41.27(9)“c”(1)

Consider other recurring lump-sum earned and unearned income as income in the month received, if you can predict the month it will be received. If you can predict the month the recurring lump sum will be received but the amount is uncertain, count only the amount that is certain.

If the lump-sum payment represents earned income, apply applicable deductions and diversions. Examples of recurring lump-sum income are:

- Vacation pay in lieu of taking vacation
- Payout for unused vacation upon termination of employment
- Sales commission
- Bonus
- Profit-sharing
- Payout for unused sick leave upon termination of employment

Count these lump-sum payments as earned income in the month received regardless:

- If received while the client is employed.
- If received after termination of employment.
- Of the number of months over which the lump-sum income was gained.

1. Ms. A, a participant, reports in April that she will receive a $240 semiannual bonus in addition to her regular earnings in May. Both the $240 bonus plus Ms. A's regular May earnings are considered as income in May.
2. In May, Ms. B timely reports she received a $240 semiannual bonus in May. Ms. B reports that she is unsure if she will receive the bonus in the future. The EBS verifies with the employer that the semi-annual bonus is not guaranteed. The EBS will not anticipant the bonus for October because it is uncertain if Ms. B will get a bonus in that month.

NOTE: Do not apply these policies to self-employment income.

Court-ordered retroactive child support payments received on a regular basis are a recurring lump sum. Count these lump-sum payments as unearned income in the month received.

Ms. E is an applicant. She receives child support of $425 a month on an ongoing basis. $350 is for current support and $75 is for delinquent support. Allow the $50 exemption from the current support. The $75 for delinquent support is a countable recurring lump sum that is used as unearned income in the month received. Total countable child support for Ms. E is $375 ($350 - $50 + $75).

Nonrecurring Lump Sum

Legal reference: 441 IAC 41.27(9)“c”(2)

Issue the pamphlet Comm. 24, *One-Time Payments*, when a participant reports receipt or possible receipt of a nonrecurring lump sum, or when you believe the participant may receive such sums.

When a client reports receipt of a lump sum, document in the case record:

- The date you issued the pamphlet.
- The date the lump sum was received.
- How the receipt was reported.
- The amount of the sum.
- The source of verification.
- How you determined that the income is a lump sum.
- How you informed the client of the effect of receiving the lump sum.

Count the nonrecurring lump-sum income if received by:

- Any person in the eligible group.
- A parent in the home who is otherwise ineligible (e.g., ineligible alien).
- A parent who is in the home but is excluded from the eligible group due to sanction.

Do **not** count the lump-sum income of a person who is receiving SSI. However, when an SSI recipient acts as a representative payee for another person in the home, income the SSI recipient receives for the other person is considered income of the other person, not income of the SSI recipient. If the other person is a member of the FIP assistance unit, count the income as appropriate.

1. Ms. A receives SSI for herself and FIP for her child. Ms. A is in an accident and receives a lump-sum insurance settlement as a result. The lump sum is exempt because Ms. A is an SSI recipient.
2. Same situation as Example 1, except it is Ms. A’s child who is in an accident, and Ms. A receives a lump-sum insurance settlement for the child. The lump sum is countable. Although Ms. A receives the lump sum as representative payee for her child, the lump sum is intended for the child’s needs.

Consider nonrecurring lump sums received by the following persons as income in the month of receipt only.

- An ineligible stepparent
- A self-supporting parent
- A spouse of a self-supporting parent

Refer to Stepparent Income and FIP Parent Under Age 19 for more information.

Exempt Lump Sums

Legal reference: 441 IAC 41.27(7)"c"

Exempt as income the following types of nonrecurring lump sums:

- State or federal income tax refunds (including earned income credit).
- Retroactive SSI benefits.
- Settlements for payment of medical expenses (also exempt as a resource).
- Refunds of security deposits on rental property or utilities.
- The part of the lump-sum payment that is both received and spent on funeral and burial expenses.
- That part of the lump-sum payment that is both received and expended for a replacement of a resource.

  NOTE: When a part of a lump sum is designated for the repair or replacement of a resource, that part of the payment is exempt as income whether or not the client actually uses it to repair or replace the resource.

  When the amount of the damage and pain and suffering settlements are not designated, only the amount actually expended for repair or replacement of the resource is exempt as income.
- Sums received by people whose income is not considered (nonparental specified relatives not in the eligible group, SSI recipients, etc.).
- The employee's share of a lump-sum retirement payout (if produced by payroll deduction; consider it a resource upon receipt).

See **4-D, Lump Sum (Nonrecurring)** for treatment of these nonrecurring lump sums as a resource. Also see **4-D, Property Settlements** for treatment of property settlements as a resource rather than income.

Nonexempt Lump Sums

Legal reference: 441 IAC 41.27(9)“c”(2)

Nonrecurring lump sums that are **not** exempt include:

- Inheritances.
- Insurance settlements for pain and suffering.
- Insurance death benefits.
- Lawsuit settlements.
- Countable gifts.
- One-time winnings (such as lottery winnings). Deduct the cost of the ticket, bingo card, etc., but do not deduct prior losses.
- One-time retroactive payment of benefits such as job insurance, workers’ compensation, social security, veterans’ benefits, and child support.
- Severance pay (the amount received is unearned income).
- The employer’s share of a lump-sum retirement fund that is paid to the employee.

When Lump Sum Is Not Considered

Legal reference: 441 IAC 41.27(9)“c”(2)

The date a nonrecurring lump sum is received determines whether the lump sum is considered. The lump sum does not affect eligibility if:

- It is received **before** the month of application.
- It is received in the month of application, but the effective date of assistance falls in another month because of the **seven-day delay** in payment. For example, if Ms. A receives a lump sum on March 15 and applies for FIP on March 28, the lump sum is not considered because assistance begins April 4.
- The assistance issued for the month the lump sum is received is **subject to recoupment** because the person receiving the lump sum is ineligible for other reasons. Consider the lump sum if at least one person was eligible in the month of receipt and the ineligible person is a parent remaining in the home.
- A period of ineligibility was established by **another state** because of the receipt of a lump sum. (Check on resources due to receipt of the lump sum.)

- The participant requests cancellation **before** the first day of the month that the lump sum will be received.

  If the cancellation is requested so late that you cannot stop the FIP warrant, the participant must return the payment **in the month for which it is issued**.

  However, a period of ineligibility results if the participant reapplies in that month and the effective date of assistance falls within that month.

Budgeting the Lump Sum

Legal reference: 441 IAC 41.27(9)“c”(2)

Consider a nonrecurring lump sum as unearned income in the month received, and count it in computing eligibility **unless the income is exempt**. See Exempt Lump Sums.

Count the lump sum as income in the month it becomes available to the client, unless the terms of the lump sum stipulate otherwise. Reduce the lump sum by the cost of producing the income (attorney fees, taxes, etc.).

Add the countable lump-sum income and other countable income received in the month. (Do not consider assigned support collected and retained by the Department. Divide the total income by the standard of need (including special needs) for the eligible group for that month.

If the lump sum was not timely reported, complete an overpayment for any months it was not used to determine benefits, beginning with the month the lump sum was received.

1. Ms. A is receiving FIP. On June 14, she timely reports that she received a nonexempt, nonrecurring lump-sum payment on June 8. The EBS determines that there is a three-month period of ineligibility, beginning with the month of June (the month the lump sum was received) and running through August.

   The EBS cancels the case effective July 1 (the month following a notice of adverse action). Because the lump sum was timely reported, there is no overpayment for June.

2. Same as Example 1, except that Ms. A doesn't report the receipt of the lump sum until July 10. The three-month period of ineligibility still runs from June through August. The EBS cancels Ms. A's FIP effective August 1 (the month following a notice of adverse action) and recoups the FIP benefits issued for June and July.
3. Ms. B applies for FIP on June 8. On June 17, she receives a nonrecurring lump-sum payment of $5,000. On July 1, the EBS determines Ms. B eligible effective June 15.

   On July 6, Ms. B reports the lump-sum payment. The EBS must determine the period of ineligibility, cancel the case effective August 1, and recover assistance for June and July.

For purposes of the lump-sum policy, the "eligible group" is defined as all eligible persons and any other person whose lump-sum income must be counted in determining the period of ineligibility. This policy affects cases where the parent is in the home but is excluded from the eligible group (e.g., the parent is sanctioned or is an ineligible alien).

If the **excluded parent** receives a nonrecurring lump sum, consider that parent as if included in the eligible group. That is, count the parent in the standard of need figure when determining the period of ineligibility.

However, if **another person** in the assistance unit receives the lump sum, do not count the excluded parent in the standard of need figure when determining the period of ineligibility.

1. Ms. A has two children for whom she receives FIP. Her needs have been excluded from the eligible group for failure to apply for benefits from other sources. Ms. A receives a $5,000 nonrecurring lump sum. The EBS divides $5,000 by $849, the three-person standard of need figure, to determine the children's eligibility.
2. Same as Example 1, except one of Mrs. A's children receives the lump sum. The EBS computes the period of ineligibility based on a two-person standard of need figure.

3. Mr. and Mrs. T receive FIP for their three children. Mr. and Mrs. T are excluded from the grant because they are ineligible aliens. Mr. T receives a nonexempt nonrecurring lump sum.

   Mr. T is included in the standard of need figure in determining the period of ineligibility. Mrs. T cannot be included in the standard of need figure, as she is an excluded parent and is not the receiver of the lump sum.

If countable income, including the countable lump-sum income, is less than the needs of the eligible group, consider the lump sum as a one-time change in income. Remember that a one-time change in income is not used in the projection of income since it is not representative of future income.

If countable income is equal to or more than the needs of the eligible group, reduce benefits, cancel the active case, or reject the application.

A FIP household receives a $100 nonrecurring lump-sum payment in July and reports it within ten days. The lump sum combined with other countable income received in July does not exceed the standard of need for the eligible group.

Since the lump sum is a one-time change in income and is not indicative of future income, it does not affect the projected amount of income.

Period of Ineligibility

Legal reference: 441 IAC 41.27(9)“c”(2)

The first month of the period of ineligibility is always the month in which the lump sum is received. To determine the number of months the case remains ineligible (the period of ineligibility), divide the total countable income in the month by the standard of need (that is, need according to the schedule of living costs plus special needs) for the same month.

After determining the period of ineligibility, apply any excess to the first month after the period of ineligibility ends. If the excess exceeds need for this first month, the case remains ineligible. However, disregard any balance remaining after this first month.

NOTE: When the case is determined ineligible because of lump-sum income, the *Notice of Decision* must include the date eligibility may be regained.

If the nonrecurring lump sum was reported timely, do not recoup assistance for the months of the period of ineligibility in which a portion of the lump sum could not be used due to timely notice requirements.

1. Ms. X receives FIP for herself and her two children. On February 10, she reports receiving a $1704 nonrecurring lump sum on February 2. She also has $200 in other unearned income for the month of February.

   $1704 + $200 = $1904 divided by $849 (the three-person standard of need) = 2 months of ineligibility and $206 remaining to count against the third month. The EBS cancels FIP effective March 1.

   Ms. X is ineligible for March. If she reapplies and is otherwise eligible for April, the EBS will apply the $206 to April. There is no lump-sum income left to consider for May and subsequent months.

2. Ms. Y receives FIP for herself and her two children. She receives a $2200 nonrecurring lump sum in February, which she timely reports. She has no other income for February. $2200 divided by $849 (the three-person standard of need) = 2 months of ineligibility and $502 remaining to count against the third month.

   The EBS cancels FIP effective March 1. Ms. X is ineligible for March. Since $502 exceeds the three-person payment standard, Ms. X will also remain ineligible for April. There is no lump-sum income left to consider for May and subsequent months.

3. Ms. T receives FIP for herself and three children. Ms. T receives a $3,000 nonrecurring lump sum April 9 and timely reports the receipt on April 14.

   The EBS requests additional information and Ms. T supplies it by the due date of April 24. The first month of the period of ineligibility is April. Timely notice is issued April 26 effective June 1. Because the lump sum was timely reported, no recoupment will be established for April or May.

   The first month in which a prorated portion of the lump sum is used to determine eligibility will be June, the third month of the period of ineligibility.

If the nonrecurring lump sum was reported untimely, establish recoupment for the months of the period of ineligibility in which the portion of the lump sum could not be used due to timely notice requirements.

Ms. T receives FIP for herself and three children. She receives a $3,000 nonrecurring lump sum on May 9. Ms. T reports receipt of the lump sum May 21. The EBS requests additional information and Ms. T supplies it by the due date of May 31.

The first month of the period of ineligibility is May. Timely notice is issued June 2, effective July 1. Because the lump sum was not timely reported, FIP issued for the months of May and June is subject to recoupment.

If the applicant withdraws an application (or is denied assistance for a reason other than the lump sum), establish a period of ineligibility if the lump sum is received in the **same** month as the withdrawal or denial, even if that is the application month.

However, do not establish a period of ineligibility if the application is withdrawn (or denied for another reason) before the first of the month when the lump sum is (to be) received.

1. Mrs. A applies for assistance on March 14. On March 20, she requests withdrawal of her application because she expects to receive a nonrecurring lump sum on March 27. A period of ineligibility is still established, because the request did not occur before the first day of the month in which Mrs. A anticipates receiving the lump sum.
2. Ms. B applies for assistance on March 14. On April 2, she requests withdrawal of her application because she expects to receive a nonrecurring lump sum on April 8. A period of ineligibility is still established, because the request did not occur before the first day of the month in which Ms. B anticipates receiving the lump sum.

3. Mr. H applies for assistance on March 14. On March 28, he withdraws his application because he expects to receive a nonrecurring lump sum on April 2. If the EBS has all needed information to approve the case on March 28, the EBS should inform Mr. H that the case can be approved for March only and canceled for April.

   In either case, a period of ineligibility is not established, because the request occurred before the first day of the month in which Mr. H anticipates receiving the lump sum.

Assistance may be denied or canceled for another reason, delaying denial or cancellation due to the lump sum. When enough information is available, send a letter specifying the period of ineligibility.

If there is insufficient information available because the lump-sum income was not verified, send a letter to warn the client about the period of ineligibility due to receipt of lump-sum income.

When either letter is sent, enclose Comm. 24, *One-Time Payment*. Document in the case record that you sent the letter and the pamphlet. In addition, make an entry in the system to flag the prior receipt of lump-sum income if the client reapplies.

The household will not receive a FIP grant during the period of ineligibility even if:

- The eligible group's income increases or decreases;
- Shelter or living costs change; or
- A person leaves the home (unless the lump sum is no longer available to the group; see Conditions for Shortening Period of Ineligibility).

If a client receives subsequent lump sum in a month when the client is receiving or applying for FIP, determine a second period of ineligibility (depending on the amount of the second lump sum). The two periods of ineligibility may run concurrently. This may happen if the client:

- Receives another lump sum in the month following receipt of the first lump sum, before the case is canceled for the period of ineligibility; or
- Reapplies for FIP during the period of ineligibility and receives another lump sum in the month of application.

Ms. G receives a lump sum in January, which she timely reports. Timely notice requirements delay the cancellation until March 1. A period of ineligibility is imposed for the months of January through July.

In February, before the case is canceled for the period of ineligibility, she receives a second lump sum. The lump sum received in February plus her other February income is used to determine a second period of ineligibility that is imposed for the months of February through October.

If a client receives another lump sum **during** the period of ineligibility, consider all of the following in determining the second period of ineligibility:

- The standard of need figure from the first lump sum (which is being considered as income for each month of the original period of ineligibility),
- The subsequent lump sum, and
- Any other income received in the same budget month as the subsequent lump sum.

Ms. H receives FIP for herself and one child. She receives a $6,500 lump sum in January, which she reports timely. A period of ineligibility is imposed for the months of January through September. In July, while still in the period of ineligibility, she reapplies for FIP. She also receives a $3,000 lump sum in July.

To calculate the second period of ineligibility, the EBS considers the $719 standard of need figure that is considered as income in each month of the first period of ineligibility, the $3,000 lump sum, and $200 in other unearned income she received in July. $719 + $3,000 + $200 = $3,919 divided by $719 = 5 months with a remainder of $324.

The second period of ineligibility is imposed for the months of July through November, with the $324 remainder to apply to December, should Ms. H reapply and be otherwise eligible for that month.

Members Entering Household During Period of Ineligibility

Legal reference: 441 IAC 41.27(9)“c”(2)

New members entering the household who were not in the eligible group when the lump-sum income was received may be eligible for FIP as a separate eligible group. (Persons who were in the eligible group when the lump sum was received remain ineligible.)

The new members must meet all program requirements. For example, there must still be at least one child in the new eligible group, unless the only eligible child is receiving SSI.

Apply all three income tests to determine initial eligibility. Count the nonexempt income of the new members and the income of the parent or other legally responsible person in the home, but do not count the lump sum that resulted in the period of ineligibility. Allow all appropriate deductions and diversions.

1. Ms. A is receiving FIP for herself and one child when she receives a lump sum. The lump sum makes her and the child ineligible for 12 months beginning in June. In September, a baby is born. Ms. A applies for FIP for the baby. She has no income except the lump-sum income. The baby is eligible for a $183 FIP grant.
2. Ms. B is receiving FIP for her daughter and herself. She is employed and receives a lump sum that creates ineligibility for ten months beginning in September. In November, she applies for FIP for her son, who has come to live with her.

   Ms. B’s earnings are considered available to her son. Her gross earnings are used in the 185 percent eligibility test. Her gross earnings minus applicable work expense deductions are considered available to her son in any other eligibility test and in determining the amount of her son’s FIP grant. There is no diversion of income to meet Ms. B’s needs, because the lump sum is for this purpose.

3. Mrs. C is receiving FIP for herself and one child. Mrs. C receives a nonrecurring lump sum that makes them ineligible for FIP for 12 months beginning in October. She has a second child in the home who is not included in the eligible group because he receives SSI.

   Mr. C, the children's father, enters the home in December and applies for FIP. When determining Mr. C's eligibility and benefits, the EBS considers his income and any income Mrs. C has other than the lump sum. There is no diversion for Mrs. C's needs, because the lump sum is for this purpose.

   The EBS determines that Mr. C meets all eligibility requirements. There is no child in Mr. C's eligible group, but he can receive FIP as a separate one-person eligible group because he has an eligible child who receives SSI.

Conditions for Shortening Period of Ineligibility

Legal reference: 441 IAC 41.27(9)"c"(2)

The period of ineligibility can be shortened when:

- The standard of need increases. Recalculate based on the new standard.

Note: This example is for a period when lump sums were subject to retrospective budgeting.

A family of two with no other income receives a retroactive lump-sum benefit of $3,000 in April 1991. The standard of need amount for a family of two is $421. The family is ineligible for seven months, June through December; $53 would be counted as income in January.

In July 1991, the standard of need for a family of two increases to $719. The recalculation is done with the presumption that $2,579 of the lump sum is still available, since the family should have budgeted $421 for June.

The $2,579 is divided by the increased standard of need amount of $719. The family is ineligible for July through September; $422 is counted as income in October. However, since the remainder exceeds the payment standard for two persons ($361), the family will actually be ineligible for October also.

- All or a part of the lump sum is lost or stolen. The client must provide documentation of the loss or theft. Filing a report with law enforcement officials is acceptable documentation.

  Ms. B and her child are ineligible for assistance for five months due to the receipt of a $3,595 lump sum. Ms. B reports and documents that $1,200 was stolen. The period of ineligibility is reduced to three months with $238 remaining. ($3,595 - $1,200 = $2,395; $2,395 divided by $719 = 3 months with $238 remaining)

- The person controlling the lump sum no longer lives with the eligible group and the lump sum is no longer available to the group.

  Recalculate the period of ineligibility and disregard any amount taken by the person who left the home. However, use the same standard of need figure for the recalculation that was used to calculate the original period of ineligibility.

  1. Mr. and Mrs. C and their two children are FIP participants. On May 8, they report receiving a $4,032 lump-sum payment on May 1. They are ineligible for four months, May through August ($4,032 divided by 986 = 4 with a remainder of $88 to be applied against September should the family reapply).

     In June, Mrs. C leaves the home and takes $800 with her. The period of ineligibility is shortened by subtracting $800 from $4,032. The remaining $3,232 is divided by $986 to determine the new period of ineligibility ($3,232 divided by 986 = 3 months with a remainder of $274).

     The new period of ineligibility is May through July. $274 will be applied against the August grant if the family reapplies.
  2. Same as Example 1, except that Mrs. C does not take any of the lump sum with her when she leaves, because it is all spent by that time. The period of ineligibility remains unchanged.

- The client uses the lump sum for one of the following expenditures (unless there is insurance to cover the expense):
  - To pay for medical services for the former eligible group or their dependents that are allowable under Medicaid at the time the expense is reported. (Dependents are individuals who are or could be claimed as such for federal income tax purposes.)

- To pay the cost of repairs to the homestead exceeding $25 per incident which are necessary to keep the house habitable.
- To replace exempt resources due to fire, tornado or other natural disasters.
- To pay funeral or burial expenses. (Allow the expenditure whether or not the expenditure is for a person who could be claimed as a dependent.)

Verify these expenditures. “Expenditures” means the amount actually spent on the items, rather than the amount owed. Determine availability of insurance. Insurance must be used before applying the prorated funds.

Obtain and record your supervisor’s approval of the expenditures and the new period of ineligibility. Document in the case record the calculation of the new period of ineligibility.

A two-member eligible group receives a $4,050 lump sum (with no other income). ($4,050 divided by 719 = 5 months ineligible with $455 to apply to next month) Allowing a medical expense of $850 results in the ineligible period being reduced to four months with $324 left over. ($4,050 - $850 = $3,200 divided by $719 = 4 months with a remainder of $324)

If there was insurance available to pay $200 of the expense, this would be used first, reducing the cost of medical to $650. ($4,050 - $650 = $3,400; $3,400 divided by $719 = 4 months with a remainder of $524)

Self-Employment

Treat countable income (net profit) from self-employment the same way as earnings of an employee. Do not offset the loss from one self-employment enterprise against the profit of another one.

After establishing that the client is self-employed (see Determination of Self-Employment), calculate net profit by allowing the standard deduction of 40% or allowing actual allowable expenses (see Determination of Net Profit). How you apply the net profit depends upon when the income is received and allowable expenses are incurred. (See How to Treat Self-Employment Income.)

Determination of Self-Employment

Legal reference: 441 IAC 41.27(2)“d”

Based on federal and state revenue department guidelines, consider a person to be self-employed when that person:

- Is not required to report to the office regularly except for specific purposes, such as sales training meetings, administrative meetings, or evaluation sessions.
- Establishes the person’s own working hours, territory, and methods of work.
- Files quarterly reports of earnings, withholding payments, and FICA payments to the Internal Revenue Service.

Frequently a new employee is considered to be in an employee-employer relationship until that employee gains sufficient experience and knowledge of the company’s mode of operation. The employee may then move to the status of a self-employed person.

A self-employed person may not file quarterly reports or an income tax return, but that does not change the person’s self-employed status. For example, a person who baby-sits in the person’s own home is considered self-employed, even though the person may not file any reports.

If it is difficult to identify whether a person is an employee or self-employed, you can:

- Ask the client to provide a written statement from the person or agency for whom the client works. If the person or agency considers the client to be self-employed, compute the income as self-employment income.
- Contact the Internal Revenue Service to determine if the IRS would consider the person to be self-employed or an employee.

If a person has income from self-employment, document your income calculation in the case file. Also evaluate all self-employment enterprises in terms of resource limits.

Determination of Gross Self-Employment Income

Policy: Count all nonexempt income when determining gross self-employment income.

Gross income from providing child care in the client's own home includes the total payment received for the service, plus any payment received under the Child Nutrition Amendments of 1978 for the cost of providing meals to children.

NOTE: INCOME received from the Child Nutrition Amendments of 1978 must be reported and verified. Tell the client about this responsibility. Exempt as income and as a resource any portion of the payment for the client's cost of providing meals to the client's own children in the home.

Determination of Net Profit

Legal reference: 441 IAC 41.27(2)"e"

Policy: "Net profit" means gross earnings minus:

- The standard deduction of 40% (see Standard Deduction), or
- Actual allowable business expenses (see Actual Expenses).

Procedure: Households have the option to receive a standard deduction of 40% to cover the costs of producing the self-employment income or receive a deduction for the actual allowable expenses of producing the income. Work with the household to determine which method is the best for the household.

Determine the net profit of self-employment income through a review of past books or through records of the previous year's federal income tax report. If neither books nor tax records showing allowable expenses are available, allow the standard deduction when determining net profit.

Apply allowable earned income deductions to the net profit figure. Do not deduct a loss from self-employment from other income.

FIP policy does not follow all Internal Revenue Service (IRS) regulations in determining whether a given expense is deducted as an expense in the production of self-employment income. (Not all the expenses listed below can be claimed as deductions when a self-employed person files an income tax return.)

Document in the case record the method used to determine the net profit. After you have determined the net profit, enter the income figure into the ABC system.

Standard Deduction

Legal reference: 441 IAC 41.27(2)“e”

Policy: When a client requests to have the standard deduction used, determine net profit from self-employment income by deducting 40% from the gross self-employment income received to cover the cost of producing the income.

NOTE: The client must state there are some allowable business-related expenses in order to get the 40% deduction.

Comment:

Ms. A is a self-employed child care provider who does not file tax returns. Ms. A provides verification of gross self-employment income of $15,000 per year. Ms. A states she has expenses related to her child-care business.

The EBS gives Ms. A the option of using the standard deduction or providing actual expenses to calculate net self-employment income. Ms. A requests to have the standard deduction used to calculate her net income. Her net self-employment income is calculated as follows:

$ 15,000	
- 6,000	Standard deduction of 40%
$ 9,000	$9,000 ÷ 12 = $750 per month net self-employment income

Actual Expenses

Legal reference: 441 IAC 41.27(2)“e” and “f”

Policy: When the client requests to have actual expenses deducted, determine the net profit from self-employment income by deducting only the following expenses that directly relate to the production of such income:

- The cost of inventories and supplies purchased that are required for the business, such as items for sale or consumption, and raw materials.
- Wages, commissions, and costs (including cost for health insurance) relating to the wages for employees of the self-employed person. When the employee is a member of the eligible group, allow the person’s wages paid as a deduction for the self-employed person, but also count the employed person’s wages as income.

- The cost of shelter in the form of rent, the interest on mortgage or contract payments, taxes, and utilities.
- The cost of machinery and equipment in the form of rent, or the interest on mortgage or contract payments.
- Insurance on the real or personal property involved.
- The cost of any needed repairs.
- The cost of any required travel (other than the cost of travel from the home to the business).
- Any other expense that is directly related to producing income for the client.

Do not allow a deduction for:

- The purchase of capital equipment.
- Payment on the principal of loans for capital assets and durable goods.
- Any cost of depreciation on equipment, vehicles, or property.

NOTE: If the client fails to provide verification of actual allowable expenses, allow the standard deduction of 40% if you have verification of the client's gross self-employment income.

How to Treat Self-Employment Income

The following sections address treatment of:

- Self-employment income and expenses that are received regularly
- Irregular income that can be annualized
- Income received irregularly for less than a year

Income and Expenses Received Regularly

Legal reference: 441 IAC 41.27(9)"h"

Treat countable income (net profit) received on a regular basis from self-employment in the same way as the earnings of an employee.

Self-employment received on a regular basis is any income that is anticipated to be received on a daily, weekly, biweekly, semimonthly, or monthly basis. Some types of self-employment income that may be received on a regular basis are income from:

- Collecting bottles and cans for deposit refunds
- Sporadic spot labor (such as mowing lawns, shoveling snow, etc.)

Expenses must be incurred on the same regular basis as the income. That is, if the income is received monthly, the expenses must also be incurred monthly. If expenses are incurred less often than the income (for example, insurance, license fees, etc.), annualize the self-employment income.

Annualizing Income Received Irregularly

Legal reference: 41.27(9)“i”

Average annual self-employment income that is received on an irregular basis over a 12-month period, even if the income is received only within a short period in that 12 months.

Apply this policy when the income is received:

- Before the month of decision and expected to continue. (If it is not expected to continue, do **not** consider any self-employment income received before the month of application.)
- In the month of decision.
- After assistance is approved.

Annualize self-employment income over 12 months, even if income is received from other sources in addition to self-employment. The annualized self-employment income is used for a specific 12-month period of time that is called the “annualized period.”

To determine the annualized income, either:

- Average the past 12 months of income, ending with the month before the month of decision, **or**
- Use the client’s income tax return, if:
  - The return covers a full year of self-employment **and**
  - The return covers the calendar year before the year in which the computation is being done.

If you use the income tax form, establish the annualized period to coincide with the filing of the tax return. Filing of a tax return is not a change in earned income as defined. It is your responsibility to follow up and request a copy of the new tax return when the previously determined annualized period is about to expire.

For an **applicant**, an annualized period can be established to begin before the application. When a participant becomes subject to annualizing, you can make the initial "annualized period" for less than a full tax year, so that from then on the end of the annualized period coincides with the filing of the tax return.

1. Mr. X is a farmer. He applies for FIP in July 2006. The eligible group is within resource limits. The EBS uses the income tax return covering the previous year to determine the income to be considered for the month of decision and prior days of eligibility (if applicable) and to establish the amount of the ongoing grant for Mr. X and his children.

   Mr. X's income tax form was filed in February, and he anticipates filing in February each year. There are several options for establishing the annualized period, such as February 2006 through January 2007, March 2006 through February 2007, or beginning with a later month.

   If the annualized period is established as March 2006 through February 2007, income prorated and applied to these months is applied to the FIP grant for the payment months of July 2006 through February 2007. If Mr. X is eligible, the monthly amount established is considered accurate until the annualized period ends.
2. Mr. Y terminates his self-employment on October 15 and applies for FIP on October 28. The EBS does not count any self-employment income because the earliest effective date of FIP eligibility is November 4 (seven days after application), so October income is not counted.

If the household experiences a significant increase or decrease in business income, the tax return will not provide a good projection. In these cases, work with the household to arrive at the best estimate of future income.

Income Received Irregularly for Less Than a Year

Legal reference: 441 IAC 41.27(9)"i"(1)

If a client is self-employed in a business that does not produce a regular income, and the business has been in existence for less than a year, average the income over the period the business has been in existence. Project the monthly amount for the same period of time that the business has been in existence.

If the business has been in existence for only a short time and there is little income information, establish a reasonable estimate of income and expenses (either actual allowable expenses or the standard 40% deduction) with the client's help. Use this estimate for the first three months.

Average the actual income from the first three months and use that amount for the second three months. Average the actual income from the first six months, and use that amount for the next six months, then start annualizing for the next year.

Use the projected monthly income prospectively to determine eligibility and benefit level

> Self-employment begins in February for an active FIP case. The projected income is used to compute the grant amount for March, April, and May.

Change in the Cost or Nature of Self-Employment

Legal reference: 441 IAC 41.27(9)"i" (3), (4) and (5)

Recalculate expenses when there is an established, permanent, ongoing change in operating expenses, such as an increase or decrease in rent payments, or in the cost of supplies.

When the cost for supplies increases, recalculate only if the client does not increase the cost of the service or product, thereby experiencing a loss in profit. There is no need to recalculate if the client increases the cost of the product or service because of increased costs in supplies.

Recalculate income and expenses when there is a change in the nature of the business, such as a salesman switching from selling one company's product to selling another company's product, or an insurance salesman decreasing or increasing the types of policies offered.

A change from full time to part time could be a change in the nature of the business. Normal fluctuations in income do not reflect a change.

Deductions

Discussion of deductions is divided into:

- Those that apply to unearned or earned income
- Those that apply to unearned income only
- Those that apply to earned income only
- How deductions are applied

Unearned or Earned Income Deductions

Legal reference: 441 IAC 41.27(4)

Allow from **either** unearned or earned income:

- Applicable diversions for persons not in the home (such as child support and alimony payments).
- Diversions for an ineligible or excluded person's needs, if appropriate.

See FIP Parent's Income for more information on diversions.

See Earned Income Deductions and Unearned Income Deductions for information on deductions allowed only for those types of income.

See Applying Deductions for information on how to apply the deductions.

Unearned Income Deductions

Legal reference: 441 IAC 41.27(1)

Deduct reasonable income-producing costs from the gross unearned income to determine net unearned income. Consider the income left after this deduction as gross income available to the eligible group.

"Cost" means the amount actually spent to produce the income, rather than the amount owed. Examples of income-producing costs are attorney fees, brokerage fees, a property manager's salary, and maintenance costs for rental property that is not owner operated. Also allow a deduction for taxes withheld, as described under Taxes earlier in this chapter.

See Unearned or Earned Income Deductions for information on deductions allowed for either unearned or earned income.

Earned Income Deductions

Legal reference: 441 IAC 41.27(2)

Two deductions allowable for earned income only:

- 20% earned income deduction
- 58% work incentive deduction

See also Unearned or Earned Income Deductions for information on deductions allowed from either earned or unearned income.

Do not allow a deduction for wages that are garnished. See Diversion for Child Support when wages are withheld for child support.

20% Earned Income Deduction

Legal reference: 441 IAC 41.27(2)“a”

Apply a 20% deduction to the gross nonexempt monthly earned income of each person whose income must be considered when determining eligibility and benefits.

The 20% deduction is intended to include work-related expenses, such as:

- Taxes
- Transportation
- Meals
- Uniforms

Persons eligible for the 20% deduction are:

- Persons in the eligible group.
- Parents who are ineligible because of their alien status.
- Parents who are excluded from the grant because they failed to:
  - Apply for or furnish a social security number for themselves, or
  - Apply for benefits from other sources.
- Parents who are ineligible because they are fleeing felons or probation or parole violators.
- Parents who are disqualified because they are convicted of having misrepresented their place of residence to get benefits from two or more states at the same time.

- Ineligible stepparents.
- Self-supporting parents of the minor parent.

58% Work Incentive Deduction

Legal reference: 441 IAC 41.27(2)“c”

After deducting the 20% earned income deduction and applicable diversions, deduct 58% of the total remaining monthly nonexempt earned income of each person whose income must be considered in determining eligibility and the amount of the grant. The 58% deduction is not time-limited.

Persons eligible for this deduction are:

- Persons in the eligible group.
- Parents who are ineligible because of their alien status.
- Parents who are ineligible because they are fleeing felons or probation or parole violators.
- Parents who are excluded from the grant because they failed to:
  - Apply for or furnish a social security number for themselves.
  - Apply for benefits from other sources.
- Self-supporting parents of the minor parent.
- Parents who are disqualified because they are convicted of having misrepresented their place of residence to get benefits from two or more states at the same time.
- Ineligible stepparents.

Ms. A receives FIP for herself and two children. Also in the home is another child who is not on the grant due to lack of a social security number. Mrs. A has $700 gross earnings and $100 unearned income per month.

$ 700.00	Gross earnings
- 140.00	20% earned income deduction
$ 560.00	
- 69.00	Diversion for the ineligible child ($495 - $426 = $69)
$ 491.00	
- 284.78	58% work incentive deduction
$ 206.22	Countable earnings
+ 100.00	Unearned income
$ 306.22	Combined earned and unearned countable income

Do not apply the 58% deduction in the 185% test (Test 1).

Do not apply the 58% deduction in the standard of need test (Test 2) when determining initial eligibility, regardless whether the person with the countable earnings is included in the eligible group.

See Unearned or Earned Income Deductions for information on deductions allowed for both earned and unearned income. See Applying Deductions for information on how to apply the deductions.

See FIP Parent's Income for information on diverting income. Also see Stepparent Income for specific instructions on stepparents' income.

Applying Deductions

Legal reference: 441 IAC 41.27(2) and (4)

The following chart states what income is subject to comparison for the three income tests:

Test 1 (applicants and participants):

Gross income (Include nonexempt earnings of a child who is less than a full-time student. If the person is self-employed, use the net profit figure. For income of stepparents, see Stepparent Income. For income of self-supporting parents, see Self-Supporting Parent's Income.)

Test 2 (applicant cases):

Gross earnings (Include earnings of a child who is less than a full-time student.)
Minus the 20% earned income deduction
Minus applicable diversions for persons **not** in the home
Minus applicable diversions for persons **in** the home
Plus any unearned income
Do not allow the 58% work incentive deduction

Test 3 (applicants and participants):

Gross earnings (Include earnings of a child who is less than a full-time student.)
Minus the 20% earned income deduction
Minus applicable diversions for persons **not** in the home
Minus applicable diversions for persons **in** the home
Minus the 58% work incentive deduction
Plus any unearned income

Apply allowable deductions in the following order:

1. 20% earned income deduction
2. Applicable diversions for persons not in the home (for example, child support and alimony payments
3. Diversions for an ineligible or excluded person's needs, if appropriate
4. 58% work incentive deduction

Subtract these deductions in the order listed from earned income first. NOTE: Do not allow the 58% deduction when determining initial eligibility under the standard of need test.

When the person whose income must be considered has both nonexempt earned and unearned income, and the earnings are less than the allowable deductions, subtract any unused portion of deductions 2 and 3 from the unearned income. Consider the balance to be countable income.

When the person whose income must be considered has both nonexempt earned and unearned income, and earnings remain after applying the allowable deductions, add the unearned income to the remaining earned income. Consider the total as countable income.

Ms. B applies for FIP. She has two children. Her gross monthly earnings are $1,000.

Test 1: $1,000 gross income is less than $1,570.65, the 185% of the standard of need for three persons. The household is eligible under Test 1.

Test 2:

$1,000.00	Gross income
- 200.00	20% earned income deduction
$ 800.00	Below the $849 standard of need for three persons

The household is eligible under Test 2.

Test 3:

$1,000.00	Gross income
- 200.00	20% earned income deduction
$ 800.00	
- 464.00	58% work incentive deduction
$ 336.00	

Countable income is less than $426, the payment standard for three persons. The household is eligible under Test 3.

$ 426.00	Payment standard
- 336.00	Countable income
$ 90.00	FIP grant

FIP Parent's Income

The following sections explain:

- Diversion of a parent's income for child support
- Diversion for the needs of an ineligible child
- Treatment of income when the FIP parent is under age 19
- Treatment of an excluded parent's income

Diversion for Child Support

Legal reference: 441 IAC 41.27(4)"b"

When the parent is actually making payments, divert nonexempt earned and unearned income of the FIP parent to permit payment of court-ordered support to children (of the parent) who are not living with the parent. Allow the diversion for back child support as well as current child support.

Allow the diversion regardless whether the parent is on the grant (e.g., for an excluded parent, the ineligible companion in the home). NOTE: Child support may be deducted directly from Social Security disability income. The gross and net IEVS information may not reflect the child support payment. Verification other than IEVS is necessary in these cases.

Diversion for the Needs of an Ineligible Child

Legal reference: 441 IAC 41.27(11)

Divert nonexempt earned and unearned income of the FIP parent to meet the unmet needs (including special needs) of that parent's ineligible dependent children who live in the family group.

Ineligible children for whom a FIP parent may divert income include children who are ineligible aliens and children without social security numbers. Do **not** divert income to meet the needs of a child who is:

- Participating in a strike (see **4-C**).
- Sanctioned for refusing to participate in a mandatory PROMISE JOBS referral (see **4-J**).
- Required to be in the eligible group (see **4-C**) but has failed to cooperate, e.g., failed to apply for benefits from other sources such as unemployment benefits.

1. The household consists of Mrs. C and her two children, Bob and Tom. Tom is ineligible because he does not have a social security number. Mrs. C is employed. Mrs. C's income from her earnings is diverted to meet Tom's needs.
2. The household consists of Mrs. A; her two daughters, Jane, age 14, and Mary, age 17; and Mary's baby. Mary is sanctioned for failing to apply for all other benefits for which she may qualify. Mrs. A is employed. Income is not diverted from Mrs. A to meet Mary's needs.
3. The household consists of Mrs. B, her son Jim, age 5, and her son Tony, age 17. Tony is not in school and he refuses to participate in PROMISE JOBS. Mrs. B is employed. Income is not diverted from Mrs. B to meet Tony's needs.

The maximum income that may be diverted to meet the unmet needs of the dependent ineligible children is the difference between:

- The needs of the eligible group with the ineligible children **included**, and
- The needs of the eligible group with the ineligible children **excluded**.

A child is considered dependent until the child reaches age 18, as long as the child is in financial need according to FIP standards. A child is considered dependent at age 18 when the child:

- Is in need according to FIP standards, and
- Is a full-time student in a secondary school or the equivalent level of vocational or technical training, and
- Is reasonably expected to complete the program before reaching age 19.

Also divert the FIP parent's nonexempt income to meet the unmet special needs of the ineligible child (in both eligibility tests and in calculating the FIP grant).

Determining Needs of a Common Ineligible Child

This section applies to two-parent households with a common ineligible child and a parent who has one or more children from a previous relationship.

The household consists of Ms. A and Mr. B, their common child, and Ms. A's child from a previous relationship. The common child is not eligible for FIP because he does not have a social security number. Mr. B is not eligible for FIP because he does not have an eligible child. Only Ms. A and her child are eligible for FIP.

The FIP parent can divert income to the common child **only** when the income of the companion and the common child pass all three income tests for the ineligible companion and the ineligible common child. Also, the countable resources of the companion and the common child must be within limits.

Do not consider the income and resources of the companion's other ineligible children in the home. Use the income of each ineligible child to meet only that child's needs.

If the income and resources of the companion and the common child are within limits, determine the common child's needs.

- If income of the companion and the common child is sufficient to meet the needs of the common child, the FIP parent cannot divert.
- If the income of the companion and the common child is not sufficient to meet the common child's needs, the FIP parent can divert income toward the common child's **unmet needs**.

1. Ms. M applies for FIP for herself and her two children. Also in the home is her companion, their common child, and the companion's child from another relationship, who are not eligible for FIP.

   Ms. M has $300 per month unemployment income and wants to divert toward the common ineligible child. The common child has no income or resources. There are no special needs.

   The companion has $850 gross earnings per month and $200 in a savings account. His child gets $300 per month social security benefits, and he has $1,000 in a savings account.

Step 1:

Determine the gross nonexempt income of the eligible group under the 185% test. Do not allow deductions or diversions in this test. Deny the application if gross income is above the limit.

Ms. M's gross income of $300 is below the $1,570.65 limit for the three-person eligible group.

Step 2:

Determine the nonexempt income of the ineligible companion and the ineligible common child under the 185%, standard of need, and payment standard tests. Do not include the income of the companion's other ineligible child in the home.

The companion cannot divert income to his other ineligible child in the standard of need and payment standard tests, because that child has enough income to meet the child's needs. ($300 is more than the difference between a three-member group and a two-member group.)

$	850.00	Companion's gross earnings. Passes the 185% test ($1,330.15 for two persons: the companion and the ineligible common child)
-	170.00	20% work expense deduction
$	680.00	Passes standard of need test ($719 for two persons)
-	394.40	58% work incentive deduction
$	285.60	Passes the payment standard test ($361 for two persons)

If the income of the companion and the common child had not passed one of the three income tests, the FIP parent could not divert income toward the needs of the ineligible common child.

Step 3:

Determine the common child's needs in relation to the eligible group.

$	986	Needs of the eligible group with the common child included
-	849	Needs of the eligible group with the common child excluded
$	137	Needs of the common child

Step 4:

Determine if the common child has unmet needs under the standard of need test.

$ 850	Companion's gross income
- 170	20% earned income deduction
$ 680	
- 419	($719 need for the companion and his child minus the child's $300 income)
$ 261	Available to meet the common child's needs

The $261 exceeds the common child's needs of $137. Thus, none of Ms. M's income can be diverted under the standard of need and the payment standard tests when determining FIP eligibility for her and her two children. Stop the calculation of diversion at this point.

2. Same as Example 1, except the companion has only $200 monthly unearned income, and his child gets $400 social security benefits per month. The common child has no income.

   Repeat the procedures through Step 3 from the previous example, using the different income.

   Step 4:

   Determine if the common child has unmet needs under the standard of need test.

$ 200	Companion's countable income
- 365	Diversion for the companion's needs only. The $400 income of the companion's other child is sufficient to meet that child's needs of $354 ($719 diversion for companion and child minus $365 diversion for companion equals $354).
$ 0	Available to meet the common child's needs of $137

   $137 is the amount of Ms. M's income that can be diverted toward the common child's unmet needs when in determining FIP eligibility for Ms. M and her two children under the Standard of Need Test.

Step 5:

Determine the common child's needs using the eligible group's payment standard.

$ 495	Needs of the eligible group with the common child included
- 426	Needs of the eligible group with the common child excluded
$ 69	Needs of the common child

Step 6:

Determine if the common child has unmet needs under the payment standard test.

$ 200	Companion's countable income
- 183	Companion's own needs
$ 17	Available to meet the common child's needs

Step 7:

Determine the amount the FIP parent can divert toward the common child.

$ 69	Needs of common child
- 17	Available income from the companion
$ 52	Unmet needs of the common child

$52 is the amount of Ms. M's income that can be diverted toward the common child's unmet needs in determining FIP eligibility for Ms. M and her two children under the payment standard test.

3. Same as Example 1, except the companion's child has only $60 social security income, and the common child has $20 social security income.

Step 1:

Ms. M's $300 gross income passes the 185% test for the three-person eligible group ($1,570.65 for three persons).

Step 2:

Determine the nonexempt income of the ineligible companion and the ineligible common child under the 185%, standard of need, and payment standard tests. Do not include income of the companion's other ineligible child in the home.

$ 850	Companion's gross earnings
+ 20	Common child's social security income
$ 870	Total gross income of the companion and the common child passes the 185% Test ($1,330.15 for two persons)

$ 850	Companion's gross earnings
- 170	20% earned income deduction
$ 680	
- 70	Diversion for the companion's child under the standard of need test (difference between a three- and two-member group minus the child's income: $849 - $719 = $130 - $60 = $70)
$ 610	
+ 20	Common child's social security income
$ 630	Passes the standard of need test ($719 for two)

$ 850	Companion's gross earnings
- 170	20% work expense deduction
- 5	Diversion for the companion's child under the payment standard test (difference between a three-member and two-member group minus the child's income: $426 - $361 = $65 - $60 = $5)
$ 675	
$ 675.00	
- 391.50	58% work incentive deduction
$ 283.50	
+ 20.00	Common child's social security income
$ 303.50	Passes the payment standard test ($361 for two)

Step 3:

Determine the common child's needs in relation to the eligible group.

$ 986	Needs of the eligible group with the common child included
- 849	Needs of the eligible group with the common child excluded
$ 137	Needs of the common child

Step 4:

Determine if the common child has unmet need under the standard of need test.

$ 850	Companion's gross income
- 170	20% earned income deduction
$ 680	Diversion for the companion and his child ($719 - $60 =
- 659	$659)
$ 21	Available to meet the common child's needs

$ 137	Common child's needs
- 21	Available from companion
- 20	Common child's social security income
$ 96	

$96 is the amount Ms. M can divert toward the common child's unmet needs when you are determining FIP eligibility for Ms. M and her two children under the standard of need test.

Step 5:

Determine the common child's needs under the eligible group's payment standard.

$ 495	Needs of the eligible group with the common child included
- 426	
$ 69	Needs of the eligible group with the common child excluded
- 20	
$ 49	Needs of the common child Common child's social security income Common child's needs

Step 6:

Determine if the common child has **unmet needs** under the Payment Standard Test.

$ 850.00	Companion's gross earnings
- 170.00	20% work expense deduction
- 301.00	Diversion for the companion and his child ($361 - $60 = $301)
$ 379.00	
- 219.82	58% work incentive deduction
$ 159.18	Available to meet the common child's needs

The $159.18 exceeds the common child's needs of $49. Thus, Ms. M cannot divert income toward the common ineligible child, when you are determining FIP eligibility for Ms. M and her two children under the Payment Standard Test.

FIP Parent Under Age 19

Legal reference: 441 IAC 41.27(5)"a"

When a minor parent (under age 18, never married or marriage was annulled) is living independently or with a nonparental specified relative, treat the minor parent's income as if that person had turned 18 years old.

When a parent under age 19 lives with that person's adult parent, treatment of the household's income depends on whether the adult parent receives FIP benefits or is self-supporting.

The following sections give more information on:

- Income of an underage parent living with a parent who receives FIP
- Income of a minor parent living with a self-supporting parent
- Income of the minor parent's self-supporting parent
- Income of the spouse of the minor parent's self-supporting parent

Underage Parent Lives With a Parent Who Receives FIP

Legal reference: 441 IAC 41.27(5)"a"

Treat the income of a parent under age 19 who is also an eligible child on the grant of the adult parent in the same way as the income of any other eligible child on the adult parent's grant. See **4-C, Age** for a definition of "child."

The same policy applies when the underage parent lives with a nonparental specified relative who assumes a parental role over the underage parent. If needy, the nonparental specified relative may be included in the eligible group.

> Sue is 17 years old. She and her baby live with her mother, Mrs. Y, who receives FIP. The needs of Sue and her baby are included in Mrs. Y's eligible group. The income of both Sue and the baby is given the same consideration as that of any other eligible child.
>
> This would be true if Sue was 18, was in secondary school or its equivalent full time, and was expected to complete the program before turning 19.

When the underage parent is subject to a sanction, remove that parent and child from the adult parent's case. If there are no other eligible children in the home, cancel the adult parent's case for that reason.

Once the underage parent and child are removed from the adult parent's case, the underage parent can apply for FIP for the baby only. A new application is required and a separate case established. The underage parent remains ineligible until the sanction is fixed.

Treat the underage parent's income the same as any other excluded parent's for determining eligibility and benefits for the baby. Consider any income of the underage parent the same as any other excluded parent, whether or not the adult parent remains FIP-eligible.

> Ann is 16 years old. She has a baby and lives with her mother, Mrs. Z, who receives FIP for Ann and the baby. In December, Ann fails to apply for benefits from other sources. Even though both Ann and the baby are on the grant, only Ann is the child of Mrs. Z.
>
> Therefore, when Ann becomes ineligible for FIP, Mrs. Z no longer has an eligible child in the home. Mrs. Z's case is canceled effective January 1. A new case is opened with Ann as the payee for her child. Ann's income is treated the same as any other excluded parent.

If the adult parent has other children and remains FIP-eligible, do not consider the adult parent's income on the minor parent's FIP case for the baby.

If the underage parent is a minor and continues to live with the adult parent who is no longer eligible for FIP, consider the underage parent as living with a self-supporting parent until the underage parent turns 18. See Minor Parent Lives with Self-Supporting Parent for details.

Minor Parent Lives With Self-Supporting Parent

Legal reference: 441 IAC 41.27(5)"b"

When a minor parent (under age 18) lives with one or both self-supporting parents (who do not receive FIP benefits), consider the income of each self-supporting parent in the household to be available when determining eligibility

and benefits for the minor parent and the minor's child. See Self-Supporting Parent's Income.

Treat the income of the minor parent in the same way as any other parent. Treat the income of the minor parent's child in the same way as the income of any other child receiving FIP.

Exempt the self-supporting parent's income when the minor parent turns 18 or marries, regardless of the minor parent's school attendance. See **4-G, When a Minor Parent Turns 18 or Marries**.

> Ms. B is 17 years old, and she lives with her self-supporting parents. Ms. B has a baby, age 2. Ms. B is employed and earns $400 a month.
>
> Because Ms. B is the parent of the dependent child, she is included in the eligible group with the child. In addition, her income and the income of her self-supporting parents are considered in determining eligibility and benefits for her and the child.

Remember that restricted income (social security, veterans benefits, etc.) paid to a self-supporting parent on behalf of the minor parent is considered unearned income to the minor parent, unless the representative payee is living outside the home. See Representative Payee Income.

> 1. Ms. X is minor parent who lives with her self-supporting parents. Her parents receive Social Security retirement benefits that include $150 a month for Ms. X.
>
>   The $150 paid to Ms. X's parents on her behalf is considered as income when determining eligibility and benefit amount for the eligible group, regardless of the amount actually made available to the eligible group.
> 2. Ms. Q is minor parent who lives with her self-supporting father. Ms. Q's mother, who is not in the home, receives Social Security benefits of $126 for Ms. Q. Ms. Q's mother gives $100 to Ms. Q each month. She puts the rest of the money in a bank account for Ms. Q's education.
>
>   Because Ms. Q's mother is the representative payee and is living outside the home, only the amount of Social Security that she actually makes available ($100) is considered as income when determining eligibility and benefit amount for the eligible group.

Consider child support payments received by a self-supporting parent on behalf of the minor parent as unearned income of the minor parent, and subject to the $50 support exemption.

> Ms. A is 17-year-old parent who lives with her self-supporting mother, who is the payee for child support. Ms. A's mother receives $200 child support for Ms. A. Only $150 ($200 - $50) is counted as income to Ms. A.
>
> (The same would be true if Ms. A were 18 years old, because child support is income to the person for whom the support is paid, regardless of that person's age.)

Exempt the income of a minor nonparental caretaker living with self-supporting parents when the minor caretaker is not on the FIP grant.

> Ms. D is 17 years old and earns $400 a month. She lives with her self-supporting parents. In December, a nephew moves into the home. Ms. D applies for a nonparental caretaker case for the child. She will not be on the grant. Because Ms. D is not a parent of the nephew, her income and the income of her self-supporting parents are exempt.

Self-Supporting Parent's Income

Legal reference: 441 IAC 41.27(8)"c"

When a minor parent under age 18 lives with one or both self-supporting parents, treat the income of each self-supporting parent according to stepparent policies.

Apply the same deductions to the gross income that are applicable to stepparents' income except as otherwise specified. When a minor parent lives with both self-supporting parents, the self-supporting parent can divert income to meet the needs of the other self-supporting parent.

Treat nonrecurring lump-sum income the same way as if received by a stepparent. Also, do not divert income to meet the needs of a person living in the home who has been sanctioned under PROMISE JOBS, or who is required to be in the eligible group but has failed to cooperate. See Stepparent Income.

1. Ms. A is a minor parent who receives FIP for herself and her baby. She lives with her self-supporting parents, Mr. and Mrs. A. Neither Ms. A nor her mother has any income. Mr. A has $1,300 gross monthly earnings.

$ 1,300.00	Mr. A's gross income
- 260.00	20% deduction
$ 1,040.00	
- 719.00	Diversion for Mr. and Mrs. A
$ 321.00	
- 186.18	58% deduction
$ 134.82	Attribute as unearned income to the FIP eligible group

2. Ms. Z is 17 years old and is receiving FIP for herself and her baby. Ms. Z lives with her self-supporting parents, Mr. and Mrs. Z, and her two younger brothers.

Ms. Z and her brothers have no income. Mr. Z has gross earnings of $1,200 and Mrs. Z has gross earnings of $500. Mr. Z pays $250 in child support for a child not in the home.

$ 1,200	Mr. Z's gross income	$ 500	Mrs. Z's gross income
- 240	20% deduction	- 100	20% deduction
$ 960		$ 400	Net income
- 250	Child support		
$ 710	Net income		

$ 710.00	Mr. Z's net income
+ 400.00	Mrs. Z's net income
$ 1,110.00	
- 986.00	Diversion for Mr. and Mrs. Z and the other two children
$ 124.00	
- 71.92	58% deduction
$ 52.08	Attribute as unearned income to the FIP eligible group

NOTE: Mr. and Mrs. Z and their two sons constitute one unit. It is not appropriate to split the diversion for their needs. Thus, their respective income that remains before the diversion is combined, and the 58% deduction applied to the remainder.

3. Ms. B is 16 years old. Ms. B is applying for FIP for herself and her one-year-old child. Ms. B lives with her self-supporting mother, Ms. A, who has gross earnings of $1,000, and her younger sister, Ms. C, who gets $300 in child support.

   Self-supporting parent's income:

$ 1,000.00	Ms. A's gross income
- 200.00	20% deduction
$ 800.00	
- 365.00	Diversion for Ms. A
$ 435.00	
- 104.00	Diversion for Ms. C (* See calculation that follows.)
$ 331.00	
- 191.98	58% deduction
$ 139.02	Attribute as unearned income to the FIP-eligible group

   * Calculation of Ms. C's unmet needs:

$ 300	Ms. C's child support
- 50	Exemption
$ 250	Countable child support
$ 719	Diversion for household of two
- 365	Minus Ms. A's needs
$ 354	Ms. C's needs
- 250	Ms. C's countable child support
$ 104	Ms. C's unmet needs

Spouse of the Self-Supporting Parent

Legal reference: 441 IAC 41.27(8)"c"

A self-supporting parent's self-supporting spouse is the stepparent of the minor parent. When the self-supporting spouse is also living in the home, treat the spouse's income in the same way as a stepparent's income.

Consider the self-supporting parent and any dependents of that parent as one unit. Consider the self-supporting spouse and any dependents of the spouse (other than the self-supporting parent) as one unit.

Attribute the spouse's income to the self-supporting parent in the same way that the income of a stepparent is determined. Allow the same deductions as for a stepparent.

Treat nonrecurring lump-sum income in the same way as nonrecurring lump-sum income received by a stepparent.

Determine the unmet needs of the self-supporting spouse's ineligible dependents the same as you treat the dependents of a stepparent. Although the income of an ineligible dependent of the spouse is not attributable to the self-supporting parent, consider the income of the dependent in determining if the dependent has unmet needs.

Do not divert income of the spouse to meet the needs of the self-supporting parent. However, you may divert income of the self-supporting parent to the spouse, if the parent claims or could claim the spouse for federal income tax purposes.

Perform a double stepparent calculation to determine the income that is attributable to the eligible group.

Ms. B is 17 years old and receives FIP benefits for herself and one child. She lives with Mrs. Y, her self-supporting mother; Mr. Y, her stepfather; her two younger sisters; and her stepbrother. Mr. Y has $1,150 gross monthly earnings. He pays $100 per month child support for a child not in the home. Mrs. Y has gross earnings of $1,080 per month.

Step 1. Determine the income of Mr. Y that is attributable to Mrs. Y.

$1,150.00	Mr. Y's gross income
- 230.00	20% deduction
$ 920.00	
- 100.00	Child support
$ 820.00	
- 719.00	Diversion for Mr. Y and his child
$ 101.00	
- 58.58	58% deduction
$ 42.42	Attribute as unearned income to Mrs. Y

Step 2. Determine income of Mrs. Y to be attributed to the FIP group.

$1,080.00	Mrs. Y's gross income
- 216.00	20% deduction
$ 864.00	
- 849.00	Diversion for Mrs. Y and her two children
$ 15.00	
- 8.70	58% deduction
$ 6.30	Mrs. Y's countable income
+ 42.42	Income attributed from Mr. Y
$ 48.72	Total unearned income attributed to the FIP group

Excluded Parent

Legal reference: 441 IAC 41.27(8)"a"(1), 41.27(11), and 41.28(1)

A parent who is living in the home with an eligible child but whose needs are excluded from the eligible group is eligible for the same work expense deductions as a parent who is included in the eligible group. This policy applies to parents who are:

- Excluded from the eligible group because they are ineligible aliens.
- Required to be in the eligible group but failed to cooperate.
- Ineligible because they are fleeing felons or probation or parole violators.
- Disqualified because they are convicted of having misrepresented their place of residence to get benefits from two or more states at the same time.

If the ineligible parent's income, along with any other income of the eligible group, passes the 185% eligibility test for the size of the eligible group, proceed as follows:

1. Deduct the 20% earned income deduction.

2. Allow diversions for the needs of an ineligible child and for verified court-ordered child support, if appropriate.

3. Allow a diversion to meet the needs of parents who are excluded from the eligible group because they are ineligible aliens. Do not consider these excluded parents as sanctioned.

The parent's need is defined as the difference between the needs of the eligible group with the parent included, and the needs of the eligible group with the parent excluded. Remember: Use the "Schedule of Living Costs" for the standard of need test and the "Schedule of Basic Needs" for the payment standard test. (See **4-F**).

Do not divert any income to meet the needs of a parent who is excluded because the parent:

- Is required to be in the eligible group as specified in **4-C** but has failed to cooperate, by not applying for:
  - A social security number for the parent, or
  - All other benefits for which the parent may be eligible.
- Is ineligible because the parent is a fleeing felon or probation or parole violator.
- Is disqualified because the parent has been convicted of misrepresenting the parent's place of residence to get benefits from two or more states at the same time.

Consider parents who are excluded for any of the preceding reasons as sanctioned.

NOTE: In two-parent households, when one or both parents are excluded, neither parent can divert income to meet the needs of the other. However, unless excluded due to sanction, each parent may divert income toward the parent's own needs.

4. Apply a 58% work incentive deduction from earnings that remain after deductions 1 through 3 have been subtracted from the earnings. EXCEPTION: Do not allow the 58% work incentive deduction when determining initial eligibility under the standard of need test for the eligible group.

When the excluded parent has both nonexempt earned and unearned income, and the earnings are less than the allowable deductions, subtract any unused portion of deductions 2 and 3 from the unearned income. Consider the balance to be countable income.

When the excluded parent has both nonexempt earned and unearned income, and earnings remain after applying allowable deductions, add the unearned income to the remaining earned income.

Apply all remaining income of the ineligible parent against the needs of the eligible group, using the gross income of the ineligible parent in the 185% eligibility test, in the standard of need eligibility test, in the payment standard eligibility test, and in determining the amount of the FIP grant.

1. Mr. A receives FIP for his two children. Mr. A is sanctioned for failure to apply for a social security number for himself. He has $800 gross monthly earnings and pays $200 per month child support for a child not living in the home.

   $ 800.00 Gross earnings
   - 160.00 20% earned income deduction
   $ 640.00
   - 200.00 Child support
   $ 440.00 Countable earnings
   - 255.20 58% work incentive deduction
   $ 184.80 Countable income

   $ 361.00 Payment standard for two
   - 184.80
   $ 176.00 FIP grant (rounded)

   Mr. A is not allowed to divert income for his own needs due to the sanction.

2. The FIP household is composed of Mrs. E and her three children. Mrs. E is employed. Her deceased husband was a veteran, but Mrs. E refuses to apply for veterans benefits. Mrs. E's needs are removed. Her income cannot be diverted to meet her needs, because she has failed to cooperate.

3. The household composition on application is Mr. and Mrs. F and Mrs. F's four children by a previous marriage. Mrs. F is excluded because she is an ineligible alien. She is employed and has gross monthly earnings of $1,000. The family has no other income and there are no special needs. Mrs. F applies for FIP on June 24, so the earliest effective date of eligibility is July 1.

   Step 1: 185% eligibility test

   Mrs. F's $1,000 monthly gross earned income is less than the gross income limit of $1,824.10 for a four-person eligible group. Income passes this test.

Step 2: Standard of need eligibility test

$1,000.00	Mrs. F's monthly gross earnings
- 200.00	20% earned income deduction
$ 800.00	
- 106.00	Diversion for Mrs. F's needs: the difference between the schedule of living costs for a five-member group ($1,092) and a four-member group ($986)
$ 694.00	Countable income

The household's income passes this test. Countable income is $694 and the standard of need for four persons is $986.

Step 3: Payment standard test and grant calculation

$1,000.00	Mrs. F's monthly gross earnings
- 200.00	20% earned income deduction
$ 800.00	
- 53.00	Difference between the schedule of basic needs for a five-member group ($548) and a four-member group ($495)
$ 747.00	
- 433.26	58% work incentive deduction
$ 313.74	Countable income.

The four children are eligible, since $313.74 countable income is less than the payment standard for four persons ($495)

$ 495.00	Needs for a four-member eligible group
- 313.74	From Mrs. F's income
$ 181.00	Monthly grant (rounded down)

Stepparent Income

Legal reference: 441 IAC 41.27(8)"b"

When a stepparent is not included in the eligible group but is living with the parent **in the home of the eligible children**, treat the stepparent's income as you would the income of a natural parent except as otherwise specified.

When the stepparent enters an existing FIP household, treat the ineligible stepparent's income as described in **4-G, How to Treat the Income of a Returning Parent**.

Similarly, when the FIP parent marries the companion who is in the home, start counting the stepparent's income received on or after the date of the marriage. This is because the stepparent relationship does not begin until that date.

When the stepparent living in the home is *not* included in the eligible group, consider the eligible group and any dependent, but ineligible children of the parent as one unit. Consider the stepparent as a separate unit. The common ineligible child is part of the stepparent's unit.

Count a nonrecurring lump sum received by a stepparent as income in the month received. Any income remaining after the stepparent's deductions are subtracted is considered unearned income available to meet the needs of the eligible group beginning the month after the change.

Consider any part retained by the stepparent in the month following the month of receipt to be a resource to the stepparent. (See **4-D, Resources**.) Do not calculate a period of ineligibility due to receipt of the lump sum unless the stepparent is included in the eligible group.

The following sections explain:

- Income deductions allowed for stepparents
- Treatment of the parent's income in a stepparent case

Deductions Allowed for Stepparents

Legal reference: 441 IAC 41.27(8)"b"

Allow the following deductions from the stepparent's monthly nonexempt gross earned income earned as an employee or the net profit from self-employment:

1. A 20% earned income deduction.
2. Any verified amounts the stepparent pays to persons who are not living in the home, but who are claimed (or could be claimed) by the stepparent as dependents for federal income tax purposes.
3. The stepparent's verified alimony and child support payments, made to persons not living in the home. The payments do not have to be court-ordered.
4. From the income that remains after deductions 1-3, allow a diversion for the needs of the stepparent and the stepparent's ineligible dependents living in the home whom the stepparent claims or could claim for federal income tax purposes (including the ineligible common child).

   NOTE: Do not consider the stepparent's spouse (the FIP parent) as a dependent of the stepparent.

   Determine the need of the stepparent and the stepparent's ineligible dependents in the home according to the Standard of Need for that size family.

EXCEPTION: Do not divert income to meet needs of a person living in the home who:

- Has been sanctioned for failing to cooperate with PROMISE JOBS, or
- Is required to be in the eligible group but failed to cooperate.

5. Apply a 58% work incentive deduction to earnings that remain after deductions 1-4 have been subtracted from earnings. EXCEPTION: Do not allow the 58% work incentive deduction when determining initial eligibility under the 185% test or standard of need test for the eligible group.

Mrs. M and her two children apply for FIP. Also in the home is Mr. M, a stepparent who has $800 gross earnings. He has no diversions except for his own needs. The family has no other income.

185% test: Compare the gross figure for a three-person FIP eligible group to $800 earnings, minus 20%, minus $365 diversion for Mr. M's needs.

Standard of need test: Compare the standard of need for a three-person FIP eligible group to $800 earnings, minus 20%, minus $365 diversion for Mr. M's needs.

Payment standard test: Compare the payment standard for a three-person FIP eligible group to $800 earnings, minus 20%, minus $365 diversion for Mr. M's needs, minus 58%.

When the stepparent has both nonexempt earned and unearned income and the earnings are less than the allowable deductions, subtract any remaining portion of deductions 2 through 4 from the unearned income. Apply any income that remains as unearned income to the eligible group.

If the stepparent has earned income that remains after allowable deductions, add any unearned income to the remaining earnings.

Apply the total remaining income of the stepparent after allowable deductions as unearned income to the eligible group. Except as noted in item 5, this is also the income that is applied to the eligible group for the determination of eligibility under the 185% standard, initial eligibility, continuing eligibility, and the amount of the FIP grant.

1. Mrs. A receives FIP benefits for herself and two children. She is married to Mr. A, a stepparent. Mrs. A has no income. Mr. A has gross earnings of $850 per month.

$ 850.00	Mr. A's gross income
- 170.00	20% deduction
$ 680.00	
- 365.00	Diversion for the stepparent
$ 315.00	
- 182.70	58% work incentive deduction
$ 132.30	Countable income
$ 426.00	Payment standard for three persons
- 132.30	Countable income
$ 293.00	FIP grant (rounded)

$132.30 is within the 185% limit for the three-person eligible group ($1,570.65).

2. Mrs. B receives FIP benefits for herself and one child. Also in the home are her husband, Mr. B, and his child. Mr. B and his child do not receive FIP. They have no common children. Mr. B has gross earnings of $1,000 per month. Mrs. B has $500 gross earnings per month.

$1,000.00	Mr. B's gross income
- 200.00	20% deduction
$ 800.00	
- 719.00	Divert to Mr. B and his child
$ 81.00	
- 46.98	58% deduction
$ 34.02	Mr. B's countable income*
$ 500.00	Mrs. B's gross income
- 100.00	20% deduction
$ 400.00	
- 232.00	58% deduction
$ 168.00	Mrs. B's countable income
$ 361.00	Payment standard
- 168.00	Mrs. B's countable income
- 34.02	Mr. B's countable income
$ 158.00	Mrs. B's FIP grant (rounded)
*$ 34.02	Countable income from Mr. B
+ 500.00	Gross earnings from Mrs. B
$ 534.02	Countable income. Meets the 185% test for the two-person eligible group ($1,330.15)

3. Mrs. D receives FIP benefits for herself and one child. Also in the home are her husband, Mr. D, and his child. Mr. D and his child do not receive FIP. They have no common child. Mr. D has gross earnings of $500 per month and a VA pension of $350 per month. Mrs. D has no income.

$ 500	Mr. D's gross earnings
- 100	20% deduction
$ 400	
- 719	Divert to Mr. D & his child
$ 319	Unmet diversion
$ 350	Mr. D's VA income
- 319	Remainder of diversion
$ 31	Countable income. Meets the 185% test for the two-person eligible group.

$31 countable income from Mr. D will be deducted from Mrs. D's FIP grant.

Do not consider the income of the stepparent's dependents to be available to the eligible group. However, consider their income when determining the amount of a dependent's unmet need. When determining unmet needs, treat the income of the stepparent's dependents in the same way that the income of a person in the eligible group is treated.

A mother and one child receive FIP. Also in the home are the stepparent and an ineligible common child. The stepparent receives unearned income of $350 each month; the common child has unearned income of $356 each month.

The common child's needs are $354 ($719 - 365). However, the child's excess income of $2 cannot be used to meet the needs of the FIP eligible group. None of the stepparent's income is used to meet the needs of this child, since there is no unmet need.

Determine the needs of the stepparent's unit in all calculations based on the standard of need schedule.

1. The household consists of the stepparent, the stepparent's child (not in the eligible group), the parent, and the parent's child who receive FIP.

   The stepparent and the stepparent's child comprise one unit with needs of $719. The parent and the parent's child comprise a separate unit with needs of $361.

2. The household consists of the stepparent, the stepparent's child (not in the eligible group), the common child, the parent who receives FIP and the parent's three children (one in the eligible group and two not in the eligible group).

   The stepparent, the stepparent's child, and the common child comprise one household unit with needs of $849. The parent and the parent's three children comprise a separate household unit with needs of $495.

To determine the needs of any person (or group of persons) in either household unit, take the difference between the unit's needs with those persons included and the unit's needs with t with those persons excluded. Determine the needs of the common child in a stepparent case according to the standard of need.

1. The stepparent and an ineligible common child comprise the ineligible household unit. The common child's needs are $354 ($719 needs of a two-member group according to the standard of need, minus $365 needs of a one-member group = $354).
2. The parent and her three children comprise the parent's household unit. The parent and one child receive FIP. The needs of the parent's excluded children are $134 ($495 needs of four-member group according to the Payment Standard, minus $361 needs of a two-member group = $134).

Parent's Income in Stepparent Cases

Legal reference: 441 IAC 41.27(8)"b"(9)

When the income of the stepparent who is not in the eligible group is not enough to meet the needs of the stepparent and the dependent but ineligible children living in the home, divert income of the parent to meet the unmet needs of the children of the current marriage, i.e., the common ineligible children.

See Diversion for the Needs of an Ineligible Child for exceptions when the FIP parent cannot divert income to an ineligible common child.

The household consists of the stepparent, an ineligible common child, the parent, and the parent's child. The stepparent has countable income of $500. The parent's income after allowable work expenses is $248. The EBS diverts from the parent's income to meet the needs of the common child.

$ 719	Needs of the stepparent and the ineligible common child
- 500	Stepparent's income
$ 219	Unmet needs of the common child
$ 248	Parent's net income
- 219	Diverted to meet the unmet needs of the common child
$ 29	Use for needs of eligible group
$ 361	Needs of the eligible group
- 29	Parent's countable income
$ 332	FIP grant amount

Do not divert the parent's income to meet the needs of the ineligible stepparent or the stepparent's dependent children living in the home.

The household consists of the stepparent, stepparent's child (not in the eligible group), parent, and parent's child. The stepparent has $250 countable income. The parent has $100 income after work expenses. None of the parent's income can be diverted to meet the unmet needs of the stepparent and the stepparent's child.

Family Investment Program
Budgeting

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Overview

This chapter outlines the three-step process used when calculating a household's Family Investment Program (FIP) eligibility and grant amount. The three tests involved – the "185% eligibility" test, the "standard of need" test, and the "payment standard" test – are explained in the order in which each is applied.

For eligible households, the next step is to calculate the amount of the grant by looking at the Schedule of Basic Needs and adding any special needs. Both these topics are discussed in the remaining sections of the chapter.

Prospective Budgeting

Legal reference: 441 IAC 41.27(9)"a" and "b"

Use prospective budgeting to determine both initial and ongoing eligibility and benefits for all households. "Prospective budgeting" means using anticipated income and expenses to determine a household's eligibility and benefit amount. Prospective budgeting requires anticipation of circumstances for future months.

The following sections explain:

- Projecting future income
- Conversion of income or expenses received weekly or biweekly
- Counting prorated income

Projecting Future Income

Legal reference: 441 IAC 41.27(9)"a" and "b"

To determine prospective eligibility and benefits for an application, project income using all nonexempt income received in the 30 days before the interview if the 30-day period is indicative of future income.

Accept the statement of the applicant as to whether the 30-day period is representative of future income. If the applicant states that the 30-day period is not a good indicator of future income, either:

- Use a longer period of time that is a good indicator of future income, or
- Obtain verification of future income from the income source.

The decision on whether to use a longer period of time or to request verification of future income from the income source should be primarily the applicant's. However, when the applicant is unsure of which would be the best indicator of future income, request verification from the income source.

Also request verification from the income source if the applicant does not have pay stubs from either the 30-day period or from a longer period.

When income fluctuates enough that the 30-day period will not give an accurate projection, use a longer period or verification of future income from the income source. If changes have occurred or can be anticipated, consider the change when making the projection.

Document the period of time used and the calculations in the case record.

If a household provides verification of income received after the date of the interview but before the date of decision, you may use it to project, if it is a good indicator of future income.

Exclude income when you cannot predict the month it will be received. If you can predict the month income will be received but the amount is uncertain, count only the amount that is certain.

1. Ms. A applies for FIP for herself and her children on March 8. An interview is scheduled for March 9. She indicates that the last 30 days are a good indication of her income.

   The EBS requests verification of all income received by the eligible group in the 30 days before March 9, the date of interview, and projects based on that income.

2. Mr. and Mrs. F and their children apply for FIP on July 16. An interview is held that same day. The only income received by the eligible group is from Mrs. F's part-time job.

   Mrs. F is unsure if her past income is indicative of future income, since her employer just informed her that she will likely be working fewer hours than she has in the past. The EBS requests verification of future income from Mrs. F's employer.

3. Mr. T works at a convenience store for $6 per hour. His hours vary. Some weeks he works 15 hours; other weeks he works as many as 48 hours. Neither he nor his employer can predict how many hours he will work in any given month.

   After reviewing Mr. T's situation, the EBS decides that four months of income will best indicate future months' income. The EBS projects based on the weekly average of the last four months of income.

4. Ms. W has applied for unemployment insurance benefits, but it is uncertain when the benefits will be approved. When projecting income, the EBS does not consider the unemployment insurance benefits until the month of receipt when the amount can be predicted.

Conversion of Income or Expenses Received Weekly or Biweekly

When a household receives income or is billed for expenses on a weekly or biweekly basis, convert these figures to a monthly amount as follows:

- Add all amounts together.
- Divide the total by the number of amounts added.
- Multiply that result by:
  - Four if the income or expense occurs weekly, or
  - Two if the income or expense occurs biweekly.

Ms. G is applying for FIP for herself and her children. The date of interview is September 1. Ms. G is employed and is paid biweekly. During the 30 days before the date of interview, she received three paychecks. Her projected income is calculated as follows:

$ 653.45	August 3 pay
628.89	August 17 pay
+ 637.44	August 31 pay
$1,919.78	Total income for the 30-day period
÷ 3	
$ 639.92	Average biweekly pay
x 2	
$1,279.84	Projected monthly income

The projection of $1,279.84 is used in determining prospective FIP eligibility and benefits.

Counting Prorated Income

Legal reference: 441 IAC 41.27(9)“a”

Count the amount of prorated income applied to the month of decision. See **4-E**, Income From Contracts and Self-Employment, for information about how to prorate income.

1. Ms. A is employed under contract. She receives $600 in January. The contract period is January through June. Ms. A files an application for FIP for herself and one child in April.

   The contract income is prorated over 6 months. The monthly countable income is $100. ($600 divided by 6 = $100.) $100 is considered available for each of the months of April, May, and June.
2. Mr. B has been a self-employed carpenter for two years. The last income tax form filed in April shows an annual profit of $1,200. In June, Mr. B files an application for FIP for himself and two children. There is no other income. The $1,200 profit is averaged over 12 months. ($1,200 ÷ 12 = $100)

New Applications

To begin the eligibility determination process, consider all nonexempt earned and unearned income received or anticipated to be received by the eligible group. Do not include exempt income.

Use the actual income received in an application month to determine eligibility and benefits. Anticipate income for any pay periods not yet received. Income received between the dates of interview and decision does not have to be verified.

1. Mr. V applies on May 14 and is interviewed on May 17. In the 30 days before the interview, Mr. V received paychecks on April 21, April 28, May 4, and May 11.

   The EBS processes the application on May 21 and determines eligibility and benefits for May using the actual pay received in the first two pay periods of the month and the projected amount for the remaining two pay periods. Eligibility and benefits for June are based on the projected income.

2. Same situation as Example 1, except that when Mr. V receives his May 18 paycheck he sends it in to the EBS. Mr. V was not required to verify the May 18 pay amount, but since he does, the EBS considers it.

   The EBS processes the application on May 21 and determines eligibility and benefits for May using the actual pay received in the first three pay periods of the month and the projected amount for the final pay period. Eligibility and benefits for June are based on the projected income.

Convert income received weekly or biweekly. See Conversion of Income or Expenses Received Weekly or Biweekly and Projecting Future Income. If the application month income includes weekly or biweekly income and there is a third or fifth check in the month, see **Conversion of Income or Expenses Received Weekly or Biweekly**.

If a parent leaves the household before the date of decision, do not count:

- The income of the parent.
- Any money the parent gave the household **before** leaving.
- Any payment the parent made **before** leaving for basic needs of the eligible group.

Determining Eligibility for a Prior Month

Legal reference: 441 IAC 41.27(9)“a”

Determine FIP eligibility as of the date of decision. When the date of decision is in a month **after** the first application month, payment may be made for the prior month **if** the household is eligible on the date of decision. If the household is not eligible on the date of decision, do not make payment for the prior month.

When determining eligibility for a month preceding the month of decision, consider income and all circumstances, except family composition, in the same manner as in the **month of decision**.

Families that are subject to the 60-month limit cannot receive FIP beyond that period unless they request and are determined eligible for a hardship exemption. Check the Eligibility Tracking System (ETS) whenever a family applies for FIP to determine the status of the family’s 60-month period.

An applicant who is close to the 60-month limit may be eligible for some, but not all, months in the application period. In that instance, you must determine FIP eligibility first for the month of decision, then the month immediately before the month of decision,

then the second month before the month of decision and so on, until the family's 60-month limit has been reached.

An applicant who is close to the 60-month limit may be eligible for some, but not all, months in the application period. In that instance, you must determine FIP eligibility first for the month of decision, then the month immediately before the month of decision, then the second month before the month of decision and so on, until the family's 60-month limit has been reached.

Make sure that you do not approve FIP for more months than are left in the family's 60-month period. To avoid issuing FIP beyond the 60-month limit, you have to determine the proper FIP effective date in accordance with the number of FIP months the family has left to use.

If the family is not eligible in the month of decision, deny the FIP application as in any other situation. The family will have to reapply to complete its 60-month FIP period.

1. Mrs. A applies for FIP on April 15. The EBS checks FET and finds that Mrs. A has received FIP for 59 months. She has one more FIP month left to use.

   During the application interview, the EBS gives Mrs. A form **470-3851, Important Information About Your FIP Case** and **Comm. 137, 5-Year Limit on FIP Assistance**. The EBS discusses the family's 60-month status with Mrs. A and explains that FIP will be canceled at the end of Mrs. A's 60-month period.

   The EBS also goes over the hardship exemption provisions and gives Mrs. A form **470-3826** or **470-3826(S), Request for FIP Beyond 60 Months***.* The EBS explains that if Mrs. A submits a hardship exemption request, a separate determination is required on the hardship exemption and Mrs. A will get another **Notice of Deccision** about the outcome of that determination. The EBS informs Mrs. A that if her hardship exemption request is granted, her FIP case will be reopened.

   On May 10, the EBS makes the eligibility decision. Since Mrs. A is eligible in the month of decision, FIP assistance is approved effective May 1 through May 31 only, as that month concludes Mrs. A's 60-month period. FIP is not issued for April. Mrs. A will be ineligible for FIP effective June 1 because of the 60-month limit.

2. Same as Example 1, except Mrs. A has received FIP for 58 months when she reapplies on April 15. The EBS makes the eligibility decision on May 10. Since Mrs. A is eligible in the month of decision, FIP is approved effective April 22 through May 31, because April and May complete her 60-month period. Mrs. A will be ineligible for FIP effective June 1 because of the 60-month limit.
3. Mrs. B applies for FIP April 26. According to FET, she has received FIP for 57 months. On May 20, the EBS makes the eligibility decision. Since Mrs B is eligible in the month of decision, FIP is approved effective May 2 through July 31. Mrs. B will become ineligible for FIP effective August 1 because of the 60-month limit.
4. Mr. C applies for FIP on April 20. According to FET, he has received FIP for 58 months. Mr. C has difficulty obtaining needed information. As a result, the eligibility decision is not reached until June 3.

   Since Mr. C is eligible in the month of decision, FIP is approved effective May 1 through June. FIP is not issued for april. Mr. C will become ineligible for FIP effective July 1 because of the 60-month limit.

Note: In all of these examples, the FIP application must be denied if the family is not eligible in the month of decision. The family will have to reapply and, as in other application situations, be determined eligible in the month of decision to complete its 60-month FIP period.

Refer to **4-C, Limit on FIP Assistance** for additional information.

Family Composition in the Month of Decision

Legal reference: 441 IAC 41.27(9)“a”(4)

Consider the family composition for any month or partial month before the month of decision the same as on the date of decision.

- If one or more persons enter the home between the date of application and the date of decision, apply the same effective date of assistance for that person as long as the new person is otherwise eligible. If the person is receiving assistance on another case, the person’s eligibility begins when eligibility ends on the other case. (See **4-C, Duplicate Assistance**.)
- If a person leaves the home between the date of application and the date of decision, do not include this person for any month in the application period.

See **4-B, Effective Date of Assistance** when FIP eligibility is dependent on the birth of a child.

When a new person who is a mandatory household member enters an existing FIP household, the date of application to add the new person is the date the household reports that the new person is in the home. Add the new person to the grant effective seven days from the date of the household's report, if otherwise eligible.

See **4-G, Adding a New Member to an Active Case**.

When a household asks to add a person to its existing FIP case, and another eligible person enters the home before the date of decision to add the first person, also add the second new person effective the same date as the first new person, provided that:

- The second new person is not receiving assistance on another case and
- The second new person is otherwise eligible.

However, if the decision has already been made to add the first person, add the second new person no sooner than seven days after the date the household reports the second new person in the home.

When the second person who enters the home before the date of decision is active on another case, the person's eligibility on the new case begins when eligibility ends on the former case.

1. Ms. A applies for FIP for herself and one child on January 7. On January 22, Ms. A reports that another child was born on January 20. On January 23, the EBS determines eligibility. A payment is made for two persons effective January 14 and for one child effective January 20.
2. Mr. B applies for FIP for himself, his wife, and two children on April 17. On April 30, his wife leaves the home. On May 3, the EBS determines eligibility. A payment is made for three persons effective April 24.
3. Ms. C applies for FIP for herself and one child on August 28. On September 8, the father returns to the home. He has a $2,500 savings account. The EBS makes a decision on eligibility on September 10. The family is ineligible because resources exceed the $2,000 applicant limit.
4. Ms. D receives FIP for herself and one child. On May 2, Ms. D reports a second child entered the home that day. On May 10, she reports that another child returned to the home on that day. Neither of these children receives assistance on another case. On May 17, the EBS determines eligibility. If the family is eligible, both children are added with an effective date of May 9.

5. Mrs. K applies for FIP for herself and one child on May 3. On May 13, a second child returns home from foster care. Foster care ended May 12. The EBS makes a decision on eligibility on May 20. Mrs. K and the first child are eligible effective May 10 (seven days after the application is received). The second child is eligible effective May 13, the day after foster care ends.

When an Eligibility Decision Is Delayed

Legal reference: 441 IAC 41.27(9)“a”

If circumstances prevent timely action on an application, base eligibility on the eligibility factors that exist on the date of decision. If the household is ineligible in the month of decision, deny the application.

If eligibility exists, base the payment on the projected income and expenses, or actual income and allowable expenses received, if provided. Anticipate income for any pay periods not yet received.

Ms. A applies for FIP for herself and her baby on June 15. Approval of the application is delayed because Ms. A is having difficulty obtaining the necessary verification to apply for a social security number for the baby. Ms. A provides proof of application for the social security number on August 7 and FIP is approved that day.

Eligibility is based on income expected in August. The payment for June and July is based on actual income for each of those months. The payment for August is based on the income projected for August.

Applying Income Tests

The income tests apply to **each person** in a FIP household whose income must be **considered** in determining the total countable income for the entire household. It is critical to identify the proper relationship of all FIP household members to each other, whether or not they are included in the FIP grant, so that the ABC system can apply the proper deductions, disregards, and diversion on the three income tests.

The following sections explain:

- The 185% eligibility test
- The standard of need eligibility test
- The payment standard eligibility test
- Rounding down amounts obtained through applying these tests

Step 1: 185% Eligibility Test

Legal reference: 441 IAC 41.27(9)"a"

The 185% eligibility test compares the amount of the eligible group's countable gross income to the 185% of the FIP "standard of need" (based on the "schedule of living costs") for an eligible group of that size. Apply the 185% test:

- On case applications when a new person whose income must be considered enters an existing FIP household, and
- To determine continuing eligibility.

Determine the nonexempt gross earned and unearned income for the eligible group.

- Use **gross** nonexempt income of:
  - Persons included in the eligible group.
  - Parents who are excluded from the eligible group due to sanction.
  - Parents who are **not** sanctioned but who are ineligible because they are ineligible aliens.
- For self-employed persons, use the net profit figure.
- For ineligible stepparents and self-supporting parents in minor parent cases, use income that remains after deducting the following, **if applicable**:
  - 20% earned income deduction.
  - Diversion for persons not in the home.
  - Diversion for ineligible or excluded persons in the home.

Compare the countable gross income to the 185% of the standard of need for the size of the eligible group: This includes 185% of need according to the Schedule of Living Costs plus 185% of any allowable special needs. (See Special Needs.)

185% of Schedule of Living Costs	
Number of Persons in Eligible Group	Income Limit
1	$675.25
2	$1,330.15
3	$1,570.65
4	$1,824.10
5	$2,020.20
6	$2,249.60
7	$2,469.75
8	$2,695.45
9	$2,915.60
10	$3,189.40
Each additional person	$320.05

See Rounding Down for instructions on when rounding applies in the 185% test.

When the countable gross income **exceeds** the 185% test, deny the application. If the application is denied, there is also no eligibility for FIP for a prior month.

When the applicant household's gross nonexempt earned and unearned income is **below or equal to** the 185% eligibility test, determine the household's eligibility under the standard of need test.

For participants, when the countable gross income exceeds the 185% test, cancel assistance. When the participant household's gross nonexempt earned and unearned income is **below or equal to** the 185% eligibility test, determine the household's eligibility under the payment standard test.

Step 2: Standard of Need Eligibility Test

Legal reference: 441 IAC 41.27(9)“a”

The “standard of need” test compares the total countable income of the eligible group to the FIP “standard of need” (based on the “schedule of living costs”) for an eligible group of that size. The standard of need test determines eligibility for the 58% work incentive deduction for applicants.

Apply the standard of need test only to case **applications** and **reapplications**. On reapplications, apply the standard of need test regardless of how much time has passed since the previous period of eligibility.

Ms. B receives FIP. She is employed and receives the 20% earned income deduction and the 58% work incentive deduction when the system calculates her FIP grant.

Ms. B’s FIP grant is canceled effective March 1. She reapplies March 3. In processing her reapplication, Ms. B is subject to the standard of need test without the 58% work incentive deduction.

The standard of need test is not applied to participants. Discontinue application of the standard of need test beginning with the benefit month after the month of decision.

March 1 Date of application
March 8 Effective date of assistance
May 2 Date of decision

Apply the standard of need test to determine eligibility for the benefit months of March, April, and May. Stop applying the test effective with the benefit month of June.

Do not apply the test when determining initial eligibility for a new person who enters an existing FIP household.

Do not apply the standard of need test when **reopening** a case when the period for reinstatement has lapsed but an application is not required.

To apply the standard of need test:

1. Calculate the countable gross nonexempt earned and unearned income received or expected to be received in the month of decision by any person whose income must be considered.
2. Apply the following deductions and diversions, **if applicable**:

   - 20% earned income deduction.
   - Diversions for persons not in the home.
   - Diversions for ineligible or excluded persons in the home.

   Apply these first to the **earned** income of:

   - Persons included in the eligible group.
   - Ineligible stepparents and self-supporting parents in minor parent cases.
   - Parents who are excluded from the eligible group due to sanction.
   - Parents who are not sanctioned but who are ineligible due to their alien status.
3. Determine the total countable income for each person whose income must be considered:

   - When a person has both earned and unearned income, and earnings are **less than** the allowable deductions and diversions, subtract any unused portion of the diversions for persons in and outside the home from the unearned income. Consider the balance as countable income.
   - When a person has both earned and unearned income, and earnings **remain** after applying the allowable deductions and diversions, add the unearned income to the remaining earned income. Consider the total as countable income.
4. Compare the total countable income of the eligible group to the Standard of Need for an eligible group of that size, which is the:

   - Total need of the eligible group as determined by the Schedule of Living Costs **plus**
   - Any special needs. (See Special Needs.)

Schedule of Living Costs (Standard of Need)	
Number of Persons in Eligible Group	Income Limit
1	$365.00
2	$719.00
3	$849.00
4	$986.00
5	$1,092.00
6	$1,216.00
7	$1,335.00
8	$1,457.00
9	$1,576.00
10	$1,724.00
Each additional person	$173.00

See Rounding Down for instructions on when rounding applies in the standard of need test.

When the remaining income in the month of decision is **below** the standard of need for the eligible group, the applicant is eligible for the 58% work incentive deduction. Go on to determine the household's eligibility under the payment standard test.

When the remaining income in the month of decision **equals or exceeds** the standard of need for the eligible group, deny the application. There is no eligibility for a prior month.

Step 3: Payment Standard Eligibility Test

Legal reference: 441 IAC 41.27(9)“a”

The “payment standard” eligibility test compares the total countable income of the eligible group to the FIP payment for a group of that size. Determine the household’s eligibility under the payment standard test when:

- An applicant household is eligible under both the 185% test and the standard of need test, or
- A participant household is eligible under the 185% test.

To determine eligibility under the payment standard test:

1. Calculate the countable gross nonexempt earned and unearned income for any person whose income must be considered.
2. Apply the following deductions and diversions, **if applicable**:
   - 20% earned income deduction.
   - Diversion for persons not in the home.
   - Diversion for ineligible or excluded persons in the home.
   - 58% work incentive deduction.

   Apply these first to the **earned** income of:
   - Persons included in the eligible group.
   - Ineligible stepparents and self-supporting parents in minor parent cases.
   - Parents who are excluded from the eligible group due to sanction.
   - Parents who are not sanctioned but who are ineligible due to their alien status.
3. Determine the total countable income of each person whose income must be considered:
   - When a person has both nonexempt earned and unearned income, and the earnings are **less than** the allowable deductions and diversions, subtract any unused portion of the diversions (for persons in or outside the home) from the unearned income. Consider the balance as countable income.
   - When a person has both nonexempt earned and unearned income, and earnings **remain** after applying the allowable deductions and diversions, add the unearned income to the remaining earned income. Consider the total as countable income.

4. Compare the total countable income of the eligible group to the payment standard for a group of that size, which is the:
   - Total need of the eligible group as determined by the Schedule of Basic Needs **plus**
   - Any special needs. (See Special Needs.)

Schedule of Basic Needs (Payment Standard)	
Number of Persons in Eligible Group	Income Limit
1	$183
2	$361
3	$426
4	$495
5	$548
6	$610
7	$670
8	$731
9	$791
10	$865
Each additional person	$87

See Rounding Down for instructions on when to round down the amount of the grant.

For **applicant** households, approve the application if the countable net earned and unearned income in the month of decision is less than the payment standard for the eligible group. Approve the application even in situations where information indicates the applicant may be ineligible in the month following the month of decision.

Deny the application if the countable net earned and unearned income in the month of decision is equal to or exceeds the payment standard for the eligible group. There is no eligibility for a prior month.

For **participant** households, cancel assistance if the income equals or exceeds the payment standard.

Rounding Down

Legal reference: 441 IAC 45.27(239B), 41.27(239B)

When the need standard or payment amount is not a whole dollar, round down to the next whole dollar.

Round down the standard of need in:

- Performing the 185% test.
- Performing the standard of need test.
- Determining the allowance for the needs of a stepparent and dependents.
- Determining the allowance for the needs of self-supporting parents and dependents when deeming income to unmarried parents under age 18.
- Determining the period of ineligibility resulting from receipt of a nonrecurring lump sum.

Do not round down the "schedule of basic needs" amounts used in the payment standard test.

Round down the monthly budget deficit before deducting a recoupment.

Consider the total monthly deficit before rounding down when:

- Issuing one-time special need or payment adjustments.
- Issuing a second one-time special need or payment adjustment or combination of payments.

Rounding on the 185% Test

1. The 185% of the schedule of living costs figure for two persons is $1,330.15. A school expense special need of $18.75 is rounded to $18 before the 185% calculation ($18 x 185% = $33.30). $1,330.15 + $33.30 = a 185% of need figure of $1,363.45.

2. The 185% of the schedule of living costs figure for three persons is $1,570.65. A school expense special of $19.60 is rounded down to $19 before the 185% calculation ($19 x 185% = $35.15). $1,570.65 + $35.15 = a 185% of need figure of $1,605.80.

Rounding on the Standard of Need Test

3. The schedule of living costs figure for two persons is $719. A school expense special need of $18.75 is added to $719, for a total need of $737.75. This amount is rounded to $737 for the standard of need test.

Rounding on the Payment Standard Test and on Payment

4. The schedule of basic needs figure for two persons is $361. $361 plus an ongoing special need of $18.50 equals a payment standard test figure of $379.50. If there is no income, this figure is rounded to $379.00 to arrive at the final amount of the FIP grant.

5. A one-time special need of $18.50 is submitted.

$361.00	Basic needs for two persons
+ 18.50	One-time special need
$379.50	Payment standard
$379.00	Rounded for final grant amount if there is no income

Note: One-time special needs and payment adjustments are handled in the same way.

6. A one-time special need of $18.50 is submitted after the first of the month.

$361.00	Basic needs for two persons
- 70.60	Countable earnings
$290.40	Original monthly deficit
$290.00	Rounded grant

$290.40	Original deficit	$308.00	Rounded deficit
+ 18.50	Special need	- 290.00	Grant already received
$308.90	Revised monthly deficit	$ 18.00	Special need allowance

7. A one-time special need of $19.75 is submitted after the first of the month.

$426.00	Basic needs for three persons
- 145.45	Countable earnings
$280.55	Original monthly deficit
$280.00	Rounded grant

$280.55	Original deficit	$300.00	Rounded deficit
+ 19.75	Special need	- 280.00	Grant already received
$300.30	Revised monthly deficit	$ 20.00	Special need allowance

8. Two one-time special needs are submitted after the first of the month.

$495.00	Basic needs for four persons
- 135.15	Countable income
$359.85	Original monthly deficit
$359.00	Rounded grant

When the first special need for $9.50 is submitted:

$359.85	Original deficit	$369.00	Rounded deficit
+ 9.50	Special need	- 359.00	Grant already received
$369.35	Revised monthly deficit	$ 10.00	Special need allowance

When the second special need for $18.90 is submitted:

$369.35	Revised deficit	$388.00	Rounded deficit
+ 18.90	Special need	- 369.00	Grant already received
$388.25	Revised monthly deficit	$ 19.00	Second special need

The eligible group is entitled to $388 for the month. $359 was paid in the grant. $10 was paid in the first special allowance; therefore, the eligible group receives $19.00 in the second special allowance.

9. Recoupment

$361.00	Basic needs for two persons
- 229.20	Countable income
$131.80	Deficit
$131.00	Rounded grant
- 36.10	10% reduction for recoupment
$ 94.90	Grant amount

The eligible group is entitled to receive a grant determined by rounding the budgetary deficit down to the next whole dollar. Therefore, the eligible group receives a grant in the exact amount remaining after a recoupment deduction is made.

Calculating the Amount of Assistance

Legal reference: 441 IAC 41.27(9)“a”

Determine the FIP grant amount by subtracting the countable net income from the payment standard for the eligible group.

See **4-B, Effective Date of Assistance** for information on when the grant must be prorated. (If the Automated Benefit Calculation System determines the payment, the system rounds the payment down after the prorated amount has been determined.)

Basic Needs

Legal reference: 441 IAC 41.28(2)

The “schedule of basic needs” is used to establish the eligible group’s needs and the amount of the grant. It combines into one standard the following common basic needs:

- Food, including school lunches.
- Clothing, including layette, laundry, and dry cleaning.
- Personal care and supplies, including regular school supplies.
- Medicine chest items.
- Shelter, including rent, taxes, upkeep, insurance, and amortization.
- Utilities, including fuel, water, lights, water heating, refrigeration, and garbage.

- Household supplies and replacements, including essentials associated with housekeeping and meal preparation.
- Communications, including bus fares, telephone, newspapers, and magazines.
- Transportation.

Use the schedule of basic needs to determine the basic needs of persons whose needs are included in the grant. Also use the schedule of basic needs to determine the needs of certain persons not included in the eligible group, such as an ineligible child of the FIP parent (e.g., one who does not have a social security number).

Schedule of Basic Needs (Payment Standard)	
Number of Persons in Eligible Group	Income Limit
1	$183
2	$361
3	$426
4	$495
5	$548
6	$610
7	$670
8	$731
9	$791
10	$865
Each additional person	$87

Add any allowable special needs to the amount from the schedule of basic needs to determine the payment standard for the eligible group.

Special Needs

Legal reference: 441 IAC 41.27(9)"j," 41.28(3)

Special needs for guardianship or conservatorship fees and school expenses can be allowed in addition to the basic needs. Before making a payment for a special need, the client must provide documentation, such as:

- A copy of the court order assigning a guardian or conservator.
- A rental agreement when renting school equipment.
- A written or verbal statement from a school.
- Any reliable information indicating the need and the cost of the special need.

Most special need payments are made by issuing a separate payment. Issue payment for a one-time special need within ten days of the date that the client provides all needed documentation.

Do not make payment for a special need when assistance issued for the month is subject to recovery because the case or person is ineligible, unless the additional cost makes the case eligible. Payment is not made on the basis of a special need alone.

Refer to **4-A** for specific procedures for payment of special needs when assistance is continued because of a timely appeal.

> Mrs. A and her child have excess resources. Timely notice is sent June 30. The FIP grant is canceled effective August 1. July assistance is subject to recovery. If Mrs. A does not appeal, special needs for July are not paid. If FIP is continued pending an appeal, special needs are paid, but are subject to recovery if the Department is affirmed.

Guardianship or Conservator Fees

Legal reference: 441 IAC 41.28(3)

Guardianship or conservator fees are allowable special needs. Allow up to ten dollars per case per month for each eligible group in the household. No additional payment is allowed for court costs or attorney's fees.

School Expenses

Legal reference: 441 IAC 41.28(3)“a”

An allowable school expense is:

- For a child’s education.
- A specific charge made by the school or in accordance with school requirements in connection with a course in the curriculum, including college courses.
- Required of all students in the course.
- At a reasonable cost equivalent to what an average non-FIP family would pay.
- Claimed while the student is actually participating in the course or purchased in advance, if required for all students.

  For example, a school may require that mandatory fees be paid **before** the student participates in the course. If all students are required to pay in advance as part of the registration process, the FIP special-needs payment may also be issued in advance.

Allow payment for school expenses only for a person who meets the FIP definition of “child.” For example, do not allow school expenses for a 17-year-old minor parent who lives independently or with self-supporting parents.

Allow payment for school expenses incurred in a public or nonpublic school. **Exceptions:** Do not allow payment for a school expense that is for:

- Tuition.
- Ordinary school supplies.
- An expense in a noncertified school.
- A fee that the school has waived or could waive. (See School Fee Waiver.)

Also allow payment for school expenses incurred in a preschool setting when the preschool is certified and the costs are part of the curriculum. The same applies to home schooling, provided the home schooling arrangement is monitored and approved by the school system.

Examples of courses that frequently have mandatory fees are home economics, physical education, and manual arts.

Driver's education is an allowable school expense provided it is a course in the curriculum (meaning the student gets a credit for the class) and the fee is charged to all students and is not for tuition.

The fact that the child may use an item outside the classroom does not preclude payment for a special need. For example, a special allowance is made for gym shoes, even though the gym shoes may be part of the student's regular attire, as long as all the students are required to wear gym shoes during gym class. Payment can be made for one pair of gym shoes per semester (two pairs total per school year).

Verify the amount of the school expense and connection with a course in the curriculum via a signed release from the client. **Exception:** If there is a set schedule of fees for a particular school, you may issue the special allowance for school expenses automatically upon request by the client. Document the basis for the special allowance.

The following sections give more information on:

- Determining "reasonable cost"
- Waiver of school fees

Determining "Reasonable Cost"

Legal reference: 441 IAC 41.28(3)"a"

Limit a special allowance for school expenses to the reasonable cost required to meet the specifications of the course. This means, limit a special allowance to the equivalent of what an average non-FIP family would pay for a given school expense.

The charge for driver's education may be higher during the summer than during the regular semesters. If driver's education is not available during the regular semesters and the student takes the class in the summer, reimbursement may be made at the rate charged in the summer.

However, if the class is available in the regular semesters but the student chooses to take the course during the summer, reimbursement must not exceed the rate charged for driver's education in the regular semesters.

If the need is for equipment, limit the allowance to rental charges. When the rental charge applies on the purchase of the equipment, allow only the usual rental charge. Allow insurance premiums only when required by the terms of the rental agreement.

In the case of gym shoes, the allowable price is updated yearly based on the cost of living increase. Once the price has been determined, do not allow any amount in excess of the price unless:

- School authorities specify that a particular pair of shoes must be purchased, or
- Medical evidence indicates special shoes are required.

Apply the same principle when determining the reasonable cost of other school expenses. Inform the client of the reasonable amount that can be allowed. The client may choose to pay above that amount.

School Fee Waiver

Legal reference: 281 IAC Chapter 18

Iowa law provides for fee waivers for students who attend a **public** school within the family's area of residence. If the student attends a school outside the family's area of residence, the school is not required to waive fees unless the student attends the nonresident school under the open enrollment policies.

Schools are required to notify students and their families of the waiver provisions by including a notice with the registration materials. Fee waivers are good for one school year only and are not granted automatically.

Families must complete an application and reapply each school year. (An application for free or reduced-price lunches does not include the fee waiver. A separate application is required.)

Families may have school fees waived fully or partially, depending on family income. The school may grant a "temporary" waiver to families who do not qualify for the full or partial waiver who have temporary serious financial problems. FIP participants qualify for full waivers.

The waiver applies to any item supplied by the school for which the school would otherwise charge a fee, including fees for:

- Textbooks and workbooks.
- Driver's education instruction.
- School supplies such as pens, pencils, notebooks, and paper.
- Lockers and towels.
- Exploratory classes.
- Summer school tuition.
- Ear or eye protective devices.
- Transportation for resident students not eligible for free transportation.

(Note that some of these items do not qualify for FIP reimbursement.)

The waiver does not apply to gym shoes or rental of music instruments, because the school does not provide those items. The student is responsible for supplying those items, which may qualify for reimbursement under FIP.

Schools provide some items that are essential to the instruction of the course free of charge. Examples include art supplies for art class, chemicals for science class, or materials for shop class.

Schools may charge a fee for supplies that are not essential to the instruction of the course. Schools often elect to make the materials available to the student at cost, but schools are not required to waive costs above the necessary project expenses.

For example, the school is required to provide only particle board or pine wood necessary to make a required project in a woodworking course. If the student elects to use walnut wood, the student is responsible for supplying the extra or special materials.

If the student elects to use materials that are not essential to the course, the additional expense may qualify for reimbursement under FIP. Limit the payment amount to the reasonable cost to the equivalent of what an average non-FIP family would pay for the item.

If a FIP participant qualifies for the waiver but chooses not to apply for it, FIP reimbursement cannot be granted. Therefore, if a participant applies for reimbursement, approve payment only if:

- The allowable expense is not covered by the fee waiver, or
- The participant is not eligible for the fee waiver.

The purpose of reimbursing a FIP participant for allowable school expenses is to pay for an expense that the participant would otherwise have. If the participant's expense is met via the fee waiver, there is no cost to the participant.

How to Treat a Special Need

Legal reference: 441 IAC 41.27(9)"j"

Combine a one-time special need with the basic needs to determine the total needs of the eligible group in the calendar month in which the special need is successfully entered into the system.

Include a special need documented during the application process when determining total need for the month of decision, even if the month of decision follows the month of application and the special need is incurred in the month of application. See **14-B(6)** for system coding instructions.

> Ms. A applies for assistance for herself and one child. The effective date of approval is September 22. On the date of decision, October 4, her countable income for October is projected to be $365, which exceeds the basic needs of $361 for two persons.
>
> However, on September 27, Ms. A submits a receipt for her child's school expense fee of $15.05. By combining the special need of $15.05 with basic needs of $361, Ms. A has a total need of $376.05. This exceeds her countable income of $365. She is eligible for the month of October.

Combine an ongoing special need with the basic needs to determine total need for the month after the month the special need is entered onto the system. Include the payment prospectively in each month's FIP grant until the special need ends.

When an ongoing special need is effective with the month in which documentation is received, or is effective before that month, enter one-time special needs on the ABC system for the current and prior months, as appropriate.

Include payment for continuing special needs prospectively in each month's FIP grant. When the special need ends, remove the payment prospectively from the monthly FIP grant.

Allow a special need for a canceled case when the payment was approved **before** the cancellation but could not be added before the cancellation due to time or system limitations. "Approved" means that all needed documentation was received before the cancellation.

If a client reapplies and is approved for FIP in the same month that you successfully entered the special need into the ABC system, the special need is added to basic needs to determine the total need for the month.

> Mrs. A's FIP case is canceled effective July 1. On the last working day of June, the EBS receives all the documentation required for approval of a special need. The EBS does not have the time to enter the special need on the system that day.
>
> Since the special need was approved but could not be entered before to the effective date of cancellation, Mrs. A still receives payment for that special need.

When the participant is deceased, make the payment to the participant's estate. If an estate is not opened, make the payment to someone who is actively involved in the care of the children.

IOWA | Health and Human Services

Employees' Manual
Title 4, Chapter G

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Family Investment Program
Case Maintenance

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Overview

This chapter details the policies and procedures involved in processing an active FIP case. The first sections explain the process by which participants must report changes and the review process.

The next sections examine the most frequent types of changes that occur on a case, and what you should do in response to those changes, including budgeting and reinstatement. The last section contains policies relating to payees, conservatorships, and guardianships.

The Reporting Process

Legal reference: 441 IAC 40.27(239B)

Participants are responsible for providing complete and accurate information and verification needed to determine eligibility and benefits. All participants are responsible for reporting changes timely as they occur. (See Changes a Household Must Report.) Households may also be required to submit report forms. (See Required Report Forms.)

The following sections explain policies on:

- Providing information and verification
- Changes a household must report
- Required report forms

Providing Information and Verification

Legal reference: 441 IAC 40.27(4)

Make a request for additional information or verification from the participant in writing. Allow the participant ten days to supply the requested information or verification. Inform the participant in writing of the date the information is due and the consequences for failure to supply the information or verification.

The ten-day period begins with the day after you issue the written request. When the tenth day falls on a nonworking day or a legal holiday, extend the due date to the next working day for which there is regular mail service.

“Supply” means the Department receives the requested information or verification by the specified due date. Extend the deadline when the participant requests an extension because the participant is making every reasonable effort to get the information or verification but has been unable to do so.

Participants may be terminated from assistance unless they give you either:

- Any information or verification you request to establish continued eligibility or the grant amount; or
- Written permission for another person to release the specific information that is needed to verify the participant's continued eligibility and benefits.

You may ask the participant to sign a release form when the participant cannot provide the information or when you question information provided by the participant. A participant who provides a signed release of information to a specific individual or organization for specific information has met the requirement to provide information and verification.

Changes a Household Must Report

Legal reference: 441 IAC 40.27(4)"e," "f," and "g"

Participants and persons who apply to be added to an existing group must report changes in a timely manner, as follows:

Change	Reporting Period
Receipt of first or last check from earned or unearned income, or receipt of a nonrecurring lump sum	Within ten days from the date when the income is received
Changes in resources	Within ten days of receipt of the resource
Changes in household membership	Within ten days from the date a person enters or leaves the household
Changes in school attendance	Within ten days from the date the child is officially dropped from the school rolls
Changes in mailing or living address	Within ten days from the date the address changes
Receipt of a social security number	Within ten days from the date when the number is received

With the exception of the Department-issued payments, it is the client's responsibility to report changes within ten days, including beginning or ending income. The ten-day requirement serves only to establish the outer limits for reporting changes.

Day one of the ten-day reporting period is the day after the change occurred. If the tenth day of the reporting period falls on a weekend or legal holiday, extend the due date to the next working day for which there is regular mail service.

Clients are not required to report receipt of payments issued by the Department, such as child support warrants. Obtain necessary information and verification of the amount of any Department-issued payments by the corresponding computer systems.

However, clients must report beginning receipt of any non-Department-issued payments, regardless of whether you have access to that information on the system, such as unemployment benefits. Income maintenance access to system information on non-Department-issued payments does not satisfy the client's responsibility to report these payments.

The client must report changes to the Department. The client's report to PROMISE JOBS does not fulfill the reporting requirement. Although PROMISE JOBS staff are under contract with the Department, they are **not** considered employees of the Department.

When you receive a report of a probable change, make a note for follow-up. However, it is still the responsibility of the participant to report the change timely when it actually occurs.

When a probable change affects eligibility, act on the change if you have all information you need to establish eligibility, and the best information available indicates that the change will actually take place as reported. Establish a claim for any excess assistance paid when a change is not reported in a timely manner.

Remember to provide voter registration forms when a client reports a change of address either in person or by phone. Ask all clients reporting address changes by phone, "If you are not registered to vote where you live now, would you like to apply to register to vote today?" Send the form if the client wants to register.

Required Report Forms

Legal reference: 441 IAC 40.27(1) and (3)

The client must complete a **Review/Recertification Eligibility Document (RRED), form 470-2881, 470-2881(S), 470-2881(M),** or **470-2881(MS)**, for the semiannual and annual reviews. EXCEPTION: When the client has completed form **470-0462** or **470-0462(S), Food and Financial Support Application** for another program, it can be used as the review document.

Issuing the Report Form

Legal reference: 441 IAC 40.27(3)

The Automated Benefit Calculation (ABC) system determines when the report must be issued to align the review month with the other program's review or recertification date.

The RRED is automatically mailed to participants. Participants should receive it by the end of the month. For example, a RRED form sent to the participant on August 30 is for a review in September to be effective for October 1.

Also give a copy of the RRED to any client who asks for one, along with a postage-paid return envelope. When you manually issue a form, you must complete the identifying information on the top of the form before giving it to the client. You can also issue the form by making entries on the computer system.

Due Dates

Legal reference: 441 IAC 40.27(3)

When the RRED is issued in the regular end-of-month mailing, the client must return the form by the fifth calendar day of the next month. If this day falls on a weekend or holiday, forms must be returned by the next working day following the fifth calendar day.

When the form is issued outside the regular end-of-month mailing, the client must return the form by the seventh day after the date the form is mailed. Day one of the seven-day period is the day after the day the form is mailed. (If the seventh day is a weekend or holiday, the form must be returned by the first working day following it.)

When the form is issued and a due date established, issuing a replacement form at the participant's request does not change the due date.

Requirements for a Complete Report

Legal reference: 441 IAC 40.27(4)“b”

For a report to be considered complete:

- All questions must be answered.
  - Questions with a “yes or no” response must have either “yes” or “no” marked.
  - If the answer is “yes,” all requested information must be completed.
  - The question is considered answered if the client does not answer on the form but sends verification of the information.
- The payee must sign and date the form.
  - When both parents or a parent and stepparent are in the home, either may sign for the household.
  - A person’s authorized representative or someone acting responsibly for the person may sign when the person is incompetent or incapacitated and unable to do so.
  - Forms that are signed and then faxed or scanned and e-mailed do not have to be resigned.
- All nonexempt income must be verified. EXCEPTION: Participants do not need to verify prorated or annualized income that remains unchanged, as long as you and the participant have established a set schedule for verifying the income.

Verification of earned income does not always mean that you have every pay stub submitted by the household. If a pay stub is missing but you can calculate the gross income from the missing pay stub by using the year-to-date figures on the pay stubs you do have, then the earned income is verified.

Place a copy of all verification supplied by the participant in the case record.

When the participant reports an allowable income deduction or diversion on the RRED but fails to provide the necessary verification, consider the report complete, if otherwise complete. However, do not allow the deduction or diversion. You are not required to request the verification.

If the verification is provided before the end of the month (or the extended filing date), allow the deduction or diversion. Issue a payment adjustment if the verification is received too late to adjust the FIP grant for the following month. Also see Effective Date of Adjustment later in this chapter.

When the income of a self-employed person is subject to annualization, the client does not need to report the self-employment income on the report. Inform the self-employed person when income and expense records must be supplied. This requirement is separate from the report and not considered part of a complete report.

Allow the client ten days to provide any additional records. If the records are still not provided, cancel the case for failure to cooperate in providing information needed to establish eligibility.

If a Household Fails to Return a Complete Report

Legal reference: 441 IAC 40.27(4)

Policy: Assistance is canceled if a participant fails to return a completed RRED as defined under Requirements for a Complete Report.

Procedure: If a review is not completed and recorded in the ABC system by timely notice date for a RRED that was issued in-cycle, the system will automatically issue a **Notice of Decision** to cancel FIP for failure to complete the review.

If an out-of-cycle RRED is not returned, the cancellation will not occur automatically. Cancel FIP for failure to complete the review.

If the participant returns an incomplete RRED before the effective date of cancellation, contact the participant to request the information needed to complete the review. If a signed release is available in the case record, use that release to obtain the necessary information, if possible.

See Reinstatement later in this chapter for more information.

Comment:

1. Ms. A has a review due in June. The review is not completed because she fails to return the RRED. At timely notice, the ABC system automatically issues a **Notice of Decision** canceling FIP for failure to complete the required review.
2. Ms. B has a review due in June. She returns an incomplete RRED on June 5. The EBS contacts Ms. B to request the missing information. Ms. B provides the information on June 15 and the EBS completes the review. If the review coding is entered into the ABC system before timely notice date, the case will remain open.

The Eligibility Review

Legal reference: 441 IAC 40.27(1)

Policy: Each FIP case must be reviewed at least every six months. A face-to-face or telephone interview is not required at review, but an interview may be conducted if:

- The EBS determines an interview is necessary to determine eligibility, or
- The participant requests an interview.

Procedure: Use information submitted on form **470-2881, 470-2881(S), 470-2881(M),** or **470-2881(MS), Review/Recertification Eligibility Document (RRED)** for the review. EXCEPTION: When the participant has completed form **470-0462** or **470-0462(S), Food and Financial Support Application** for another purpose, it can be used as the review document.

Although it is the participant's responsibility to provide information, do not deny assistance if the participant is unable to get the information for reasons beyond the participant's control.

If requested, assist the participant in getting information to establish continuing eligibility. Obtain a signed release before contacting a third party for information or verification. If a signed release is available in the case record, use that release to obtain the necessary information, if possible.

Voter Registration Procedures at Review

Legal reference: 721 IAC Ch. 23

A Voter Registration Information form is issued via the system with each review form. If manually sending a review form, send the client a copy of the Voter Registration Information form. No follow-up is necessary after the form has been mailed to the client.

If the form is returned, follow your local office procedure for handling the form. See **6-Appendix** for office procedures regarding processing the forms.

See **4-B, Voter Registration Procedures** on requirements if an interview is held at the review.

Changes in Household Circumstances

Legal reference: 441 IAC 40.27(2)

Policy: Eligibility is redetermined whenever a participant reports a change in circumstances or you become aware of a change.

Procedure: Redetermine eligibility when the participant reports a change in circumstances or you become aware of a change. When you become aware of unreported information, the date the participant "reports" the change is:

- The date you receive a signed release from the participant, or
- The date the participant otherwise acknowledges the previously unreported information.

The following chart shows examples of situations requiring redetermination and what actions you should take:

Change:	Action To Take:
A child turns 18	Check high school completion requirements.
There are children between ages 16 and 18	Check school attendance and PROMISE JOBS status.
A minor parent and child leave the home of the adult parent or legal guardian.	Determine if good cause for not living in the home of a parent or legal guardian exists.
A minor parent with good cause for not living in the home of a parent or guardian has a change in the circumstances that are the basis for good cause.	Determine if good cause still exists for another reason.
A participant begins employment or reports an increase in rate of pay or hours worked	Consider for prospective eligibility and benefits.
A participant begins or has an increase of unearned income (e.g., veteran's benefits, other retirement benefits, unemployment compensation, social security benefits for deceased or incapacitated spouse)	Consider for prospective eligibility and benefits.
A participant has an increase in resources (e.g., property settlement)	Compare resources to resource limit.
Information received from Iowa Workforce Development, Social Security, the Internal Revenue Service, or another computer match indicates the participant has unreported income or resources	Request necessary verification. When income is verified, consider for prospective eligibility and benefits. Check against resource limits, and verify, as appropriate.

Procedures for acting on changes are discussed in the following sections:

- Acting on changes in income
- Adding new members to an active case
- Removing persons from an active case
- Changes reported from automated sources
- Household's mail returned with no forwarding address
- Household's mail returned with a forwarding address
- AWARE hotline referrals
- Effective date of adjustment

Acting on Changes in Income

Legal reference: 441 IAC 41.27(9)

Policy: Changes in income are acted upon when reported, whether or not the change was required to be reported.

Procedure: When a change in income is reported, first determine if the change being reported is indicative of future income. Accept the client's statement as to whether the change is indicative of future income, unless questionable.

If the change is not indicative of future income, document in the case record that the change was reported but a new projection of income was not completed because the change is not indicative of future income.

If the change is indicative of future income, request in writing, verification of the change. Act on the change when the verification is received.

1. Mr. A is a FIP participant. In June, he reports that he worked overtime this month, but does not expect the overtime to continue. The EBS documents the report in the case record, but does not act on the change, as it is not indicative of future income.
2. Mrs. B is a FIP participant. In July, she reports that her hours of employment will be increasing from 15 hours per week to 20 and she expects this to continue. The EBS verifies the increase and completes a new projection of Mrs. B's income.

How to Treat the Income of a Returning Parent

Legal reference: 441 IAC 41.27(9)"e"

Policy: Income of a returning parent is considered in determining eligibility and benefits.

Procedure: Count the income of the returning parent unless it is specifically exempted, disregarded, or deducted for work expense. See Determining the Income of New Members for policies on how to consider the income of a returning parent who is added to the eligible group.

Count the income of the returning parent for eligibility and benefits when the returning parent is **not** added to the eligible group. For example, the parent may not be added because the parent has an ineligible alien status or refuses to apply for benefits from other sources.

When the returning parent is excluded, count only the income received after the parent has returned to the home. See **4-E** for how to treat income of excluded parents.

Exempt the returning parent's income, other than what the parent makes available to the FIP group, when the parents are not married to each other and the common child is not eligible, e.g., the child does not have a social security number.

When a Minor Parent Turns 18 or Marries

Legal reference: 441 IAC 41.27(7)"z"

Policy: Income of a self-supporting parent of a minor parent is considered only until the minor parent marries or turns 18.

Procedure: Exempt the income of the self-supporting parents of a minor (unmarried, underage) parent who marries or turns 18 (regardless if the minor parent is in high school and expected to complete the curriculum before age 19).

The exemption is effective the first day of the month following the month that the parent turns age 18 or marries. When the parent turns age 18 on the first day of a month, the income of the self-supporting parents becomes exempt as of the first day of that month.

1. Ms. A, a FIP participant lives with self-supporting parents. Ms. A turns age 18 on July 5. The income of her self-supporting parents that is attributable to her becomes exempt in the payment month of August.
2. The same situation as Example 1, except that Ms. A turns age 18 on July 1. The income of her self-supporting parents becomes exempt in the payment month of July.
3. Ms. B, age 17, lives with self-supporting parents. On July 3, Ms. B marries. The income of her parents becomes exempt in the payment month of August.

4. Ms. K, age 17, and her child live with Ms. K's self-supporting parents. Ms. K will turn 18 on June 23. On June 4, she applies for FIP. Her parents' prospective June income is used to determine Ms. K's eligibility and benefit amount for June. Her parents' income will no longer be used effective with the July payment month.

Adding a New Member to an Active Case

Legal reference: 441 IAC 40.22(4), 41.27(9)"e"

Policy: A new written application is not required to add a new person to the eligible group or to make a parent or stepparent a member of the FIP household.

Procedure: The date of application to add a new person to an existing eligible group is usually the date the household reports the new person in the home. However, circumstances of the client's situation may affect the date of application. See Establishing the Date of Application and Eligibility.

Applicants who are not exempt from PROMISE JOBS referral must meet with PROMISE JOBS to write and sign a family investment agreement (FIA) before being added to the FIP eligible group. See **4-J, Referring Clients to PROMISE JOBS** for instructions on how to refer the new person.

When the new person signs the FIA, the PROMISE JOBS worker will make entries in the PJCase system to record the date the agreement was signed. E-mail will automatically be sent to notify you of the date the family investment agreement was signed. If all other eligibility factors have been met, approve FIP.

If the new person fails to sign an FIA, the PROMISE JOBS worker will make entries in the PJCase system to record that the person failed to sign. E-mail will automatically be sent to notify you that the person has failed to sign and instruct you to deny the application.

FIP eligibility is affected as follows:

If the new person is:	Take the following action:
A parent	Deny the application to add the parent and cancel the FIP case with timely notice. If both parents in a two-parent household are mandatory referrals and either one fails to sign the family investment agreement, the entire household is ineligible.
A mandatory child	Deny the application to add the child. The FIP case remains eligible if there is an eligible child.
A minor parent	Deny the application to add the minor parent and any child of the minor parent. If the minor parent's child is already receiving FIP, cancel the child. The FIP case remains eligible if there is an eligible child.
A needy specified relative	Deny the application to add the relative. The caretaker case for the children remains eligible.
A stepparent included as an optional household member	Deny the application to add the stepparent. The FIP case remains eligible.

Also see **4-C**, **Hardship Exemption** and **Limit on FIP Assistance**, for information on the impact of adding an "adult" (as defined) to an eligible group.

Because a paper application is not needed to add a person to an existing case, it is especially important to document contacts with the client. Detailed case record documentation is crucial to provide pertinent information that would substantiate your actions in the event of a Quality Control review, an audit, or an appeal.

Your response to an **inquiry** differs from your response to a **report**, as follows:

- An **inquiry** occurs when the client contacts you to find out about the impact on the client's case if another person should join the household, but the client is not sure if or when the person may actually join.

In this situation, give the client the necessary information, and remind the client to contact you when the change has occurred, or if possible, a week before the change is expected to occur. Document the client contact and your response in the case record. Do not issue a **Notice of Decision**.

- A **report** occurs when the client (or the client's authorized representative) contacts you with an approximate or specific date that the person is expected to join the household.

  When someone other than the FIP client or the client's authorized representative reports the birth of a child, this does not satisfy the reporting requirement and does not constitute an application.

  For example, a hospital may contact you to obtain a state identification number for a new baby in order to bill medical expenses. This type of contact does not establish a date of application. The client must still confirm the child's birth.

Comment:

Ms. M, a FIP participant, gives birth to a child but she does not contact her EBS to report the baby's birth. The hospital calls the EBS to obtain a state ID number for the baby. The call from the hospital does not establish a date of application. (The hospital is not Ms. M's authorized representative.)

Ms. M does not have a phone, so the EBS sends her a letter asking her to confirm the birth of her child and requesting other pertinent information about the baby. Ms. M does not provide the requested information by the due date. The EBS cancels the case for failure to provide the information.

If Ms. M had provided the requested information, the date the EBS received the information would have been the date of application.

Acting on a Report of a Future Change

Legal reference: 441 IAC 40.22(4), 41.27(9)"e"

Policy: When a client has reported to you that a new person will be joining the household at some time in the future, the client still has a responsibility to timely report when the person actually joins the household.

Procedure: Contact the client in writing within one or two days after the person was expected to enter the household. Ask for updated information about the anticipated change and any needed information about the person. The client has ten days to provide the information.

If the client reports that the person will be joining the household **within 30 days** of the report, and you receive the information by the due date you gave the client, process the application to add the person.

If you do **not** receive the information by the due date, cancel the existing FIP case for failure to provide the information and deny the application to add the person to the household. Issue timely notice. Reinstate the case if the information is received in time for reinstatement. See Reinstatement. The date you receive the information is the new date of application to add the person.

If the client reports the person will not be joining the household within 30 days of the report, issue a **Notice of Decision** denying the application to add the person. Document your contacts with the client.

If the client reports the anticipated birth of a child, you may hold the application for an additional 30 days or slightly longer if the birth appears imminent at the end of the first 30 days.

If the client reports that the person will **not** be joining the household within 30 days of the report, deny the application to add the person, and issue an NOD. Follow up with the client at the time the person was expected to enter the household, as above.

Remember to document your contacts with the client.

Establishing the Date of Application and Eligibility

Legal reference: 441 IAC 40.23(239B), 40.26(239B)

Policy: The date of application to add a new household member is the date the change is reported, unless the person has been excluded from FIP eligibility.

Procedure: Consider the following information to determine the date of application to add the new member and the effective date of the new member's eligibility.

<table>
<tr><th>Person Being Added</th><th>Date of Application</th><th>Effective Date of Eligibility</th></tr>
<tr><td rowspan="2">Mandatory household member who is in the home</td><td>Date of report</td><td>Add the person effective as of the date the person is eligible, but no earlier than seven days from the date of report.</td></tr>
<tr><td colspan="2">1. On May 4, Mrs. A reports that Mr. A, the absent parent, returned home on May 3. The date of application to add Mr. A is May 4. The effective date of eligibility is May 11.
2. Mr. O and his children receive FIP. On June 26, he reports that Mrs. O returned home on June 22. She works full time.
The effective date for adding Mrs. O is July 3. Since Mrs. O's earnings result in decreased FIP benefits, she cannot be added until August 1. Because the change was timely reported, there is no recoupment for July.</td></tr>
<tr><td rowspan="2">Optional household member</td><td>Date the client requests the person be added</td><td>No earlier than seven days after the date of request. (See end of section for a list of optional household members.)</td></tr>
<tr><td colspan="2">On May 5, Ms. B reports that she got married to Mr. C on May 2, and that he moved into her home that day. Mr. C is not the father of the FIP child.
On June 5, Mrs. C (formerly Ms. B) reports that Mr. C was in an accident, and requests to add him to her case as an incapacitated stepparent. Since Mr. C is an optional household member, the date of application is June 5. The effective day is June 12.</td></tr>
</table>

<table>
<tr><th>Person Being Added</th><th>Date of Application</th><th>Effective Date of Eligibility</th></tr>
<tr><td rowspan="2">Person who will join the household (anticipated)</td><td>Date of report</td><td>No earlier than the actual date of entry or seven days from the date the household reports it, whichever is later.</td></tr>
<tr><td colspan="2">Ms. D and her child receive FIP. On May 20, she reports that another child will come to live with her within the next couple of weeks. On June 1, she reports that the child actually returned on May 25. The child is added to the grant effective May 27.</td></tr>
<tr><td rowspan="2">Person required to be in the eligible group but who failed to cooperate</td><td>Date the person indicates willingness to cooperate</td><td>No earlier than seven days from the date the person indicates willingness to cooperate. Do not add the person until cooperation has actually occurred.</td></tr>
<tr><td colspan="2">Ms. R’s needs are excluded from the FIP grant because she refused to cooperate with HIPP requirements. On July 10, she expresses willingness to cooperate. On July 12, the HIPP Unit notifies the EBS that she has cooperated. The EBS adds Ms. R to the grant effective July 17.</td></tr>
</table>

<table>
<tr><th>Person Being Added</th><th>Date of Application</th><th>Effective Date of Eligibility</th></tr>
<tr><td rowspan="2">Person excluded due to the choice of a first limited benefit plan</td><td>Date the person signs an FIA</td><td>No earlier than seven days from the date the person signs an FIA. Do not add the person until PROMISE JOBS stops the limited benefit plan (after the person has signed an FIA). See 4-J.</td></tr>
<tr><td colspan="2">The eligible group consists of Mrs. E, her 12-year-old son, her 17-year-old daughter Ms. Z, and Ms. Z's child. As a minor parent, Ms. Z is a mandatory PROMISE JOBS participant. Ms. Z chooses a limited benefit plan by failing to sign an FIA. The limited benefit plan makes Ms. Z and her child ineligible for FIP effective April 1.

On May 10, Ms. Z asks to reconsider. On May 25, Ms. Z signs an FIA. The EBS adds Ms. Z and her child to Mrs. E's grant effective June 2, as she is otherwise eligible.</td></tr>
<tr><td rowspan="2">Person excluded due to a subsequent limited benefit plan</td><td>Date the person signs an FIA</td><td>No earlier than seven days from the date the person signs an FIA. The effective date cannot be within the six-month ineligibility period.

Do not add the person until PROMISE JOBS stops the limited benefit plan (after the person signs an FIA and completes 20 hours of work or other approvable activity).</td></tr>
<tr><td colspan="2">The eligible group consists of Ms. F, and her two sons: Ed, age 12, and Joe, age 17 and a mandatory PROMISE JOBS participant. Joe chooses a subsequent limited benefit plan, which makes him ineligible for FIP for a minimum of six months (November - April).

On May 8, Joe asks to reconsider. He signs an FIA on May 15 and completes 20 hours of PROMISE JOBS activity on May 29. On May 30, the EBS adds Joe to Ms. F's grant effective May 22, as he is otherwise eligible.</td></tr>
</table>

<table>
<tr><th>Person Being Added</th><th>Date of Application</th><th>Effective Date of Eligibility</th></tr>
<tr><td rowspan="2">Person excluded for failure to provide a social security number</td><td>Date when the number or proof of application is provided</td><td>No earlier than seven days following the date when the number or proof is provided. See 4-C, Social Security Number.</td></tr>
<tr><td colspan="2">Ms. T and one child receive FIP. Another child is excluded from the grant due to lack of a social security number. On May 5, Ms. T provides proof of application for the number. The child is added to the grant effective May 12.</td></tr>
<tr><td>Person excluded due to being:
On strike;
Convicted of lying about residence to get benefits from two states; or
An alien subject to a five-year bar on FIP. See 4-L for details.</td><td>Date after period of ineligibility has ended.</td><td>No earlier than seven days after the date of application.</td></tr>
</table>

When the household fails to report a new mandatory household member in the home timely, the date of application to add the person to the eligible group is still the date of report. In addition, determine the effect of the person's presence on eligibility and benefit amount as of the date the person entered the home.

Do not issue corrective underpayments for the period the person was in the home unreported. However, establish a claim for excess assistance issued.

Comment: Optional household members include:

- An incapacitated stepparent.
- A needy specified relative.
- A needy specified relative who acts as payee when the parent is in the home but unable to act as payee.

1. Mrs. E and her children receive FIP. On May 27, Mrs. E reports that Mr. E returned home on March 15. He is incapacitated and receives social security disability payments.

   Because Mr. E's income will reduce the FIP grant, he cannot be added to the grant until effective July 1. Excess assistance issued in April, May, and June is subject to recovery. Since Mr. E returned home in March, March l is the month of change. No overpayment is due for that month.

   If Mrs. E had reported the change timely, but timely notice prevented adding Mr. E for April, no overpayment would be due for April.

2. Same as Example 1, except Mr. E has no income. His needs are added effective June 3, seven days from the date Mrs. E reported the change. The household is not entitled to corrective underpayments for the period that Mr. E was in the home unreported.

Determining the Income of New Members

Legal reference: 441 IAC 41.27(9)"e"

Policy: Income of a person being added to the eligible group is considered prospectively.

Procedure: Consider the total prospective income of the persons being added plus the prospective income of the eligible group for comparison to the 185% eligibility test and the payment standard eligibility test. When applying the 185% eligibility test, do not allow any deductions or diversions from the nonexempt gross income of the person being added.

Do not apply the standard of need eligibility test when adding a person to an existing case.

If income tests are met, consider the total prospective income of the persons added plus the prospective income of the existing group to determine eligibility and grant amounts.

Mrs. A receives FIP for herself and two children. On May 2, Mr. A returns to the home. Mrs. A reports Mr. A's return on May 5. Mr. A will be added to the eligible group effective May 12. Mr. A's income from part-time employment is $250 per month. This income is expected to continue at the same rate. Mrs. A and the children have no income.

The EBS projects $250 income for May. The total May income is compared to the gross income level for four persons. The income is under 185% of the standard of need for four persons. The payment standard test is determined by allowing the 20% earned income deduction and the 58% work incentive deduction.

$250.00	Mr. A's income
- 50.00	20% earned income deduction
$200.00	Income before the 58% work incentive deduction
$ 84.00	Mr. A's income after the 58% work incentive deduction
$495.00	Revised May payment standard (a full month for four
- 84.00	persons)
$411.00	Mr. A's net countable income
	Revised May deficit for a full month

Since Mrs. A already received a May grant of $426, no payment adjustment is made for Mr. A's May needs. He is added to the eligible group for June 1, instead of May 12. The family's grant is reduced to $411 effective June 1.

Because Mr. A entered the home during the month of May, the change occurred in May. The EBS does not recoup any portion of the May grant.

The determination of the date of change depends on whether the new person is a required member of the eligible group or an optional member.

1. Mrs. C is a FIP participant with one child. On March 10, Mr. C, the absent parent, enters the home. Mrs. C reports the change the same day. Mr. C is incapacitated and receives Social Security benefits.

   Since Mr. C's return was reported on March 10, March 17 is the earliest possible effective date of assistance for Mr. C. However, because the family has difficulty in obtaining verification of Mr. C's income, the EBS is not able to make a decision on the application until March 23.

   Because of Mr. C's income, the family is now over income, even with Mr. C's needs included. Since it is too late to issue timely notice to cancel the grant for April 1, the EBS issues timely notice to cancel the family's FIP grant effective May 1 and initiates recoupment for the overpayment received in April.

   March is considered the month of change, since Mr. C, a mandatory member of the eligible group, returned to the home in that month. No recoupment is due for March.

2. On February 28, Bobby, a half-brother of Ms. B's other children, enters her home. Ms. B will receive Social Security benefits on Bobby's behalf beginning in March. On March 1, Ms. B reports that Bobby is in the home. Because there is a delay in obtaining verification of Bobby's income, Bobby cannot be added until March 23.

   Bobby's Social Security benefits result in a decrease in the family's grant. Since it is too late to issue timely notice to reduce the grant for April 1, the EBS issues timely notice to reduce the grant for May 1.

   The April overpayment is subject to recoupment, since Bobby entered the home in February and he is a mandatory member of the eligible group. Benefits for March (the month after the month of change) are not subject to recoupment because the change was timely reported and eligibility continues.

If two persons enter the home during the month and have the same date of decision, both have the same effective date (if neither received assistance on another case).

However, if a decision has been made to add the first person before the second person enters the home, the effective date for adding the second person is determined based on the date that person was reported in the home. If the first person was ineligible, it is possible that the addition of the second person will make the first person eligible.

> Ms. E receives $361 in FIP for herself and one child. On April 5, Ms. E's son, Joe, returns to the home. Ms. E reports the change that day. Since Joe's Social Security benefit of $75 exceeds his needs of $65 ($426 - 361), the family is not eligible for any additional benefits for April. Joe is added to the eligible group effective May 1. A notice is issued to this effect on April 15.
>
> On April 18, Ms. E's daughter, Jill, enters the home and Ms. E reports the change. Jill has no income. Since Joe's income of $75 is less than Jill's and Joe's needs of $134 ($495 - 361), both Jill and Joe are added to the grant effective April 25.
>
> The system performs the first calculation for Joe. However, the system shows Joe as already on the case and therefore cannot perform a second calculation for Jill and Joe for April. This calculation must be performed manually.

Determining Benefits Manually

Legal reference: 441 IAC 41.27(9)"b," "e"

Policy: Income of a person being added to the eligible group is considered prospectively.

Procedure: Determine the new person's prorated needs for the partial month in accordance with **4-B, Effective Date of Assistance**. Use the following formula to compute benefits manually for a new person's first partial month of assistance:

Payment standard (basic needs plus special needs, not rounded) for the eligible group with new person included
\- Payment standard with new person excluded
= New person's need for month
\- New person's income for month
= New person's unmet needs for month. If there are no unmet needs, the person cannot be added for that month.

Original payment standard (budget deficit) for eligible group, not rounded
\+ The new person's unrounded, unmet need for the month
= The eligible group's new unrounded payment standard (budget deficit) for the month. (If this is less than $10, the new person is eligible but no benefits are issued.)

The eligible group's new unrounded payment standard (budget deficit)
\- FIP already received in month, before recoupment
= New person's unmet needs, which are then rounded

Ms. A receives FIP for herself and one child. She has $124.35 in countable income and an ongoing school special needs allowance of $13.93 a month. On July 15, Ms. A reports her son, Bob, has returned from foster care. Bob receives $30.50 a month in Social Security. Prorated benefits for Bob are determined as follows:

$439.93	($426 basic needs for three plus $13.93 special)
- 374.93	($361 plus $13.93) original Payment Standard
$ 65.00	Bob's total needs for the month
- 30.50	Bob's Social Security
$ 34.50	Bob's unmet needs for the month

31-22 (effective date) = 9 days divided by 30 = .3

$ 34.50	(Bob's unmet needs) multiplied by .3 = $10.35, Bob's prorated needs for the month
$250.58	($374.93 original needs - 124.35 income) Ms. A's original monthly deficit
+ 10.35	Bob's unmet prorated needs
$260.93	Unrounded revised deficit

$260.93	Unrounded revised deficit
- 250.00	Grant already received
$ 10.93	The family's additional deficit for the month, which is rounded to $10

When a Natural Father Enters the Household

Legal reference: 441 IAC 41.22(3)

Policy: When a natural father enters an existing FIP household and paternity has not been established, the father must provide a signed statement acknowledging paternity for a child in the eligible group.

Procedure: When a natural father enters an existing FIP household, request a signed statement from the father acknowledging paternity for the child unless evidence of paternity is already in the case record. Examples of evidence of paternity could be the father's signature on a previous FIP application or a birth certificate listing the person as the child's father.

Do not add the father to the eligible group until the statement is provided. The effective date of assistance is seven days from the date of report that the natural father entered the home, provided eligibility otherwise exists.

Cancel the existing FIP case, subject to timely notice, if the requested paternity statement is not provided by the due date, because the eligible group cannot be established without the statement. (Extend the due date, if applicable.) Deny the application to add the parent.

If the statement is received in time for reinstatement, reinstate the existing FIP case. Since the application to add the parent was denied, the date the statement is received is the new date of application to add the parent to the eligible group.

Adding a New Member During a Month of Recoupment

Legal reference: 441 IAC 41.27(9)“k”

Policy: When a new person applies for assistance during a month that the family’s assistance is subject to recoupment, the person may be eligible for FIP as a separate eligible group.

Procedure: Use the income of this new eligible group, plus income of the parent or other legally responsible person in the home.

NOTE: There must be at least one child in the new eligible group, unless the only child is receiving SSI.

Adding a Considered Person to the Eligible Group

Legal reference: 441 IAC 41.27(9)“b” and “e”

Policy: When a person is added to the eligible group, the person’s income is considered prospectively.

Procedure: To add a person to the eligible group whose income was considered before the person was added (e.g., a sanctioned parent or incapacitated stepparent):

1. Determine eligibility for the entire household using the prospective income of the existing eligible group and the considered person.
2. Calculate the total need for the month according to the payment standard with the considered person included.
3. Subtract the considered person’s countable income in the month.

4. Compare the balance to the FIP grant issued to the existing household for that month.

   - If the balance is less than the grant, add the considered person effective seven days from the date of report or request. Issue a payment adjustment, if necessary. Prorate the payment adjustment based on the number of eligible days in that month.
   - If the balance is greater than the grant, add the considered person effective the first of the following month with timely notice. If timely notice cannot be met, add the person effective the second month following the month of change.

The FIP household consists of Mrs. A and her two children. Mrs. A's needs are removed from the grant effective April 1 due to failure to apply for other benefits. Mrs. A gets $300 in Social Security benefits each month. Her monthly net grant amount is $61 ($361 - $300).

On July 5, Mrs. A says she is willing to apply for the benefits. On July 10, she cooperates. Prospective eligibility continues. Mrs. A is added to the grant effective July 12.

$ 426.00	Basic grant including Mrs. A
- 300.00	Minus Mrs. A's July Social Security income
$ 126.00	Net grant amount
- 61.00	Minus FIP grant issued for July
$ 65.00	Payment adjustment for total month
$ 41.00	Prorated payment adjustment for July

Removing a Person from an Active Case

Legal reference: 441 IAC 41.27(9)"e"

Policy: The needs of an ineligible person are removed from the eligible group effective the first of the next month.

Procedure: If a person is determined to be ineligible, remove the needs of that person prospectively effective the first of the following month. Exempt the income of that person unless the income is a nonrecurring lump sum that causes a period of ineligibility or the income is from a parent or stepparent who remains in the home.

When there is a period of ineligibility, a nonrecurring lump sum received by a person who has left the home is counted for the corresponding payment month, unless the income is no longer available to the eligible group. See **4-E** for policies relating to lump-sum income.

1. Child A is removed from the eligible group effective July 1. Beginning with July, Child A's unearned income of $40 per month is not counted in determining eligibility and payment for the remaining eligible group.
2. Mr. B, a stepparent, leaves the home in December. His earned income is not counted when determining eligibility and payment for the FIP eligible group beginning with January.
3. Mr. and Mrs. C and their child receive FIP. In May, Mr. C receives a retroactive payment of social security benefits of $8,490, which makes the family ineligible for ten months ($8,490 ÷ $849 standard of need = 10 months of ineligibility).

   Mr. C moves out of the home in June. He leaves the lump sum in a bank account available to Mrs. C. The family is still ineligible, because of the countable nonrecurring lump sum.
4. Mrs. D receives FIP for herself and one child. She is removed from the eligible group effective June 1 because she fails to apply for unemployment benefits. Her income must continue to be counted in determining her child's eligibility and benefits, because Mrs. D remains in the home.

   Mrs. D's gross income is considered in determining the child's eligibility under the 185% eligibility test. Her net countable income is counted in determining the amount of the grant that the child will receive. Mrs. D is not allowed to divert from her income for her needs, since she is ineligible because she failed to cooperate by not applying for other benefits.

When a Child Goes into Foster Care or the Kinship Caregiver Payment Program

Legal reference: 441 IAC 41.25(2)

Policy: A FIP participant cannot concurrently receive FIP and foster care assistance or kinship caregiver payments (KCP). Treat children approved for KCP the same as a child approved for foster care.

Procedure: When a child who is a FIP participant is approved for foster care or KCP while remaining in the same home, cancel FIP for the child or the household (if they are the only child) effective the first of the next month following the date the foster care payment approval is entered into the computer system.

Do not recoup FIP for the month the foster care or KCP is approved or any retroactive months for which payments are made. If system requirements delay cancellation until the second month after approval of foster care or KCP, recoup FIP for the first month after approval.

1. Ms. A, who already has a caretaker FIP case for her niece, is approved to receive foster care for the niece. The foster care is approved on the computer March 2, with a February effective date. The FIP case is canceled effective April 1. No recoupment is necessary.
2. Ms. B, who already has a caretaker FIP case for her grandchild, is approved to receive foster care for the grandchild. The foster care is approved on the computer March 29. The FIP case is canceled effective May 1 and April FIP benefits are subject to recoupment.
3. Ms. C, who has an active caretaker FIP case for her granddaughter, is approved to receive kinship caregiver payments for her grandchild. The kinship caregiver payment approval is entered in FACS on July 10. The FIP case is canceled effective August 1. No recoupment is necessary.
4. Mr. D, who has an active caretaker FIP case for his grandson, is approved to receive kinship caregiver payments for his grandson. The kinship caregiver payment approval is entered into FACS on April 29. The FIP case is cancelled effective June 1. May FIP benefits are subject to recoupment.

When a child leaves the FIP home to enter foster care, remove the child's needs from the grant effective the first day of the following month. System requirements may delay the effective date until the first day of the second month after the month in which the child left the home. In this case, initiate recovery for the first month.

However, if the child returns to the home before the effective date of cancellation, reinstate the child without a new application. Initiate recovery only for the days the child was receiving foster care in the month following the month the child left the home.

When a child leaves a FIP home to enter foster care, but returns to the FIP household in the same month, do not remove the child's needs from the grant. No overpayment has occurred.

If removing the child increases the FIP grant because the child had income, it may be necessary to issue a payment adjustment. If the child returns to the home before the effective date of the child's removal from the FIP grant, refer the case to the SPIRS help desk for clarification.

1. Mrs. A receives FIP benefits for herself and one child. The child is placed in foster care July 2. Notice is issued to cancel the case effective August 1. On July 19, the child returns to the home. The case is reinstated. No overpayment has occurred.
2. Mrs. B receives FIP benefits for herself and one child. The child is placed in foster care July 25. Since it is too late to cancel for August, the case is canceled effective September 1, and recoupment is initiated for August. The child returns to the home August 4. The case is reinstated. The prorated amount of assistance for the first three days of August is an overpayment subject to recovery.
3. Mrs. C received FIP benefits for herself and one child. The child is placed in foster care July 17. The case is canceled effective August 1. The child returns to the home August 8. A new application is required. Eligibility begins seven days after the application is received, or when the family becomes eligible, whichever is later.

Changes Reported from Automated Sources

Legal reference: 45 CFR 264.10; 441 IAC 40.27(2), (4), and (5) and 9.10(4)"a," "b," and "c"

Policy: Federal regulations require state and federal agencies to exchange information through the State Income and Eligibility Verification System (IEVS) and redetermine eligibility and benefits based on the information received.

Eligibility and benefits shall be redetermined whenever you become aware of a change in circumstances. In addition to changes reported by the household, information that might affect eligibility and benefit levels is also available from reports generated through the State Income and Eligibility Verification System IEVS and other automated sources.

Procedure: When you receive IEVS information, act on the report as follows:

1. Determine if the client reported the information and if you have already acted on it. If so, note and date this on the IEVS report and file it in the case record.

   EXCEPTION: Do not file the **Earnings and Pension Report, S470X425-A**, and the **Internal Revenue Service Report, S470X615-A**, in the case record. If the client has reported the information and you have already acted on it, note and date this in a narrative in the case record. See **14-G** for storage procedures.

2. If the IEVS information is new or previously unverified, contact the household in writing and obtain a release of information. Check the description of each individual report to see if the information must be verified or if it is already considered verified. (Descriptions of each report follow in this section. See **14-C**, **14-E**, and **14-G** for more details.)

   Act on information received from IEVS not previously reported by the household within 30 days from the date printed on the report. You may delay action beyond 30 days when a third party causes the delay by not providing requested verification. It may be necessary to reduce or cancel future benefits and to establish a claim.

3. If the income does not affect past, current, or future benefits, note and date this on the IEVS report and file it in the case record.

   EXCEPTION: Do not file the **Earnings and Pension Report, S470X425-A** and the **Internal Revenue Service Report, S470X615-A** in the case record. If the income does not affect past, current, or future benefits, note and date this in a narrative in the case record. See **14-G** for storing procedures.

4. If the IEVS information affects benefits, adjust future benefits and do a claim as required.

IEVS Wage Report

Procedure: Compare information provided by Iowa Workforce Development on the **Wage Report, S470X225-A** to information in the case record to determine if the household reported earnings.

If the **Wage Report** indicates earnings that were not reported or were underreported, contact the participant to verify information. Do not take any case action based solely on data taken from the report. If it is necessary to establish a claim, see **4-H**.

IEVS Unemployment Compensation Report

Procedure: Consider unemployment benefits reported on the **Unemployment Compensation Report, S470X1609-A** as verified income.

Consider benefits received on the second day after IWD mailed the check. The column entitled “Date Received” shows this day. When the second day falls on a Sunday or legal federal holiday, the IEVS system extends the time to next mail delivery date.

The report lists the amount withheld for child support. Consider this amount verified. This amount is considered income and must be added to the net amount received by the client. However, allow it as an income deduction or diversion if the child for whom the support is intended is not living in the home. See **4-E, Income**.

Comment: The **Unemployment Compensation Report, S470X160-A** is a monthly list of FIP participants that match a social security number of a household member with the social security number of a person to whom Iowa Workforce Development (IWD) issued unemployment benefits for the previous month.

The amount listed as withheld for unemployment insurance recoupments is not considered income. See **4-H, Payments and Adjustments**.

Consider the benefit amounts on this report verified income. Act on the unemployment benefit information before the next payment month.

Allow the household to verify the amount of unemployment benefits actually received when it indicates the amount of benefits provided through IEVS is wrong. Use the verified amount from the household instead of the amount shown on the printout.

The household must report the discrepancy before the payment month or ten days after the date of the **Notice of Decision**, whichever is later, in order to receive a payment adjustment. Recover any overpayments regardless of when reported.

IEVS Bendex and State Data Exchange

Procedure: Use the information provided by the Social Security Administration on the Bendex and State Data Exchange to verify social security numbers and Social Security, Black Lung, and SSI benefits. This information can be found in Data Source in WISE.

IEVS Earnings and Pension Report (IRS)

Procedure: Use the information in Data Source in WISE under the heading SSA Pension and Earnings, as an indicator of the wages and pensions. Consider the information unverified. **Do not upload Data Source lookups containing this information into the case record**.

You may use forms **470-3741, Employer's Verification of Earnings** and **470-3742, Financial Institution Verification** when requesting information. These forms were developed to comply with the requirements for safeguarding IRS information. See **6-Appendix** for more information on the use of these forms.

IEVS IRS Match Report (Internal Revenue Service)

Procedure: Use the information in Data Source in WISE under the heading IRS, as an indication of earned and unearned income. Consider this information unverified. **Do not upload Data Source lookups containing this information into the case record**.

Iowa Central Employee Registry (ICER)

Procedure: The ABC system runs a daily match with the ICER system

If ICER indicates employment that was not reported, contact the person to verify information. Do not take any case action based solely on data taken from the ICER match.

Prisoner Report

Procedure: The ABC system runs a monthly match with the following to identify persons incarcerated:

- Social Security Administration's Prisoner Update Processing System (PUPS),
- The Iowa Department of Corrections (IDOC),
- Reporting of Inmates in Public Institutions (RIPI), and
- Managed Care Organizations (MCO).

The match includes persons who are participating in FIP or whose income must be considered when determining the household's eligibility and benefits.

When data source shows incarceration information for a FIP applicant or participant, contact the household to verify the information on the report. Do not take any case action based solely on data taken from this match.

Household's Mail Returned with No Forwarding Address

Policy: When the post office returns a household's mail with no forwarding address, the Department cannot verify that the household still lives in Iowa.

Procedure: Cancel the case for not being able to locate the household. Send the notice to the household's most recent address, even though it may also be returned.

If the household contacts you:

- Before the effective date of cancellation, see Reinstatement Before the Effective Date of Cancellation.
- After the effective date of cancellation, but within 14-days of the effective date of cancellation, see Reinstatement After the Effective Date of Cancellation (Grace Period).
- More than 14 days after the effective date of cancellation, see **1-E, The Right to Appeal**.

Household's Mail Returned with a Forwarding Address

Policy: When the post office provides a forwarding address on returned mail, consider this an indication that the household has moved.

Procedure: If the forwarding address is one that is:

- Within Iowa:
  - Call the household to discuss if they moved. If the household provides a new address during the phone call, update the ABC system with the new address. Re-mail the returned item to the household to the new address.
  - If you are unable to contact the household via phone, send a written request for information (RFI) to both the current address in ABC and the new address reported on the return mail requesting the household contact HHS to clarify their current address. If the household responds to the RFI and provides a new address, re-mail the returned item to the household at the new address.
  - If the household fails to respond to the RFI, cancel the case for failure to provide requested information.
- Out-of-state:
  - Call the household to discuss if they moved and if the move is temporary or permanent. If the household provides a new address during the phone call and it is:
    - Permanent- update the ABC system with the new address and cancel the case with timely notice for not meeting residency requirements.
    - Temporary-ask the household to clarify the reason they are out of state and how long they will be out of state. Determine if temporary absence applies.
      - If temporary absence applies, update the ABC system with the new address, track the temporary absence period and re-mail the returned item to the household at the new address.
      - If temporary absence does not apply, update the ABC system with the new address and cancel the case with timely notice for not meeting residency requirements.

- If you are unable to contact the household via phone, send an RFI to both the current address in ABC and the new address reported on the return mail requesting the household contact HHS to clarify their current address and if the move is temporary or permanent. If the household responds to the RFI and the move is:
  - Permanent- update the ABC system with the new address and cancel the case with timely notice for not meeting residency requirements.
  - Temporary-ask the household to clarify the reason they are out of state and how long they will be out of state. Determine if temporary absence applies.
    - If temporary absence applies, update the ABC system with the new address and track the temporary absence period.
    - If temporary absence does not apply, update the ABC system with the new address and cancel the case with timely notice for not meeting residency requirements.
- If the household does not respond to the RFI, cancel the case with timely notice for not meeting residency requirements. Reinstate the case if the household contacts you before the effective date of cancellation or within the 14-day grace period and the household provides you with an Iowa address.

AWARE Hotline Referrals

Procedure: The Income Maintenance Customer Service Center (IMCSC) tracks fraud complaints from the Anti-Welfare Abuse Recognition Effort (AWARE) hotline.

When the hotline receives a fraud complaint concerning a HHS client:

- IMCSC records the information about the complaint on email form "Benefit Eligibility Fraud Complaint Referral."
- IMCSC emails an electronic copy of the form to the EBS for the case, their supervisor, and their Eligibility Determination Manager (EDM) or IMA designee.
- The EBS takes appropriate action on the information.
- The EBS documents on the form what action was taken and returns the completed form to the IMCSC.
- IMCSC records the return date and disposition of the complaint.

- IMCSC maintains a record of hotline tips and compiles a monthly summary report that reports the status of hotline complaints received.

Effective Date of Adjustment

Legal reference: 441 IAC 40.27(5)

Policy: Continuing eligibility and the amount of the grant are effective as of the first of each month.

Procedure: If a change is reported that affects eligibility or the amount of assistance, make the change effective the first day of the next calendar month after the change is reported, except under the following circumstances:

- If a change is timely reported before the end of the month, but too late for a grant adjustment to be made effective the following month, make a payment adjustment.

1. On July 28, Ms. G timely reports that her job ended on July 20 and her final check was received on July 27th. Once verification is received, a new projection is completed and a payment adjustment is made for August.
2. On May 29 Mr. K reports his job ended on May 25. His final check of $50 will be received on June 6. Once verification is received, a new projection is completed using the last check of $50 and a payment adjustment is made for June. The income would be removed for July.

- If ending income is timely reported in the month following the month the income ended, make a payment adjustment for the month of report.

1. On May 29, Mr. K receives his last check. He timely reports the change on June 2. Once verification is received, a new projection is completed and a payment adjustment is made for June.
2. On June 29, Mr. D's job ends. He receives his last check on July 2. He timely reports this on July 10. Since the month of the change and the report month are the same, once verification is received a new projection is completed effective August 1, the next calendar month after the change is reported. No payment adjustment is made for July.

- If a change in income is timely reported in the month following the month of change and income continues but has been reduced, make the change effective the first day of the calendar month following the report.

On March 30, Mrs. M learns that her hours of employment are being reduced from 25 hours per week to 15 hours per week. She reports the change on April 3. Once verification is received, a new projection is completed effective May 1. No payment adjustment is made for April.

The following circumstances need to be considered when determining the effective date of adjustment:

- When timely notice delays the action
  - If the change was timely reported and FIP eligibility continues, but timely notice requirements delay an adverse action until the second calendar month, benefits for the first calendar month following the date of change are not subject to recovery.

1. On July 29, Mr. V reports he started a new job on July 20. His first check was July 29. The EBS issues timely notice to consider the new income prospectively for September. The family remains prospectively within FIP income limits. The August payment is not subject to recovery, because the family remains eligible and the change was reported timely.
2. On August 8, Mr. D reports that he started a job July 1. His first check was July 15. The EBS issues timely notice to consider the new income prospectively for September. The family remains prospectively within FIP income limits. Because the change was not reported timely, the August FIP grant is subject to recovery.

  - If a reported change causes ineligibility for a case or a person on the case and timely notice requirements delay the cancellation until the second calendar month, establish a claim for any overpayment received in the first calendar month.

On May 28, Ms. S reports that her only child left home on May 25. The EBS issues a timely notice to cancel the FIP case for July. The June payment is subject to recovery.

- Changes in deductions or diversions

  Make a payment adjustment if verification of an income deduction or diversion is provided:

  - Before the end of the month (or the extended filing date) but
  - Too late for a grant adjustment to be made effective the following month.

  If the last day of the month falls on a weekend or holiday, the verification is due on the last working day of the month.

- Adding a person to FIP

  If a new person is added to the eligible group, make a payment adjustment for the month the change was reported, subject to the limits of the effective date of the grant. Approve assistance no earlier than seven days following the date of report.

  > On April 3, Ms. A reports that she had a new baby on April 1. Assistance for the child is approved effective April 10. Ms. A will receive a prorated payment for the child's needs for the month of April. May is the first full month that the child's needs are included in the grant.

- Removing a person from FIP

  Removing a person's needs prospectively usually results in a grant reduction. However, when the person who becomes ineligible has income and that income becomes exempt when the person is removed, the assistance payment may increase. In that case, timely notice is not required to remove the ineligible person from the grant.

  > Mr. C, a disabled parent, leaves the home on May 25. He has Social Security income of $150 per month. His wife and two children receive $15 per month each, for a total of $45.
  >
  > When Mr. C's needs are removed effective June 1, his $150 Social Security payment becomes exempt income, and the assistance payment is increased from $300 ($495 - $195) to $381 ($426 - $45).

- Changes during the application process

  If a change in income or circumstance occurs on or before the date of decision on the application and is reported after the date of decision and:

  - The timely reporting period ended **after** the date of decision, do not establish a claim for benefits for the month of change and any prior months.

- Timely reporting period ended on or **before** the date of decision, establish a claim for benefits for the month of change and any prior months.

1. Ms. A applies for FIP on June 10. On June 30, the EBS approves the FIP application. On July 2, Ms. A reports that the only eligible child left home on June 29. Ms. A's FIP benefits are canceled effective August 1. The July benefits are subject to recovery, but the June benefits are not.
2. Ms. B applies for FIP on January 10. On January 27, the EBS approves the FIP application. On January 29, Ms. B reports that the only eligible child left the home on January 15. Ms. B's FIP benefits are canceled effective March 1. Both January and February benefits are subject to recovery.
3. Ms. C applies for FIP on March 20. On April 15, the EBS approves the FIP application. On April 17, Ms. C reports that the only eligible child left the home on April 2.

   Ms. C's FIP benefits are canceled effective May 1. Both March and April benefits are subject to recovery. If the child had left the home on or after April 11 instead of April 2, March and April benefits would not be subject to recovery. This is because the timely reporting period ends after the date of decision.

Reinstatement

Legal reference: 441 IAC 40.22(5)

Policies and procedures on when a case can be reinstated without a new application are organized into the following sections:

- Reinstatement Before the Effective Date of Cancellation
- Reinstatement After the Effective Date of Cancellation (Grace Period)

Reinstatement Before the Effective Date of Cancellation

Legal reference: 441 IAC 40.22(5)

Policy: When all information is provided before the effective date of cancellation and eligibility can be reestablished, FIP will be reinstated without a new application.

Procedure: If all information is provided before the effective date of cancellation and eligibility is reestablished, reinstate FIP, even if you are not able to make the necessary computer entries until after the effective date of cancellation.

When FIP is canceled and all necessary information is provided before the effective date of cancellation, reinstate assistance for the effective date of cancellation.

Reinstatement After the Effective Date of Cancellation (Grace Period)

Legal reference: 441 IAC 40.22(5)

Policy: When FIP is canceled for failure to provide requested information, FIP will be reinstated without a new application if all information necessary to establish eligibility, including verification of any changes, is provided within 14 days of the effective date of cancellation.

When FIP is canceled for failure to return a completed RRED, FIP will be reinstated without a new application if the completed RRED is provided and all information necessary to establish eligibility, is provided, including verification of any changes, within 14 days of the effective date of cancellation.

When FIP is canceled for failure to complete a required review interview, FIP will be reinstated without a new application if the interview is completed and all information necessary to establish eligibility, is provided, including verification of any changes, within 14 days of the effective date of cancellation.

Procedure: When the reason for cancellation is cured within 14 days of the effective date of cancellation, reinstate FIP effective the date all of the information is provided, including verification of any changes that affect eligibility. If more than one item is required, reinstate FIP effective the date the final item is provided.

If the reason for cancellation is failure to attend a review interview, reinstate FIP effective the date the interview is held and all of the necessary information, including verification of any changes, is provided.

If the reason for cancellation is failure to return a complete RRED, reinstate FIP effective the date the completed RRED is provided.

If all of the information necessary is not returned by the 14th day after the effective date of cancellation, do not take any further action. Do not issue a **Notice of Decision**. When some, but not all of the information is returned, attempt to contact the client to let them know what is still needed and that if the information is not received by the end of the 14 day period, they will have to reapply.

If the previously requested information is provided, but the client reports a change for which verification is necessary, make every effort to help the client verify the information and inform them that benefits cannot be reinstated unless the change is verified by the end of the 14-day period. If a release is on file, it should be utilized. A written request for new information is not required.

If the new information is not verified by the end of the 14-day period, send a "remain canceled" notice. This is because the original reason for cancellation was cured.

When an additional change is reported and it is unlikely you will be able to verify the information within the 14-day period, attempt to notify the client to file an application to receive benefits.

See **4-A** for notification requirements.

Comment:

1. Ms. A, a FIP participant, fails to provide an employer's statement that was requested by the Department. The EBS issues a **Notice of Decision** canceling FIP effective May 1 for failure to provide requested information. Ms. A provides the employer's statement on May 4. There have been no other changes in the family's circumstances. The EBS reinstates FIP effective May 4.
2. Ms. B, a FIP participant is canceled effective May 1 for failure to provide two pieces of requested verification. Ms. B provides one of the pieces of verification on May 2 and the second on May 7. There have been no other changes in the family's circumstances. The EBS reinstates FIP effective May 7.
3. Ms. C, a FIP participant, is canceled effective May 1 for failure to provide requested verification. On May 5 she provides the requested verification and also reports beginning a new job. The EBS explains to Ms. C that she has until May 14 to provide verification of the new job. Ms. C provide the verification on May 10 and FIP is reinstated effective May 10.

4. Mr. D, a FIP participant, is canceled effective May 1 for failure to provide a complete RRED. Mr. D provides the completed RRED and all required verification on May 14. FIP is reopened effective May 14.
5. Ms. E, a FIP participant, is canceled effective May 1, for failure to provide requested verification. Ms. E provides the requested verification on May 10, and also reports a new job. The EBS explains to Ms. E that she has until May 14 to provide verification of the new job. Ms. E does not provide the verification by May 14. The EBS issues a "remain canceled" notice to Ms. E.

Payees

Legal reference: 441 IAC 40.29(239B)

Policy: Households can choose who will be the payee for the assistance payment. Special arrangements are necessary when:

- The payee cannot serve due to an emergency. (See Emergency Payee.)
- The court has appointed a conservator or guardian for the participant. (See Conservator or Guardian.)

A child cannot be the payee on the child's own case.

There is no minimum or maximum age limit that would prevent a parent or nonparental specified relative from acting as a payee. However, the role of a payee requires the person to take on responsibility for the assistance payment. Use prudent judgment when determining if an underage specified relative can fulfill that role. For example, a five-year-old child would not be appropriate as a payee, because the child could not be expected to take on financial responsibility.

Changing Payees

Legal reference: 441 IAC 40.22(239B), 41.22(3)

Policy: A new FIP application form is **not** required when the payee is changed to:

- The other parent at home.
- A specified relative who is already a member of the household.
- A specified relative who moves into the home where the children lived with the previous payee and continues to live with them.

Procedure: Do not require a new application when adding the new payee to the eligible group. See Adding a New Member to an Active Case. A new application is required when children move to the home of the specified relative, unless the relative is already on FIP, whether or not the specified relative will be included on the case.

A change of payee within the family in the same home is not a new case. A change of payee to a specified relative outside the home constitutes a new case.

> Mr. and Mrs. A and their children receive FIP with Mr. A as the payee. On March 31, Mrs. A reports that she and the children have left Mr. A and have established a home elsewhere. Mr. A's needs are removed from the grant effective May 1. Recovery is initiated for Mr. A's needs for April. The payee is changed to Mrs. A effective May 1. A new application is not required.

Emergency Payee

Legal reference: 441 IAC 40.29(2)

Policy: In emergency situations that deprive the child of the parent or caretaker's care, payments may be made to a person who is acting for the payee. These payments may be made for a temporary period, not to exceed three months.

Procedure: If the person who has been receiving a FIP payment is unable to administer the payment because of death, desertion, or commitment to an institution, the payment may be issued to a person acting for the payee. This person is the "emergency payee."

The person chosen as the emergency payee does not have to be related to the child or to the former payee. However, you must be assured that the emergency payee will use the assistance for the children's benefit.

Payments to the emergency payee cannot be made for more than three months. Payments can be made only for children who are FIP participants at the time the emergency occurs.

Remove the needs of a payee who is out of the home due to an emergency when the payee no longer meets eligibility requirements. Timely notice is required.

If the assistance warrant was mailed to the home, but the payee is not there to cash it due to an emergency, ask that the warrant be returned. Once the Department has received the warrant, you can issue a new warrant in the name of the emergency payee in the same amount as the original warrant.

If the assistance payment was issued by direct deposit or by electronic access card, the family will have to work with the payee or the bank to access the funds.

Payments issued after the emergency payee is added as case name for the case will be issued to the emergency payee.

Comment: Naming an emergency payee allows for continued financial care for the child while other plans are being made.

Conservator or Guardian

Legal reference: 441 IAC 40.22(2), 40.29(1)

Policy: When a person has a conservator or guardian, the guardian shall participate in the application process and FIP payments shall be made to the conservator or guardian.

Comment: “Guardianship” refers to the custody of a person. A court establishes a guardianship when a person is unable to make important decisions that may have a permanent effect on the person’s life.

“Conservatorship” refers to the control of a person’s property. A court establishes a conservatorship when a person is unable to manage the person’s own financial affairs. Because a conservator controls another’s property, assistance grants are mailed to the conservator.

A person can be appointed to serve as both the conservator and guardian for an individual. If a court order gives the guardian or conservator control of the participant’s property, issue payments to the guardian or conservator. The guardian or conservator then allocates the payment for the support and care of the dependent children.

(Refer to **4-F, Special Needs** for how to treat a fee that is required and authorized by court order.)

IOWA | Health and Human Services

Employees' Manual
Title 4, Chapter H

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Family Investment Program
Payments and Adjustments

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Overview

This chapter provides information on Family Investment Program (FIP) payments to participants. These policies also apply to payment of Refugee Cash Assistance.

This chapter includes sections on:

- Payments, including the methods of issuing payments.
- Overpayments, including when, how, and from whom to recover.
- Underpayments, including issuing corrective payments.

Payments

Legal reference: 441 IAC 45.26(239B)

Policy: A FIP payment is made to a participant only when the grant amount is $10 or more.

Payments may be issued by:

- Electronic access card,
- Direct deposit to the participant's own account in a financial institution, or
- Warrant.

Procedure: No payment is made for a month when the grant is less than $10, including when an initial month's grant is prorated to less than $10 because eligibility is for less than a full month.

All regular monthly assistance payments are the amount of the payment standard minus any countable income, rounded down to the next whole dollar amount, except when a portion of the monthly assistance grant is being recovered.

Comment: The following sections describe policy and procedures for issuing payments:

- Determining the Method of Payment
- Electronic Access Card
- Direct Deposit
- Warrants
- Changing the Method of Payment

Determining the Method of Payment

Legal reference: 441 IAC 45.21(239B)

Policy: Payments are issued on an electronic access card, also known as a debit card, **except** when:

- The payee requests direct deposit to the payee's account at a financial institution.
- The payee does not have a social security number.
- The payee is not the case name (head of household) for the case.

Procedure: Discuss the options for receiving payment with each applicant.

- If the payee requests direct deposit to the payee's own account, follow the steps under Direct Deposit. Explain that any payments made before the direct deposit becomes effective will be issued by electronic access card.
- If the payee does not have a social security number, explain that payments will be made by warrant. See Warrants for more information on issuance.
- If the payee is not the case name on the Automated Benefit Calculation (ABC) system's TD01 screen, explain that payments will be made by warrant unless the payee chooses direct deposit. See Warrants for more information.
- Explain that if none of the previous three conditions apply, payments will be made by electronic access card. See Electronic Access Card for more information on issuing payments by electronic access card.

Electronic Access Card

Legal reference: 441 IAC 45.21(1)

Policy: Electronic access card payments are issued on a Mastercard debit card. When a participant receives FIP on an electronic access card, any of the following types of payments issued for that case will be issued on the card:

- Monthly benefits
- Special allowances
- Adjustive and corrective payments
- PROMISE JOBS allowances

Procedure: When FIP is approved, the ABC system automatically issues benefits on the electronic access card unless one of the following circumstances applies:

- Direct deposit is active for the case. NOTE: Direct deposit is not considered active until the START DATE in the DIRD = Automated Direct Deposit system is reached. See Direct Deposit.
- The payee does not have a social security number entered into the ABC system.
- The payee is not the case name for the case.

Only one card is issued for a household, in the name of the person who is entered as the case name state ID number (CNID) person on the Automated Benefit Calculation (ABC) system's TD01 screen. Two-parent households must determine which parent they would like to have named on the card.

A person who is the "case name" for both a parental case and a nonparental caretaker case can receive benefits:

- For both cases in the same electronic access account, using the same card, or
- For one case by electronic access card and the other by direct deposit.

The vendor providing electronic access card services (Conduent):

- Mails the cards and information on their use to all clients enrolled.
- Answers client questions about the cards.
- Handles problems with the cards.
- Issues replacement cards.

When an electronic access account is set up for a person who has not previously had an account, the electronic access card is mailed by the evening of the next working day after the ABC system action that caused the account to be set up. The client should expect to receive the card about seven to ten days later.

Benefits issued to an electronic access account should be available to the client as follows:

- Payments issued in the normal monthly cycle will be available in the client's electronic access account on the first calendar day of the month.
- Daily issuances will be available in the client's electronic access account by noon of the day that is four working days after the date the action was taken in the ABC system. Daily issuances include:
  - Application approvals,
  - Special issuances,
  - PROMISE JOBS allowances, and
  - Reinstatements that are entered after the ABC system cutoff date.
- Benefits issued for a specific month will not be made available before the first day of the month for which they are intended.

Clients cannot use their electronic access card (EAC) or personal debit card to access FIP benefits at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other state.

This includes using the card at the cash register's point-of-sale terminals as either a debit or credit card and at any ATMs at the location.

Clients can use the EAC at locations other than those above to:

- Make purchases and get cash back at store point-of-sale terminals, and
- Withdraw cash at an ATM or bank teller window.

Refer clients with questions or problems using the electronic access card to the Conduent Customer Service Center at 1-844-207-3225. This number is available toll free, 24 hours per day. Also refer clients to the Conduent website at www.GoProgram.com for additional information on electronic access card.

Once an electronic access account has been opened for a client, the account will not close, even if the client leaves FIP or changes to direct deposit or warrant issuance.

- Any balance remaining on the card remains available to the client even if FIP has been canceled.
- If the client returns to FIP or begins to get FIP by electronic access card again, the same electronic access account and card will continue to be used. If the client has not kept the card, the client must contact the Conduent Customer Service Center to request a replacement card.
- If the person named on the card dies or becomes incapacitated, the family will have to work with Conduent to gain access to funds in the account, just as they would for a bank account.

Comment:

1. On Monday the EBS successfully enters approval of a FIP case into the ABC system. Payments will be issued by electronic access card, but the case name person has not previously had an electronic access account.

   Tuesday evening the electronic access card is mailed to the client. The client should receive the card in the mail on Thursday or Friday of the following week. Friday at noon, the payment will be available in the electronic access account.
2. Same as Example 1, except that the ABC approval entries are successfully made on Wednesday. The electronic access card is mailed on Thursday evening. The following Tuesday at noon, the payment will be available in the electronic access account.
3. On Monday, October 26, the EBS successfully makes ABC entries to reinstate FIP for November for a case. The fourth working day after the reinstatement was entered is October 30, but the November FIP benefits won't be available in the client's electronic access account until November 1.

Direct Deposit

Legal reference: 441 IAC 45.21(239B)

Policy: Participants have the option to have their benefits deposited directly to their own account at a bank, savings and loan, or credit union. A payee who acts on behalf of a participant may also request direct deposit.

When a participant requests direct deposit, the following types of payments will be issued by direct deposit:

- Monthly benefits
- Special allowances
- Adjustive and corrective payments
- PROMISE JOBS allowances

Procedure: When a participant requests direct deposit:

- Have the participant complete form **470-0261, Agreement for Automatic Deposit**. The form must be submitted together with a voided check for the account. A deposit slip should be provided for savings accounts that do not provide checks. See **6-Appendix** for the form and instructions.
- The participant must provide the nine-digit route number for the account the benefits are to be deposited into. A checking account route number is printed on the checks between the two **I:** symbols.

  NOTE: Do not use the routing number from a deposit slip, as it is not the same. A participant who requests direct deposit to a savings account must check with the bank to obtain the routing number.
- Use the Automated Direct Deposit (DIRD) system to start direct deposit. See **14-B(4), DIRD = Automated Direct Deposit**, for instructions on using the DIRD system.
- The beginning date for direct deposit must be ten working days past the date you enter the direct deposit request in the DIRD system, unless you request another, later beginning date.
- Remind participants to report promptly if the account is closed. Failure to timely end or change direct deposit when an account closes will result in a delay in receiving the payment, when the bank rejects the direct deposit.
- Remind participants that there is a risk that creditors holding past-due bills could attempt to garnish the account.

  By law, FIP payments are protected from being garnished, even when converted to another form, such as a checking account. However, there is a question about whether the protection holds if the FIP payment is combined in the same account with money from other sources.

  Participants are responsible for overdraft fees and other bank charges, as these are not considered a garnishment.

- Act promptly to stop or change direct deposit when the participant so requests. Benefits will continue to be sent to the account until the direct deposit is stopped in the DIRD system.

  See **14-B(4), DIRD = Automated Direct Deposit**, for instructions for stopping direct deposit. Unless a future stop date is requested, enter the current date as the stop date. For active cases, the stop entries must be processed and the stop date must be effective before the ABC system's cutoff to stop direct deposit for the next calendar month.

If FIP is canceled and…	Then…
There is active Medicaid, **or** Medicaid is approved within two months of the effective date of cancellation, **or** FIP is reinstated or reopened within two months of the effective date of cancellation	Direct deposit will continue unless entries are made in DIRD to stop the direct deposit.
The break in FIP assistance is longer than two months and Medicaid is not opened or approved	Direct deposit will end and DIRD system entries will be required to begin direct deposit again.

1. FIP assistance is canceled effective June 30 for a family receiving FIP by direct deposit. Medicaid is not active.

   If FIP for the case is reinstated or reopened in July or August, direct deposit will continue unless the EBS makes entries in the DIRD system to stop it.

   If FIP for the case is not reopened until September, direct deposit will not begin again unless entries are made in the DIRD system to start it.

2. FIP is canceled effective May 31 for a family that has an active Medicaid case. The family reapplies for FIP and is approved effective October 7.

   Because the Medicaid case is open, direct deposit will begin again unless entries are made in the DIRD system to stop the direct deposit.

Comment: The date the money is deposited into the participant's account depends on when the payment is authorized, as follows:

- For benefits issued in the regular monthly issuance cycle, the money is deposited into the account on the first working day of the month.
- For daily issuances, the money is generally deposited into the account five to seven days after the date on the **Notice of Decision**.
- For reinstatements that occur before the payment month but too late in the month to be included with the monthly issuances, the money is generally deposited into the account three to five days after the first working day of the month.

Procedure for Handling Rejected Direct Deposits

Legal reference: 441 IAC 45.21(2)

Policy: Payments can be made to an open account at a financial institution. If a direct deposit payment is sent to a closed account, the bank will reject the payment and return the funds to the state.

Procedure: When a client reports failure to receive a payment because the account is closed:

- Enter the current date as the stop date in the DIRD system to prevent any future payments from being issued to the closed account.
- Do not reissue the payment.
- Explain that once the payment is returned by the bank, the payment will be reissued by warrant.

The Bureau of Payments and Receipts will be notified when a bank returns a direct deposit payment. When notified, Bureau staff will enter the information into the return warrants spreadsheet to notify the EBS that the payment was returned and a warrant was issued to the client.

Warrants

Legal reference: 441 IAC 45.21(239B), 45.22(239B)

Policy: FIP payments may be issued by warrant when the payee has not requested direct deposit and

- The payee is unable to provide a social security number, or
- The payee is not the case name (head of household) for the case.

Procedure: The ABC system will automatically issue payments by warrant if:

- The payee's security number is recorded in the ABC system as 000 00 0000 or 999 99 9999, or
- The payee is not the person who is the case name. The system recognizes this through the entry in the PAYEE/MOD field on the TD01 screen. See **14-B-Appendix** for PAYEE/MOD field entries.

Do not issue FIP payments by warrant in any other situation without approval by central office. Contact the SPIRS help desk for assistance.

When FIP is issued by warrant, the warrant is mailed to the participant's current address unless the participant asks that it be mailed to another address. Warrants **cannot** be mailed to "General Delivery" and cannot be mailed to a Department office, except in an emergency.

Advise the participant that the post office may not deliver a warrant unless the participant's name is on the mailbox.

If a warrant is incorrectly issued because of a system entry error, determine the cause of the error and correct it. If the error does not stop the participant from cashing the warrant, the participant may do so.

If the error stops the participant from cashing the warrant:

- Instruct the participant to return the warrant to the local office.
- Complete form **470-0009, Official Receipt**.
- Fill out sections 1 and 2 of the Request for Warrant Cancellation form located at Accounting Services - Vendor Payment Documentation - All Documents
- Send the form and the incorrect warrant via interoffice mail to the Bureau of Payments and Receipts in the Lucas building to cancel the warrant.
- Issue a new warrant via TD06.

Procedure for Handling Returned Warrants

Legal reference: 441 IAC 45.22(239B)

Policy: When a warrant is undeliverable as addressed, the post office must return the warrant to the Department. Warrants cannot be forwarded. If the participant's whereabouts become known, make the returned warrant available to the participant.

Procedure: If possible, arrange for local post offices to return warrants to your office if they can't be delivered as addressed. This will speed up the delivery of warrants. As an alternative, the post office may agree to retain undelivered warrants until a designated Department employee picks them up.

Notify the Bureau of Payments and Receipts in central office when these arrangements are complete. When a post office does not agree to one of these arrangements, warrants are returned to central office.

When the warrant is returned to the local office, the participant may pick up the warrant after showing proper identification and signing a receipt acknowledging delivery.

Do not give the warrant to any other person except the participant's payee, guardian, or conservator. Do not withhold the warrant because of any requirement for the participant, such as refunding an overpayment.

In unusual situations, you may mail the warrant to the participant. Send the warrant by registered mail with return receipt requested.

Return to the Bureau of Payments and Receipts any warrant that you cannot deliver to a participant by the twentieth of the month.

When the post office returns a warrant to central office, the Bureau of Payments and Receipts will see if a new address has been entered in the ABC system:

- If a new address has been entered, the Bureau will:
  - Remail the warrant and
  - Enter the information into the return warrants spreadsheet to notify the EBS that the warrant has been remailed.
- If a new address has not been entered, the Bureau will:
  - Cancel the warrant and
  - Enter the information into the return warrants spreadsheet to notify the EBS that the warrant has been canceled.

Reissue the payment if the participant is later located. Use the ABC system's TD06 screen, as described in **14-B(6), Reissuing Payments**.

The payment must be made available because the participant was not given the required notice canceling FIP for the month of the payment. If the participant was ineligible for the payment, refer the overpayment for collection.

Changing the Method of Payment

Legal reference: 441 IAC 45.21(239B)

Policy: The method of payment may be changed from electronic access card to direct deposit or from direct deposit to electronic access card at the payee's request. The method of payment will be changed to warrant only when the household meets the criteria described in Warrants.

Procedure: If a household receiving FIP by electronic access card asks to change to direct deposit, follow the instructions in Direct Deposit and **14-B(4), DIRD** to start direct deposit.

If a household receiving FIP by direct deposit asks to change to electronic access card, follow the instructions in Direct Deposit and **14-B(4), DIRD** to stop direct deposit. If the household does not meet the criteria for warrants, benefits issued after the STOP DATE in DIRD will automatically be issued by electronic access card.

- If the case name person already has an electronic access account, that account and card will be used.
- If the case name person does not have an electronic access account, when direct deposit is stopped, an account will be set up and a card issued.

If a household is receiving warrants because the case name person does not have a social security number, an electronic access account will automatically be set up when a social security number is entered into ABC for the case name person, and a card will be issued.

Overpayments

Legal reference: 441 IAC 46.22(239B), 46.24(239B), 46.25(239B), 46.27(239B)

Policy: An overpayment occurs when the payment the participant receives is more than the amount for which the participant is eligible.

Procedure: Use the following sections to assist with overpayments:

- Overpayments Subject to Recovery
- Requesting Overpayment Information
- Determining Number of Months of Overpayment
- Calculating the Amount of Overpayment
- Referring an Overpayment for Recovery
- Methods of Recovery
- Voluntary FIP Refunds

Also refer to **6-G, Recovery of Public Assistance Debts** for more information on overpayment recovery policies and procedures.

Overpayments Subject to Recovery

Legal reference: 441 IAC 46.21(239B), 46.24(239B)

Policy: Recover overpayments caused by:

- Agency errors.
- Client errors.
- Assistance paid pending an appeal decision.
- Overpayments in needy relative cases.
- Excess PROMISE JOBS expense allowances. (The PROMISE JOBS worker prepares the overpayment referral.)

The following procedural errors by the Department do **not** result in an overpayment:

- Failure to get a properly signed application either at the initial application or at reapplication.
- Failure to conduct an interview as described in **4-B** and **4-G**.
- Failure to ask for a **Review/Recertification Eligibility Document (RRED)** at the time of a review.
- Failure to refer a mandatory person to PROMISE JOBS before approving FIP, if the person signs a family investment agreement when the error is discovered and the referral is made. (If the person fails to sign a family investment agreement when referred after the error is discovered, benefits received in error are subject to recovery.)
- Failure to cancel FIP when the participant submits an incomplete RRED.

- Failure to cancel FIP when the participant requests cancellation (whether the delay is due to administrative limitations or to failure to process the cancellation request). FIP assistance issued beyond the month for which cancellation was requested is not subject to recovery if the participant is otherwise eligible for FIP.

Procedure: Recover overpayments caused by agency or client errors and assistance paid pending an appeal decision.

Recover any FIP overpayments that result from information that was or should have been provided if the application or RRED had been completed or the interview held.

Agency Errors

Legal reference: 441 IAC 46.21(239B), 46.24(239B)

Policy: Agency errors include situations in which:

- A participant receives a duplicate warrant.
- The Department fails to take timely action on a change in circumstances.
- The Department incorrectly considers income, deductions, diversions, or household composition.
- FIP cancellation or benefit reduction must be delayed because of timely notice requirements or system limitations.

Procedure: Compute an overpayment due to agency error as if the information had been acted upon timely. EXCEPTION: Do not initiate recovery if the client receives a benefit that is less than $10 over the amount shown on the most recent notice.

Client Errors

Legal reference: 441 IAC 46.21(239B), 46.24(3)

Policy: Client errors include the following situations:

- False or misleading statements (oral or written) about the client's income, resources, or other circumstances that affect FIP eligibility or the benefit amount.
- Failure to timely report changes in beginning income, resources, or other circumstances that affect FIP eligibility or the benefit amount.

- Failure to refund to the Collection Services Center any direct support received from an absent parent for members of the eligible group after the date the eligibility information is entered into the ABC system.
- Access of benefits issued with the EAC at a prohibited location.

Procedure: Compute an overpayment due to client error as if the information had been timely reported.

For overpayments caused by accessing benefits at a prohibited location, the amount of the overpayment is the total amount of FIP accessed at the prohibited location, as well as any fees for accessing FIP at the location.

Assistance Paid Pending an Appeal Decision

Legal reference: 441 IAC 46.24(2)

Policy: If a participant loses an appeal, the participant is responsible for repaying any excess assistance received during the appeal process, except when:

- A limited benefit plan will be established with a new effective date, or
- An ineligibility period for using an electronic access card at a prohibited location will be established with a new effective date.

Procedure: Begin recovery no later than one month after the month when the final decision is issued. The recovery may be delayed until the second month because of timely notice or because data were not entered on the Web-based Overpayment Recoupment system in time to reduce the participant's grant.

Overpayments in Needy Relative Cases

Legal reference: 441 IAC 41.28(1) and (2)

Policy: When a needy relative has unreported income, only the needy relative's portion of the FIP benefits are subject to recoupment.

Procedure: When a needy relative has unreported income:

- If the unreported income exceeds the FIP income limits for one person (or for two people, if the relative's spouse is in the home), recoup only the relative's portion of the FIP benefits.

- If the needy relative's unreported income is within the FIP income limits for one person (or for two people if the relative's spouse is in the home), compute the overpayment based on the size of the eligible group with the needy relative included. See **4-C, Needy Specified Relative** for more information.
- If the needy relative fails to provide requested verification of the relative's previously unreported income, recover only the relative's FIP portion for the entire period in question.

PROMISE JOBS Expense Allowances

Legal reference: 441 IAC 93.12(239B)

Policy: Recovery of an overpayment of a PROMISE JOBS expense allowance or duplicate payment is different than other types of recovery because:

- The PROMISE JOBS worker is responsible for handling the referral for recovery.
- PROMISE JOBS overpayments are not deducted from the FIP benefits unless the client gives written permission.

Procedure: If a participant wants to refund a PROMISE JOBS overpayment or unused allowance:

- Accept the refund and follow the regular procedure used when accepting money from participants. (See **6-G**.)
- Send a copy of form **470-0010, Adjustment to Overpayment Balance** to the PROMISE JOBS worker.

Requesting Overpayment Information

Legal reference: 441 IAC 46.24(4)

Policy: When a participant fails to cooperate with an investigation of an alleged overpayment, the participant is ineligible for the months in question. The overpayment is the total amount of assistance received in those months.

Comment: "Noncooperation" means the participant fails to supply information necessary to determine eligibility and the correct amount of assistance.

Procedure: When you discover a suspected overpayment, send a written request to the current or former client asking for any information or verification that is necessary to determine the amount of the overpayment.

If the participant fails to provide the requested information or verification, take action as follows:

- If the needed information or verification affects only past months, prepare an overpayment referral for the entire amount of assistance issued for each past month in question. Continue ongoing FIP assistance.
- If the needed information or verification affects only ongoing eligibility or benefit amount, cancel FIP assistance for failure to provide essential information or verification. Give timely notice. If timely notice requirements delay the FIP cancellation to the second month, also recover excess FIP assistance issued for the first month.
- If the needed information or verification affects both past and ongoing eligibility and benefit amount, cancel ongoing FIP assistance and also prepare an overpayment referral for the entire amount of assistance issued for each past month in question.

Determining Number of Months of Overpayment

Legal reference: 441 IAC 46.22(1)

Policy: Make a referral for collection for each month FIP was overpaid.

Procedure: When an overpayment exists, determine the months that the overpayment occurred as follows:

- For overpayments during the **application** process, consider the overpayment as beginning with the effective date of eligibility. Ten-day notice requirements do not apply.

> Mr. C fails to report his $204 monthly social security benefits on his application. The unreported social security benefits caused an overpayment for FIP. The FIP must be recovered beginning with the first prorated FIP payment.

- For overpayments during ongoing prospective budgeting, determine the date the change occurred that caused the overpayment. Except when stated otherwise, any change that affects **eligibility** after assistance is approved is effective the first day of the calendar month following the month of change.

When a change in beginning income affects only the **amount** of assistance and is timely reported and timely acted on by the Department, but timely notice requirements delay the action, the change is effective the second calendar month after the month of change.

1. Ms. A and her child are on FIP. The EBS receives a report from the Income and Eligibility Verification System (IEVS) that shows unreported earnings for Ms. A. Ms. A provides verification that she received her first paycheck May 11 and her last paycheck on July 23. Her actual monthly earnings exceeded the FIP income limits each month.

   Because the unreported earnings affected Ms. A's FIP eligibility, the first month of the overpayment period is June. Recovery is made beginning with the June payment month.
2. Ms. B and her two children are on FIP. On March 21, Ms. B turns in verification that shows that she started a new job and her first check was March 12. Ms. B remains eligible for FIP. The EBS acts on the change timely, but timely notice delays the reduction of benefits until May 1. There is no overpayment for April.

- For overpayments for months before January 1, 2007, determine whether retrospective budgeting applies.

  When calculating overpayments on retrospectively budgeted benefits, first determine the date the change occurred that caused the overpayment. Except when stated otherwise, any change that affects **eligibility** is effective the first day of the calendar month following the month of change.

  Any change that affects only the **amount** of assistance is effective with the corresponding payment month. Under retrospective budgeting, the payment month was the second month after the change.

  When eligibility does **not** continue, the first overpaid month is the month following the change. No overpayment is due for the month of change. Ten-day notice requirements do not apply.

1. Ms. D had unreported earnings while she was subject to retrospective budgeting. Her first check was received May 23 and the income continued through July. Her earnings exceeded the FIP income limits each month. The first month of overpayment is June. Recovery is made beginning with the June payment month.

2. Same as Example 1, except that the earnings did not create ineligibility. Therefore, the earnings received in May affect the July payment month. The first month of overpayment is July.

Calculating the Amount of Overpayment

Legal reference: 441 IAC 46.21(239B) and 46.22(1)

Policy: The amount of the overpayment is the difference between the amount of FIP benefits paid and the amount the participant was eligible to receive.

Procedure: To calculate the amount of an overpayment:

1. Calculate the amount of the overpayment for each month using the actual (not projected) income received and the circumstances that existed in the month.
2. Add the monthly amounts together to calculate the total amount of overpayment.
3. Document the calculations in the case record.
4. Give a copy of the calculation to the participant upon request.

Comment: Preparing an overpayment referral means you are determining FIP eligibility and the amount of the grant "after the fact." Except as described under Requesting Overpayment Information, the participant's actual income and circumstances in the affected month are now known. Compute the overpayment as if the information had been reported and acted on timely.

Earned Income Deduction

Legal reference: 441 IAC 41.27(2); 46.24(239B)

Policy: Applicable deductions and diversions are allowed when computing an overpayment.

Procedure: Allow the 20% earned income deduction, the 58% work incentive deduction, and other applicable deductions or diversions from countable earned or unearned income.

Ms. A is a FIP participant. She had unreported earnings from March to June. March is considered the month of change. No overpayment is due for that month. Eligibility is determined for April through June using actual earnings received in those months. The 20% and 58% deductions are allowed.

EXCEPTION: When determining an overpayment for either of the two initial months of eligibility, allow the 58% work incentive deduction only when the participant's earnings are below the standard of need for the eligible group. See **4-E** and **4-F** for instructions on use of the 58% percent work incentive deduction.

NOTE: When calculating overpayments, allow the applicable work incentive deduction for the months of the overpayment. The work incentive deduction was changed to 58% effective August 1, 2007. From October 1993 through July 2007, a 50% work incentive deduction was allowed.

Retrospectively Budgeted Claims

Policy: Before January 2007, policy required prospective budgeting for the first two months of eligibility and retrospective budgeting beginning with the third month of eligibility.

Procedure: When calculating an overpayment for months before January 2007, determine whether each month is subject to retrospective or prospective budgeting.

Use the following definitions when calculating a retrospectively budget claim:

"Retrospective budgeting" means the computation of the amount of assistance for a payment month based on the actual income and circumstances that existed in the budget month.

"Budget month" means the calendar month used to determine eligibility and the amount of assistance for the eligible group, based on income and other circumstances in that month. For retrospective budgeting, the budget month is the second month proceeding the payment month.

"**Report month**" for retrospective budgeting means the calendar month following the budget month.

"**Payment month"** means the calendar month for which assistance is paid. It includes a month that the participant is eligible but for which a FIP payment is not issued due to the limitation on grants below $10 or due to rounding.

For months before January 2007, use prospective budgeting for the first two months of eligibility and retrospective budgeting beginning with the third month of eligibility.

EXCEPTION: Prospective budgeting was not used following one month of total ineligibility if suspension would have been applicable had the earnings been timely reported. Therefore, suspend assistance retrospectively when the income or circumstances in the budget month make the case ineligible for only one month (e.g. a participant receives a third or fifth check in a month).

1. Ms. B and her son receive $361 FIP assistance. In August 2006, she reports that she began employment in March. She continues to be employed. Income verification reveals that Ms. B received her first paycheck in March. She remains prospectively eligible for September. Countable net earnings received were:

March	$200	
April	$280	
May	$400	(a three-paycheck month)
June	$280	
July	$280	
August	$280	

$0 child support was collected for the overpayment months. Compute the overpayment as follows:

March	Month of change; no overpayment due
April	No overpayment because the household had no earnings in February
May	Use retrospective earnings received in March
June	Use retrospective earnings received in April
July	Use retrospective earnings received in May. This causes a month of suspension because ineligibility exists for one month only.
August	Use retrospective earnings received in June

If the September grant was not adjusted, determine the overpayment for September based on the retrospective July earnings.

2. Ms. A and her daughter receive $361 FIP assistance. In July 2006, Ms. A reports that she began employment in January. She continues to be employed. Subsequent income verification reveals that Ms. A received her first paycheck in January. She remains prospectively eligible for August. Countable earnings received in the previous months are:

January	$250	May	$400
February	$400	June	$400
March	$400	July	$350
April	$350		

$0 child support was collected for the overpayment months. The overpayment is computed as follows:

January	Month of change -- no overpayment due
February	Ineligible based on February earnings
March	Ineligible based on March earnings
April	Eligible based on April earnings (first prospective month)
May	Ineligible based on May earnings
June	Ineligible based on June earnings
July	Eligible based on July earnings (first prospective month)

Start over with prospective budgeting for July, because a month of ineligibility followed the first month of prospective budgeting in April, thus interrupting the required two consecutive months that are subject to prospective budgeting.

Adjust the August grant based on prospective August earnings to complete the required two consecutive months subject to prospective budgeting. Use retrospective earnings received in the July budget month to adjust the September payment month. Ms. A is required to complete monthly reports beginning with the July budget month.

3. Same as Example 2, except Ms. A's countable monthly earnings are $350 and do not cause ineligibility. The overpayment is computed as follows:

January	Month of change -- no overpayment due
February	No overpayment because of retrospective budgeting
March	Use retrospective earnings received in January
April	Use retrospective earnings received in February
May	Use retrospective earnings received in March
June	Use retrospective earnings received in April
July	Use retrospective earnings received in May

Adjust the August grant based on retrospective June earnings.

When an overpayment results in a month of total ineligibility (rather than just a reduced grant amount), the client is not considered a FIP participant for that month. Thus, use prospective budgeting following the month of total ineligibility.

Continue to use prospective budgeting until you have determined **two consecutive** months for which the client was eligible based on the prospective income received in these two months. Then switch to retrospective budgeting after the two months of prospective eligibility.

Revert to prospective budgeting following each additional month for which you determine total ineligibility. Repeat these steps as often as appropriate for the particular overpayment period.

Ms. C has unreported earnings from May through October 2006. May is considered the month of change. No overpayment is due for that month.

Determine prospective eligibility for June based on the actual earnings received in June. If eligibility exists for June, use the actual retrospective earnings received in May to determine the correct grant amount for July. In this instance, July is the first month of the overpayment period.

If the actual June earnings create ineligibility for June, June is the first month of the overpayment period. Also, the client is not considered a FIP participant for the month of June. Use prospective budgeting for the next two months of the overpayment period. Use the actual nonexempt earnings received in July and August when determining eligibility and the correct grant amount for July and August, respectively.

If eligibility exists for both July and August, switch to retrospective budgeting. That is, use retrospective July earnings for September.

If eligibility does **not** exist for July based on actual July earnings, prospective budgeting continues for August and September, using actual August and September earnings, respectively. Then switch to retrospective budgeting starting with October, using actual August earnings.

If eligibility exists for July based on July earnings but does not exist for August, based on August earnings, prospective budgeting continues for September and October, using actual September and October earnings.

Impact of Assigned Support

Legal reference: 441 IAC 41.27(239B)

Policy: Support is assigned to the Department effective with the date the FIP approval is entered into the ABC system. Although assigned support that the Department collects and retains is exempt when determining ongoing FIP eligibility, support retained by the Department must be considered when determining an overpayment.

The overpayment amount subject to recovery is the lesser of the monthly "net assistance" or the total monthly overpayment amount. Net assistance is the amount of the FIP grant issued for the overpayment month minus the support that the Collection Services Center retained and applied to the client's FIP account for the same month.

Procedure: To determine the net amount of assistance:

1. Access the Iowa Collection and Reporting (ICAR) system.
2. Then access the VPAYHIST screen on the client's ICAR case.
3. Go to the RECEIPT CREDITED column on the left side of the screen.

   The dates in this column reflect the specific date to which the Collection Services Center applied a support payment.

   When a date in this column corresponds to a month in the overpayment period, consider the support amount for that date listed in the PAID TO column that is preceded by "11" (eleven). Code "11" signifies that the amount under PAID TO was retained by the Department and applied to the client's FIP account for the period listed in the RECEIPT CREDITED column.
4. Deduct from the FIP grant issued for the overpayment month the support amount applied to the participant's FIP account for the same month. The balance represents the "net" FIP assistance for that month.
5. Recover for each month either the net FIP assistance or the amount of the overpayment, whichever is less.

1. Mrs. M received a $426 FIP grant in May but was ineligible for FIP for that month. The VPAYHIST screen reflects the following support amounts that were applied to Mrs. M's FIP account for May:

Receipt Credited	Paid To	
4/07	11	50.00
4/20	11	60.00
5/14	**11**	**50.00***
5/25	**11**	**70.00***
6/08	11	60.00

   Deduct $120 child support ($50 applied to 5/14 and $70 applied to 5/25) from the $426 May FIP grant. The net FIP assistance for May is $306. Although Mrs. M received a $426 FIP grant to which she was not entitled, only $306 is subject to recovery.

2. In June, the EBS determines that Mrs. B was ineligible for April, May, and June, because the only eligible child was no longer in the home. Mrs. B's case is canceled effective July 1.

   The VPAYHIST screen on the participant's ICAR case shows that Mrs. B received a grant of $361 in each month. $100 support was applied to Mrs. B's FIP account for each of the three months. The net assistance amount is $261 ($361 grant minus $100 support). The amount to be recovered for each of the months is $261.

3. Mr. A and his two children get $426 FIP per month. Mr. A fails to timely report earnings from a new job. The EBS determines a $200 overpayment for the month of March. The Collection Services Center applied $100 support to the month of March.

   The net assistance is $326 ($426 FIP grant minus $100 support). Therefore, the amount subject to recovery is $200.

4. Same as Example 2, except that the Collection Services Center applies $300 support to the overpayment month. Mr. A's net assistance is $126 ($426 FIP grant minus $300 support). Therefore, the maximum amount subject to recovery is $126.

When determining net FIP assistance, consider only support payments that have been applied to the participant's FIP account for the overpayment month at the time you are determining the overpayment. If no support payments show applied to the affected months at that time, there is no support to consider when determining the overpayment.

Do not take any further action or recalculate the established overpayment amount when support payments are applied to an overpayment month after you have submitted an overpayment recovery claim to the Department of Inspections and Appeals (DIA).

Comment: Reimbursement cannot exceed the actual FIP amount paid out to the family. If the Collection Services Center is pursuing support and DIA is pursuing overpayment collection on behalf of the same family, both agencies need to communicate with each other on their activities to prevent collection in excess of FIP assistance paid out for the family.

Direct Support

Legal reference: 441 IAC 41.27(6)

Policy: When an overpayment occurs because the FIP participant failed to refund support as required, the amount subject to recovery is the amount received minus the $50 support exemption.

This policy applies to direct support received from the absent parent and to support payments the Collection Services Center released to the participant in error. For details, refer to **4-E, Direct Support Not Refunded**.

The amount of the support exemption cannot exceed $50 per month per eligible group.

Procedure: Exempt the first $50 in support the participant receives directly from the absent parent or in error from the Collection Services Center and keeps.

Allow the exemption only for support paid for a member of the eligible group. If the FIP parent receives direct support payments for a child who is **not** living in the home and uses the support for the needs of the eligible group, count the entire payment as unearned income to the eligible group. See **4-E, Support for an Ineligible or Excluded Child** for details.

Subsequent Overpayments

Legal reference: 441 IAC 46.25(239B)

Policy: Overpayments are calculated based on the FIP grant amount before the grant reduction for any prior overpayment.

Procedure: When the participant's FIP grant is reduced to recover an overpayment, and a subsequent overpayment occurs for the months for which the grant is reduced, use the FIP grant amount **before** the grant reduction when calculating the subsequent overpayment amount.

> The participant's $361 FIP grant is reduced by 10% to $324.90 for the months of May through December to recover an overpayment. The EBS subsequently discovers another overpayment for the payment months of June and July. The EBS uses a $361 FIP grant when determining the second overpayment.

Referring an Overpayment for Recovery

Legal reference: 441 IAC 46.22(1), 46.23(239B), 46.27(239B)

Policy: The amount of the overpayment should be established and recovery initiated no later than 90 days after the overpayment is discovered. However, if the claim is not established within 90 days, you must still establish the claim.

Overpayments are recovered from the parent or nonparental relative who was the caretaker relative when the overpayment was received. If both parents were in the home when the overpayment was received, both parents are equally responsible for repayment.

Procedure: To establish the amount of the overpayment, follow the instructions for:

- Determining Number of Months of Overpayment
- Calculating the Amount of Overpayment

To initiate recovery, enter the overpayment recovery claim into the Web-based Overpayment Recoupment (WOPR) system to notify DIA of the amount and dates of the overpayment and the type of error that caused the overpayment.

Notify the PROMISE JOBS worker of the existence of a FIP overpayment when you determine that:

- The entire FIP grant for a month is subject to recovery and a member of the family was referred to PROMISE JOBS during the month, or
- The entire monthly FIP amount issued for the needs of a person is subject to recovery and the person was referred to PROMISE JOBS during the month.

The PROMISE JOBS worker will determine if PROMISE JOBS allowances for the month are subject to recovery. (See also PROMISE JOBS Expense Allowances in this chapter.)

Complete the Fraud Referral screen in the WOPR system whenever:

- The total FIP overpayment is greater than $1,000; or
- DIA requests the information to pursue recovery action; or
- Recovery will be attempted from the resources of an alien sponsor.

If a fraud referral must be made after the claim was entered into WOPR, use form **470-0465, Overpayment Recovery Supplemental Information** to provide the fraud referral information. For example, a referral may be made later if a claim is adjusted to be greater than $1,000 after the claim was entered into WOPR.

Methods of Recovery

Legal reference: 441 IAC 46.23(239B)

Policy: DIA notifies clients of overpayments.

Procedure: Within 30 days of entry of the overpayment into the Web-based Overpayment Recoupment system, DIA notifies the client of an overpayment by sending a "demand letter," form **470-4683, Notice of FIP or RCA Overpayment**. See **6-G, Issuing Notice for Repayment**. The letter lists the dates of the overpayment, the cause of the overpayment, and the total amount of the overpayment.

Who Is Responsible for Repayment

Legal reference: 441 IAC 46.27(5)

Policy: The relative who was the payee at the time of the overpayment is responsible for refunding the overpayment, including an overpayment due to agency error. If the children move into the home of another relative, the new payee has no liability for the overpayment.

1. Bobbie's aunt received FIP for Bobbie for two years. During this time Bobbie's social security income was not reported. Last month Bobbie moved in with his grandmother. The aunt is responsible for repaying the overpayment.

2. Ms. G received FIP for herself and two children. She failed to report her earnings, which resulted in an overpayment. The two children now live with their father. Ms. G is responsible for repaying the overpayment.

Procedure: If a household files for bankruptcy, send the notice of bankruptcy to DIA immediately. This allows sufficient time for the state to file a claim in the United States Bankruptcy Court.

Recovery Through Grant Reduction

Legal reference: 441 IAC 46.25(3), 46.22(2)

Policy: FIP overpayments for active cases are recovered by grant reduction.

Procedure: The ABC system recovers FIP overpayments by grant reduction whenever the overpaid case is active. The system withholds a specific percentage of the participant's basic need when recovering the overpaid amount from the participant's grant, as follows:

- **10%** when the overpayment resulted from a client error or a combination of client and agency error.
- **10%** when the overpayment resulted from a pending appeal decision or a combination of client error, agency error, and a pending appeal decision.
- **1%** when the overpayment resulted solely from agency error.

1. Mrs. A receives an overpayment due to client error. She receives a $361 FIP grant for two people. The monthly recovery amount is $36.10.
2. Mr. B appeals a **Notice of Decision** that reduced his grant, and his benefits are continued pending an appeal decision. Mr. B loses the appeal. He gets a $495 FIP grant for four people. The monthly recovery amount is $49.50.
3. Ms. C receives an overpayment of $40.00 due to an agency error. She receives a $426 FIP grant for three people. The monthly recovery amount is $4.26.

EXCEPTION: When recovery is made by withholding from a FIP grant, the grant amount cannot be reduced to less than $10.

Ms. A and two children have basic needs of $426. Ms. A has countable income and receives a $40 monthly FIP grant. She has a $120 overpayment due to client error.

Ten percent of basic needs is $42.60, which is more than Ms. A's ongoing grant of $40. Since the FIP payment amount must be no less than $10, the grant is reduced to $10 and $30 per month is recovered.

$ 40.00	Grant amount
- 10.00	Minus minimum payment
$ 30.00	Monthly recovery amount

The amount of the recovery or grant reduction is changed when the client's circumstances change.

Mr. D gets a $495 grant for four people. He receives an overpayment due to client error, and $49.50 per month is withheld from his grant. In May, he reports that a child has permanently left his home. His FIP grant is reduced to $426. The monthly recovery amount is lowered to $42.60 effective June 1.

Other Methods of Repayment

Legal reference: 441 IAC 46.25(239B)

Policy: Clients may choose to pay more, but cannot pay less than the designated amount described in Recovery Through Grant Reduction. Former clients who no longer get FIP are expected to pay at least $50 per month or the amount owed divided by 60 (one payment monthly for five years), whichever is more.

Procedure: If the client wants to pay more than the minimum repayment amount or indicates inability to pay that amount, refer the client to DIA.

DIA negotiates with the client and obtains a signed agreement that shows the amount of the repayment and the methods of repayment that the client chooses, either:

- Lump-sum payments, or
- Periodic installment payments

Clients can make a payment by check, cashier's check, money order, credit card, debit card, or electronic check. Refer clients to https://appengine.egov.com/apps/ia/dhs_overpayment to make a payment by credit card, debit card, or electronic check. Please note there is a fee to make a payment by credit card, debit card, or electronic check. When the client makes a payment by check, cashier's check or money order, instruct the client to make the remittance payable to "Iowa Department of Health and Human Services."

If the local office receives a payment see instructions in **23-B, Collections**.

If the client later fails to make the agreed upon-payments, grant reduction will be resumed on active FIP cases. DIA also has other recovery methods available. See **6-G, DIA Activities to Initiate Recovery**.

When Recovery Is Suspended or Waived

Legal reference: 441 IAC 46.27(6)

Policy: Recovery is suspended on nonfraud overpayments when the case is canceled and the amount of the overpayment is less than $35.

DIA is responsible for suspensions and waivers of recovery efforts.

Procedure: Even though recovery may be suspended, refer all overpayments of less than $35 on canceled cases to DIA.

If the case reopens within three years, recovery is started again. (This may result in a grant reduction on active FIP cases.) Recovery is waived on nonfraud overpayments that are less than $35 and have been in suspension for three years.

Voluntary FIP Refunds

Policy: Clients may voluntarily choose to refund FIP assistance at any time, whether or not an overpayment exists.

Procedure: Complete an overpayment recovery claim in WOPR when a client voluntarily refunds FIP assistance in any form other than a warrant (cash, personal check, etc.), whether or not client is entitled to the assistance.

When the local office receives the voluntary refund:

1. Establish a claim in WOPR.
2. Issue form **470-0009, Official Receipt** to the client.
3. Purchase a money order if the client returned cash. (The county pays for the money order.)
4. Complete form **470-0010, Adjustment to Overpayment Balance**. Note on the form that the payment should be applied to the FIP claim for the month of the voluntary return. See **6-Appendix** for instructions on completing form **470-0010**.
5. Attach the yellow copy of the receipt and the check or money order to form **470-0010** and send them to:

   HHS Bureau of Payments and Receipts
   HHS Cashier, 6th Floor
   321 E. 12th St
   Des Moines, IA 50319

Do **not** complete an overpayment recovery claim in WOPR when:

- A client voluntarily refunds a FIP assistance warrant to which the client is otherwise entitled.
- A client returns the current month's assistance warrant and the client was overpaid for only that month. Document in the case record that the payment would be subject to recoupment if it had not been returned.

Forward the voluntary refund and form **470-0009, Official Receipt** to:

HHS Bureau of Payments and Receipts
HHS Cashier, 6th Floor
321 E. 12th St
Des Moines, IA 50319

When the client is entitled to the refunded assistance but a prior overpayment claim has been established in WOPR:

- Identify the payment as a "voluntary refund—overpayment exists" on the **Official Receipt**.
- Prepare form **470-0010**. Do not change the amount owed in WOPR.

The Cashier's Office will process the refund and apply it to an outstanding overpayment as appropriate.

Upon receipt of a voluntary refund of a FIP warrant, the Bureau of Payments and Receipts corrects the FIP payment history as needed.

Underpayments

Legal reference: 441 IAC 45.24(239B)

Policy: An underpayment occurs when the payment a participant receives is less than the amount for which the participant is eligible. A corrective payment is issued whenever a former or current client's underpayment is discovered.

Procedure: Issue corrective benefits regardless of whether FIP eligibility currently exists, including instances where an application was denied in error. Make retroactive corrective payments regardless of when the underpayment occurred. The client is responsible to provide all necessary verification that you need to determine the amount of the corrective underpayment.

It is not necessary for a client to appeal to receive a corrective payment. When an appeal is filed, and you discover before a hearing that a client has been underpaid, make the corrective payment without waiting for the appeal hearing.

When support collections exceed the family's total FIP assistance, the excess support amount (or overage) must be refunded to the current or former FIP participant. The Collection Services Center is responsible for processing the excess support payments. FIP underpayment does not exist in this instance. See **4-E, Treatment of Support for Participants** for information.

Underpayment Due to Agency Error

Legal reference: 441 IAC 45.24(1)"a"

Policy: Agency error can result from one or more of the following:

- Failure to make prompt revisions in grants following changes in policies requiring the changes as of a specific date.
- Failure to issue the correct amount of benefits when necessary information was available.
- Misfiling or losing forms or documents.

- Typing or copying errors.
- Computer entry errors.
- Mathematical errors.

Procedure: Issue corrective payments for underpayments due to agency errors.

Underpayment Due to Client Error

Legal reference: 441 IAC 45.24(1)“b”

Policy: Client error can result from one or more of the following:

- Failure to report correctly, either orally or in writing, **information** about the client’s income, resources, or other circumstances affecting eligibility or the amount of assistance received.
- Failure to report timely, either orally or in writing, **changes** in income, resources, or other circumstances that may affect eligibility or the amount of assistance received.

Procedure: Issue corrective payments for underpayments due to client errors.

Establishing an Underpayment

Legal reference: 441 IAC 45.24(239B)

Policy: A corrective payment is issued whenever an underpayment is discovered.

Procedure: If a current or former client is entitled to a corrective payment because of an underpayment:

1. Establish the months in which the error occurred. Your supervisor must approve any corrective payment exceeding two months.
2. Compute the amount of the underpayment for each month it was received.
3. Enter the corrective payment on the system. It is not necessary to reopen a closed case to make a corrective payment. See **14-B(6), Supplemental Issuances** for complete instructions.
4. Issue a **Notice of Decision** to the client with an explanation of the corrective payment. Retroactive corrective payments must first be applied to any unpaid overpayment before any balance is paid to the participant. The ABC system checks overpayment records to see if a client has an unpaid FIP overpayment.
5. Document your actions in the case record.

Issuing a Corrective Payment for a Deceased Payee

Legal reference: 441 IAC 45.25(239)

Policy: A retroactive corrective payment for a deceased payee is issued only when the payment was approved **before** the participant's death.

Procedure: Send the payment to the estate of the participant or to someone actively involved in the care of the children, if an estate has not been established.

STATE OF IOWA DEPARTMENT OF
Health AND Human
SERVICES

Employees' Manual
Title 4, Chapter J

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PROMISE JOBS

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Overview

The Iowa Department of Health and Human Services (the Department) administers an employment and training program known as "PROMISE JOBS." The purpose of the PROMISE JOBS program is to:

- Increase educational and employment opportunities for FIP clients, and
- Encourage clients to become self-sufficient.

The legal basis for the PROMISE JOBS program is found in Title IV-A of the Social Security Act, Iowa Code Chapter 239B, and 441 Iowa Administrative Code, Chapters 41 and 93.

The Department assigns responsibility for the provision of PROMISE JOBS services to Iowa Workforce Development (IWD).

Only people applying for or receiving Family Investment Program (FIP) assistance are eligible for PROMISE JOBS services. PROMISE JOBS services are terminated when FIP assistance is terminated for any reason, including when FIP is terminated at the end of the 60-month lifetime limit. See 4-C, *Limit on FIP Assistance* for additional information.

See 4-C, *Hardship Exemption* for PROMISE JOBS requirements for families that have exhausted their 60-month FIP period but are determined eligible for a six-month hardship exemption.

This chapter describes:

- Income maintenance responsibilities for determining eligibility for the program,
- Who is exempt from participation,
- Who must participate, and
- What to do if the client fails to cooperate.

See the PROMISE JOBS Provider Manual, which contains policies and procedures used by PROMISE JOBS providers and examples of system-issued letters to participants.

PROMISE JOBS Activities and Services

Legal reference: 441 IAC 93.4(4)"b"

Policy: PROMISE JOBS activities may include, but are not limited to the following:

- Orientation and initial assessment
- Additional assessments
- Job readiness skills training
- Job search activities
- Mental health, substance abuse, and other rehabilitative treatments
- High school completion
- High school equivalency
- Adult Basic Education (ABE)
- English as a Second Language (ESL)
- Post-secondary education
- Family Development and Self-Sufficiency (FaDSS) or other family development programs
- Work experience

- Unpaid community service
- Parenting skills training
- Employment
- On-the-job training
- Referral for family planning counseling
- Family violence option

PROMISE JOBS supportive services include:

- **Family Development and Self-Sufficiency (FaDSS) Program**: FaDSS provides family development and other services to FIP families who may need more support to exit the program successfully. As part of an agreement with the Department, the Department of Human Rights (DHR) administers FaDSS through grants to local public and private agencies, known as "FaDSS grantees." These grantees work with families comprehensively as part of a specific plan towards family stability and self-sufficiency.
- **Family Self-Sufficiency Grant (FSSG) Program:** FSSG provides immediate and short-term assistance to PROMISE JOBS participants with barriers when the assistance in removing the barrier will help the participant to:
  - Keep a job, or
  - Accept a job in the two full calendar months following the date of authorization of payment.

  The FSSG payment limit per family is $1,000 per year.

Supportive services under PROMISE JOBS may include payment for:

- Transportation, other than for employment,
- Child care,
- Required clothing and equipment needed for participation in a Work Experience Placement (WEP),
- Enrollment and testing fees for education and training activities,
- Direct education costs such as tuition, books, basic and specific supplies, and required uniforms.

Procedure: Inform FIP applicants and participants of the employment, education, training opportunities, and support services available through PROMISE JOBS. For additional information on PROMISE JOBS activities and services, see the PROMISE JOBS Provider Manual.

Confidentiality

Legal reference: 441 IAC 93.2(2)"c"

Policy: All state and local agencies participating in the PROMISE JOBS program must follow the confidentiality requirements of 1-C, *Confidentiality and Records*.

Procedure: If the PROMISE JOBS or FaDSS worker requests information in order to provide services to the participant, an authorization for release of information is not required. You can give the information.

Informing Applicants and Participants About PROMISE JOBS

Legal reference: 441 IAC 41.24(239B)

Policy: The benefits, rights, and responsibilities under the PROMISE JOBS program are as follows:

- The family investment agreement (FIA) and the advantages of employment under FIP. (See Family Investment Agreement later in this chapter.)
- The requirement to meet with PROMISE JOBS and to write and sign an FIA before FIP can be approved.
- The employment, education, and training opportunities and support services to which participants are entitled.
- Child Care Assistance.
- Requirements for households that have received FIP for 60 months and are requesting a hardship exemption. (See 4-C, *Hardship Exemption* for details.)
- Reasons for which people may be exempt from participating in PROMISE JOBS.
- The limited benefit plan (LBP), what actions result in choosing it, and the consequences of choosing it. Inform applicants who are currently in an LBP of the actions they must take with PROMISE JOBS **before** they can get FIP.

  See 4-B, *Effective Date of Assistance* and 4-G, *Changes in Household Circumstances: Adding a New Member to an Active Case* for more information.
- Their responsibility to report any change that might affect their exempt status within ten days of the change.
- The requirement to cooperate in establishing paternity and enforcing child support obligations. (Federal regulations for PROMISE JOBS specifically state that all FIP applicants and participants must be informed of this requirement.)

Procedure: Inform FIP applicants and participants about the benefits, rights, and responsibilities under the PROMISE JOBS program. Use the information in Comm. 108, *The Family Investment Program*, and Comm. 170, *Understanding the Limited Benefit Plan* to assist in presenting this information.

Referring People to PROMISE JOBS

Legal reference: 441 IAC 41.24(1), 41.24(3), 41.24(4)

Policy: Any person applying for or receiving FIP and any parent in the home of a child applying for or receiving FIP is FIA-responsible and must be referred to PROMISE JOBS to sign a family investment agreement (FIA) as a condition of receiving FIP unless exempt. An FIA-responsible person must carry out the terms of their signed an FIA to continue receiving FIP. Failure results in FIP ineligibility under a limited benefit plan (LBP). See Limited Benefit Plan for more information.

See Family Investment Agreement for more information regarding the FIA.

Procedure: Determine whether each household member must participate in PROMISE JOBS or meets one of the exemption criteria described under Who Is Exempt From Referral to PROMISE JOBS .

People Who Must Be Referred to PROMISE JOBS as FIA-Responsible (Unless Exempt)

- All applicants **who appear eligible for FIP** and all people included in the FIP grant, including:
- Any parent,
- Any needy specified relative,
- Any child 16 or older who is not in school, and/or
- Any minor parent, whether or not in school.
- Any excluded parent living with a child included or applying to be included in the FIP grant, such as a Parent excluded for failure to provide a social security number,
- Parent excluded for failure to apply for all benefits,
- Qualified alien parent ineligible due to the five-year bar, or
- Parent receiving a foster care or subsidized adoption payment or a Preparation for Adult Living (PAL) stipend

For an alien applicant, if they appear to have a qualified alien status that makes them FIA- responsible and otherwise appear potentially eligible for FIP refer them to PROMISE JOBS. See 4-L, *Aliens and Migrants* for more information.

To refer a person to PROMISE JOBS in the system, enter the JOBS code in ABC that identifies the person's situation (applicant, participant, etc.) so the system will send a system referral matching the entered JOBS code.

14-B-Appendix, *TD03: JOBS* for referral coding instructions.

NOTE: Excluded parents must be coded with an excluded or sanctioned individual FIP status in ABC for the system referral to process. See 14-B-Appendix, *TD03: FIP/ST* for instructions on coding individual FIP status.

Local PROMISE JOBS and IM supervisory staff should communicate to determine any needed local referral procedures beyond the procedures specified in this chapter.

The IM worker makes referrals to PROMISE JOBS differently for applicants than for FIP participants who become FIA-responsible while on FIP. Procedures also differ for referring people in an LBP, applicants during the grace period, and people requesting FIP beyond 60 months for a hardship exemption and other situations.

The following sections give more information on:

- Referring applicants
- Referring applicants during grace period
- Referring participants
- Referring battered aliens
- Referring hardship exemption applicants
- Referring people in a limited benefit plan (LBP)

- Referring disabled people
- Who is exempt from PROMISE JOBS participation
- Case maintenance for referrals

Also see Family Investment Agreement for more information on the contents of the agreement.

Referring Applicants

Legal reference: 441 IAC 41.24(1), 41.24(3), 93.4(2)

Policy: Applicants who are not exempt must meet with PROMISE JOBS to write and sign an FIA before FIP approval.

If an applicant fails to write and sign an FIA, FIP is denied for the entire household or the person who failed and any of their children, depending on the relationship of that person to the rest of the FIP household. An applicant's failure to sign an FIA does not result in imposition of an LBP.

Procedure: To refer applicants who are FIA-responsible to PROMISE JOBS:

- Pend the case in ABC no later than the day of the FIP interview.
- Provide an overview of the PROMISE JOBS program by discussing the requirements with the applicant.
- Enter the applicable JOBS referral code in ABC during the FIP interview when the family appears to be eligible for FIP. For codes, see 14-B-Appendix, *TD03 JOBS*.

  NOTE: If a person does not have a social security number, ABC will not transmit the referral information to PROMISE JOBS and the household will not be in PJCase. You must still enter the applicable JOBS referral code and make a calendar appointment for the household in PJCase as usual but be aware the household will not be in PJCase.
- Use the PJCase system Calendar to schedule an appointment for the applicant to meet with PROMISE JOBS to write and sign an FIA. Schedule the appointment for the earliest time available that the applicant can attend. The appointment date offered must be within ten days after the FIP application interview.
- Complete form 470-3897, *FIA Appointment* and **provide** a copy to the applicant.

  When scheduling the FIA appointment, if form 470-3897, *FIA Appointment* must be mailed to the applicant, allow five mailing days unless the applicant agrees to an earlier appointment.
- Provide a copy of form 470-0806, *Self-Assessment* to the applicant with instructions to complete the form to the best of their ability and take it to the PROMISE JOBS appointment

PROMISE JOBS will handle any rescheduling after the initial appointment is scheduled.

PROMISE JOBS will report the outcome of the FIA appointment through entry in PJCase, and IM will proceed with FIP eligibility determination.

If the applicant is a FIP parent who did not sign an FIA or complete the FIA appointment and the IM worker has pended the application in ABC, PJCase will generate entries to deny the FIP application. If the IM worker did not pend the application in ABC, the IM worker must make entries in ABC to deny the FIP application. See 14-O, *PJCase System* for information.

When a participant family requests to add to the FIP eligible group a new person who is not exempt from PROMISE JOBS referral, the new person must sign an FIA before being approved for FIP. Follow the same steps described above to schedule the FIA appointment and to refer the new FIA-responsible person to PROMISE JOBS by entering the applicable "applicant" referral code in ABC except:

- ABC will not allow you to pend the applicant when the case is active, and
- PROMISE JOBS will discuss program requirements with the applicant.

Referring Applicants During Grace Period

Legal reference: 441 IAC 40.23(4), 41.24(1), 93.3(239B)

Policy: When IM denies a FIP application for failure to provide requested information or for failure to attend the FIP application interview, IM will allow the applicant a 14-calendar day grace period to correct the reason for denial. IM will reconsider FIP eligibility without a new application if the applicant corrects the reason for denial and takes all action to establish eligibility within 14 days of the date on the Notice of Decision denying the application. This includes:

- Providing all necessary information to establish eligibility, including verification of any changes, and
- Signing the required FIA if one has not yet been signed.

The grace period does not apply to FIP applications that are denied for reasons other than failure to provide requested information or failure to attend the FIP application interview. The grace period **does not** apply when a FIP application is denied for failure to attend an FIA interview or for failure to complete the required hours of activity needed to end a subsequent limited benefit plan (LBP).

See 4-B, *Grace Period Following Denial of an Application* for more information.

Procedure: When you have denied a FIP application for failure to provide requested information or for failure to attend the application interview, consider the specific situation as follows to determine how to proceed:

Required FIA signed prior to denial (no subsequent LBP):
No referral action is required if an FIA was signed before the application was denied. PROMISE JOBS will reinstate the FIA if the application is reconsidered during the grace period and eligibility is established. EXAMPLE: FIP applicant Ms. A signs an FIA on November 30. PROMISE JOBS enters that an FIA was signed in PJCase and PJCase sends an e-mail to the IM worker. Ms. A fails to provide requested verification of income. On December 1, the IM issues a notice denying the application and PJCase notifies PROMISE JOBS of the FIP denial. The denial notice is dated December 2. The grace period ends December 16. Ms. A provides the verification to IM on December 10 and there have been no other changes in the family's circumstances. On December 11, the IM worker reprocesses the application and approves FIP effective December 10. PJCase sends an e-mail to the PROMISE JOBS worker as listed in PJCase to inform the worker of the FIP approval. On December 11, PROMISE JOBS begins case management of the FIA.

Required FIA not signed – no appointment available within grace period:

Inform the family that they need to file a new application if an FIA appointment is not available within the grace period. No referral action is required.

Required FIA not signed prior to denial– available appointment within grace period and no subsequent LBP:

Schedule the FIA appointment and refer the applicant to PROMISE JOBS as described at Referring Applicants. EXCEPTION: During the application grace period, you are not required to re-pend the application or to enter the JOBS referral code in the ABC system however both of these actions are recommended.

If you re-pend FIP and enter the applicant JOBS referral code in ABC:

- ABC sends a system referral to the PJCase system.
- PROMISE JOBS will enter that an FIA was signed or not signed in PJCase.

  1. PJCase will send an e-mail to inform you if the FIA-responsible person signed an FIA or did not sign an FIA.
  2. PJCase will deny the FIP application in ABC if the FIA-responsible person fails to appear for the appointment or does not sign an FIA.

If you do not re-pend FIP:

- The ABC system will not allow you to enter an applicant JOBS referral code for the FIA-responsible person or send a system referral to the PJCase system. When scheduling the FIA Appointment, explain that FIP is not pended in ABC and that a system referral will not be sent in the Comment section of the PJCase Calendar Appointment Screen.
- PROMISE JOBS will not be able to use PJCase to inform you if the FIA-responsible person signed an FIA or did not sign an FIA. Instead, the PROMISE JOBS worker will send you an e-mail to report that:

  - The FIA-responsible person signed an FIA and to provide the date the FIA was signed or
  - The person did not sign an FIA.

If the person does not sign an FIA, you will need to make entry in ABC to deny FIP as PJCase does not deny FIP if FIP is not pended.

EXAMPLE: FIP applicant Ms. B fails to provide requested verification of income. The IM worker issues a notice denying the application on December 1. The date on the denial notice is December 2. The grace period ends December 16. IM did not schedule an FIA appointment or refer Ms. B to PROMISE JOBS as Ms. B did not appear eligible for FIP. PJCase does not send notification to IWD as Ms. B was not referred to PROMISE JOBS.

Ms. B provides the missing verification on December 5 and appears eligible for FIP. The IM worker sends Ms. B a Self-Assessment form and schedules an FIA appointment for December 15.

Scenario A. IM re-pends FIP in ABC and one of the following applies:

- Ms. B appears for the FIA appointment and signs an FIA. PROMISE JOBS enters the FIA Signed date in PJCase. PJCase sends an e-mail to notify IM. On December 17, IM approves FIP as of December 5, the date Ms. B provided the missing verification.
- Ms. B does not appear for the FIA appointment. PROMISE JOBS makes entry that an FIA was not signed in PJCase. PJCase denies the FIP application and sends an e-mail to notify IM.

Scenario B. IM does not re-pend FIP in ABC and one of the following applies:

- Ms. B appears for the FIA appointment and signs an FIA. PROMISE JOBS sends IM an e-mail that an FIA was signed. On December 17, IM approves FIP as of December 5, the date she provided the missing verification. PROMISE JOBS enters the FIA signed date in PJCase.
- Ms. B does not appear for the FIA appointment. PROMISE JOBS sends IM an email to report the failure. The IM worker makes entry to deny the application.

Applicant on an active subsequent LBP:

Determine if it is reasonable for the applicant to cure the reason for denial and complete the actions needed to end the subsequent LBP by the end of the 14-day grace period, including:

- Signing an FIA if one has not yet been signed and
- Completing any remaining hours of PROMISE JOBS activity as stated in the FIA.

If an FIA has not yet been signed:

- Determine if there is an FIA appointment available early enough in the 14-day period that the applicant will still have enough time to complete the required 20 hours of activity.
- Consider that PROMISE JOBS may require fewer than 20 hours of activity if the applicant has problems or barriers that prevent them from participating at that level. Consult with PROMISE JOBS when needed, however, consider that PROMISE JOBS may not have had any contact from the applicant for at least six months.
- Tell the applicant to reapply if it is not reasonable for the applicant to complete all needed action by the end of the 14-day period.
- If you determine it is reasonable for the applicant to complete all needed action within the 14-day period:
    - Schedule the FIA appointment and refer the applicant as described in the prior section for "Required FIA not signed – available appointment within grace period - no subsequent LBP:".
    - Send PROMISE JOBS an email that explains that the application is being reconsidered and gives PROMISE JOBS the last day of the grace period.

If the applicant signs an FIA and completes the required hours of activity, PROMISE JOBS will make entry to stop the subsequent LBP. IM will determine eligibility if the person cured the reason for FIP denial.

If PROMISE JOBS determines the applicant has abandoned the reconsideration attempt, PROMISE JOBS will report this to IM:

- Through entry in PJCase if IM referred the applicant with a reconsideration JOBS code. PJCase will send IM an email. The email will tell IM if the system denied the application or if IM needs to make ABC entries to deny the application.
- Via email if IM did not refer the applicant with a reconsideration JOBS code, IM will need to make ABC entries to deny the application.

If the FIA was signed prior to the FIP denial and the applicant has not yet completed hours of activity needed to end the subsequent LBP:

Determine if it is reasonable for the applicant to cure the reason for denial and complete the remaining hours of activity within the 14-day period. Consult with PROMISE JOBS when needed:

- Tell the applicant to reapply if it is not reasonable for the applicant to complete all needed action by the end of the 14-day period.
- If you determine it is reasonable for the applicant to complete all needed action within the 14-day period, send PROMISE JOBS an email that explains that the application is being reconsidered and give PROMISE JOBS the last day of the grace period.

If the applicant completes the required hours of activity, PROMISE JOBS will make entry to stop the subsequent LBP. PJCase will send IM an email.

If PROMISE JOBS determines the applicant abandoned the reconsideration attempt, PROMISE JOBS will report this to IM via e-mail.

- If the applicant cured the reason for denial, IM will issue an NOD saying that the application remains denied due to the LBP.
- If the applicant did not cure the reason for denial, IM will take no further action.

Remember: The grace period does not apply when the application was denied for failure to sign an FIA or for failure to complete the required hours of activity needed to end a subsequent LBP.

EXAMPLES:

1. Ms. C chose a subsequent LBP with a six-month period of ineligibility that ended March 31. Ms. C reapplies for FIP on May 1. On May 4, IM refers Ms. C to PROMISE JOBS, schedules an FIA appointment and requests information that is due May 14.

   Ms. C signs an FIA on May 9 agreeing to complete 20 hours of activity in 30 days. PROMISE JOBS begins case management by issuing any supportive payments needed for the 20 hours of activity. On May 15, IM denies the application for failure to provide information with an NOD dated May 16. PROMISE JOBS discontinues case management. The grace period ends May 30.

   Ms. C provides the verification on May 24. IM informs Ms. C that she must complete the 20 hours of PROMISE JOBS activity and provide any needed verification to PROMISE JOBS by May 30 for IM to reconsider the application. IM also informs PROMISE JOBS via e-mail that the May 5 application is being reconsidered and that Ms. C needs to complete her 20 hours of PROMISE JOBS by May 30, or the application will be redenied. PROMISE JOBS resumes case management.

   - If Ms. C completes her 20 hours of activity, IM will approve FIP as of May 24, the date Ms. C provided the verification.
   - If Ms. C does not complete her 20 hours of activity, IM will issue an NOD saying that the application remains denied due to the LBP.

2. Ms. D chose a subsequent LBP with a six-month period of ineligibility that ended May 31. Ms. D reapplies for FIP on June 7. On June 9, IM refers Ms. D to PROMISE JOBS and schedules an FIA appointment for June 14 and requests that Ms. D provide verification of resources by June 19.

   Ms. D fails to appear for the FIA appointment on June 14. On June 14, PROMISE JOBS enters in PJCase that Ms. D failed to sign an FIA. PJCase denies the application for failure to sign an FIA with an NOD dated June 15. Ms. D provides the resource verification on June 19. The application grace period does not apply in this situation. Ms. D must file a new application to get FIP assistance.

Referring Participants

Legal reference: 441 IAC 41.24(4), 93.3(239B)

Policy: Participants who lose exempt status and become FIA-responsible while receiving FIP must meet with PROMISE JOBS to write and sign an FIA to continue receiving FIP. Failure results in imposition of an LBP for the entire family or for the person who failed and any of their children, depending on the relationship of the person who failed to the rest of the FIP family.

An exempt person becomes FIA-responsible while on FIP when:

- An SSI recipient loses eligibility for SSI, or
- A person aged 16 to 18 who is not a parent drops out of school, or
- A minor becomes a parent.

Procedure: To refer FIP participants who become FIA-responsible to PROMISE JOBS, enter the applicable "participant" JOBS referral code in ABC. See 14-B-Appendix, *TD03 JOBS* for information.

The system will send the participant form 470-3105, *FIA Referral for Mandatory Participants*. This form explains that the person must:

- Comply with the PROMISE JOBS program to continue receiving FIP and
- Contact PROMISE JOBS within 10 days to schedule an appointment to begin the FIA process.

If the participant contacts PROMISE JOBS within 10 days, PROMISE JOBS will schedule the appointment.

If the participant does not contact PROMISE JOBS within 10 days, PROMISE JOBS will send the participant *Your PROMISE JOBS Reminder*, form 470-3103 and allow the participant another 10 days to schedule an appointment. PROMISE JOBS will impose an LBP if the participant fails to schedule an appointment or to sign an FIA.

Referring Battered Aliens

Legal reference: 441 IAC 41.23(4)-(5), 41.24(1)- (4), 93.3(239B)

Policy: Battered aliens are subject to the same PROMISE JOBS and FIA requirements as other FIP applicants and participants. See 4-L, *Battered Aliens* for more information.

Procedure: Make the referral to PROMISE JOBS in the same way as for any other FIP applicant or participant. See Referring Applicants and Referring Participants.

EXCEPTION: If the person does not yet have a social security number, ABC will not be able to transmit the referral information to PROMISE JOBS. Enter the appropriate JOBS referral code in ABC, but also note in the comments section of the PJCase Calendar Appointment screen that the person is a battered alien who does not yet have a social security number.

Referring Hardship Exemption Applicants

Legal reference: 441 IAC 41.30(3), 93.104(239B)

Policy: Households subject to the 60-month FIP limit can receive FIP beyond that limit only if they request and are determined eligible for a hardship exemption and meet all other FIP requirements.

The hardship determination is a two-step process:

- First, the IM worker is responsible for determining whether the household has a hardship condition that affects its ability to be self-supporting.
- Second, the FIA-responsible "adults" in the household must develop and sign a six-month FIA with PROMISE JOBS unless exempt.

An "adult" is:

- A parent in the home with the child, even if excluded from the FIP grant.
- The parent's spouse in the home with the parent and child, whether or not the stepparent is included in the grant.

- A needy non-parental specified relative included in the FIP grant with the child.
- A minor parent in the home who is payee for the minor's own FIP case, even if the parent is excluded from the grant.

The household must meet the requirements of both steps before the hardship exemption request can be approved.

A hardship exemption is limited to six consecutive calendar months. Households may request and be granted more than one hardship exemption period if they otherwise qualify for the exemption and meet FIP eligibility requirements. A new FIA and a new hardship exemption determination are required for each subsequent hardship exemption period.

The household is required to develop and sign a six-month FIA **before** FIP can be approved. Therefore, failure to develop and sign an FIA results in denial of the family's hardship exemption request and the FIP application if applicable rather than imposition of an LBP.

Procedure: If IM determines the household meets hardship criteria, IM will refer the FIA-responsible adults by following the procedures described at Referring Applicants or Referring Participants. Use the JOBS referral codes that identify hardship applicants and participants and whether the hardship applicant is in an active LBP. In addition, send the following to PROMISE JOBS:

- Form 470-3876, *Hardship Exemption Determination* with Part A completed by IM.
- A copy of form 470-3826 or 470-3826(S), *Request for FIP Beyond 60 Months.*
- Evidence to support the hardship determination.
- If the household has an active service case, the completed 470-3884, *Hardship Exemption: Service Information,* along with other pertinent documents, to PROMISE JOBS.

Households that are applying or approved for a hardship exemption must meet all other FIP requirements.

If the household includes an FIA-responsible minor parent, the minor parent will need to sign a separate FIA as a condition of FIP eligibility for the minor parent and any child of the minor parent. Refer the minor parent as described at Referring Applicants. If a hardship exemption is approved for the adult and the remainder of the family:

- Include the minor parent and any child of the minor parent in the eligible group if the minor parent signs an FIA and is otherwise eligible.
- Deny FIP for the minor parent and any child of the minor parent if the minor parent does not sign an FIA.

If the family is applying for an FIA-responsible child who is not a parent, the child will need to sign a separate FIA as a condition of FIP eligibility. Refer the child as described at Referring Applicants. If a hardship exemption is approved for the adult and the remainder of the family:

- Include the in the eligible group if the child signs an FIA and is otherwise eligible.
- Deny FIP for the child if the child does not sign an FIA.

If any of the FIA-responsible adults or other persons do not appear for the FIA appointment or fail to sign an FIA, PROMISE JOBS will report this through entry in PJCase. If the person is a FIP parent and the IM worker has pended the application in ABC, PJCase will deny the FIP application. Otherwise, the IM worker must make entries in ABC to deny the FIP application.

See 4-C, *Hardship Exemption* for more information.

Referring People in a Limited Benefit Plan (LBP)

Legal reference: 441 IAC 41.24(1)"d," 41.24(4)"a"

Policy: A person who chooses a **first** limited benefit plan (LBP) may reconsider and end the LBP by signing another FIA. The person may reconsider and sign another FIA any time from the date of the Notice of Decision imposing the LBP. The family must reapply for FIP if the person who chose the LBP cannot sign an FIA prior to the effective date of the LBP.

When a person chooses a **subsequent** LBP, the family members impacted by the LBP are ineligible for FIP for a minimum of six months. Once the *Notice of Decision* to impose a subsequent LBP is issued, the person who chose cannot reconsider it until the six-month period of ineligibility has expired. See Reconsidering a Limited Benefit Plan for information on the actions the person must take.

Procedure: To reconsider an LBP, the person may contact PROMISE JOBS or the IM worker. The needed action varies with the specific situation.

First LBP: When a person who chose a first LBP contacts you to reconsider before the effective date of the LBP, use the PJCase system Calendar to determine whether there is an available FIA appointment before the effective date. If there is an available appointment and the applicant agrees to the appointment time and date:

- Use the PJCase system Calendar to schedule the person with an appointment to sign the FIA.
- Complete form 470-3897, *FIA Appointment*. Provide a copy to the person.
- Enter the applicable "JOBS" referral code on ABC. See 14-B-Appendix, *TD03 JOBS* for codes.
- Inform the household of the need to reapply for assistance if:
  - The FIA is not signed before the effective date or,
  - The person is unable to attend an appointment before the effective date.
- If the person who chose the LBP contacts PROMISE JOBS to reconsider before the effective date, PROMISE JOBS will schedule the FIA appointment if one is available before the effective date.

When there is no FIA appointment available before the effective date, or when a person contacts you after the effective date of a first LBP, inform the household of the need to reapply for assistance. No further action is necessary if the household does not file an application.

If a person reapplies after the effective date of a first LBP, make the referral as described in Referring Applicants.

Subsequent LBP: If a household in a subsequent LBP files an application for FIP within the six-month period of ineligibility, deny the application and do not refer the person to PROMISE JOBS unless:

- The household files the application in month six of the period of ineligibility, and
- There is an available FIA appointment after the end of the six-month period and within the 30-day period for processing the application.

When the six-month ineligibility period of a **subsequent** LBP ends and the person who chose the LBP contacts you or PROMISE JOBS to reconsider the LBP, explain that the household must file an application to receive FIP again. No further action is needed if the household does not file an application. If the household files an application, refer the person who chose to PROMISE JOBS as described at Referring Applicants.

See Referring Applicants During Grace Period for procedures for a person with an active subsequent LBP who has been denied FIP and is wanting to correct the reason for denial under the 14-day grace period.

See Reconsidering a Limited Benefit Plan for information on the reconsideration process and To Whom the Limited Benefit Plan is Applied for policy on which family members are subject to an LBP.

If both parents are in the home and FIA-responsible, both parents must complete the required action to reconsider and end an LBP, even if only one parent chose the LBP.

However, if a parent with an active LBP enters the home of a child or co-parent on FIP, the other parent does not need to sign another FIA if the terms of the parent's existing FIA still apply. The parent on FIP may use participation in existing activities towards the hours required to end a subsequent LBP.

In the above situation, use PJCase to either reactivate the LBP for the child and parent on FIP or to add the FIP child and parent to the LBP. See Two-Parent Households and 14-O, *PJCase System* for more information.

Referring People with Disabilities

Legal reference: 441 IAC 41.24(1)

Policy: People who claim a disability are subject to the same PROMISE JOBS and FIA requirements as other FIP applicants and participants unless exempt.

Procedure: Make the referral to PROMISE JOBS in the same manner as for any other FIP applicant or participant.

Refer people who report a disability to PROMISE JOBS unless they are exempt due to the receipt of Supplemental Security Income (SSI) benefits for their own disability or blindness. Refer people who are not receiving SSI even when they claim that they are not able to participate.

When a person on FIP claims to be unable to engage in substantial activity due to a disability that is expected to last for 12 months or expected to result in death, require the person to apply for and accept Social Security Disability Insurance (SSDI) and SSI benefits. For more information, see 4-C, *Benefits From Other Sources*.

Use your local communication procedures to inform PROMISE JOBS when a referred person:

- Claims a disability, or
- Applies for SSDI and SSI benefits.

PROMISE JOBS staff will help referred people with a disability to develop an FIA that meets their individual needs and abilities. If a person claims a limitation due to a disability, PROMISE JOBS will ask the person to provide medical evidence of the limitation. This allows PROMISE JOBS to consider the limitation and any other problems or barriers resulting from the disability when determining the person's level of participation.

See Sharing Disability Information with PROMISE JOBS for more information.

Who Is Exempt From Referral to PROMISE JOBS

Legal reference: 441 IAC 41.24(2)

Policy: The following people are exempt from PROMISE JOBS referral and participation:

- A Supplemental Security Income (SSI) recipient.
- A non-citizen who is not a qualified alien.
- A child aged 16 to 19, is not a parent, and attends school full-time.
- A child who is under the age of 16 and is not a parent.

Procedure: Document in the case record the basis for referring or exempting each person applying for or receiving FIP and each parent living in the home of a child applying for or receiving FIP. Enter the referral status of each person in the JOBS field in the ABC system.

See 14-B-Appendix, *TD03 JOBS* for system referral status codes.

The PJCase system sends form 470-2758*, Participation No Longer Required* when a participant's referral status is changed from FIA-responsible to exempt.

The following sections explain the requirements under each exemption.

SSI Exemption

Policy: A person who is receiving SSI benefits due to their own disability or blindness are exempt from PROMISE JOBS referral.

Procedure: Exempt SSI recipients from PROMISE JOBS referral.

Refer all people reporting a disability but not receiving SSI to PROMISE JOBS unless exempt for another reason. This includes people who:

- Have a pending application for SSI or Social Security Disability Insurance (SSDI),
- Have filed an appeal of a denial of SSI or SSDI, and
- Are receiving other disability benefits, such as VA or worker's compensation.

When a person in the eligible group or a parent living in the home of a FIP child claims to be unable to engage in substantial activity due to a disability that is expected to last for 12 months or more or to result in death, require the person to apply for and accept SSI and SSDI. See 4-C, *Application For and Acceptance of Social Security and SSI Benefits* for more information.

Enter the exempt JOBS system referral code in ABC for people who are exempt due to the receipt of SSI. See 14-B-Appendix, *TD03 JOBS* for system referral status codes.

Alien Exemption

Legal reference: 441 IAC 41.24(1)"c," 41.24(2)"f"

Policy: A person who is not a U.S. citizen or a qualified alien is exempt from PROMISE JOBS referral and participation, as the person is not eligible for PROMISE JOBS services.

Procedure: Refer to 4-L, *Alien Status* for a list of qualified alien statuses and more information on alien statuses and their effect on FIP eligibility and PROMISE JOBS participation.

Enter the exempt JOBS system referral code in ABC for people who are exempt due to their alien status. See 14-B-Appendix, *TD03 JOBS* for system referral status codes.

School Attendance Exemption

Policy: A child who is aged 16 to 19, is not a parent, **and** is attending elementary or secondary school or the equivalent level of vocational or technical school on a full-time basis is exempt from PROMISE JOBS referral and participation.

EXCEPTION: a child that was referred to PROMISE JOBS as they were not attending school full-time and signed an FIA that remains in effect is not exempt, even after returning to school.

Procedure: To determine exemption based on school attendance, consider the child's attendance full time even when they are not present during school vacations or because of illness, convalescence, or family emergencies.

A child meets the definition of regular school attendance until they have been officially dropped from the school rolls. Accept the school's statement and definition regarding full-time status. Participating in a correspondence school does not exempt a child from PROMISE JOBS.

Consider a child who is schooled at home as "enrolled in school" and exempt from PROMISE JOBS referral provided:

- The home-schooling arrangement is certified by the school system. Obtain any needed verification of student or attendance status from the school system that certified the arrangement. A signed release from the parent or caretaker is needed (the same as required when a child is enrolled in a regular school setting, OR
- The parent states that the parent is home schooling the child and the parent considers the instruction to be "full-time" and the home schooling will lead to a diploma or certificate. A high school equivalency diploma or a certificate that is created by the parent is acceptable.

A child on FIP aged 16 to 19 who is referred to PROMISE JOBS remains obligated to a signed FIA as long as they remain eligible for FIP, regardless of school attendance. Do not exempt a person aged 16 to 19 who has signed an FIA if they return to school.

FIP applicants aged 16 to 19 who are not parents and who have chosen an active LBP must take action to reconsider the LBP to become FIP eligible. See Referring People in a Limited Benefit Plan and Stopping a Limited Benefit Plan for more information.

Enter the exempt JOBS system referral code in ABC for people who are determined to be exempt due to school attendance. See 14-B-Appendix, *TD03 JOBS* for system referral status codes.

Case Maintenance

PROMISE JOBS case maintenance policies include:

- Reviewing exempt referral status
- Reviewing FIA-responsible referral status
- Sharing disability information with PROMISE JOBS
- Sharing employment information with PROMISE JOBS

Reviewing Exempt Referral Status

Legal reference: 441 IAC 41.24(239B)

Policy: People who lose exempt status and become FIA-responsible while receiving FIP must sign an FIA to continue receiving FIP. Failure results in imposition of an LBP for the entire household or for the person who failed and any of their children, depending on the relationship of the person who failed to the rest of the FIP household.

Procedure: Review the exempt referral status of each member at six-month and annual reviews, and when changes occur. Review a client's referral status when:

- A person aged 16 to 19 who is not a parent is officially dropped from school rolls.
- A participant turns 16 to determine if the child is enrolled in school.
- A child is born to a minor.
- A person's alien status changes.
- A person is no longer eligible for SSI.

Refer a person who becomes FIA-responsible while receiving FIP as described at Referring Participants.

Reexamine the referral status of all persons who reapply for FIP after a case is canceled. Refer FIA-responsible applicants as described at Referring Applicants.

Reviewing FIA-Responsible Referral Status

Legal reference: 441 IAC 41.24(2), 41.24(5)

Policy: Persons who become exempt from referral to PROMISE JOBS are no longer responsible to the FIA.

If the person who is now exempt had previously chosen an LBP, the LBP no longer applies when:

- It is a first LBP, or
- The six-month period of a subsequent LBP is expired, or
- The person was exempt due to the receipt of SSI, school attendance, or alien status at the time the *Notice of Decision* to impose the LBP was issued, or
- The person was not exempt due to alien status at the time the LBP was chosen but is now exempt.

Procedure: Review the referral status of each member at six-month and annual reviews, and when changes occur. Review a client's referral status when:

- A person is approved for SSI.
- A person aged 16 to 19 returns to school.
- A person's alien status changes.

NOTE: A person aged 16 to 19 who is referred to PROMISE JOBS for not attending school and later returns to school remains FIA-responsible if the person signed an FIA and the agreement remains in effect. See School Attendance Exemption for more information.

When you determine that an FIA-responsible person has become exempt, enter the exempt JOBS referral status code for the person in the ABC system. See 14-B-Appendix, *TD03 JOBS* for referral status codes.

Stop a first LBP when the person who chose the LBP is now exempt from PROMISE JOBS referral.

Stop a subsequent LBP if the six-month ineligibility period has expired, and the person who chose the LBP is now exempt from PROMISE JOBS referral.

Stop a subsequent LBP when you learn that the person who chose it was exempt from PROMISE JOBS referral on the date that the *Notice of Decision* was issued to start the LBP.

Stop a subsequent LBP when you learn that the person who chose it is now exempt from PROMISE JOBS referral due to a non-qualified alien status even when the six-month period of ineligibility is still in effect.

See Stopping a Limited Benefit Plan for more information.

Continue a subsequent LBP through the entire six-month ineligibility period when the person who chose it is now exempt due to school attendance or receipt of SSI, but the person was not exempt at the time the *Notice of Decision* was issued to impose the LBP.

Sharing Disability Information with PROMISE JOBS

Legal reference: 441 IAC 93.2.(2), 239B8.6

Policy: People with a disability are FIA-responsible unless exempt due to the receipt of SSI, school attendance or alien status.

Procedure: Inform PROMISE JOBS when a referred person reports a disability. Provide PROMISE JOBS with any information, including any medical documentation, regarding the claimed disability that is pertinent to the person's ability to participate in PROMISE JOBS activities.

Inform PROMISE JOBS when you are aware that a person in the eligible group or a parent living in the home has applied for SSDI or SSI benefits for disability. Keep PROMISE JOBS informed of any changes in the SSDI or SSI application status that you become aware of, such as an approval or denial.

PROMISE JOBS staff will help referred people with a disability to develop an FIA that meets their individual needs and abilities. PROMISE JOBS will ask the person to provide medical documentation of the limitation unless IM has provided PROMISE JOBS with sufficient medical documentation. The medical documentation allows PROMISE JOBS to consider the limitation, and any other problems or barriers resulting from the disability, when determining the person's level of participation.

PROMISE JOBS will scan and e-mail the *Report of Incapacity*, form 470-0447, to the appropriate Imaging Center when a referred person reports a disability that is expected to last for 12 months or more or that is expected to result in death, and the person claims to be unable to engage in substantial activity due to the disability. In this situation, require the person to apply for SSDI and SSI as a condition of continued eligibility. See 4-C, *Benefits From Other Sources* for more information on the requirement to apply for and to accept SSD or SSI benefits.

Sharing Employment Information with PROMISE JOBS

Legal reference: 441 IAC 41.24(239B)

Policy: FIP participants must report when income begins and ends within 10 days. IM determines if FIP eligibility continues when IM becomes aware that a participant has started or ended employment.

For PROMISE JOBS, participants may use employment alone or combined with other activities to meet the obligations of the FIA. Employed participants must provide verification of actual hours of employment to PROMISE JOBS when employment begins and ends and at least once every six months. PROMISE JOBS will require verification unless available from another source.

PROMISE JOBS uses the verification to:

- Determine if the participant is meeting the requirements of the FIA and
- Enter the verified actual hours of employment in IWD's IowaWORKS system for federal reporting purposes.

Procedure: When you become aware that a PROMISE JOBS participant has started, ended, or changed employment, inform the PROMISE JOBS worker. You may also send PROMISE JOBS a copy of form 470-2844, *Employer's Statement of Earnings* or other verification.

When a PROMISE JOBS worker becomes aware that a participant has started, ended, or changed employment, the PROMISE JOBS worker will send form 470-0820, *Notice of Employment*, to the Income Maintenance Customer Service Center (IMCSC). PROMISE JOBS may also send a completed copy of form 470-2844, *Employer's Statement of Earnings* or other verification.

Family Investment Agreement (FIA)

Legal reference: 441 IAC 93.4(239B)

Policy: Any person referred to PROMISE JOBS must sign and carry out the terms of a family investment agreement (FIA) as a condition of receiving FIP.

The FIA is an individualized agreement between the FIA-responsible person and PROMISE JOBS that is developed during the PROMISE JOBS assessment. The agreement outlines the person's plan for the family to become self-supporting. Specifically, the agreement:

- Lists the activities the person will participate in and any verification requirements for the activity and other actions the person will take to move the family towards self-sufficiency,
- Identifies the family's needs that must be met and the problems that must be solved,
- States the supportive services that PROMISE JOBS will provide,
- Specifies timeframes for the family to meet so that the family can attain self-sufficiency.

Families who do not reach self-sufficiency by the end of the agreement, even though they are making a good faith effort to do so, must work with PROMISE JOBS to renegotiate and amend their FIA.

Procedure: The IM worker is responsible for determining if a FIP applicant or participant is FIA-responsible and must be referred to PROMISE JOBS. Refer FIA-responsible applicants and participants to PROMISE JOBS to sign an FIA as described at Referring People to PROMISE JOBS.

After orientation and assessment are completed, PROMISE JOBS will help the FIA-responsible person choose one or more of the following activities to include in the FIA:

- Assessments beyond initial assessment
- Full-time or part-time employment
- Job readiness training
- Job search activities
- High school completion
- High school equivalency classes
- Adult basic education (ABE)
- Training in English as a Second Language (ESL)
- Postsecondary education
- Family development and self-sufficiency (FaDSS) or other family development program
- Work experience placement
- On-the-job training
- Unpaid community service
- Parenting skills training
- Treatment plan for self-disclosed substance abuse or mental health issues or physical health issues
- Family violence option

FIA-responsible persons may also include a referral for family planning and domestic violence counseling as an option in the FIA. PROMISE JOBS will not impose an LBP for a failure to choose or carry out either of these activities. Refer to the PROMISE JOBS Provider Manual, for additional information on domestic violence provisions. See The FIA and FIP Eligibility and Limited Benefit Plan for more information on the LBP.

Employment is the focus of PROMISE JOBS and employment that results in self-sufficiency is the eventual goal of the FIA. The individual level of participation in PROMISE JOBS activities, using one or more options, shall be full-time or significant to move toward this level. "Full-time" is defined as an average of at least 30 hours per week. Participation at a level that is less than full-time is appropriate when specific family needs, problems, or barriers prevent this level of involvement.

Minor parents are subject to special requirements, discussed in Persons Aged 19 or Under.

The following sections give more information on the FIA:

- The FIA and FIP eligibility
- Six-month hardship exemption FIA
- Activities for persons aged 19 or under
- Barriers to participation
- Excusing a client from PROMISE JOBS activity

The FIA and FIP Eligibility

Legal reference: 441 IAC 41.24(239B)

Policy: FIA-responsible FIP applicants must sign an FIA before FIP can be approved. Failure to sign an FIA results in denial of FIP.

Persons who lose exempt status and become FIA-responsible while receiving FIP must sign an FIA to remain eligible for FIP. Failure to sign an FIA results in FIP ineligibility under an LBP.

Once the FIA is signed, FIA-responsible participants are required to carry out the terms agreed to in the FIA. Failure to follow the terms of the FIA results in FIP ineligibility under the LBP.

FIA-responsible persons who fail to meet an FIA expectation due to a barrier to participation may be excused for the failure. The FIA will be renegotiated to address the barrier. See Barriers to Participation.

When an FIA-responsible person fails to meet an FIA expectation due to a temporary or incidental reason, the PROMISE JOBS worker may excuse the failure for one of the reasons listed under Excusing Clients From PJ Activities or for Refusing Employment. Otherwise, failure to carry out FIA responsibilities results in FIP ineligibility under an LBP.

The responsibility for carrying out the terms of the FIA ends when FIP assistance ends for the household.

PROMISE JOBS will reinstate the existing FIA when FIP eligibility is reestablished if:

- FIP eligibility is reinstated without a new application, including reinstatements done after the effective date of cancellation under the 14-day grace period, or a new application is required but eligibility is reestablished with a break of one month or less, **and**
- The participant has not become exempt from PROMISE JOBS participation.

If an application is required and FIP eligibility is reestablished with a break of more than one month, either a new FIA must be signed, or the prior must be resigned.

Procedure: The IM worker is responsible for:

- Determining if each FIP applicant and participant is FIA-responsible or exempt from FIA requirements and
- For referring FIA-responsible persons through coding in the ABC system. See Referring People to PROMISE JOBS for referral policy and procedures.

When an FIA-responsible applicant signs an FIA, the IM worker will proceed with the FIP eligibility determination. PROMISE JOBS will report the signed FIA through entry in the PJCase system.

If an FIA-responsible applicant does not sign an FIA, PROMISE JOBS will report this through entry in the PJCase system. If the person is a FIP parent and the IM worker has pended the application in ABC, PJCase will deny the FIP application. Otherwise, the IM worker must make entry in ABC to deny the FIP application.

See 4-C, *Family Investment Agreement* for more information on the FIA requirement for FIP applicants.

PROMISE JOBS is responsible for monitoring a participant's progress in FIA activities and for determining if a participant is not carrying out the terms of the FIA. When a participant fails to carry out the terms of the FIA without a valid reason or a barrier to participation, PROMISE JOBS makes entry in the PJCase system to impose the LBP. Refer to Limited Benefit Plan later in this chapter for more information.

PROMISE JOBS is responsible for imposing an LBP for participants who become FIA-responsible while receiving FIP and who do not sign an FIA. Refer to Referring Participants and Limited Benefit Plan within this chapter for more information.

Six-Month Hardship Exemption Family Investment Agreement (FIA)

Legal reference: 441 IAC 41.30(3)"g"

Policy: Households that are subject to the 60-month FIP limit and who have exhausted that limit may receive FIP beyond 60 months if they request and are granted a hardship exemption and meet all other FIP requirements.

To be granted a hardship exemption:

- The household must provide evidence of a qualifying hardship condition and
- The FIA-responsible adults in the household must meet with PROMISE JOBS to develop and sign a six-month FIA.

The FIA must:

- Address the hardship condition that is creating the household's barrier to self-sufficiency.
- Contain specific steps that can reasonably be expected to enable the household to make incremental progress toward overcoming the barrier.

The FIA-responsible "adults", as defined at Referring Hardship Exemption Applicants, must participate to their maximum potential in activities expected to lead to self-sufficiency. People with disabilities will have their disabilities addressed in the six-month FIA. The FIA activities must not conflict with the household's service case plan when one exists.

Unless they become exempt, the FIA-responsible adults in the household remain responsible after signing the six-month FIA and having their hardship exemption request approved.

Households approved for a hardship exemption must meet all other FIP requirements for the entire exemption period. If a household meets all requirements but will not remain eligible for six months, IM will approve an exemption for a period of less than six months. The FIA-responsible adults in the household need to develop and sign an FIA for the length of the exemption period.

Households with FIA-responsible adults approved for a hardship exemption that have difficulty fulfilling the terms in their six-month FIA must work with PROMISE JOBS to amend the FIA. Households must also amend their FIA when their six-month hardship exemption period is revised, e.g., as a result of a final appeal decision.

Households with FIA-responsible people that have been granted a hardship exemption and who do not follow the terms of their six-month FIA or that fail to amend the FIA when necessary will have chosen an LBP.

Each subsequent hardship exemption requires a new six-month FIA. PROMISE JOBS provides supportive services and monitors the FIA.

Procedure: The hardship exemption eligibility determination is a two-step process:

- Based on supporting evidence, the IM worker determines whether the household has a hardship condition that prevents them from being self-supporting.
- If the IM worker determines the household meets hardship criteria, the IM refers the FIA-responsible adults to PROMISE JOBS as described at Referring Hardship Exemption Applicants to develop and sign a six-month FIA.

The IM worker will grant a hardship exemption and proceed with the FIP eligibility determination if the household meets both steps. The IM worker will deny the hardship exemption request when they don't meet both steps. See 4-C, *Hardship Exemption Requests* for more information.

NOTE: In addition to the adults in the home, other FIA-responsible people in the home must sign a six-month FIA and participate in PROMISE JOBS activities to be included in the FIP household if a hardship is granted, e.g., a minor parent or a 16 to 18-year-old who is not in school. If the non-adult fails to sign an FIA, FIP for the non-adult will be denied. Determine eligibility for the other members.

PROMISE JOBS is responsible for monitoring progress in FIA activities and for determining if a participant receiving FIP under a hardship exemption is not carrying out the terms of the FIA. When a participant fails to carry out the terms of the FIA without a valid reason or a barrier to participation, PROMISE JOBS makes entry in the PJCase system to impose an LBP. Refer to Limited Benefit Plan later in this chapter for more information.

Persons Aged 19 or Under

Legal reference: 441 IAC 41.24(3)

Policy: FIA-responsible people who are ages 16 to 19 and not a parent are strongly encouraged to attend education activities to obtain a high school diploma or its equivalent to meet FIA requirements. If these activities are not included in the FIA, other work and training activities must be selected by the participant.

As part of the FIA, parents under the age of 18 who are not married and who have not completed high school are required to participate in:

- Education activities to obtain a high school diploma or its equivalent unless the local education agency deems the parent of incapable of participating in these activities.
- FaDSS or other family development services unless the parent is living with a parent or legal guardian.

In addition, parents aged 19 or younger must participate in parenting skills training, even if they are:

- emancipated by court action or marriage.
- considered a child on the case of the minor parent's parent.

Barriers to Participation

Legal reference: 441 IAC 93.4(5)

Barriers to participation may be identified during assessment or during participation in the FIA. If barriers are identified during assessment, PROMISE JOBS staff will consider these issues in the development of the FIA. If barriers become apparent after participation has begun, the FIA may be renegotiated to address the barriers.

Even if barriers to participation exist, the person remains FIA-responsible. Examples of barriers are:

- Lack of transportation
- Substance addiction
- Sexual or domestic abuse history
- Overwhelming family stress
- Lack of needed child or adult care. (PROMISE JOBS will not require participation until care has been arranged. Where special needs care is not available, the participant's FIA activity may be the provision of this care.)
- Physical or mental disability.

If a person chooses not to cooperate in removing identified barriers to participation, the person is choosing an LBP, unless the person is refusing to apply for or to accept SSDI or SSI benefits. In this situation, FIP is canceled. See *4-C, Benefits from Other Sources* for more information on the requirement to apply for and accept these benefits.

Excusing Participants From PROMISE JOBS Activities or Employment

Legal reference: 441 IAC 93.14(239B)

The table that follows lists reasons why a participant can be excused from PROMISE JOBS activities and reasons for excusing a participant who reduces, refuses, or ends employment, including discharges due to the participant's misconduct.

Regardless of the reason, a participant who has been excused by PROMISE JOBS still remains FIA-responsible.

If Column 1 (labeled "PJ") is checked, the circumstance is an acceptable reason for excusing a participant from PROMISE JOBS activity other than work. If Column 2 (labeled "Work") is checked, the circumstance is an acceptable reason for excusing a participant who refuses, reduces, or ends employment. (Some circumstances are reasons for both excusing a participant from PJ activities **and** excusing a participant for reducing, refusing, or ending employment.)

There may be other circumstances not listed in the table in which forcing a participant to participate would prevent them from becoming self-sufficient. Speak with your supervisor with questions about circumstances not listed.

PJ	Work	Circumstance
■	■	The travel required from home to the work assignment, job, or unpaid community service site takes over one hour each way, including time needed to take a child to day care.
	■	The work offered is at a site subject to a strike or lockout. See 4-C for how to handle a person involved in a strike. If the strike has been enjoined under Section 208 of the Labor-Management Relations Act (commonly known as the Taft-Hartley Act), or if an injunction has been issued under Section 10 of the Railway Labor Act, the client may not refuse employment.
■	■	The job violates state or federal health and safety standards.
■	■	Workers' compensation is not provided.
■	■	The job is contrary to the participant's religious or ethical beliefs.
■	■	The participant is required to join, resign, or refrain from joining a legitimate labor organization.
■	■	The work requirements are beyond the mental or physical capabilities of the participant, as documented by reliable evidence.

PJ	Work	Circumstance
▪	▪	There is discrimination by an employer based on age, race, sex, color, handicap, religion, national origin, or political beliefs.
▪	▪	Work demands or conditions make employment unreasonable, such as working without being paid on schedule.
▪	▪	There are circumstances beyond the control of the participant, such as disruption of regular mail delivery.
	▪	The change or termination is part of the FIA.
	▪	The job does not pay at least the minimum amount that is customary for the same work in the community.
	▪	The client takes a job that provides better pay, even though the hours of employment may be less than the current job.
	▪	Accepting employment would result in a net loss of cash income to the participant's family. "Net loss of cash income" means the family's gross income, less necessary work-related expenses, is less than the cash assistance the participant was receiving at the time the offer of employment is made. "Gross income" may include earnings, unearned income, cash assistance, etc. It does not include food stamp benefits and in-kind income. Use the family's actual work-related expenses rather than the standard deductions. In the absence of gasoline receipts, use the current mileage rate allowed for state employees when determining the participant's mileage expenses.
	▪	The employment changes substantially from the terms of hire, such as a change in work hours, work shift, job duties, or decrease in pay rate.
▪		The participant needs to stay in the home because of illness of another family member. PROMISE JOBS staff may request medical documentation of the illness.
▪		The participant is ill. If a participant is ill more than three consecutive days or habitually ill, PROMISE JOBS staff may request medical documentation of the illness.
▪		The participant has a family emergency, using the reasonable standards of an employer.
▪		The participant is absent or late due to bad weather, using the reasonable standards of an employer.

PJ	Work	Circumstance
▪		The participant is absent or late because the participant or the participant's spouse has a job interview. The participant must provide notice 24 hours before the interview, if possible. The notice must include the name and address of the prospective employer. If 24-hour advance notice is not possible, the participant must provide the information as soon as possible. It must be provided before the interview.
▪		The participant has a newborn child. Absence is determined using the standards of the Family Leave Act of 1993.

Limited Benefit Plan (LBP)

Legal reference: 441 IAC 41.24(8)

Policy: A limited benefit plan (LBP) results in FIP ineligibility for the entire family.

An FIA-responsible FIP participant is subject to an LBP when:

- The participant chooses not to follow the terms of the FIA, or
- The participant's referral status changes from exempt to FIA-responsible and the participant does not write and sign an FIA.

A FIP applicant's failure to sign an FIA results in denial of FIP and does not result in imposition of an LBP. See Referring Applicants for more information.

The basic LBP applies when the LBP is chosen by:

- The parent on a one-parent case.
- Either parent on a two-parent case.

The basic **first** LBP results in ineligibility for the entire family, and continues until the person who chose the LBP reconsiders by signing an FIA.

A basic **subsequent** LBP applies when:

- The parent on a one-parent case previously chose an LBP, or
- Either parent on a two-parent case previously chose an LBP.

A basic **subsequent** LBP results in ineligibility for the entire family for a minimum of six months, and

- Continues after six months until the person who chose the LBP reconsiders by:
  - Signing an FIA, and
  - Completing 20 hours of work or other approvable PROMISE JOBS activity within 30 days after signing the FIA.

Any valid LBP counts when determining whether a household is subject to a subsequent LBP.

An LBP is not valid when the LBP was stopped because:

- The LBP was imposed in error, or
- The person who chose it was referred to PROMISE JOBS in error.

An LBP that is stopped because the person who chose it reconsidered and signed an FIA counts as a valid LBP, even if the person reconsiders before the effective date of the LBP and as a result there is no loss of FIP benefits.

Procedure: Use the PJCase system to determine if an LBP exists, the type of LBP, and who is included. In PJCase, a basic LBP is identified as normal. The LBP is modified for other case situations. See LBP Variations for more information.

The same LBP provisions apply when FIA-responsible "adults" in households approved for a hardship exemption fail to carry out the terms of their hardship exemption FIA or fail to amend their hardship exemption FIA when so required. See 4-C, *Hardship Exemption* for additional information.

The following sections give more information on:

- Choices Resulting in a Limited Benefit Plan
- To whom the limited benefit plan is applied
- LBP Variations
- Reconsidering a limited benefit plan
- Stopping a limited benefit plan

Choices Resulting in a Limited Benefit Plan (LBP)

Legal reference: 441 IAC 41.24(8), 93.13(239B)

Policy: An FIA-responsible FIP participant chooses an LBP when the participant does not carry out FIA responsibilities after signing an FIA.

A FIP participant whose referral status changes from exempt to FIA-responsible also chooses an LBP when the participant:

- Does not schedule or does not keep an FIA appointment.
- Does not sign the FIA during the appointment.

Procedure: When a FIP participant is no longer exempt and is referred to PROMISE JOBS as FIA-responsible, ABC automatically issues *FIA Referral for Mandatory Participants,* form 470-3105, instructing the participant to contact PROMISE JOBS to schedule an appointment within ten days to begin the FIA process. See Referring Participants for more information.

If the FIP participant does not schedule an appointment or fails to attend or reschedule the appointment, PROMISE JOBS staff send the participant *Your PROMISE JOBS Reminder*, form 470-3103, giving the client an additional ten days to comply.

If the participant appears for the FIA appointment, PROMISE JOBS will continue with the appointment and work with the participant to create and sign the FIA.

A participant who does not participate in this process or who does not sign an FIA chooses an LBP.

NOTE: An LBP does not apply when a FIP applicant fails to sign an FIA. FIP applicants must sign an FIA before FIP approval. Families that have received FIP for 60 months and are requesting a hardship exemption must sign a six-month FIA to be granted the exemption. Failure to develop or sign an FIA in these circumstances results in denial of FIP. See 4-C, *Hardship Exemption* and *Family Investment Agreement* for additional information.

When a participant who has signed an FIA fails to follow the terms of the FIA, the PROMISE JOBS worker will attempt to resolve the participation issue. If there are problems or barriers to participation, PROMISE JOBS will work with the participant to find solutions to the problems before determining the participant has chosen the LBP.

When a PROMISE JOBS worker determines that a participant has chosen an LBP, the PROMISE JOBS worker will send the participant a written reminder to:

- Identify the participation issue,
- Clarify expectations,
- Attempt to identify problems and barriers to participation, and
- Offer supervisory intervention.

PROMISE JOBS may also choose to involve an impartial third party, if necessary, to help resolve participation issues.

The PROMISE JOBS worker will refer the case for an administrative review or local review. If the participant does not resume participation, the participant is considered to have chosen the LBP.

If the review disagrees that the participant has chosen an LBP, the worker will contact the participant to give them another opportunity to participate or otherwise attempt to resolve the participation issue.

If the reviewer agrees that the participant has chosen an LBP, PROMISE JOBS will make entry in PJCase to impose an LBP. The PJCase LBP start entry:

- Cancels FIP for these persons,
- Recalculates Supplemental Nutrition Assistance Program (SNAP),
- Sends a timely *Notice of Decision* to the household,
- Assigns the individual sanction status at ABC system cutoff in the month before the effective date of the LBP, and
- Sends an e-mail to the IM worker.

The *Notice of Decision* explains the actions the former participant will need to take to end the LBP. For a subsequent LBP, the notice also states the minimum six-month ineligibility period.

Even though PROMISE JOBS has imposed the LBP, continue to act on changes and reports that occur on the case.

See Reconsidering a Limited Benefit Plan for more information on the actions needed to end an LBP. Refer to 14-O, *Results of Starting an LBP* for more information on what PJCase does when an LBP is started.

1. Ms. A, her 16-year-old son and her ten-year-old daughter apply for FIP. Ms. A is referred to PROMISE JOBS and signs an FIA. Ms. A meets all FIP eligibility requirements and FIP is approved.

   The 16-year-old drops out of high school. The IM worker changes his JOBS referral code in ABC from exempt to FIA-responsible. On January 15, the system sends *FIA Referral for Mandatory Participants* instructing him to contact PROMISE JOBS within ten days to schedule his FIA appointment. He fails to do so.

   PROMISE JOBS sends *Your PROMISE JOBS Reminder* giving him a second ten days to respond. He fails to do so. A review agrees that the 16-year-old has chosen an LBP. PROMISE JOBS makes an entry in PJCase to impose the LBP. The system sends a *Notice of Decision* notifying Ms. A that her son has chosen a first individual LBP effective March 1. Ineligibility for the son continues until he reconsiders and signs an FIA.

2. Mr. B and his child receive FIP. Mr. B signed an FIA when he applied for FIP as part of the application process and to reconsider the LBP that he chose in the previous year. The PROMISE JOBS worker determines that Mr. B once again is not following the steps of his FIA and sends a written reminder letter.

   After Mr. B does not respond to the reminder letter, PROMISE JOBS determines that Mr. B abandoned his FIA and refers the case for an administrative review. The case review agrees that Mr. B has abandoned his FIA.

   On June 7, PROMISE JOBS staff make an entry in PJCase to impose the subsequent LBP. The system cancels FIP and sends a *Notice of Decision* informing Mr. B that he has chosen a subsequent LBP effective July 1, and that his six-month ineligibility period lasts through December 31.

3. Ms. C and her child receive FIP. Ms. C signed an FIA when she applied for FIP saying that she would attend a job readiness workshop as her first activity in July. Ms. C does not attend the job readiness workshop as scheduled. PROMISE JOBS sends a written reminder and schedules Ms. C for another job readiness workshop in August. Ms. C again fails to attend as scheduled and PROMISE JOBS determines that Ms. C is not following the steps of her FIA and refers the case for administrative review.

   On August 15, the case review agrees that Ms. C has abandoned her FIA and PROMISE JOBS makes entry in PJCase to impose a first LBP. The system cancels FIP and sends a *Notice of Decision* informing Ms. C that she has chosen an LBP effective September 1. FIP ineligibility will continue until Ms. C reapplies for FIP and reconsiders by signing another FIA.

Once a subsequent LBP is chosen, the six-month ineligibility period remains unchanged, even if the case is canceled for other reasons.

Ms. D chooses a subsequent LBP that makes her family ineligible for FIP effective November 1 through April 30. The worker also cancels FIP effective November 1, as Ms. D's income exceeds FIP limits. In March, Ms. D's income goes down and she reapplies for FIP.

The worker denies the application because the six-month period of ineligibility is in effect through the month of April. Ms. D reapplies on June 2. She reconsiders the LBP by signing an FIA on June 10 and completing 20 hours of approvable PROMISE JOBS activity. The worker approves FIP effective June 10, the date the FIA was signed.

To Whom the Limited Benefit Plan Is Applied

Legal reference: 441 IAC 41.24(8)

Policy: The conditions of the LBP apply to all persons in the FIP household except as indicated in the section LBP Variations.

Children and parents who join the FIP household of a parent who chose an active LBP are subject to the conditions of the LBP.

Children and parents who leave the household of a parent who has chosen an LBP are no longer subject to the conditions of the LBP unless the parent in the new household has chosen an LBP.

If a parent on a parental FIP case subject to an LBP applies for a separate nonparental caretaker case, the LBP does not apply to the children on the nonparental caretaker case.

Procedure: When a child or a parent joins the household of a parent who chose an active LBP, use the PJCase system to:

- Add the child or parent to the other parent's LBP, or,
- Reactivate the LBP for the child or parent if the child or parent is included in the LBP but the LBP is stopped for the parent or child due to having left the home of the parent who chose.

Issue FIP benefits for the new members when eligibility exists in any month before the effective date of the LBP.

Use PJCase to stop the LBP for a child or parent who no longer lives with the parent who chose the LBP.

See 14-O, *PJCase System* for instructions for using the PJCase system. See Two-Parent Households for more information on applying an LBP in a household with more than one parent.

1. Ms. A chooses a first LBP. On June 2, the system sends a *Notice of Decision* to explain that FIP will end July 1 for Ms. A and her children. On June 7, Ms. A reports her 12-year-old son has moved into the home. The IM worker uses PJCASE to add him to Ms. A's LBP.

   On June 20, the worker determines the son meets all eligibility requirements and adds him to FIP effective June 14. The system issues an adjustive FIP payment for his June needs, cancels him for July 1 due to Ms. A's LBP, and sends one *Notice of Decision* to explain the action.

2. Ms. B chooses a subsequent LBP and is in the six-month period of ineligibility when her nephew moves into the home. She applies for a nonparental caretaker case for his needs only. He meets all eligibility requirements and is approved with Ms. B as payee. Her LBP does not affect her nephew's assistance.
3. Ms. C chooses an LBP for herself and her son. During the period of ineligibility, her son leaves her home and moves in with his grandparents. The grandparents apply for FIP assistance for the child. The IM worker uses PJCase to stop the LBP for the child. The worker determines eligibility and approves FIP for the child.

LBP Variations

Legal reference: 441 IAC 41.24(8)

The LBP is applied differently in certain households that include:

- Children who are FIA-responsible PROMISE JOBS participants
- Both a minor parent and an adult parent
- Stepparents or needy specified relatives
- A needy specified relative who chooses an LBP effective October 1, 2005, or earlier
- Two parents
- Families that are granted a hardship exemption

Children Who Are FIA-Responsible Participants

Legal reference: 441 IAC 41.24(8)"b"

Policy: A child who is receiving FIP and is not exempt must sign and follow the terms of the household's FIA. The child does not have a separate FIA unless they have children, or their parents are exempt from participation.

An FIA-responsible child participant who fails to sign an FIA or fails to follow its terms while receiving FIP-chooses an LBP. The **individual** LBP makes the child ineligible.

For a **first** LBP, the child is not eligible until the child reconsiders the LBP by signing an FIA.

For a **subsequent** LBP, the child is ineligible for a minimum of six months and thereafter until the child reconsiders the LBP by signing an FIA and completing 20 hours of work or other approvable PROMISE JOBS activity.

Procedure: Exempt the income and resources of the ineligible child in an LBP in determining continued FIP eligibility and benefits for other household members.

If the FIA-responsible child who chooses the LBP is the only child in the home, the parent's or needy specified relative's FIP eligibility also ends on the date the child's LBP goes into effect. This is because there is no longer an eligible child in the household. Cancel the FIP case effective the date the child's LBP goes into effect.

Deny FIP for a FIA-responsible child who fails to sign an FIA as a FIP applicant. PROMISE JOBS does not impose an LBP in this situation. See Referring Applicants and 4-C, *Family Investment Agreement* for more information.

1. Ms. A and her 16-year-old son, who is not in school, receive FIP. Each signed a joint FIA when they applied for FIP. If Ms. A chooses an LBP after signing the FIA, the **normal** LBP applies to the entire household.
2. Ms. A from Example 1 cooperates with the terms of the FIA, but her son chooses the LBP. The **individual** LBP makes the son ineligible. The IM worker cancels FIP for Ms. A effective the first month of the son's LBP, because there is no longer an eligible child in the home.
3. Ms. B receives FIP for her two daughters, a 16-year-old and a 17-year-old. Ms. B is exempt from PROMISE JOBS participation as she receives SSI. The 16-year-old drops out of school and the worker refers her to PROMISE JOBS as a FIA-responsible participant because she is not enrolled in school. The 16-year-old fails to sign an FIA and chooses an **individual** LBP.

   The **individual** LBP makes the 16-year-old ineligible. Ms. B will continue to receive FIP for the 17-year-old, as long as they meet all other eligibility requirements.
4. Ms. C applies for FIP for her 16-year-old son who is not in school. The worker refers Ms. C and the son to PROMISE JOBS to sign an FIA as a condition of receiving FIP. Ms. C signs an FIA but her son does not. The worker denies FIP for the entire family as the son is not eligible for failure to sign an FIA and Ms. C does not have an eligible child.

Minor Parents Living With FIP Parent

Legal reference: 441 IAC 41.24(8)"b"

Policy: A minor parent living with their child and receiving FIP sign and follow the terms of an FIA unless exempt for other reasons. When a minor parent and their child are also living with a FIP parent or needy specified relative, each is responsible for a separate FIA. Both the minor parent and the FIP parent or needy specified relative must meet with PROMISE JOBS to write and sign an FIA before FIP approval.

If the adult parent chooses the LBP, the **normal** LBP applies to the entire eligible group. See Limited Benefit Plan for more information on a **normal** LBP.

If the needy specified relative who is not a parent chooses the LBP, the **individual** LBP applies only to the nonparental relative.

EXCEPTION: The LBP applies to the entire eligible group if it was effective October 1, 2005, or earlier. See Stepparent or Needy Specified Relative and Needy Specified Relative Chooses Effective October 1, 2005, or Earlier for more information.

When the minor parent chooses the LBP, the **partial** LBP applies only to the minor parent and any child of the minor parent.

For a **first** LBP, the minor parent and their child are not eligible until the minor parent reconsiders the LBP by signing an FIA.

For a **subsequent** LBP, the minor parent and their child are ineligible for a minimum of six months and thereafter until the minor parent reconsiders the LBP by signing an FIA and completing 20 hours of work or other approvable PROMISE JOBS activity.

Procedure: When FIP is canceled as the adult parent has chosen a **normal** LBP, the minor parent can reapply for FIP independently or as a minor parent living with self-supporting parents and then continue the FIA process. See Stopping a Limited Benefit Plan for more information.

When FIP is canceled as the minor parent has chosen a **partial** LBP, exempt the income and resources of the ineligible minor parent and any child of the minor parent in an LBP when determining continued FIP eligibility for the adult parent or specified relative and any children receiving FIP with the adult parent or relative.

When a minor parent is the only eligible child in the home and chooses the LBP, the adult parent's or needy specified relative's FIP eligibility ends on the date the LBP goes into effect. This is because the parent or needy specified relative no longer has an eligible child. Cancel the entire FIP case effective the date the minor parent's LBP takes effect.

1. Mrs. A, her 17-year-old daughter Ms. Z, and Ms. Z's child receive FIP. Both Mrs. A and Ms. Z are FIA-responsible and each signed their own FIA when they applied for FIP.

   If Mrs. A chooses an LBP, the **normal** LBP makes the entire household ineligible, even though Ms. Z has signed her own FIA. Ms. Z has the option of applying for her own FIP case for herself and her child, as a minor parent living with a self-supporting parent.
2. Mrs. A from Example 1 signs and cooperates in her FIA, but Ms. Z chooses a first LBP effective December 1. The **partial** LBP makes Ms. Z and her child ineligible.

   Although the LBP does not apply to Mrs. A, the worker cancels FIP effective December 1, because Mrs. A no longer has an eligible child. The entire case is canceled effective December 1.
3. Mrs. B applies for FIP for her 16-year-old daughter, Ms. C, and Ms. C's child. The worker refers Mrs. B and Ms. C to PROMISE JOBS to sign an FIA as a condition of receiving FIP. Mrs. B signs an FIA, but Ms. C does not. The worker denies FIP for the entire family as Ms. C is not eligible for failure to sign an FIA and Mrs. B does not have an eligible child.

Stepparent or Needy Specified Relative

Legal reference: 441 IAC 41.24(8)"b"

Policy: A person included in the eligible group as one of the following is FIA-responsible:

- An incapacitated stepparent.
- A needy specified relative who is not a parent.

If one of these persons chooses an LBP, the **individual** LBP applies only to the FIA-responsible person. The others in the FIP eligible group continue to receive FIP if other eligibility factors are met.

For a **first** LBP, the person is not eligible until the person reconsiders the LBP by signing an FIA.

For a **subsequent** LBP, the person is not eligible for a minimum of six months, and thereafter until the person signs an FIA and completes 20 hours of work or other approvable PROMISE JOBS activity.

Procedure: Exempt the income and resources of the nonparental specified relative in an **individual** LBP when determining continued FIP eligibility for any children still living with the relative. See 4-D, *Whose Resources to Count* and 4-E, *Whose Income Is Not Counted* for more information.

Count the income of an ineligible stepparent as described at 4-E, *Stepparent Income*. Do not count the resources of an ineligible stepparent as described at 4-D, *Whose Resources to Count*.

Exception: An LBP chosen by a needy specified relative who is not a parent and was effective October 1, 2005 or earlier, applies to the entire eligible group. See the Needy Specified Relative Chooses Effective October 1, 2005, or Earlier for procedures on this situation.

1. The FIP household consists of Ms. B, and her two grandchildren. Ms. B is included in the grant as a needy specified relative who has assumed the role of parent as the children's parents are not in the home.

   Ms. B is an FIA-responsible PROMISE JOBS participant and signed an FIA when she applied for FIP. Ms. B has chosen an LBP before. She fails to follow the terms of her FIA and chooses a subsequent individual LBP effective November 1, 2005.

   Ms. B's needs are removed from the grant effective November 1. Ms. B is ineligible for FIP for a minimum 6-month period. When the 6-month period ends, Ms. B remains ineligible until she reconsiders by signing an FIA and completing 20 hours of PROMISE JOBS activity. The grandchildren remain eligible as long as other eligibility requirements are met.

2. The FIP household consists of Ms. A, her children, and her mother, Mrs. Z. Ms. A is disabled to such an extent as to be unable to act as payee for her own case. Her mother has been included in the grant as a needy specified relative acting as payee when the parent is unable to do so.

   Mrs. Z is FIA-responsible and signed an FIA when she applied for FIP. She fails to follow the terms of her FIA and chooses a first **individual** LBP effective June 1.

   Mrs. Z's needs are removed from the grant effective June 1, and she remains ineligible until she reconsiders and signs an FIA. The rest of the household remains eligible, as long as all other eligibility requirements are met.

Needy Specified Relative Chooses Effective October 1, 2005, or Earlier

Legal reference: 441 IAC 41.24(8)"b"

Policy: This section applies to a needy specified relative who is not a parent and who chose an active LBP effective October 1, 2005, or earlier. See Stepparent or Needy Specified Relative for the effect of an LBP that is effective on or after November 1, 2005.

A **normal** LBP applies to the entire eligible group when it:

- Is chosen by a needy specified relative who is not a parent and
- Is effective October 1, 2005 or earlier.

If the needy specified relative who is not a parent has chosen a **first** LBP effective October 1, 2005 or earlier, FIP remains canceled until the relative either:

- Reconsiders the LBP by signing an FIA, or
- Reapplies for the needs of the children only.

If the needy specified relative who is not a parent has chosen a **subsequent** LBP effective October 1, 2005 or earlier, FIP remains canceled for a minimum of six months and until the needy specified relative either:

- Reconsiders the LBP by signing an FIA and completing 20 hours of PROMISE JOBS activity, or
- Reapplies for the needs of the children only.

Procedure: See Reconsidering a Limited Benefit Plan for procedures to use if the relative reapplies as a needy specified relative.

Use the following procedures if the needy specified relative reapplies for the children only:

- The IM worker temporarily stops the LBP by entering reason "W" in PJCase and determines FIP eligibility for the children. See Stopping a Limited Benefit Plan for more information. If the LBP is not temporarily stopped while the relative receives FIP for the children, the FET system will incorrectly count the months of FIP toward the relative's 60-month limit.
- If the needy specified relative later reapplies to be included in the eligible group, the relative must take the needed action to reconsider the LBP. The IM worker reactivates the LBP in PJCase, takes the steps to schedule an FIA appointment, and refers the relative to PROMISE JOBS.
- If the relative reconsiders the LBP PROMISE JOBS stops the LBP by entering reason "R" in PJCase.
- If the relative fails to complete the reconsideration process, the IM worker denies the application to include the relative in the FIP household and temporarily stops the LBP again by entering reason "W" in PJCase.

Exempt the income and resources of the specified relative in a **normal** LBP when determining continued FIP eligibility for any children still living with the relative. See 4-D, *Whose Resources to Count* and 4-E, *Whose Income Is Not Counted* for more information.

Two-Parent Households

Legal reference: 441 IAC 41.24(8)"b"

Policy: All parents must sign and follow the terms of the FIA when in the home of a child receiving FIP unless exempt. When one parent is exempt, only the FIA-responsible parent must sign and follow the FIA.

Every FIA-responsible parent must meet with PROMISE JOBS to write and sign the FIA before FIP approval. Every FIA-responsible parent must follow the terms of the FIA or choose an LBP.

When the household consists of two parents and at least one common child on FIP, if either parent chooses an LBP, a **normal** LBP applies and the entire household is ineligible for FIP in this situation.

If only one parent chooses, the **normal** LBP applies even when the other parent is meeting the terms of the FIA or is exempt. The other parent cannot end the LBP by participating.

For a **first normal** LBP, ineligibility continues until both parents reconsider and sign an FIA. If one parent is exempt, only the FIA-responsible parent must sign an FIA to end the LBP.

A **subsequent normal** LBP applies when one parent chooses an LBP and either that parent OR the other parent in the home chose a valid LBP before that is no longer in effect.

For a **subsequent** LBP ineligibility continues for a minimum of six months and thereafter until both parents reconsider the LBP. To reconsider, each parent must sign an FIA and complete 20 hours of work or other approvable PROMISE JOBS activity. If one parent is exempt, only the FIA-responsible parent must complete the reconsideration actions to end the LBP .

A **partial** LBP applies in the following situations:

- The household consists of two parents, but the only common child is not eligible for FIP, and one parent chooses an LBP.
- The household consists of a married couple who each have children but have no common children in the eligible group, and one parent chooses an LBP.

A **partial** LBP applies only to the parent who chose and that parent's children. Only the parent who chose needs to complete reconsideration actions to end a **partial** LBP.

Procedure: If the parents in an LBP separate and only one parent was responsible for the LBP, it continues for the parent who chose it and any children in the home of that parent. Make entry in the PJCase system to stop the LBP for the parent and children who no longer live with the parent who chose the LBP.

When both parents chose an LBP and separate, each parent's LBP continues for the parent and any children in the home of that parent. Make entry in PJCase to stop each parent's LBP record for the parent and children who no longer live with the parent who chose.

See Stopping a Limited Benefit Plan for instructions on PJCase entries for both of the above situations.

A subsequent LBP remains a subsequent when the parent that chose the current LBP has not chosen before and the parent that chose the prior LBP is no longer in the home. However, the subsequent LBP only applies to the parent that chose it and any children living with that parent.

When a parent enters the home of a child or co-parent on FIP, and the returning parent had previously chosen an active LBP, the child and co-parent of the child become ineligible for FIP effective the first of the next month. Use PJCase to either:

- Add the co-parent and child on FIP to the LBP of the returning parent when the co-parent and child were not previously on the LBP, or
- Reactivate the returning parent's LBP for the co-parent and child on FIP if the child or co-parent were previously active on the LBP but the LBP was stopped for the co-parent or child due to leaving the household of the parent who chose.

Your PJCase entries will cancel FIP for those impacted by the LBP. See 14-O, *Adding a Person to an LBP* and *Reactivating an LBP* for more instructions on making these entries in PJCase.

Both parents must complete the required action to reconsider and end an LBP if both parents are in the home and FIA-responsible, even if only one parent chose the LBP. However, the other parent does not need to sign another FIA if the terms of the parent's existing FIA still apply. The parent on FIP may use participation in existing activities towards the hours required to end a subsequent LBP.

See Reconsidering a Limited Benefit Plan for more information.

1. Mr. and Mrs. A apply for FIP for their two common children on March 15. The worker refers both Mr. and Mrs. A to PROMISE JOBS as FIA-responsible applicants. Both must sign a joint FIA.

   Mrs. A signs the FIA, but Mr. A does not sign. The FIP application is denied for the entire household.

   If both Mr. and Mrs. A sign the FIA, but one of them later fails to carry out the terms of the FIA, an LBP is imposed. The normal LBP makes the entire family ineligible for FIP.

2. Same as Example 1, except that Mrs. A is exempt from PROMISE JOBS participation. Mr. A, the only FIA-responsible participant, signed an FIA as a FIP applicant. Mr. A fails to follow the terms of his FIA and chooses a first LBP beginning June 1. The normal LBP makes the entire family ineligible for FIP effective June 1. Ineligibility continues until Mr. A reconsiders by signing an FIA.

3. Same as Example 1, except that Mrs. A had chosen an LBP the previous year that ended before this application. Therefore, Mr. A's LBP is the second LBP chosen by a parent in this household.

   The normal subsequent LBP makes the entire family ineligible for FIP effective June 1. The family remains ineligible for the months of June through November. After the six-month period ends, ineligibility continues until Mr. and Mrs. A each reconsider by signing an FIA and completing 20 hours of work or other approvable PROMISE JOBS activity.

4. Mr. F and Ms. G receive FIP for three children: his child, her child, and a common child. They have a joint family FIA. Mr. F abandons his FIA steps and chooses a first LBP effective December 1.

   Although Ms. G is meeting the steps of her FIA, the normal LBP makes the entire family ineligible for FIP, including Ms. G's child, effective December 1. Ineligibility continues until Mr. F and Ms. G each reconsider by signing an FIA.

5. Mr. and Mrs. E receive FIP for his child and her child. They have a common child who receives SSI and therefore is not in the FIP eligible group. Mr. E is meeting the steps of their FIA. Mrs. E abandons her steps and chooses a first LBP beginning November 1.

   The partial LBP makes Mrs. E and her child ineligible effective November 1. Ineligibility continues until Mrs. E reconsiders and signs another FIA. Mr. E and his child remain eligible, as long as all other eligibility requirements are met.

6. Mrs. B, her child, her husband Mr. B, and his child apply for FIP on one application. (There are no common children.) Both parents are FIA-responsible applicants and must sign a joint FIA.

   Mrs. B signs the FIA, but Mr. B refuses to sign. Deny the application for Mr. B and his child. If both parents sign the FIA, but Mr. B later chooses an LBP by abandoning his FIA steps, the partial LBP applies to Mr. B and his child.

7. Mr. and Mrs. C and their two children are ineligible for FIP, as Mr. C chose a first normal LBP effective August 1. On September 20, Mr. C and one child leave the home and Mrs. C applies for FIP.

   The worker makes entry in the PJCase system to stop Mr. C's LBP for Mrs. C and the child who lives with her. Ineligibility continues for Mr. C and the child who lives with him until he reconsiders by signing an FIA. The worker refers Mrs. C to PROMISE JOBS as an FIA-responsible applicant and schedules an FIA appointment for Mrs. C.

8. Mr and Mrs. D receive FIP for their three common children and signed a joint FIA when they applied. Mr. D chooses a normal first LBP effective June 1. Mrs. D was following her FIA terms. The entire family is ineligible for FIP until both Mr. and Mrs. D reconsider the LBP by signing another FIA.

   In August, Mrs. D reapplies for FIP for the children as Mr. D left the home. The IM worker makes entry in PJCase to stop Mr. D's LBP for Mrs. D and the chidren, refers Mrs. D to PROMISE JOBS, and schedules an FIA appointment. Mrs. D signs an FIA and FIP is approved.

   In September, Mr. D returns to the home. The IM worker uses PJCase to reactivate Mr. D's LBP for Mrs. D and the children. As a result, FIP for Mrs. D and her children is canceled for FIP beginning October 1. If Mr. and Mrs. D want to reconsider the LBP, the IM worker refers Mr. D to PROMISE JOBS and schedules an FIA appointment for him. Mrs. D will not need to sign another FIA unless contacted by PROMISE JOBS because her existing terms no longer apply to her situation.

9. Mr. and Mrs. H receive FIP for their two common children, A and B, and signed a joint FIA when they applied. Both parents chose a first normal LBP effective October 1.

   In January, Mrs. H reapplies for FIP for child B as Mr. H and child A left the home. Mrs. H wants to reconsider her LBP. The IM worker uses PJCase to stop Mr. H's LBP for Mrs. H and child B and to stop Mrs. H's LBP for Mr. H and child A. The worker refers Mrs. H to PROMISE JOBS as an FIA-responsible applicant and schedules an FIA appointment for Mrs. H.

10. Mr. and Mrs. G receive FIP for their two common children. Mr. G chose a first LBP 3 years ago and Mrs. G has never chosen an LBP. Mrs. G now chooses an LBP effective March 1. Even though Mr. G is following his FIA, Mrs. G's LBP will be a subsequent LBP since Mr. G is in the home and has chosen an LBP before. The family is ineligible for FIP until September 1.

    On April 10, Mr. G leaves the home. Mrs. G's LBP remains a subsequent even though the parent that chose the prior LBP has left the home.

Households Granted a Hardship Exemption

Legal reference: 441 IAC 41.24(4)"b", 41.24(8), 41.30(3)"g"

Policy: FIA-responsible members of households that have received FIP for 60 months and are requesting a hardship exemption must develop and sign a six-month FIA as a condition for being granted the exemption. Failure to develop or sign the six-month FIA results in denial of their hardship exemption request rather than an LBP.

FIA-responsible members of a household that has been granted a hardship exemption that do not follow the terms of the six-month FIA or that fail to amend the FIA when so required will have chosen an LBP.

Procedure: When an FIA-responsible member chooses a first LBP during the hardship exemption period and takes appropriate reconsideration action before the effective date of the FIP cancellation, FIP must be reinstated for the remainder of the exemption period.

Family A's six-month hardship exemption period is from July through December. Mr. A fails to follow the terms of the FIA, and a first LBP results. A *Notice of Decision* is sent canceling FIP effective August 1 because of the LBP.

If Mr. A signs another FIA before August 1, his FIP case is reinstated and may continue for the remainder of the six-month hardship exemption period.

If Mr. A does not reconsider the LBP before August 1, FIP remains canceled. A new application is required for the family to regain FIP eligibility, and as long as FIP eligibility depends on a hardship exemption, the family must submit a new form 470-3826*, Request for FIP Beyond 60 Months*. .

Households with an FIA-responsible member that choose a subsequent LBP during the hardship exemption period are ineligible for FIP for a minimum of six months. They are not allowed to reconsider before the end of the six-month period of ineligibility. Therefore, FIP must be canceled for the remainder of the hardship exemption period.

FIP eligibility cannot be regained until the LBP period of ineligibility has ended, and the household meets all other requirements. A new application is required. In addition, households whose FIP eligibility depends on receiving a hardship exemption must submit a new form 470-3826, *Request for FIP Beyond 60 Months* and a new hardship determination is required before FIP approval.

Family B's six-month hardship exemption period is from July through December. Mrs. B fails to follow the terms of the FIA, and an LBP results. This is Mrs. B's second LBP, and a *Notice of Decision* is sent canceling FIP effective August 1.

The household cannot regain FIP eligibility until the six-month ineligibility period is over and the household meets all other requirements. A new application is required, and if the household's FIP eligibility continues to depend on receiving a hardship exemption, they must also submit a new form 470-3826, *Request for FIP Beyond 60 Months*. A new hardship exemption determination is required before FIP approval.

See Referring Hardship Exemption Applicants and 4-C, *Hardship Exemption* for more information.

Reconsidering a Limited Benefit Plan (LBP)

Legal reference: 441 IAC 41.24(8)

Policy: A person who chooses a first LBP may reconsider by signing an FIA. The person may begin the reconsideration process any time from the date of the *Notice of Decision* imposing the LBP.

A person who chooses a subsequent LBP cannot reconsider their decision from the date of the *Notice of Decision* imposing a subsequent LBP is issued until the six-month period of ineligibility has expired.

When the six-month ineligibility period ends, the person may reconsider by signing an FIA and completing 20 hours of work or other approvable PROMISE JOBS activity (other than work experience or unpaid community service). Due to the Fair Labor Standards Act, PROMISE JOBS cannot ask persons to participate in work experience or unpaid community service activities unless the person is on FIP.

The hours of work or other activity must be completed within 30 days from the date the FIA is signed. The activity and time frame are specified in the FIA.

When a person has problems or barriers to participation, PROMISE JOBS may reduce or eliminate the number of required hours or extend the period for completion beyond the 30 days. PROMISE JOBS is responsible for tracking the required hours and that the hours are completed within the 30-day time frame.

If there are two parents in the home, both parents must complete the required action to reconsider and end an LBP if both parents are FIA-responsible, even if only one parent chose the LBP. However, if a parent of a child on FIP enters the home and the parent has an active LBP, the parent currently on FIP does not need to sign another FIA if the terms of their existing FIA still apply. The parent on FIP may use participation in existing activities towards the hours required to end a subsequent LBP.

Procedure: To reconsider an LBP, the person may contact either IM or the PROMISE JOBS worker. The person is able to reconsider the LBP when:

- The person chose a first LBP, or
- The person chose a subsequent LBP, *and* the six-month ineligibility period has ended.

First LBP:

When a person contacts the IM worker before the effective date of a first LBP to reconsider the LBP, use the PJCase Calendar to determine if there is an available FIA appointment before the effective date. If there is an appointment, refer the person with the applicable JOBS code and schedule an FIA appointment for the person as described at Referring People in a Limited Benefit Plan.

If there is not enough time for the person to sign an FIA before the effective date of the first LBP, inform the household of the need to reapply for assistance. No further action is needed if the household does not file an application.

When a person contacts the IM worker after the effective date of a first LBP, explain that the household must file an application to receive FIP again. If the household files an application, refer the person who chose the LBP to PROMISE JOBS and schedule an FIA appointment as described at Referring People in a Limited Benefit Plan.

Subsequent LBP:

If a household in a subsequent LBP files an application for FIP within the six-month period of ineligibility, deny the application, unless:

- The household files the application in the last month of the ineligibility period, **and**
- There is an available FIA appointment after the six-month period and within the 30-day period for processing the application.

When the six-month ineligibility period of a subsequent LBP ends, and the person who chose the LBP contacts the IM worker to reconsider the LBP, explain that the household must file an application to receive FIP again. No further action is needed if the household does not file an application.

If the household files an application, refer the person who chose the subsequent LBP to PROMISE JOBS and schedule an FIA appointment as described at Referring People in a Limited Benefit Plan.

Consider a filed FIP application a contact to reconsider the LBP, even when the person who chose the LBP makes no other contact.

Refer both parents to PROMISE JOBS and schedule both parents with an FIA appointment when there are two FIA-responsible parents in the home applying for FIP and in an LBP that can be reconsidered, even if only one parent chose the LBP. For a subsequent LBP, both parents will also need to complete 20 hours of PROMISE JOBS activity to end the LBP.

When a parent who has chosen an LBP that is still in effect and can be reconsidered enters the home of a child or co-parent on FIP, refer the applicant parent to PROMISE JOBS and schedule an FIA appointment as described at Referring People in a Limited Benefit Plan. The parent currently on FIP may use participation in existing activities towards the hours required to end the subsequent LBP chosen by the other parent if they are FIA-responsible. PROMISE JOBS will contact the parent on FIP if the terms of their existing FIA must be updated.

When a parent has chosen an LBP and enters the home of a child or parent on FIP, use PJCase to either reactivate the LBP for the FIP child and parent or to add the FIP child and parent to the LBP. See Two-Parent Households for more information.

See Referring People in a Limited Benefit Plan for more information regarding referring a person to PROMISE JOBS and scheduling the FIA appointment.

After you have referred a person for reconsideration of an LBP and scheduled the FIA appointment, PROMISE JOBS will make entry in PJCase to record one of the following results:

- **Stop First Limited Benefit Plan:** PROMISE JOBS will stop a first LBP if the person signs an FIA. PJCase will send you an e-mail to inform you of this action.
- **Stop Subsequent Limited Benefit Plan:** PROMISE JOBS will stop a subsequent LBP if the person signs an FIA **and** completes the required hours of work or other approved activity as stated in the FIA. PJCase will send you an e-mail to inform you of this action.
- **Abandon Reconsideration.** PROMISE JOBS will make entry that the person abandoned the reconsideration referral if the person does not sign an FIA or complete the required hours of work or other activity needed to end a subsequent LBP.

When the LBP is stopped, determine eligibility and issue a *Notice of Decision* to the household. See 14-O, *Result of Stopping an LBP* for more information on what occurs in ABC and PJCase when an LBP is stopped.

When PROMISE JOBS determines the person abandoned the reconsideration and makes entry in PJCase, PJCase denies the application when the person is a FIP parent and the worker has pended the application in ABC. See 14-O, *Pre-FIP Entries – Applicant Chose LBP* for more information.

Determining Eligibility

Consider an application pending so long as PROMISE JOBS considers the person to be continuing in the reconsideration process, even if the time necessary to complete the process extends beyond the normal 30-day application processing period. **Exception:** When the application is being reconsidered under the grace period, the applicant must complete all actions necessary to end the LBP within the 14-day grace period.

Proceed with the eligibility determination once you have been notified that an LBP is stopped.

Determine the effective date of eligibility following a **first** LBP as follows when the household is otherwise eligible:

- If the FIA is signed before the effective date of the LBP, reinstate FIP.
- If the FIA is signed on or after the effective date of the LBP, and FIP was canceled for the entire household, approve FIP effective the date the FIA is signed or seven days from the application date, whichever date is later.
- When adding a person who is excluded due to an LBP to an active FIP case, the effective date is seven days from the date the FIA is signed.

Determine the effective date of eligibility following a subsequent LBP when the household is otherwise eligible with the latest of the following dates:

- The date the FIA is signed,
- Seven days from the application date, or
- The first day after the six-month period of ineligibility expires.

When adding a person who is excluded due to a **subsequent** LBP to an active FIP case, the effective date is seven days from the date the FIA is signed or the first day after the six-month period of ineligibility expires, whichever date is later.

Deny an application if PROMISE JOBS determines that an applicant has abandoned the reconsideration attempt and the LBP remains in effect. If the household reapplies, the person who chose the LBP must begin the reconsideration process again.

When PROMISE JOBS determines that a person has abandoned the reconsideration attempt before the effective date of a **first** LBP, issue an adequate *Notice of Decision* to notify the family that assistance will remain canceled. The person who chose the LBP must make another contact to reconsider and file an application to receive FIP assistance.

When a person makes contact to reconsider before the effective date of a **first** LBP and the person does not sign an FIA before the effective date of the LBP, issue an adequate *Notice of Decision* to notify the household that assistance will remain canceled. Inform the household that they must now file an application to receive FIP assistance.

See 14-B-Appendix, *Notices: FIP Limited Benefit Plan* for applicable notice reasons.

1. Ms. A and one child are receiving FIP. Ms. A does not follow through on the steps of her FIA. PROMISE JOBS imposes a normal first LBP. On February 2, the system sends a *Notice of Decision* to notify Ms. A that she has chosen a **first** LBP effective March 1.

   On February 10 (before the effective date of the LBP), she contacts PROMISE JOBS to reconsider. She signs the FIA on February 20. PROMISE JOBS makes an entry to stop the LBP. The IM worker reinstates FIP effective March 1.
2. Same as Example 1, except Ms. A contacts IM to reconsider on March 5 when she files an application. Ms. A. signs the FIA on March 15. PROMISE JOBS stops the LBP. The IM worker approves FIP effective March 15, the date the FIA is signed.

3. Same as Example 1, except Ms. A does not contact IM to reconsider until May 15. She reapplies for FIP on May 19 and signs the FIA on May 24. The PROMISE JOBS worker stops the LBP. The IM worker approves FIP effective May 26, seven days from the application date.
4. Ms. B receives FIP for two children, ages 16 and 17. The IM worker refers the 17-year-old to PROMISE JOBS, as the child is not in school. The child chooses an individual **first** LBP after signing an FIA. The system removes the child's needs from the FIP grant and sends a *Notice of Decision* notifying Ms. B that FIP is decreased effective January 1 because the child chose an LBP.

   On February 12, the 17-year-old contacts PROMISE JOBS to reconsider. The child signs an FIA on February 15. The PROMISE JOBS worker stops the LBP. The IM worker approves the application to add the child to the eligible group effective February 22, seven days from the date the FIA is signed.
5. Mr. B and his children are ineligible for FIP for the months of March through August, as Mr. B chose a normal **subsequent** LBP. Mr. B reapplies for FIP on May 11. The worker denies the application due to the LBP.

   Mr. B applies again on October 17. The IM worker refers Mr. B to PROMISE JOBS to begin the FIA process. Mr. B. signs the FIA on October 27 and agrees to complete 20 hours of job search to get FIP again.

   On November 2, Mr. B completes his job search and PROMISE JOBS uses PJCase to stop his LBP and send an e-mail to IM. The IM worker approves FIP effective October 27, the date the FIA was signed.
6. Same as Example 5, except Mr. B signs his FIA on October 20. The IM worker approves FIP effective October 24, which is seven days from the application date.
7. FIP for Ms. L and her children is cancelled effective September 1st for failure to return a RRED form. On August 25, Ms. L chooses a normal **subsequent** LBP. PROMISE JOBS makes entry to start the LBP resulting in a *Notice of Decision* dated August 26, imposing the LBP effective October 1. On September 9, Ms. L reapplies for FIP. The IM worker denies the application due to the subsequent LBP as once the notice is issued, Ms. L cannot take action to end the subsequent LBP until the six-month period has ended.

Stopping a Limited Benefit Plan (LBP)

Legal reference: 441 IAC 41.24(239B)

Policy: An LBP must be stopped when:

- The person who chose the LBP takes action to reconsider the LBP as described at Reconsidering a Limited Benefit Plan.
- The LBP was imposed in error.
- The person who chose the LBP was exempt and referred to PROMISE JOBS in error.
- A child leaves the home of the person who chose the LBP or turns 18 and is no longer part of that person's FIP household.

- The person who chose the LBP leaves the home.
- An appeal of imposition of an LBP is filed:
  - Before the effective date of the initial *Notice of Decision* establishing the beginning date of the LBP, or
  - Within 10 days from the date the appellant receives the notice establishing the beginning date of the LBP. The date on which the notice is received is considered to be five days after the date on the notice, unless the appellant shows that the appellant did not receive the notice within the five-day period.

An LBP is considered temporarily stopped pending issuance of a final appeal decision. The LBP will be considered imposed in error if the final decision reverses the decision to impose the LBP.

An LBP imposed in error is not considered a valid LBP when determining if a person previously chose an LBP.

Procedure: Stopping an LBP is the responsibility of either the IM worker or the PROMISE JOBS worker, depending upon the situation.

The PROMISE JOBS worker is responsible for stopping the LBP when:

- The person who chose reconsiders and signs an FIA and completes any required hours
- of participation, or
- PROMISE JOBS discovers they have imposed the LBP in error, or
- The person who chose the LBP verifies they were not living in the state, or requested cancellation of FIP, prior to the date that PROMISE JOBS determined the person chose not to fulfill the terms of the FIA, or
- IM determines that the entire amount of FIP assistance issued for the person who chose the LBP is subject to recoupment for the month when the person chose not to fulfill the terms of the FIA, or
- The person who chose the LBP reveals a problem or barrier after the LBP is imposed and it is reasonable that the problem or barrier contributed to the person's failure to fulfill the terms of the FIA.

See Reconsidering a Limited Benefit Plan for information on actions required of the IM worker and the effective date of FIP eligibility when PROMISE JOBS stops an LBP because the person who chose reconsiders the LBP.

When PROMISE JOBS stops an LBP for reasons other than due to reconsideration, determine FIP eligibility as follows:

Situation:	**IM Worker Action:**
LBP in error: ▪ PROMISE JOBS determines **prior to** LBP effective date. ▪ PROMISE JOBS determines **on or after** LBP effective date.	▪ Reinstate FIP as described at 4-B, *Reinstatement* if family is otherwise eligible. ▪ Determine eligibility for corrective benefits as of the effective date of the LBP.
Person who chose reveals problem or barrier: ▪ **Prior to** LBP effective date. ▪ **On or after** LBP effective date.	▪ Reinstate FIP as described at 4-B, *Reinstatement* if family is otherwise eligible. ▪ Determine eligibility for corrective benefits as of the effective date of the LBP or the date the family is otherwise eligible, whichever is later.

The IM worker is responsible for stopping the LBP in the following situations, and for taking the corresponding action.

Situation:	**IM worker action:**
An appeal is filed: ▪ Before the effective date on the *Notice of Decision* establishing the beginning date of the LBP, or ▪ Within 10 days from the date the participant receives the notice establishing the beginning date of the LBP. The date on which the notice is received is considered to be five days after the date on the notice, unless the appellant shows that the appellant did not receive the notice within the five-day period.	Stop the LBP and issue a *Notice of Decision* by entering an "A" in PJCase. Reinstate FIP in ABC. See Appealing a Limited Benefit Plan. If the final appeal decision affirms the LBP , use PJCase to reactivate the LBP with a new effective date. If the final decision reverses the LBP, use PJCase to change the LBP stop reason from "A" to "C."
A child in an LBP chosen by a parent leaves the household, or a child leaves the household of a needy specified relative who chose an LBP effective October 1, 2005 or earlier.	▪ Stop the LBP for that child by entering a "B" in PJCase. (The LBP remains in place for the parent or needy specified relative who chose it and any members of the eligible group who remain with that parent or needy specified relative.) See To Whom the Limited Benefit Plan Is Applied.

Situation:	**IM worker action:**
Variations ▪ A minor parent and child leave the adult parent's or needy specified relative's home and become eligible on another case.	▪ Stop the LBP for the minor parent and the minor parent's child by entering a "B" in PJCase. See Minor Parents Living With FIP Parent.
▪ A minor parent turns 18 (or completes high school if between the ages of 18 and 19) and applies for a separate case.	▪ Stop the LBP for the minor parent and the minor parent's child by entering a "B" in PJCase. (The minor parent is no longer considered a child, so the adult parent's or needy specified relative's LBP no longer applies.) See Minor Parents Living With FIP Parent.
▪ A minor parent and child are canceled effective month one of the adult's LBP, and the minor parent applies for a separate FIP case as a minor parent living in the home of a self-supporting parent.	▪ Stop the LBP for the minor parent and the minor parent's or relative's child by entering a "B" in PJCase. See Minor Parents Living With FIP Parent.
The person was referred to PROMISE JOBS in error for one of the following reasons: ▪ Exempt due to alien status.	Stop the LBP and issue a *Notice of Decision* by entering reason "C" in PJCase. ▪ When the error is discovered prior to the LBP effective date, reinstate FIP for household members other than the non-qualified alien as described at 4-B, *Reinstatement* if the household is otherwise eligible. ▪ Follow policy at 4-B, *Filing a FIP Application* to determine if an application is needed. When the error is discovered on or after the LBP effective date, determine eligibility for corrective benefits for household members other than the non-qualified alien as of the effective date of the LBP or the date the household is otherwise eligible, whichever is later.

Situation:	**IM worker action:**
▪ Exempt due to the receipt of SSI or school attendance at the time the *Notice of Decision* was issued imposing the LBP and the person timely reported and verified the receipt of SSI or change in school attendance.	Stop the LBP and issue a *Notice of Decision* by entering reason "C" in PJCase. ▪ When the error is discovered prior to the LBP effective date, reinstate FIP as described at 4-B, *Reinstatement* if the household is otherwise eligible. ▪ When the error is discovered on or after the LBP effective date, determine eligibility for corrective benefits as of the effective date of the LBP or the date the household is otherwise eligible, whichever is later.
▪ Exempt due to the receipt of SSI or school attendance at the time the *Notice of Decision* was issued imposing the LBP **but** the person had not reported or verified the receipt of SSI or change in school attendance.	Stop the LBP and issue a *Notice of Decision* by entering reason "C" in PJCase. ▪ Reinstate FIP as described at 4-B, *Reinstatement* if the household is otherwise eligible and the error is discovered before the LBP effective date. ▪ If the error is discovered on or after the LBP effective date, require a new application. Determine eligibility as of 7 days from the application date or the date the household is otherwise eligible, whichever is later. Do not issue corrective benefits.
In a two-parent household, the parent who chose the LBP leaves the household, and the other parent did not choose the LBP.	Stop the LBP for the remaining parent and any children living with the parent and issue a *Notice of Decision* by entering reason "D" in PJCase. See Two-Parent Households. The LBP continues for the parent who chose it and any children living with that parent. If the parent who chose the LBP rejoins the household and the LBP is still in effect, use PJCase to reactivate the LBP for the FIP household. ▪ Reinstate FIP as described at 4-B, *Reinstatement* if the household is otherwise eligible when the parent who chose the LBP leaves before the LBP effective date. ▪ Require a new application when the parent who chose the LBP leaves on or after the LBP effective date. Determine eligibility as of 7 days from the application date or the date the family is otherwise eligible, whichever is later.

Situation:	**IM worker action:**
The LBP must be stopped but no other stop reason applies, such as:	
▪ The person who chose the LBP became exempt due to the receipt of SSI or school attendance **after** the *Notice of Decision* imposing it was issued and remains exempt. **NOTE:** An FIA-responsible child remains FIA-responsible regardless of school attendance as long as the child remains eligible for FIP. If the child loses FIP eligibility and must reapply, the child is: • Exempt if in school full-time or • FIA-responsible if not in school full-time. See School Attendance Exemption for more information.	For a **first** LBP or a **subsequent** LBP that is beyond the six-month period of ineligibility, stop the LBP by entering reason "W" in PJCase. Require a new application. Determine eligibility as of 7 days from the application date or the date the family is otherwise eligible, whichever is later. Continue a **subsequent** LBP when the six-month ineligibility period is in effect.
▪ A needy specified relative who chose an LBP effective October 1, 2005 or earlier applies for the needs of the children only. See Needy Specified Relative Chooses Effective October 1, 2005, or Earlier	For a **first** LBP or a **subsequent** LBP that is beyond the six-month period of ineligibility, stop the LBP by entering reason "W" in PJCase. Determine eligibility for the children only. Consider the LBP as temporarily stopped. Reactivate it if the relative is needy and reapplies for the specified relative's own needs. Do not stop the LBP for the children with reasons "B," "D," or "I" unless they no longer live with the relative as ETS will not properly count the relative's use of the 60-month limit. Continue a **subsequent** LBP when the six-month period is in effect.
▪ A person is incorrectly included in the LBP.	Stop the LBP for the person by entering reason "I" in PJCase. The LBP remains active for the person who chose it and other members of the eligible group who live with the person and who are subject to the LBP. Redetermine eligibility. Issue corrective benefits if the person is otherwise eligible.

Situation:	IM worker action:
▪ Household appeals FIP cancellation after being added to the LBP of a person who entered the home after the LBP is in effect for that person.	Stop the LBP for only the recently canceled persons by entering an "I" in PJCase. The LBP remains active for the person who chose it. Reinstate FIP pending the appeal if otherwise eligible.

PROMISE JOBS Appeals

Legal reference: 441 IAC 7.5, 93.15(239B)

Policy: Each PROMISE JOBS participant has the right to appeal and request a hearing on a decision made by PROMISE JOBS regarding PROMISE JOBS services.

PROMISE JOBS decisions that participants may appeal include but are not limited to:

- The content and activities of the FIA when the disagreement cannot be worked out through the informal resolution process.
- Denial, reduction, or cancellation of:
  - Transportation, child care or other PROMISE JOBS assistance, or,
  - Any PROMISE JOBS service, including denial of inclusion of a training plan or other activity in the FIA.
- Inadequate PROMISE JOBS services.
- Any alleged violation of a PROMISE JOBS policy that is imposed as a condition of participation.
- Imposition of an LBP.
- The existence and amount of a PROMISE JOBS overpayment.

Participants also have the right to appeal any act of discrimination on the basis of race, creed, color, sex, national origin, religion, age, physical or mental disability, or political belief.
An appeal of a PROMISE JOBS decision may be filed in person, by telephone or in writing. A PROMISE JOBS participant may file an appeal by contacting either the IM or PROMISE JOBS worker, the Department's Administrative Rules and Appeals , or file electronically through the Department's website.

No IM or PROMISE JOBS staff will limit or interfere with the right to appeal.

Procedure: When a participant files an appeal of a PROMISE JOBS decision at the local office, follow the same procedures that you use for FIP appeals and forward the appeal request form and a copy of the *Notice of Decision* to the Department's Administrative Rules and Appeals within 24 hours. Notify the PROMISE JOBS worker of the pending appeal request by sending the worker a copy of the appeal request form or by other means.

Upon receipt of an appeal request, the Department's Administrative Rules and Appeals decides if an appeal hearing will be granted.

When the appeal issue involves PROMISE JOBS only, the PROMISE JOBS worker is responsible for preparing the appeal summary and attending the hearing, for example: an appeal of the contents of the FIA.

For an appeal of an LBP, the IM worker and PROMISE JOBS worker must each prepare an appeal summary. IM workers do not need to attend LBP hearings except in rare situations when PROMISE JOBS asks for IM's attendance as it will help the particular case. Refer to the Limited Benefit Plan Appeals section for specific policy and procedures that apply when a participant files an appeal of an LBP.

For an appeal of a denial of a FIP hardship exemption due to failure to sign an FIA, the IM worker will take the lead. IM will determine if the PROMISE JOBS worker needs to be a part of the hearing and if so, IM contacts the PROMISE JOBS worker. If contacted, the PROMISE JOBS worker is responsible for completing a summary and attending the hearing. The IM worker is responsible for completing a separate appeal summary on the actions the IM worker took regarding the hardship exemption denial. See 4-C, *Hardship Appeals* for more information.

See 1-E, *Appeals and Hearings* for a complete explanation of the Department's appeal process, including worker and appellant responsibilities, time limits, and appeal decisions. Appeal rights and guidelines relating to FIP can be found in 4-A, *Administration*.

Refer to PROMISE JOBS Provider Manual for more information specific to PROMISE JOBS staff responsibilities and the informal resolution process for FIA content disagreements.

Continuing Assistance Pending PROMISE JOBS Appeal

Legal reference: 441 IAC 7.9(17A)

Policy: FIP and PROMISE JOBS assistance may continue pending an appeal at the request of the appellant when the appeal is filed:

- Before the effective date of the intended action on the *Notice of Decision*, or
- Within 10 days from the date the participant receives the notice. The date on which the notice is received is considered to be five days after the date on the notice, unless the participant shows that the participant did not receive the notice within the five-day period.

Procedure: The IM worker is responsible for continuing FIP assistance pending an appeal of an LBP. The PROMISE JOBS worker is responsible for continuing PROMISE JOBS assistance pending an appeal of an LBP.

The PROMISE JOBS worker is also responsible for continuing PROMISE JOBS assistance pending an appeal of a FIP or PROMISE JOBS negative action other than an LBP. The appellant must continue to receive FIP to receive PROMISE JOBS assistance pending an appeal of a PROMISE JOBS action. The appellant must also participate in the FIA activity for which assistance is desired and meet other PROMISE JOBS program requirements to continue receiving PROMISE JOBS assistance pending the appeal. This includes cooperating in the FIA renegotiation process when needed and providing verification of hours of participation.

Excess FIP and PROMISE JOBS assistance paid pending a timely appeal of a FIP negative action is subject to recoupment when the final appeal decision affirms the action except when an LBP will be reactivated with a new effective date. PROMISE JOBS assistance paid pending a timely appeal of a PROMISE JOBS negative action is subject to recoupment when the participant is not eligible for the assistance.

See 4-A, *Administration* and 1-E, *Continuation of Assistance Pending Final Appeal Decision* for more information.

Limited Benefit Plan (LBP) Appeals

Legal reference: 441 IAC 7.5(8), 93.15(4)

Policy: A person has the right to an appeal hearing on the establishment of an LBP at the time of the issuance of the initial *Notice of Decision* to implement the LBP. A hearing will be granted on the establishment of a particular LBP only once.

If another appeal is filed for a different issue after the LBP appeal, a hearing may be granted only if the reason for the appeal is an alleged worker error, such as the grant computation or determining who is not eligible for FIP due to the LBP.

Procedure: Upon receipt of an appeal request involving an LBP, forward the appeal request form and a copy of the *Notice of Decision* to the Department's Administrative Rules and Appeals within 24 hours. Notify the PROMISE JOBS worker of the pending appeal request by sending the worker a copy of the appeal request form or by other means. The Department's Administrative Rules and Appeals decides if an appeal hearing will be granted.

For an appeal of an LBP, the IM worker and PROMISE JOBS worker must each prepare an appeal summary. IM workers do not need to attend LBP hearings except in rare situations when PROMISE JOBS asks for IM's attendance as it will help the particular case. Use the LBP appeal template for IM workers.

Continuing Assistance Pending Appeal of an Limited Benefit Plan (LBP)

Legal reference: 441 IAC 7.9(17A), 93.15(4)

Policy: FIP and PROMISE JOBS assistance may continue at the request of the appellant if an appeal of an LBP is filed:

- Before the effective date of the intended action on the initial *Notice of Decision* establishing the beginning date of the LBP, or
- Within 10 days from the date the participant receives the notice establishing the beginning date of the LBP. The date on which the notice is received is considered to be five days after the date on the notice, unless the appellant shows that the appellant did not receive the notice within the five-day period.

When the 10th day falls on a weekend or holiday, the appeal must be filed by the next business day.

Procedure: The IM worker is responsible for continuing FIP assistance if an appeal of an LBP is filed before the effective date of the intended action or within 10 days from the date the notice is received. The date the notice is received is considered to be five days after the date on the notice.

Assume the appellant wants FIP assistance to continue pending the appeal unless the appellant has stated in writing that they do not want FIP assistance to continue.

If FIP assistance is to continue pending the appeal, stop the LBP in PJCase and reinstate FIP. The system issues a *Notice of Decision* telling the appellant the LBP has been delayed because of the appeal. See Stopping a Limited Benefit Plan and 14-O, *Stopping an LBP* for PJCase system instructions.

When FIP assistance is continued pending an appeal of an LBP, PROMISE JOBS assistance may also continue pending the appeal. The PROMISE JOBS worker is responsible for continuing PROMISE JOBS assistance pending an appeal of an LBP. PROMISE JOBS will not impose another LBP for failure to participate or meet program requirements while the appeal is pending.

FIP and PROMISE JOBS assistance paid pending a timely appeal of a FIP or PROMISE JOBS negative action is not subject to recoupment when the final appeal decision affirms the action and the LBP will be reactivated with a new effective date.

FIP and PROMISE JOBS assistance paid pending a timely appeal of a FIP or PROMISE JOBS negative action is subject to recoupment if the final appeal decision affirms an LBP that will be reactivated with the original effective date. See When the Final Appeal Decision Affirms the LBP for more information.

Do **not** stop the LBP or continue assistance pending the outcome of the appeal if:

- The appellant stated in writing that they do not want assistance to continue.
- The appellant is appealing a notice that denied assistance.
- The appeal is filed after the effective date of the initial *Notice of Decision* establishing the beginning date of the LBP or more than 10 days from the date the notice is received. The date on which the notice is received is considered to be five days after the date on the notice, unless the appellant shows that the appellant did not receive the notice within the five-day period.

1. On September 19, PROMISE JOBS makes entry to impose a subsequent LBP and cancel FIP for Ms. A and her family effective October 1. The Notice of Decision is dated September 20 and is considered received on September 25. Ms. A files an appeal on October 3 and requests that her benefits continue pending the appeal. The IM worker makes entry in PJCase to stop the LBP while the appeal is pending (stop reason A) and reinstates FIP pending the appeal if the family is otherwise eligible. FIP benefits may continue as the appeal was filed within 10 days of receipt of the Notice of Decision.
2. On October 3, PROMISE JOBS makes entry to impose a subsequent LBP and cancel FIP for Ms. B and her family effective November 1. The Notice of Decision is dated October 4 and is considered received on October 9. Ms. A files an appeal on November 1 and requests that her benefits continue pending the appeal, which is not before the effective date of the LBP. However, October 31 fell on a Sunday. The IM worker makes entry in PJCase to stop the LBP while the appeal is pending (stop reason A) and reinstates FIP pending the appeal if the family is otherwise eligible.

When the Final Appeal Decision Affirms the Limited Benefit Plan (LBP)

Legal reference: 441 IAC 7.9(7) and 7.9(9)

Policy: An LBP with a **new** effective date applies when:

- the final decision affirms the LBP,
- FIP assistance continued pending the appeal decision, and
- The appeal was filed before the effective date on the initial *Notice of Decision* establishing the beginning date of the LBP or within 10 days from the date the participant receives the notice establishing the beginning date of the LBP. The date on which the notice is received is considered to be five days after the date on the notice, unless the appellant shows they did not receive the notice within that five-day period.

FIP and PROMISE JOBS assistance issued pending the appeal is not subject to recoupment when a new LBP effective date applies.

An LBP with the **original** effective date applies when:

- the final decision affirms the LBP,
- FIP assistance continued pending the appeal decision, and
- The appeal is a timely appeal of a recent notice but not a timely appeal of the initial notice issued to start the LBP, and
- The LBP was stopped.

The above situation may occur when another *Notice of Decision* regarding the LBP is issued after the initial notice to impose the LBP.

Procedure: Use the PJCase system to reactivate an LBP when the final decision affirms the LBP, and the LBP was stopped pending the appeal.

Determine if a **new** effective date or the **original** effective date applies based on the policy above. In most situations, the LBP will need to be reactivated with a **new** LBP effective date. When you reactivate an LBP in PJCase, PJCase allows you to reactivate with a system-determined **new** LBP effective date (based on timely notice) OR gives you the option to enter the **original** LBP effective date. See the examples below and in 14-O, *Income Maintenance Functions* for more information.

When an LBP is reactivated with a **new** effective date, FIP and PROMISE JOBS assistance issued for the months that the appeal was pending are NOT subject to recoupment based on the LBP.
When an LBP is reactivated with the **original** effective date, FIP and PROMISE JOBS assistance issued for the months that the appeal was pending are subject to recoupment.

When IM reactivates an LBP in PJCase, the system recalculates FIP benefits and sends a notice to the household.

1. On August 20, PROMISE JOBS issues a Notice of Decision to start an LBP and cancel FIP for Ms. A and her family effective September 1. Ms. A files an appeal on August 31 and the IM worker makes entry in PJCase to stop the LBP pending the appeal. On October 5, the final appeal decision affirms the LBP. The IM worker makes entry in PJCase to reactivate the LBP with a new effective date of November 1. FIP and PROMISE JOBS assistance received pending the appeal is not subject to recoupment.
2. On October 1, PROMISE JOBS issues a Notice of Decision to start an LBP and cancel FIP for Ms. B and her family effective November 1. On October 23, the IM worker makes entry in ABC to increase the amount of FIP for October by reducing the amount of income. ABC issues a Notice of Decision dated October 24 to inform Ms. B that her FIP for October is changed and FIP remains canceled effective November 1 due to the LBP. On November 5, Ms. B files an appeal and the IM worker makes entry in PJCase to stop the LBP pending the appeal. On December 5, the final appeal decision affirms the LBP. The IM worker makes entry in PJCase to reactivate the LBP with the original effective date of November 1. The original effective date applies because the appeal was not filed before the effective date of the initial LBP notice issued on October 1, or within 10 days of receipt of this notice. FIP and PROMISE JOBS assistance issued pending the appeal is subject to recoupment.

When the Final Appeal Decision Reverses the Limited Benefit Plan (LBP)

Legal reference: 441 IAC 7.16(17A), 41.24(8)"g"

Policy: If the final appeal decision reverses the decision to impose the LBP, the LBP is considered imposed in error. The LBP does not count as a valid LBP if the person later chooses another LBP.

Procedure: Use the PJCase system to take one of the following actions. These actions keep the system from considering the LBP as a "valid" LBP if another LBP is imposed at a later date.

- Change the LBP stop reason from A to C if the LBP was stopped and assistance continued pending the outcome of the appeal.
- Stop the LBP with reason C if the LBP was not stopped and assistance did not continue pending the outcome of the appeal.

If the final appeal decision reverses the decision to impose the LBP and assistance was not issued while the appeal was pending, determine eligibility for corrective benefits. See Stopping a Limited Benefit Plan and 14-O, *Stopping an LBP* for more information.

IOWA | Health and Human Services

Employees' Manual
Title 4, Chapter L

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Family Investment Program
Aliens and Migrants

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Overview

This chapter contains policies unique to aliens and migrants. It contains only policies that are different from standard Family Investment Program (FIP) policy. Use this chapter in conjunction with the remaining Title 4 chapters to determine FIP eligibility and benefits for aliens and migrants.

Aliens

Legal reference: Public Law 104-193; 441 IAC 41.23(5)

This section discusses special treatment of certain aspects of an alien's circumstances:

- Applicants must provide documentation of each family member's alien status to attain FIP eligibility.
- You must verify the immigration status of aliens who appear to be eligible.
- Only aliens with an eligible status can be included on the FIP grant. Eligible alien statuses are listed under Alien Status.

The following sections address:

- Declaration of citizenship or alienage
- Alien status
- Aliens exempt from the five-year bar on eligibility
- Aliens subject to the five-year bar on eligibility
- Sponsor affidavits of support and deeming
- Ineligible aliens
- Social security number requirements for aliens
- Income and resource guidelines for aliens

Declaration of Citizenship or Alienage

Legal reference: 441 IAC 40.24(239B); 41.23(5)

Policy: As a condition for eligibility, all applicants and participants must declare their citizenship or alien status in writing.

Procedure: See 4-C, *Citizenship* for more information. Aliens must provide documentation of their alien status to be eligible for FIP.

If an alien claims to have an eligible status, but does not have any documentation, refer the person to the U.S. Citizenship and Immigration Services (USCIS) Bureau of the Department of Homeland Security (formerly the Immigration and Naturalization Service (INS)) to obtain proof of status.

Instruct the person in writing to provide the necessary documentation within ten days. Extend the ten-day period as appropriate. Pend the application as is reasonable under the circumstances. Depending on how much time is needed to obtain the documentation, make monthly contacts with the applicant to:

- Check on the status of the documentation, and
- Determine that the applicant is making continued efforts to obtain the documentation.

For example, you could ask for a copy of a form the applicant has filed with the USCIS or a copy of correspondence that would indicate the applicant has contacted that agency and is working on obtaining the documentation.

Upon receipt of the documentation, approve FIP retroactive to the effective date of the FIP application, provided the person is otherwise eligible. Include or exclude the alien's needs as indicated by the alien status documentation that you received.

Draw a distinction between situations that result in FIP ineligibility for just the alien or for the entire family. When an alien provides documentation of an ineligible alien status, the person's FIP status has been identified. This enables you to determine the eligible group. Process the application for the remaining family members and exclude only the needs of the ineligible alien.

If the alien does not provide necessary documentation of alien status as requested, you do not know if the alien is eligible to be included in the FIP grant (nor can you determine the alien's PROMISE JOBS referral status). That means you cannot determine the eligible group.

If you cannot determine the eligible group, the entire family is ineligible, regardless of the reason. In that case, deny the application for failure to provide information.

For additional information, refer to 4-B, *Application Processing* and 4-G, *Adding a New Member to an Active Case*.

Evidence of United States Citizenship

Establish the birthplace of all people whose needs are to be included in the FIP grant.

Consider any person born in the United States to be a citizen. People born in Puerto Rico, Guam, the U.S. Virgin Islands, and the Northern Mariana Islands are United States citizens. People born abroad with United States citizen parents are generally, but not always, United States citizens.

For FIP purposes, also consider a person who is a noncitizen United States national the same as a citizen. A "noncitizen United States national" is a person who is born in American Samoa or Swain's Island.

People who are not citizens or nationals can become citizens through a process called "naturalization."

NOTE: On March 9, 2024, the Consolidated Appropriations Act of 2024, P.L. 118-42 was signed in to law. This law makes citizens of nations under Compact of Free Association Agreements (Palau, Micronesia, and the Marshall Islands) who reside lawfully in the United States, qualified aliens. These individuals are exempt from the five-year bar. Prior to March 9, 2024, persons from the Federated States of Micronesia or the Marshall Islands are not United States citizens or nationals and were not considered qualified aliens.

The following are examples of acceptable documentation of United States citizenship:

- Birth certificate.
- Religious record of birth recorded in the United States or its territories within three months of birth that indicates a United States place of birth. The document must show either the date of birth or the person's age when the record was established.
- United States passport (excludes limited passports that are issued for periods of less than five years).
- *Report of Birth Abroad of a Citizen of the U.S.* (USCIS Form FS-240).
- *Certification of Birth* (USCIS Form FS-545).
- *U.S. Citizen ID Card* (USCIS Form I-197).
- *Naturalization Certificate* (USCIS Forms N-550 or N-570).
- *Certificate of Citizenship* (USCIS Forms N-560 or N-561).
- *Northern Mariana Identification Card* (issued by the USCIS to a collectively naturalized citizen of the United States who was born in the Northern Mariana Islands before November 3, 1986).
- Contemporaneous hospital record of birth in the United States, Puerto Rico, Guam, the Virgin Islands, American Samoa, Swain's Island, or the Northern Mariana Islands (unless the person was born to foreign diplomats residing in such a jurisdiction).

Alien Status

Legal reference: Section 121 of the Immigration and Control Act of 1986 (Public Law 99-603); Public Law 104-193; 441 IAC 41.23(5)

Legal aliens may be eligible or ineligible for FIP, depending on their immigration status. Undocumented aliens are never eligible for FIP.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1997 (PRWORA) divides aliens into two categories, “qualified” and “nonqualified.” Not all qualified aliens are eligible for FIP, but all qualified alien parents, applying for or receiving FIP, are subject to PROMISE JOBS requirements.

Qualified aliens are those who are:

- Lawfully admitted for permanent residence
- Refugees
- Asylees
- Amerasian immigrants
- Cuban/Haitian entrants
- Paroled into the United States for at least one year
- Aliens whose deportation is withheld
- Granted conditional entry into the United States
- Battered aliens
- Victims of trafficking
- Iraqi and Afghan special immigrants

The qualified aliens described under Qualified Aliens Exempt from Five-Year Bar are eligible for FIP from the date they obtain that alien status.

The qualified aliens described under Qualified Aliens Subject to Five-Year Bar are not eligible for FIP for five years after their date of entry. The five-year period of ineligibility begins on the date of the person’s entry into the United States with one of the listed statuses. If the alien entered with a status that is not listed, the five-year period begins with the date a listed status is obtained.

Nonqualified aliens are all of those whose classification is not specifically listed under either Qualified Aliens Exempt from Five-Year Bar or Qualified Aliens Subject to Five-Year Bar. Nonqualified aliens are not eligible for FIP at any time, regardless of the date they entered the United States. Nonqualified aliens are exempt from PROMISE JOBS requirements. See Nonqualified (Ineligible) Aliens for more information.

Alien Status Verification

Legal reference: Section 121 of the Immigration Reform and Control Act of 1986 (Public Law 99-603); Public Law 104-193; 441 IAC 9.10(4)"d"; 41.23(5)

Aliens must provide documentation of their alien status, and you must check SAVE for each individual claiming to have an eligible status before you approve a FIP application, add an alien to an existing FIP case, or process a review. (Refer to Alien Status for the effect of a person's alien status on PROMISE JOBS participation.) Aliens listed under Qualified Aliens Subject to Five-Year Bar or under Qualified Aliens Exempt from Five-Year Bar must also provide verification of the entry or admission date from which their status started.

Draw a distinction between situations that result in FIP ineligibility for just the alien or those that result in ineligibility for the entire family.

- When the alien provides documentation of an ineligible alien status, the alien status does not affect your ability to determine the eligible group. Thus, exclude only the needs of the ineligible alien.
- However, when a person is unwilling to provide documentation of alien status, do not attempt to get verification from the U.S. Citizenship and Immigration Services (USCIS). Deny FIP for the entire family, because the eligible group cannot be determined until the person's alien status has been established.

Do not verify an alien's documentation with USCIS if it clearly shows the alien has an ineligible status. In this situation, deny FIP for the person and determine eligibility for the remaining family members.

All aliens must also provide verification of their identity. This means that if the alien's documentation does not contain a photograph, you must get another form of verification of the person's identity. Additional verification of identity may be necessary because:

- An immigration document contains a photo that does not allow for reasonable identification of the person, or
- The document contains the person's maiden name or a misspelling of the person's name.

When an alien provides documentation and you have checked SAVE, refer to Alien Status Documentation Chart to determine if the person is eligible for FIP and for PROMISE JOBS participation. The chart lists:

- The types of documentation than can be used to verify alien status.

- Additional verification that certain aliens must provide to prove they are eligible for FIP or PROMISE JOBS (e.g., the date they were admitted to the United States, or the date a particular alien status was granted or adjusted).

NOTE: The USCIS does not require children under age 14 to have documentation of their alien status. Therefore, if the adult who is applying for benefits has a documented legal alien status and attests to the child's legal status, the adult's attestation is sufficient proof of the child's alien status.

Children aged 14 through 17 are required to have immigration documentation, but they are not required to carry it on their persons. The Immigration and Nationality Act does require all aliens who are 18 or older to carry the documentation on their persons at all times.

Alien Status Documentation Chart

Status	Acceptable Documentation	FIP Status	PJ Status
Amerasian Immigrant	▪ Form I-551, *Permanent Resident Card*,* annotated AM6, AM7, or AM8. ▪ Unexpired temporary I-551 stamp in a foreign passport annotated AM1, AM2, or AM3. ▪ Form I-94*, Arrival/Departure Record*, annotated AM1, AM2, or AM3.	Eligible regardless of U.S. entry date	Mandatory
Asylee	▪ Form I-94, *Arrival/Departure Record*, or passport stamped "asylee" or section 208. AS-1, AS-2, or AS-3, Visa 92 (or V-92). ▪ Order of an immigration judge, the Board of Immigration Appeals or a federal court, granting asylum. ▪ Form I-688B or I-766, *Employment Authorization Card*, coded 274a.12(a)(5) or A5. ▪ Form I-730, *Approval Letter*. ▪ Form I-571, *Refugee Travel Document*.	Eligible as of date asylum is granted	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Battered Alien	Proof of admission of entry date **and** one of the following documents: ▪ An I-360 or I-130 petition with proof of filing (a file-stamped copy of the petition, an I-797 or I-797C, or other document such as a signed certified return receipt or cash register or computer-generated receipt). ▪ Form I-797 or battered aliens I-797C indicating approval or prima facie validity of an I-360 petition. ▪ Form I-797 or I-797C indicating filing or approval of an I-130 petition ▪ Order or document from the Immigration Court or Board of Immigration Appeals granting suspension of deportation under INA section 244(a)(3), or cancellation of removal under INA section 204A(b)(2).	Eligible. If entered United States on or after 8/22/96, case must be coded as a battered alien case until alien has resided in United States five years.	Mandatory
	▪ Application for cancellation of removal (form EOIR 42B) or suspension of deportation (form EOIR 40) with proof of filing (a file-stamped copy of the application or other document such as a signed certified return receipt or cash register or computer-generated receipt).	Eligible. If entered United States on or after 8/22/96, case must be coded as a battered alien case until alien has resided in United States five years.	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Battered Alien (Cont.)	▪ A document from the Immigration Court or Board of Immigration Appeals indicating that the applicant has established a prima facie case for: • Suspension of deportation under INA section 244(a)(3) or • Cancellation of removal under INA section 204A(b)(2).		
Conditional Entrant	Proof of admission or entry date **and** one of the following documents: ▪ Form I-94, *Arrival/Departure Record*, with stamp showing admission under section 203(a)(7) of the INA. ▪ Form I-688B, *Employment Authorization Card*, annotated "274a.12(a)(3)." ▪ Form I-766, *Employment Authorization Document*, annotated "A3."	Barred for five years if entered United States **on or after** 8/22/96 Eligible if entered United States **before** 8/22/96	Mandatory
Cuban or Haitian Entrant	▪ Form I-551, *Permanent Resident Card*,* annotated CU6, CU7, CH6, or CNP. ▪ Unexpired temporary I-551 stamp in a foreign passport annotated CU6, CU7, CH6, or CNP. ▪ Form I-94, *Arrival/Departure Record*, annotated CU6 or CU7, or with a stamp showing parole as "Cuban/Haitian Entrant" under section 212(d)(5) of the INA.	Eligible regardless of U.S. entry date	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Cuban or Haitian Entrant (Cont.)	NOTE: If the client provides an I-862 *Notice to Appear* or a I-220A *Order of Release on Recognizance*, and the notice shows that the client is a Cuban or Haitian national, the I-862 or I-220A would be sufficient documentation to verify the client's eligible alien status under 501(e) of the Refugee Education Assistance Act (REAA). If the I-862 or I-220A does not show that the client is a Cuban or Haitian national they would also need to provide proof of Cuban or Haitian nationality. Examples of this verification include: ▪ Current or expired passport from Cuba or Haiti. ▪ Any document or returned data from Department of Homeland Security that confirms nationality. ▪ Any authoritative document showing proof of applicant or member's nationality.		
Deport-ation or Removal Withheld	▪ Form I-688B, *Employment Authorization Card*, annotated "274a.12(a)(10)." ▪ Form I-766, *Employment Authorization Document*, annotated "A10." ▪ Order of an immigration judge showing deportation withheld under section 243(h) or removal withheld under section 241(b)(3) of the INA and date of grant.	Eligible regardless of U.S. entry date	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Iraqi or Afghan Special Immigrants (Lawful permanent residents, treated as refugees)	▪ Form I-551, Permanent Resident Card, showing Iraqi or Afghan nationality with any of these status codes: • SI1, SI2, SI3, SI6, SI7, SI9, or • SQ1, SQ2, SQ3, SQ6, SQ7, SQ9, ▪ Iraqi or Afghan passport with an immigrant visa stamp noting admitted under a status code listed and date of entry noted on passport or Form I-94, *Arrival/Departure Record*.	Eligible regardless of U.S. entry date	Mandatory
Afghan Special Immigrant Parolee (Principal Applicant, Spouse of Principal Applicant, or Child of Principal Applicant)	▪ Form I-94 noting SI or SQ Parole (per section 602(B)(1) AAPA/Sec 1059(a) NDAA 2006) USCIS states that Special Immigrant Parolees are expected to have a separate, printed page on Customs and Border Protection (CBP) letterhead with their Form I-94, Arrival Departure Record, information and the following notation, signed and dated by a USCIS officer: Special Immigrant Status (SQ/SI) Parolee Sec 602(b)(1) AAPA / Sec 1059(a) NDAA 2006 Date _____ USCIS officer: _____	Eligible regardless of U.S. entry date	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Afghan Special Immigrant Parolee (Principal Applicant, Spouse of Principal Applicant, or Child of Principal Applicant) (Cont.)	As with other Iraqis and Afghans and their dependents admitted as Lawful Permanent Residents (LPRs) under the Afghan Allies Protection Act of 2009 or other applicable law regarding special immigrants, these special immigrant LPRs will generally have foreign passports with a Department of Homeland Security (DHS)/CBP stamp admitting them with an SQ1, SQ2, SQ3, SQ6, SQ7, SQ8 Class of Admission (COA). However, some of the new Afghan special immigrant LPR arrivals may not have a physical immigrant visa in their passport and may not have a temporary Form I-551 stamp. USCIS is also issuing a Form I-551, Permanent Resident Card, to these special immigrant LPRs. In addition, regardless of the documentation presented, VLP/SAVE can provide an initial verification response of LPR for these special immigrant LPRs except those whose case involves something unusual that may require additional verification. USCIS is issuing these Special Immigrant Parolees a Form I-766, Employment Authorization Document, with a C11 parolee category. For these individuals, VLP/SAVE can provide an initial verification response of Parolee with an SQ4 or SQ5 COA unless there is something unusual about the case that may require additional verification. Please submit the case for additional verification if you need to verify whether a special immigrant parolee also has a pending application to adjust their status to LPR.		

Status	Acceptable Documentation	FIP Status	PJ Status
Afghan Special Immigrant (SI) Conditional Permanent Resident (CPR) (Principal Applicant, Spouse of Principal Applicant, or Child of Principal Applicant)	Foreign passport with DHS/CBP admission stamp noting that the individual has been classified under IV (immigrant visa) Category CQ1, CQ2 or CQ3 **Or** DHS Form I-551 (“green card”) with an IV (immigrant visa) code for category CQ1, CQ2 or CQ3 **Or** DHS/CBP temporary Form I-551 Alien Documentation Identification and Telecommunication (ADIT) stamp **Or** DHS/USCIS temporary Form I-551 Alien Documentation Identification and Telecommunication (ADIT) stamp	Eligible regardless of U.S. entry date	Mandatory
Afghan Humanitarian Parolee arriving in the U.S. between July 31, 2021 and September 30, 2023	Form I-94 noting Humanitarian Parole (per INA section 212(d)(5)(A) **Or** Foreign passport with DHS/CBP admission stamp noting Operation Allies Refuge or “OAR” **Or** Foreign passport with DHS/CBP admission stamp noting Operation Allies Welcome or “OAW” **Or** Foreign passport with DHS/CBP admission stamp noting “DT”	Afghan Humanitar-ian Parolees are eligible for a limited period of time, either through March 31, 2023, or until the end of their parole term, whichever is later.	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Afghan Humanitarian Parolee arriving in the U.S. between July 31, 2021 and September 30, 2023 (Cont.)		This also applies to the following family members of these individuals, even if they are granted parole after September 30, 2023 spouses, children, and parents and legal guardians of such individuals who were unaccomp-anied minors.	
Lawfully Admitted Permanent Resident	▪ Form I-551, Permanent Resident Card.* NOTE: Form I-551 annotated with certain codes indicates the person originally entered the United States under another status and later adjusted to lawful permanent resident. Eligibility must be determined based on the person's original status upon entry. These statuses and codes are: • Amerasian (AM-1, AM-2, AM-3, AM-6, AM-7, AM-8) • Asylee (AS-6, AS-7, AS-8) • Cuban or Haitian (CH-6, CU-6, CU-7, LB-2, LB-6, LB-7)	Barred for five years if entered United States **on or after** 8/22/96 Eligible if entered United States **before** 8/22/96	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Lawfully Admitted Permanent Resident (Cont.)	• Parolee (LA) • Refugee (R8-6, RE-6, RE-7, RE-8, RE-9) ▪ Form I-327, *Permit to Reenter the United States*. ▪ I-94, *Arrival/Departure Record*, with temporary I-551 stamp. ▪ Foreign passport stamped showing temporary evidence of lawful permanent resident or I-551 status. ▪ Form I-181, *Memorandum of Creation of Lawful Permanent Residence*, with approval stamp. ▪ Order issued by the USCIS, an immigration judge, the Board of Immigration Appeals, or a federal court granting registry, suspension of deportation, cancellation of removal, or adjustment of status. ▪ Any verification from the USCIS or other authoritative document.		

Status	Acceptable Documentation	FIP Status	PJ Status
Paroled Into United States for At Least One Year	▪ Form I-94, *Arrival/Departure Record*, indicating "parole" or "PIP" or 212(d)(5), or other language indicating parole status. ▪ Forms I-688B or I-766, *Employment Authorization Document*, coded A4 or C11 or 274a.12(a)(4), 274a.12(c)(11). ▪ Any verification from the USCIS or other authoritative documents. ▪ If adjusted to lawful permanent resident status, may have Form I-551, *Permanent Resident Card.** NOTE: The applicant cannot use admission periods for less than one year to meet the one-year requirement.	Barred for five years if entered United States **on or after** 8/22/96 Eligible if entered United States **before** 8/22/96	Mandatory
Refugee	▪ Form I-94, *Arrival/Departure Record*, stamped "refugee" or section 207. ▪ Form I-668B or I-776, *Employment Authorization Card*, coded 274a.12(a)(3) or A3. ▪ Form I-571, *Refugee Travel Document*. ▪ Any verification from the USCIS or other authoritative document. NOTE: Refugees who have adjusted to lawful permanent resident status are still considered refugees for FIP eligibility. If a refugee has a Form I-551, *Permanent Resident Card*,* it will be annotated RE-6, RE-7, RE-8, RE-9, or R8-6.	Eligible regardless of U.S. entry date	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Veteran or active duty military personnel, spouse, or dependent (lawful permanent residents)	Proof of military status: ▪ Active duty: Original or notarized copy of current orders showing the person is on full-time duty in the U.S. Army, Navy, Air Force, Marine Corps, or Coast Guard; or a DD form 2 military ID card (active duty papers). ▪ Honorably discharged veteran: Original or notarized copy of form DD214 (discharge papers). For proof of LPR status, see Lawfully Admitted Permanent Resident.	Eligible regardless of U.S. entry date	Mandatory
Victim of trafficking	HHS Office of Refugee Resettlement certification letter, validated by calling the trafficking verification line at (866) 401-5510. NOTE: SAVE does not have information about a person's status as a victim of trafficking.	Eligible for the period certified	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Ukrainian citizen or national who received humanitarian parole, known as a Ukrainian Humanitarian Parolee (UHP) who arrived in the U.S. between February 24, 2022 and September 30, 2024	Form I-94 noting humanitarian parole (per INA section 212(d)(5) or 8 U.S.C. § 1182(d)(5)) **Or** Foreign passport with DHS/CBP admission stamp noting "DT" **Or** Foreign passport with DHS/CBP admission stamp noting Uniting for Ukraine or "U4U" **Or** Foreign passport with DHS/CBP admission stamp noting Ukrainian Humanitarian Parolee or "UHP" **Or** Form I-765 Employment Authorization Document (EAD) receipt notice with code C11 **Or** Form I-766 Employment Authorization Document (EAD) with the code C11	Ukrainian Humanitarian Parolees (UHP) and non-Ukrainian individuals who last habitually resided in Ukraine and received humanitarian parole are eligible for a limited period of time, until the end of their parole term. These policies also apply to the following family members of these individuals, even if they are granted parole after September 30, 2024: spouses, children, parents, legal guardians, and primary caregivers of such individuals who were unaccompanied minors.	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
Ukrainian citizen or national who received humanitarian parole, known as a Ukrainian Humanitarian Parolee (UHP) (Cont.)		They are not subject to the five-year bar. *** These individuals are exempt from sponsor deeming requirements.**	
A non-Ukrainian individual who last habitually resided in Ukraine and received humanitarian parole who arrived in the U.S. between February 24, 2022 and September 30, 2024	Any one of the forms or stamps listed above for UHPs **And** Documentation of last habitual residence in Ukraine Acceptable documentation indicating last habitual residency in Ukraine includes an original Ukrainian government-issued document, such as a current driver's license or identification card. For documentation outside of these examples, contact the SPIRS helpdesk for assistance.	Ukrainian Humanitarian Parolees (UHP) and non-Ukrainian individuals who last habitually resided in Ukraine and received humanitarian parole are eligible for a limited period of time, until the end of their parole term. These policies also apply to the following family members of these individuals,	Mandatory

Status	Acceptable Documentation	FIP Status	PJ Status
A non-Ukrainian individual who last habitually resided in Ukraine and received humanitarian parole (Cont.)		even if they are granted parole after September 30, 2023: spouses, children, parents, legal guardians, and primary caregivers of such individuals who were unaccompanied minors. They are not subject to the five-year bar. *** These individuals are exempt from sponsor deeming requirements.**	
Other (legal or undocumented)	Documents that indicate the person's alien status is one **other than** those specifically listed above.	Ineligible regardless of entry date	Exempt

Status	Acceptable Documentation	FIP Status	PJ Status
Citizens of nations under Compact of Free Association Agreements (Palau, Micronesia, and the Marshall Islands)	Individuals under the existing Compact of Free Association Agreements may reside, work, and study in the United States with a non-immigrant status but they are still citizens of their respective country and not U.S citizens or nationals. I-94 Class of Admission typically will state: ▪ "CFA/FSM" (Compact of Free Association/Federated States of Micronesia) from FSM Citizens; or ▪ "CFA/MIS" (Compact of Free Association/Republic of Marshall Islands) for RMI citizens	Effective 3/9/24 Eligible regardless of U.S. entry date Prior to 3/9/24 Ineligible regardless of entry date and exempt from PROMISE JOBS.	Mandatory

Do not delay, deny, reduce, or cancel the alien's eligibility for benefits while waiting for the USCIS to provide secondary verification.

For applications, assume the person is eligible and, if otherwise eligible include the person in the assistance grant until the immigration verification is received. If the person would be a mandatory PROMISE JOBS participant if eligible, refer the person to PROMISE JOBS to sign a family investment agreement before FIP is approved.

If the verification received from USCIS indicates that the person is not an eligible alien, remove the person from the FIP grant, subject to timely notice. Recoup excess FIP issued for the person during the interim.

Using SAVE (Systematic Alien Verification for Entitlements)

Legal reference: Immigration Reform and Control Act of 1986 (IRCA), Section 121, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) and the Balanced Budget Act of 1997 (BBA), Iowa Code Section 239.6

Policy: The USCIS shall provide alien status verification when necessary. SAVE must be checked for every individual claiming to have an eligible alien status at application and at every review.

Procedure: Obtain acceptable documentation of alien status from every person claiming to have an eligible alien status. When a person claims an "eligible alien" status but does not have documentation, tell them to contact the local USCIS office for help getting the documents.

Verify a person's alien status through SAVE at every application and every review. HHS must have acceptable documentation of alien status on file prior to using SAVE to verify the person's current alien status.

NOTE: Do not contact SAVE concerning victims of trafficking, because SAVE will not have this information.

Contact the trafficking verification line at (866) 401-5510 to confirm the validity of the certification letter for adults or letter for children under age 18 and to notify the HHS ORR of the benefits for which the person has applied.

Do not contact USCIS when the alien claims to be undocumented.

A link to SAVE's website can be found on the HHS Field Intranet. A **SAVE Program Tutorial** is available in LMS which contains information about SAVE and using the website. Additional information on using SAVE and guides can be found in SAVE under Help>Resources.

Qualified Aliens Exempt from Five-Year Bar

Legal reference: 441 IAC 41.23(5)

Policy: A qualified alien with one of the following statuses is eligible for FIP from the date the person obtains the status:

- Aliens lawfully admitted for permanent residence who are:
  - Active-duty personnel of the U.S. armed forces.
  - Spouses (including surviving spouses who have not remarried) or unmarried dependent children of active-duty personnel of U.S. armed forces.
  - Veterans honorably discharged for reasons other than alienage.
  - Spouses (including surviving spouses who have not remarried) or unmarried dependent children of veterans honorably discharged for reasons other than alienage.

NOTE: "Active duty" excludes temporary full-time duty for training purposes performed by members of the National Guard or reserves. See **4-C, Age** for the definition of "child."

- Refugees admitted under section 207 of the Immigration and Nationality Act.
- Aliens granted asylum under section 208 of the INA.
- Amerasian immigrants.
- Cuban or Haitian entrants under section 501(e) of the Refugee Education Assistance Act of 1980.
- Aliens whose deportation or removal is withheld under section 243(h) or section 241(b)(3) of the Immigration and Nationality Act.
- Aliens who entered the United States **before** August 22, 1996, and are:
  - Lawfully admitted for permanent residency;
  - Paroled into the United States under section 212(d)(5) of the INA for a period of at least one year; or
  - Granted conditional entry under section 203(a)(7) of the INA as in effect before April 1, 1980.
  - Battered aliens. See Battered Aliens for specific instructions.
- Victims of trafficking, for the period for which the Office of Refugee Resettlement certifies them. See Victims of Trafficking for specific instructions.
- Iraqi and Afghan special immigrants. See Iraqi and Afghan Special Immigrants for specific instructions.

Unless they are determined exempt due to receipt of SSI for disability, alien parents in the categories listed above are mandatory PROMISE JOBS referrals. They are subject to the family investment agreement (FIA) and the limited benefit plan.

Procedure: Determine eligibility for FIP for aliens in these categories without applying the five-year bar.

Refer aliens in these categories to PROMISE JOBS. See **4-J, Referring Clients to PROMISE JOBS** for information on referral and exemptions.

Battered Aliens

Legal reference: 441 IAC 41.23(4)

Generally, when an alien is the spouse or child of a United States citizen or a lawful permanent resident, the citizen or lawful permanent resident must file USCIS Form I-130, *Petition for Alien Relative*, to allow these family members to remain in the United States. If the petition is not filed (or is withdrawn), the alien has no lawful immigrant status and may face being deported.

In abusive situations, control over the alien's immigration status strengthens the batterer's hold on the victims. For example, the batterer may threaten to stop the visa process if the abused spouse or child attempted to leave their common home or to report the abuse to authorities.

Since the 1994 enactment of the Violence Against Women Act, a battered alien may self-petition for lawful permanent residency by USCIS Form I-360, *Petition for Amerasian, Widow(er) or Special Immigrant*. The petition can be filed without the cooperation or knowledge of the abuser.

The battered person may be the alien or the child or parent of the alien. The abuser may be a United States citizen or lawful permanent resident family member (spouse, parent, or other relative) who lived in the same household in the United States. To qualify as a battered alien, the person must:

- Present documentation of an approved or a pending petition for a family-based immigrant visa, a self-petition for an immigrant visa, or cancellation of removal, or suspension of deportation, **and**
- No longer lives with the abuser.

See Alien Status Documentation Chart for more information on verification of battered alien status.

NOTE: Because of the abusive relationship, these aliens may not have copies of documents they filed themselves or that were filed on their behalf. Refer applicants who do not have any documentation or who are not certain that a petition for lawful permanent residency has been filed on their behalf to the USCIS forms request line (1-800-870-3676).

These families may already be working with a domestic violence service provider. If not, refer them to the National Domestic Violence Hotline (1-800-799-7233) or to the local domestic violence service provider.

The domestic violence service provider may be able to assist the applicant in obtaining necessary documentation of alien status without jeopardizing the alien's safety or immigration efforts.

Under federal Temporary Assistance for Needy Families (TANF) regulations, a battered alien who entered the United States **before** August 22, 1996, is exempt from the five-year bar and may be eligible for FIP assistance from the date the person receives the status.

A battered alien who entered the United States **on or after** August 22, 1996, is ineligible for assistance for five years from the date of entry, unless the state chooses to provide assistance from state-only funds. The Iowa legislature in 2002 Iowa Acts, Chapter 1175, directed the Department to provide FIP assistance to battered aliens without regard to the five-year bar.

People applying for FIP assistance under these provisions are required to meet all other FIP eligibility requirements, except that the requirement to provide a social security number will be waived until the alien receives employment authorization from the USCIS.

Months of FIP assistance received by a battered alien count toward the 60-month limit. The Eligibility Tracking System will count these months.

Social Security Number

The Social Security Administration requires aliens to provide proof of employment authorization in order to apply for a social security number. A battered alien generally will receive verification of employment authorization from the USCIS three to four months after verification of the person's immigrant status is received.

A battered alien is not required to provide a social security number or proof of application for a social security number until the month following the month employment authorization is received from the USCIS.

A battered alien may apply for FIP before receiving employment authorization from the USCIS. If all other eligibility requirements are met, approve FIP using 999-99-9999 as the person's social security number. Inform the person, in writing, of the requirement to:

- Apply for employment authorization.
- Apply for a social security number when the employment authorization is received.
- Provide proof of application for a social security number by the month following the month when the employment authorization is received.
- Report the social security number when received.

Enter an Automated Benefit Calculation (ABC) system "tickler" on the case to follow up and request proof of application for a social security number if proof is not provided within the expected time.

NOTE: Although employment authorization is typically received within three to four months, in some situations it may take longer for the authorization to be received. Continue FIP assistance without a social security number, so long as the application for employment authorization remains pending.

Child Support Recovery

As with any other FIP case, before requiring cooperation with child support recovery, thoroughly explain good cause criteria. Make sure the applicant understands the right to claim good cause.

Because of the abusive relationship and other unusual barriers, the family may face, if the battered alien wishes to claim good cause, assist the person as much as possible in establishing the claim. Refer to **4-C, Good Cause for Refusal to Cooperate** for details.

Because FIP for battered aliens is paid with state-only funds, child support referrals must be made manually. Enter an "N" in the DEP field on the ABC TD03 screen for each child on the battered alien FIP case. Do not establish an ICAR case.

If the battered alien claims and is determined to have good cause for not cooperating with child support recovery, do **not** make a referral to the Child Support Services (CSS). Document the good cause decision clearly in the case record.

If the battered alien does not claim or is determined not to have good cause for not cooperating with CSS, make a manual referral to CSS.

To make the referral, send a copy of form 470-0188, *Application for Nonassistance Support Services*, to the local CSS office. (Print this form from the sample in **9-H Appendix**.) Enter your name and worker number in the "Applicant's Signature" section on page 6 and enter the current date in the "Date" section. Leave the rest of the form blank.

Attach photocopies of the following pages from the family's *Food and Financial Support Application*:

- Page 1, with the client's name and address.
- Page 3, with the personal information for all family members for whom the referral is being made.
- Page 7 or 8, with the absent parent information.

Also attach a memo explaining that the family is a battered alien family. If you have any other relevant information about the absent parent, include that information in the memo. If the family has a court order for support in place or has legal assistance pursuing an order, include this information in the memo.

Because the referral is made manually instead of through Iowa Collection and Reporting (ICAR) system, you must manually notify CSS of changes that occur in the case after referral. Notify the local CSS office by mail or by e-mail when any of the following events occur:

- Members of the FIP household leave the home.
- New household members are approved for FIP.
- Change of address.
- New information is received about the absent parent.
- Cancellation of FIP. NOTE: Since canceled cases are often reinstated before the effective date of cancellation, do not notify CSS of cancellation of FIP until the effective date of cancellation, to be sure the case will remain canceled.

If the client fails to cooperate with CSS after referral, CSS will contact you. Contact the client and offer the client the opportunity to cooperate with CSS or to claim good cause. Notify the client in writing of:

- The consequences of failure to cooperate.
- The client's right to claim good cause.
- The date by which cooperation or the good cause claim must occur.

Determine whether a sanction should be imposed as follows:

- If the client resumes cooperation by the deadline, do not impose a sanction.
- If the client claims good cause and you determine that good cause exists, document the good cause decision in the case record and notify the local CSS office of the decision by mail or e-mail. Do not impose a sanction if the good cause claim is made by the deadline and good cause is determined to exist.
- If the client does not cooperate or establish good cause, impose the 25% sanction as described in **4-C, Sanction for Failure to Cooperate**. Notify CSS by mail or e-mail that the sanction has been imposed.

PROMISE JOBS

Battered aliens are subject to the same PROMISE JOBS and family investment agreement (FIA) requirements as other FIP applicants and participants.

If the person already has a social security number, make the referral to PROMISE JOBS in the same way as for any other FIP applicant or participant.

If the person does not yet have a social security number, ABC will not be able to transmit the referral information to PROMISE JOBS.

- Enter the PROMISE JOBS referral code in the JOBS field on the TD03 screen in the ABC system.
- Also note in the comments section of form 470-3897, *FIA Appointment*, that the person is a battered alien who does not yet have a social security number. Include the person's address and date of birth and the names and ages of the children in the home (regardless of the child's FIP status).

When the battered alien obtains a social security number and that number is entered into the ABC system, ABC will generate a system referral to PROMISE JOBS.

Case Identification

Identify battered alien cases by entering a "Y" in the BAT ALIEN field on TD02. The field will default to "N" unless a "Y" is entered. This code will identify the case so that payments can be tracked and paid from state funds. The "Y" code should remain so long as FIP continues to be received based on the person's battered alien status.

If any members of the FIP household receive FIP based on battered alien status, code the case as a battered alien case even if some members of the FIP household would be eligible without the battered alien provisions.

> Mrs. A applies for FIP for herself and her two children. Mrs. A and one child are eligible for FIP under the battered alien provisions. Mrs. A's youngest child was born in the United States and is a United States citizen.
>
> So long as any members of the household receive FIP based on battered alien status, consider the FIP case as a battered alien case.

Create a tickler message in ABC to notify you when the battered alien has resided in the United States for five years. After that date is reached, the federal five-year bar on assistance no longer applies, and assistance no longer must be paid from state-only funds.

Remove the "Y" code when the person has resided in the United States for five years and is otherwise still eligible.

Victims of Trafficking

Legal reference: Public Laws 106-386 and 108-193

Aliens who are certified as "victims of trafficking" by the Department of Health and Human Services' Office of Refugee Resettlement (HHS ORR) are "eligible aliens" for FIP benefits. Alien victims of trafficking have an eligible status for FIP benefits for the period for which ORR certifies them.

The HHS ORR certifies a victim of trafficking for eight-month periods. The person's certification date is stated in the body of the HHS ORR certification letter or letter for children under 18 years old.

When a victim of trafficking applies for benefits, follow normal procedures for determining eligibility for refugee cash assistance except:

- Accept the original HHS ORR certification letter for adults or letter for children under 18 years old in place of USCIS documentation.

  Although trafficking victims are not required to provide any documentation of their immigration status for benefit purposes, they may have various documents, such as Form I-94, *Arrival/Departure Record*, with a stamp showing parole under section 212(d)(5) of the INA, an employment authorization document, etc. The documentation may serve to verify identity.
- Contact the trafficking verification line at (866) 401-5510 to confirm the validity of the certification letter for adults or letter for children under 18 years old and to notify the ORR of the benefits for which the individual has applied. NOTE: Do not contact SAVE concerning victims of trafficking, because SAVE will not have this information.
- Record the expiration date of the certification letter or the letter for children by using the tickler system, and redetermine eligibility at that time. The expiration date of the HHS ORR certification period is specified in the person's certification letter.

A recertification letter issued to the victim of trafficking by the ORR is required for the person to receive FIP benefits beyond the eight-month ORR certification period.

Cancel assistance at the end of the specified ORR certification period unless the household has received, and provides, a follow-up letter as stated above, or the household otherwise meets alien eligibility requirements. You must give timely notice.

Victims of trafficking may not yet have standard identity documents, such as driver's licenses. Do not automatically deny applications for people who cannot confirm their identity. Call the trafficking verification line at (866) 401-5510 for assistance.

Some victims of trafficking may not yet have or may not be able to get a social security number for work purposes. Assist these individuals in obtaining non-work social security numbers. See Social Security Number Requirement.

FIP rules require applicants for benefits who do not have social security numbers to apply for them. Assistance cannot be delayed, denied, or discontinued pending the issuance of their social security numbers.

If you encounter a person you believe may meet the definition of trafficking victim, go through your usual channels to obtain instructions on providing the person with assistance in contacting ORR for possible certification by that agency.

If a victim of trafficking gains an eligible alien status, the new eligible alien status is to be used when redetermining eligibility for that person.

Iraqi and Afghan Special Immigrants

Legal reference: Public Law 110-161 (December 26, 2007); Public Law 110-181 (January 28, 2008); Public Law 110-329 (September 30, 2008); Public Law 111-8 (March 10, 2009); Public Law 111-118 (December 19, 2009)

Policy: Beginning December 26, 2007, some Iraqi and Afghan nationals who have acted as translators for the U.S. military or provided services for the U.S. government, as well as their spouses and unmarried children, have been granted special immigrant status.

Before December 19, 2009, these special immigrants were subject to the five-year bar after an eight-month period of eligibility.

Effective December 19, 2009, Iraqi and Afghan aliens granted special immigrant status are lawful permanent residents (LPRs) who are exempt from the five-year bar on assistance. These special immigrants are eligible for assistance to the same extent as refugees.

Procedure: Approve FIP for Iraqi and Afghan special immigrants if all other eligibility requirements are met.

Comment: Initially, the exemption period for Afghan special immigrants was only six months. In April 2009, federal law extended the exemption for Afghans to eight months. Afghan special immigrants whose six-month exemption period ended before March 11, 2009, were not eligible for the extension to eight months.

This section applies to Iraqi and Afghan Special Immigrants only. It does not apply to Afghan Special Immigrant Parolees, Afghan Special Immigrant Conditional Permanent Residents, or Afghan Humanitarian Parolees. See Alien Status Documentation Chart.

Qualified Aliens Subject to Five-Year Bar

Legal reference: 441 IAC 41.23(5)

Policy: Qualified aliens with the following statuses are barred from FIP eligibility for five years. The five-year period begins on the date the person enters the United States with one of the following statuses. If the person originally entered the United States with a status that is not listed, the five years begins with the date they first obtained a qualified alien status.

- Aliens lawfully admitted for permanent residency.
- Aliens paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act (INA) for a period of **at least one year**.
- Aliens granted conditional entry under section 203(a)(7) of the INA as in effect before April 1, 1980.

EXCEPTION: See Qualified Aliens Exempt from Five-Year Bar. The five-year bar does not apply to aliens with one of the statuses listed in this section who are lawfully residing in the United States and are:

- Aliens who entered the United States before August 22, 1996.
- Battered aliens.
- Active-duty personnel of the armed forces.
- Spouses (including surviving spouses who have not remarried) and unmarried dependent children of active-duty personnel of the U.S. armed forces.
- Veterans honorably discharged for reasons other than alienage.
- Spouses (including surviving spouses who have not remarried) and unmarried dependent children of veterans honorably discharged for reasons other than alienage.
- Iraqi and Afghan special immigrants.

Unless they are determined exempt due to receipt of SSI, alien parents subject to the five-year bar are mandatory PROMISE JOBS referrals, even though they are excluded from the grant during the five-year period. They are subject to the family investment agreement and the limited benefit plan.

Procedure: Deny FIP for aliens who are subject to the five-year bar. Determine FIP eligibility for any remaining family members who are not ineligible due to the five-year bar. Code an ineligible alien parent as an "excluded parent" ("F" individual FIP status) in the ABC system.

Create ticklers in the ABC system to notify you of an excluded alien's upcoming expiration of the five-year bar.

Since the ending date of the five-year period is known to you, the family is not required to report that date or request to add the excluded alien. Provided the family has not exhausted the 60-month FIP limit and is otherwise still eligible, the date after the five-year bar has ended is the date of application to add the alien to the FIP case.

See **4-G, Establishing the Date of Application and Eligibility** for additional information.
See **4-J, PROMISE JOBS** for more information on PROMISE JOBS referrals.

Sponsor Affidavits of Support and Deeming

Legal reference: 441 IAC 41.26(9) and (10)

Policy: Aliens admitted to the United States as lawful permanent residents may have a sponsor who pledged to support them.

A sponsor is a person who signs an "affidavit of support." If the sponsor signed an enforceable affidavit of support, the income and resources of the sponsor (and the sponsor's spouse, if living with the sponsor) may be deemed (considered) in determining eligibility and benefits for FIP. Deeming may apply whether or not the sponsor actually makes the income and resources available to the alien.

Sponsor deeming applies only to applicants and participants who:

- Are lawful permanent residents,
- Applied for lawful permanent resident status on or after December 19, 1997, and
- Are sponsored by a person who signed Form I-864, *Affidavit of Support*.

Sponsor deeming does **not** apply when the sponsor is:

- An organization such as a church or service club.
- An employer who does not sign an affidavit of support.

- A spouse or parent whose income is otherwise considered in determining FIP eligibility and benefits. If the couple separates, then the sponsor deeming rules apply.
- An individual who signs another form of support affidavit, including Form I-134 or Form I-361.

NOTE: Sponsor deeming does not apply to Ukrainian Humanitarian Parolees (UHP) and non-Ukrainian individuals who last habitually resided in Ukraine and received humanitarian parole.

Comment: An alien may have more than one sponsor and a sponsor may have sponsored more than one alien.

The following sections explain:

- Affidavits of support
- Verifying sponsor's information
- Exceptions to deeming
- Calculating deemed sponsor income and resources

Affidavits of Support

Legal reference: 441 IAC 41.26(9) and (10)

Policy: The USCIS will certify whether an applicant has a sponsor and, if so, what kind of affidavit the sponsor signed.

Procedure: If the sponsor signed Form I-864, *Affidavit of Support*, deem the income and resources unless one of the exemptions listed under Exemptions to Deeming applies.

If the sponsor signed any other type of affidavit of support, including forms I-134 and I-361, do not deem the income and resources.

Verifying Sponsor's Information

Legal reference: IRCA, Section 121, as amended by PRWORA, and IIRIRA and the Balanced Budget Act of 1997

Policy: Sponsorship must be verified, at application and review, for any applicant or participant who became a lawful permanent resident (LPR) on or after December 19, 1997, unless the person is exempt from sponsor deeming.

Procedure: When the person provides Form I-864, *Affidavit of Support*, accept this as proof of sponsorship.

If the person does not have the *Affidavit of Support*, verify sponsorship through SAVE by selecting Request Additional Verification on the Case Details page. Complete the *Additional Verification Data Request* form and enter "sponsorship information request" in the SPECIAL COMMENTS field.

If the response verifies that the person has a sponsor who signed Form I-864, *Affidavit of Support*, the name, address, and social security number of the sponsor will be provided in the response from SAVE.

See Exceptions to Deeming for information on who is exempt from sponsor deeming. If it appears that deeming applies, ask the alien if their sponsor is providing support.

When sponsor deeming applies, request verification of the income and resources of the sponsor and the sponsor's spouse, from the sponsored alien. Do not approve FIP for the eligible group until you receive the sponsor's verification.

If the sponsored person needs more time or help obtaining information from the sponsor, follow the procedures in **4-B, Verification** for obtaining information from a third party.

An applicant or participant who provides a signed release to a specific individual for specific information has met the requirements for supplying requested information or verification.

If a third party does not provide the requested information, contact the applicant to obtain the best information available about the sponsor's income and resources and determine eligibility based on the information provided.

Exceptions to Deeming

Legal reference: 441 IAC 41.23(5)

Policy: Lawful permanent resident aliens whose sponsor signed Form I-864, *Affidavit of Support*, are exempt from sponsor to alien deeming when:

- The sponsored alien has attained citizenship.
- The sponsored alien can be credited with 40 qualifying quarters.
- The sponsor dies.
- The sponsored alien dies or permanently leaves the United States. Deeming stops effective with the month the change occurs.
- The sponsored alien is indigent. This exception applies for 12 months from the date the person is determined indigent. See Indigent Aliens.

- The sponsored alien is a victim of battering or extreme cruelty in the United States. The victim's children or parents are also exempt from sponsor deeming. This exception applies for 12 months from the date it is determined that the person qualifies as a battered alien. See Battered Aliens for more information.

NOTE: Aliens who do not have a sponsor who signed Form I-864, *Affidavit of Support*, are also exempt from sponsor deeming. For example, those who entered the United States before December 19, 1997, and those who adjusted to lawful permanent resident status from an alien status that did not require an affidavit of support (refugees, asylees, parolees, etc.).

Procedure: Do not apply sponsor deeming to a lawful permanent resident who is identified as exempt from deeming.

Establishing Qualifying Quarters

Procedure: When a lawful permanent resident (LPR) is not otherwise exempt from sponsor deeming, you must determine the number of qualifying quarters with which the person can be credited. LPRs become exempt from sponsor deeming when they can be credited with 40 qualifying quarters.

The following chart lists the amount a person had to earn to get one credit for the years 1978 and later. For years before 1978, contact SPIRS for assistance.)

Amount Needed to Earn a Qualifying Quarter			
Year	Earnings Needed to Get One Credit	Year	Earnings Needed to Get One Credit
1978	$250	1992	$570
1979	$260	1993	$590
1980	$290	1994	$620
1981	$310	1995	$630
1982	$340	1996	$640
1983	$370	1997	$670
1984	$390	1998	$700
1985	$410	1999	$740
1986	$440	2000	$780
1987	$460	2001	$830
1988	$470	2002	$870
1989	$500	2003	$890
1990	$520	2004	$900
1991	$540	2005	$920

Amount Needed to Earn a Qualifying Quarter			
2006	$970	2016	$1,260
2007	$1,000	2017	$1,300
2008	$1,050	2018	$1,320
2009	$1,090	2019	$1,360
2010	$1,120	2020	$1,410
2011	$1,120	2021	$1,470
2012	$1,130	2022	$1,510
2013	$1,160	2023	$1,640
2014	$1,200	2024	$1,730
2015	$1,220	2025	$1,810

To calculate the number of quarters for a year, divide the person's total earnings for the year by the amount needed to get one credit. Use only full quarters. For example, 2.95 quarters are rounded down to 2 quarters.

For earnings from employment, use the gross amount of earnings. For earnings from self-employment, use the amount of earnings after allowable self-employment expenses have been deducted.

Each person can get up to a total of four qualifying quarters of credit each calendar year, based on the person's own earnings. The person may be credited with additional quarters in a calendar year based on earnings of a parent or spouse, as described later in this section.

> Mr. G earned $5,000 gross income in 1995. $5,000 divided by $630 = 7.936. Although the result equals over seven quarters, he is credited with four qualifying quarters in 1995.

NOTE: Starting with January 1, 1997, do not count the income from any quarters in which an alien got FIP benefits or any other type of federal means-tested public assistance during the quarter. "Means-tested public assistance" includes FIP, SSI, Medicaid, and SNAP.

The quarters in a calendar year are: January through March, April through June, July through September, and October through December.

This means if an alien received FIP, SNAP, Medicaid, or SSI in June 1997, you would subtract the person's April, May, and June earnings from the total 1997 earnings and divide the remainder to figure how many qualifying quarters the person has. Use the same formula to calculate qualifying quarters by a spouse or parent.

Spouse's quarters: Lawful permanent residents can count their spouse's quarters earned during the marriage in addition to their own quarters to meet the 40-quarter requirement.

For example, if each spouse had 20 quarters, you would add the quarters together. Both spouses would be counted as having 40 quarters and both would meet this requirement. Exempt both from sponsor deeming requirements.

Count the spouse's quarters earned during the marriage if the spouse is either a citizen or an alien, and either:

- The couple is currently married, or
- A spouse is deceased and the surviving spouse is not remarried, or
- The couple is separated but not divorced.

If a couple divorces, the former spouses are no longer entitled to each other's quarters. However, if the divorce occurs after a person has been credited with 40 quarters and determined eligible for FIP, do not subtract qualifying quarters earned by the former spouse.

1. Mr. and Mrs. J are LPRs who entered the United States in February 2000 but did not obtain qualifying status until February 2006. March 2006, they apply for FIP.

   Although Mr. J has a sponsor, it is determined that sponsor deeming does not apply because Mr. J can be credited with 20 qualifying quarters of his own and 20 of Mrs. J's quarters. Mr. J is exempted from sponsor deeming and all other eligibility factors are met, so FIP is approved.

   In July, the couple divorces. The qualifying quarters previously credited to each spouse are not recalculated.

2. Same as Example 1, except the couple has already divorced by the time Mr. J applies for FIP. Mr. J can be credited with his own qualifying quarters but not those of his former spouse.

   Mr. J is not exempt from sponsor deeming until he has 40 creditable qualifying quarters. Unless Mr. J meets another reason for exemption from sponsor deeming, FIP eligibility for Mr. J's eligible group will be determined using the income deemed from the sponsor and any other countable income of the eligible group.

Parents' quarters: Aliens can also count the quarters earned by a parent in addition to their own quarters to meet the 40-quarter requirement.

For this policy, “parent” means the natural or adoptive parent or the stepparent. Count the parent’s quarters if the parent:

- Is either a citizen or an alien, and
- Earned the quarters before the child turned 18. (The parent’s quarters earned before the child was born also count.)

When calculating creditable quarters for the year in which a child turned 18, count all earnings received by the child’s parents while the child was under 18 years of age.

> Child D turned 18 on June 15, 2006. His mother earned $12,000 between January 1 and June 14 of that year. Divide $12,000 by $970 = 12.37, converted to the maximum allowable four quarters. Child D is credited with four qualifying quarters from his mother in 2006.

Count the quarters earned by a stepparent during the stepparent relationship, if the relationship still exists. Do not count quarters earned before the stepparent relationship began. Death of the stepparent does not end the relationship.

If the parent and stepparent divorce, any quarters earned by the stepparent are lost. However, if divorce occurs after the person has already been credited with the 40 quarters and determined eligible for FIP, do not subtract qualifying quarters earned by the stepparent.

Do not count quarters earned by a child toward the eligibility of a parent.

Verifying Qualifying Quarters

The alien is responsible for getting verification of qualifying quarters. This includes getting verification of the qualifying quarters earned by a spouse, parent, or stepparent. In addition to verification from the Social Security Administration (SSA), you can use documentation such as:

- Wage stubs or W-2s
- Employer’s statement
- Income tax forms

If the alien does not have acceptable proof, the alien is responsible for obtaining necessary verification from the SSA. SSA can verify quarters starting with the year 1930.

If the alien provides verification from SSA of less than the required 40 qualifying quarters but disputes the SSA records, allow the alien an opportunity to resolve the discrepancy.

Battered Aliens Exception

Legal reference: 441 IAC 41.23(5)

Policy: A lawful permanent resident (LPR) alien who is determined to be a battered alien is exempt from sponsor deeming.

Procedure: Determine if the sponsored LPR alien has proof of battered alien status as indicated in the Alien Status Documentation Chart. Also see Battered Aliens for information on eligibility for battered aliens.

Indigent Aliens

Legal reference: 441 IAC 41.23(5)

Policy: A lawful permanent resident (LPR) alien whose sponsor signs Form I-864, *Affidavit of Support*, is exempt from sponsor deeming if it is determined that the sponsored person meets indigent criteria of being unable to obtain food and shelter.

Procedure: Explain to the applicant or participant that the sponsor's income and resources will be considered (deemed) in determining eligibility and benefits, unless it is determined that the sponsored person meets indigent criteria of being unable to obtain food and shelter.

If the sponsored person is living with the sponsor, assume the sponsor is providing food and shelter. Do not consider the person to be indigent.

If the sponsored person is living apart from the sponsor, ask the sponsored person how much income the sponsor and others outside the household are making available.

Consider the sponsored person to be indigent if the gross income of the sponsored person's assistance unit (including any income provided by others, including the sponsor) is less than 100% of the federal poverty level for the sponsored person's eligible group. See **6-Appendix, Desk Aid, RC-0033** for the federal poverty level.

In determining whether the indigence exemption applies, county only the **actual** amount of income that the sponsor and others make available to the sponsored person.

Comment: If the indigence exemption applies, there is no sponsor deeming. However, income actually made available by the sponsor is countable when determining eligibility and benefits for the alien's eligible group. The indigence exception applies for 12 months from the date the person is determined indigent.

HHS must notify the USCIS of an indigent alien's situation and provide the USCIS with the names of the alien and the sponsor. Contact the SPIRS Helpdesk for assistance if you believe you have an indigent alien who needs to be reported.

1. Mr. B is an LPR sponsored by a person under Form I-864, *Affidavit of Support*. Mr. B does not live with his sponsor and does not have the 40 qualifying quarters needed to exempt him from sponsor deeming. Mr. B and his wife are qualified aliens who have met the five-year bar. Their children are U.S. citizens.

   Mr. B applies for FIP for himself and his family. The family's only income is Mr. B's gross monthly earnings of $400, plus $200 provided by his sponsor. The $600 total income is less than 100% of the federal poverty level for Mr. B's four person eligible group.

   Mr. B is determined to be indigent and sponsor deeming is not applied. However, the income actually provided by the sponsor is countable unearned income to Mr. B.

2. Same as Example 1, except Mr. B is receives SSI. The family's only income is Mr. B's SSI and $200 provided by Mr. B's sponsor. Since the sponsored alien is an SSI recipient, indigence does not have to be determined. FIP eligibility and benefits for Mrs. B and the children is determined without considering Mr. B's income.

Calculating Deemed Sponsor Income and Resources

Legal reference: 441 IAC 41.26(9) and (10)

Policy: When a lawful permanent resident (LPR) alien is sponsored by a person who signed Form I-864, *Affidavit of Support*, and sponsor deeming applies, income and resources are deemed to the sponsored alien after applying allowable deductions and diversions.

Procedure: Income. Calculate the amount of income to deem as follows:

1. Determine the amount of the sponsor or sponsor's spouse's monthly nonexempt gross earned and unearned income in accordance with normal FIP policy.

2. Allow deductions as follows:
   - Allow the same deductions from the income of the sponsor or sponsor's spouse that are allowed for ineligible stepparents, including diversion for the needs of the sponsor and the sponsor's spouse and dependents. See **4-E, Deductions Allowed for Stepparents**.
   - Divide the amount remaining by the number of aliens sponsored by this sponsor, if known. If the number is not known, count the entire remaining amount.
3. The result is the amount of income deemed to the sponsored person. Count this amount as unearned income when determining eligibility and benefits for the eligible group.

Mr. C is an LPR who is subject to sponsor deeming. He applies for FIP for himself, his wife, and two children. They are qualified aliens who have met the five-year bar but do not have 40 qualifying quarters.

Mr. C has gross monthly earnings of $400. The sponsor has gross monthly earnings of $1,500. The sponsor's household includes his wife and one child. The sponsor's wife has no income.

The amount of income to deem from the sponsor is calculated as follows:

$ 1,500.00	Sponsor's gross monthly earnings
– 300.00	20% earned income deduction
– 849.00	Diversion for sponsor, wife, and child
– 203.58	58% work incentive deduction
$ 147.42	Countable as unearned income to the sponsored person

Next FIP eligibility for Mr. C's household is calculated as follows:

Test 1:

$ 147.42	Deemed from sponsor
+ 400.00	Mr. C's earnings
$ 547.42	Less than 185% (Test 1) for four persons

Test 2:

$ 400.00	Mr. C's gross earnings
– 80.00	20% earned income deduction
$ 320.00	Mr. C's net earnings
+ 147.42	Deemed from sponsor
$ 467.42	Less than Standard of Need (Test 2) for four persons

Test 3:

$ 320.00	Mr. C's net earnings
– 185.60	58% work incentive deduction
$ 134.40	Mr. C's countable earnings
+ 147.42	Deemed from sponsor
$ 281.82	Total countable income
$ 495.00	Payment standard for four persons
– 281.82	Countable income
$ 213.00	FIP grant (rounded)

Resources. Calculate the amount of resources to deem as follows:

1. Determine the amount of nonexempt resources of the sponsor and the sponsor's spouse in accordance with normal FIP policy.
2. Allow deductions as follows:
   - Subtract $1,500 from the sponsor's total nonexempt resources.
   - Divide by the number of aliens sponsored by this sponsor, if known. If the number is not known, count the entire amount.
3. The remainder is the amount of resources deemed to the sponsored alien.

Comment: If the sponsor makes income or resources available to the sponsored person in excess of the deemed amount, also count the extra amount.

A FIP parent who is not eligible to be included in the FIP grant (for example due to the five-year bar) is treated as an excluded parent. See **4-E, Excluded Parent** for information on calculating income.

Ms. K is a sponsored LPR who is ineligible for FIP due to the five-year bar. She applies for FIP for her two children who are U.S. citizens. All of the income deemed from Ms. K's sponsor is treated as unearned income of Ms. K. This income is added to any other income of the household and is used to determine eligibility and benefits for the children.

Nonqualified (Ineligible) Aliens

Legal reference: 441 IAC 41.23(5)

Policy: Nonqualified aliens whose alien status is not specifically listed under Qualified Aliens Subject to Five-Year Bar or Qualified Aliens Exempt from Five-Year Bar are not eligible for FIP or PROMISE JOBS **regardless** of the date they entered the United States. However, their family members who were born in the United States or have an eligible alien status and who otherwise meet FIP requirements may be eligible.

Procedure: Code an ineligible alien parent as an "excluded parent" in the ABC system.

Important: Do not refer aliens whose alien status is not listed under Qualified Aliens Subject to the Five-Year Bar or Qualified Aliens Exempt From the Five-Year Bar to PROMISE JOBS. PROMISE JOBS is prohibited from providing services to nonqualified aliens. See **4-J, Alien Exemption** for specific information.

Comment: Examples of immigration statuses held by aliens who are ineligible for FIP include:

- Undocumented aliens. These aliens either were never legally admitted to the United States for any period, or they were admitted for a limited period and did not leave the United States when the period expired.
- Aliens paroled into the United States under section 212(d)(5) of the INA **for less than one year**.
- Aliens with protected status (such as PRUCOLs (permanently residing in the United States under color of law)).
- Temporary residents (see "legal nonimmigrants").
- Aliens in deferred status.
- Legal nonimmigrants. These include:
  - Visitors for business or pleasure, including exchange visitors
  - Aliens in travel status while traveling through the United States
  - Crewmen on shore leave
  - Foreign students
  - Temporary workers including agricultural contract workers
  - Treaty traders and investors and their families
  - Foreign diplomats on official business and their families and servants
  - International organization personnel and their families and servants
  - Members of foreign press, radio, film or other information media and their families

NOTE: Some of these aliens may possess valid employment authorization documents, but that does not alter their ineligibility for FIP and PROMISE JOBS.

Reporting Undocumented Aliens

At the time of interview, explain alien eligibility criteria and verification procedures to households that include non-citizen members. Check the status only of household members who are applying for assistance and claim to have an eligible status for the program.

Based on federal guidance, the Department is to report to the USCIS that an alien is not lawfully present in the United States only if we "know" that the alien is not lawfully present. The Department "knows" this only if:

- The alien applies to receive benefits, **and**
- The alien claims to have an eligible status for the program, **and**
- In making a formal determination of eligibility, we receive from USCIS verification of undocumented status, such as a Final Order of Deportation.

NOTE: A SAVE response that shows no service record on a person or shows an immigration status making the person ineligible for a benefit is not a finding of fact or conclusion of law that the person is not lawfully present.

Situations in which the criteria are met for reporting an undocumented alien are extremely rare. For this reason, contact SPIRS Helpdesk for assistance if you believe it may be appropriate to report an undocumented alien.

Social Security Number Requirement

Legal reference: 441 IAC 41.22(13)

People who fail to provide a social security number or proof of application for a number must be excluded from the eligible group, but must still provide documentation of alien status for a PROMISE JOBS determination.

Failure to provide documentation of alien status results in FIP ineligibility for the entire family, because the alien's PROMISE JOBS referral status cannot be determined. Deny the application for failure to provide information.

If the alien provides documentation of alien status but the status prohibits the person from being included in the eligible group, deny the person's needs for that reason. Do not require the alien to provide a social security number or proof of application for a number in that instance.

If the alien provides documentation of a FIP-eligible alien status but does not want to provide a social security number or proof of application for a number, deny the person's needs for failure to provide a social security number.

Migrants who are not citizens must meet the same eligibility requirements as any other alien (as described in this chapter). See Migrants.

Some victims of trafficking may not yet have or may not be able to get a social security number for work purposes. Assist them in obtaining non-work social security numbers by sending a letter to the Social Security Administration that:

- Is on letterhead.
- Includes the applicant's name.
- Mentions that this person is a trafficking victim.
- References the non-work reason for which the number is required.
- States that the applicant meets the requirements to receive benefits except for the social security number.

While FIP rules require applicants who do not have a social security number to apply for one, assistance cannot be delayed, denied, or discontinued pending the issuance of the social security number. See Victims of Trafficking for more information.

Some battered aliens may apply for FIP before they are able to apply for a social security number. A battered alien cannot apply for a social security number until employment authorization is received from the USCIS. This authorization is usually received within three or four months following receipt of documentation of status as a battered alien.

Do not delay, deny, or discontinue assistance for a person who has status as a battered alien due to failure to apply for a social security number when the person has applied for employment authorization but has not yet been received it.

The person has until the month following the month the employment authorization is received from the USCIS to apply for a social security number. See Battered Aliens for additional information.

Refer to **4-C, Social Security Number** for additional information.

Income and Resources

Legal reference: 441 IAC 41.23(5); 41.26(2); 41.27(6); 41.27(8)"a"

Treat an eligible alien the same as any other person in the eligible group.

Do not include the needs of a person who is an ineligible alien or whose alien status prohibits the person from receiving FIP for five years as described in this chapter.

Treat the income and resources of these excluded aliens as described in **4-D, Whose Resources to Count** and **4-E, Excluded Parent**. Do not count the income and resources of a child who is an ineligible alien, the same as with any other ineligible child.

Migrants

Legal reference: 441 IAC 41.23(1), 41.23(5)

Migrants are people who travel between states or counties to find work on a seasonal basis. They are usually employed in agricultural situations. Migrants may be U.S. citizens or nationals, or they may be aliens. If the migrant is also an alien, verify the migrant's alien status to determine eligibility for FIP.

Residency

Legal reference: 441 IAC 41.23(1), 41.26(1)"a"

When a person, who is either a citizen or U.S. national enters Iowa for employment purposes, the person is considered a resident even if the person retains a homestead in another state and intends to return there once employment has ended. "Entering the state for employment purposes" is defined as:

- Having a job commitment, or
- Seeking employment, regardless of whether the person is employed when applying for FIP.

This policy makes it possible for migrant families to meet the residency requirement and to receive FIP if otherwise eligible.

A person who is temporarily absent from a state and remains eligible for FIP in that state could also be eligible in another state in which residency has been established for employment purposes. However, under **no circumstances** can the person **receive** FIP in **both** states at the **same time**.

Discuss with the migrant the pros and cons of receiving assistance in Iowa vs. in the other state, such as use and coverage of the Medicaid card, FIP benefit level, etc., so that the migrant can make an informed choice in which state to apply for assistance.

If the migrant retains a homestead (as defined by FIP policy) in the other state while residing in Iowa for employment purposes, the homestead is exempt as resource as long as the migrant **intends to return to that homestead once employment has ended**. See **4-D, Homestead**.

Examine the migrant's "intent to return to the homestead" and document the results in the case record at the time of FIP application and subsequent review. Indications that a person who entered Iowa for employment does not intend to return to the homestead in the other state may include the following:

- The person moves other family members to Iowa.
- The person establishes a family in Iowa.

- The person accepts a “permanent” job in Iowa.
- The person purchases a home in Iowa.
- The person attempts to sell the homestead in the other state.

If the family does not intend to return to the homestead left behind in the other state, consider the property nonhomestead property and treat the property in accordance with those policies before approving the family for FIP.

In addition, before FIP can be approved, a migrant family must meet all other program eligibility factors that apply to any other FIP household.