

# ARKANSAS REGISTER

## Proposed Rule Cover Sheet



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Name of Department \_\_\_\_\_

Agency or Division Name \_\_\_\_\_

Other Subdivision or Department, If Applicable \_\_\_\_\_

Previous Agency Name, If Applicable \_\_\_\_\_

Contact Person \_\_\_\_\_

Contact E-mail \_\_\_\_\_

Contact Phone \_\_\_\_\_

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Name of Rule \_\_\_\_\_

Newspaper Name \_\_\_\_\_

Date of Publishing \_\_\_\_\_

Final Date for Public Comment \_\_\_\_\_

Location and Time of Public Meeting \_\_\_\_\_

## FINANCIAL IMPACT STATEMENT

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Department of Human Services

**DIVISION** Division of County Operations

**PERSON COMPLETING THIS STATEMENT** Michele Rodgers for Lisa Woodall – DCO CFO

**TELEPHONE** (501) 682.8376 **FAX** \_\_\_\_\_ **EMAIL:** [Lisa.Woodall@dhs.arkansas.gov](mailto:Lisa.Woodall@dhs.arkansas.gov)

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE** TEA Income Limit Increase

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☒ No ☐
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☒ No ☐
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☒ No ☐

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;  
n/a

(b) The reason for adoption of the more costly rule;  
n/a

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;  
n/a

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.  
n/a

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

(a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

General Revenue	<u>\$0.00</u>
Federal Funds	<u>\$0.00</u>
Cash Funds	<u>\$0.00</u>
Special Revenue	<u>\$0.00</u>
Other (Identify)	<u>\$0.00</u>
Total	<u>\$0.00</u>

**Next Fiscal Year**

General Revenue	<u>\$0.00</u>
Federal Funds	<u>\$0.00</u>
Cash Funds	<u>\$0.00</u>
Special Revenue	<u>\$0.00</u>
Other (Identify)	<u>\$0.00</u>
Total	<u>\$0.00</u>

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

General Revenue	\$909,974
Federal Funds	\$7,116,896
Cash Funds	\$0.00
Special Revenue	\$0.00
Other (Identify)	\$0.00
Total	\$ 8,026,871

**Next Fiscal Year**

General Revenue	\$1,819,949
Federal Funds	\$14,233,793
Cash Funds	\$0.00
Special Revenue	\$0.00
Other (Identify)	\$0.00
Total	\$ 16,053,742

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

\$ 0.00

**Next Fiscal Year**

\$ 0.00

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

The cost is estimated to state general revenue for the Department of Workforce Services which then provides funding to DHS to administer.

**Current Fiscal Year**

\$ 909,974

**Next Fiscal Year**

\$ 1,819,949

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes ☒ No ☐

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;

**The Department of Human Services and the Department of Commerce's Division of Workforce Services who jointly administer the TEA program submitted a proposal to support Arkansas' maternal health initiative. DHS is raising the income limit. that has been approved to raise the net income standards from \$223.00 to \$513.00 monthly. Policy manual has also been updated in accordance with the new eligibility system's language and procedures.**

- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

**The Department of Human Services and the Department of Commerce's Division of Workforce Services who jointly administer the TEA program submitted a proposal to support Arkansas' maternal health initiative. DHS is raising the income limit. that has been approved to raise the net income standards from \$223.00 to \$513.00 monthly. Policy manual has also been updated in accordance with the new eligibility system's language and procedures.**

- (3) a description of the factual evidence that:

- (a) justifies the agency's need for the proposed rule; and
- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

**The Department of Human Services and the Department of Commerce's Division of Workforce Services who jointly administer the TEA program submitted a proposal to support Arkansas' maternal health initiative. DHS is raising the income limit. that has been approved to raise the net income standards from \$223.00 to \$513.00 monthly. Policy manual has also been updated in accordance with the new eligibility system's language and procedures.**

- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

**N/A**

- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

**N/A**

- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and

**N/A**

- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:

- (a) the rule is achieving the statutory objectives;
- (b) the benefits of the rule continue to justify its costs; and
- (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

**The Agency monitors State and Federal rules and policies for opportunities to reduce and control costs.**

## **Statement of Necessity and Rule Summary**

### **TEA Income Limit Increase**

#### **Statement of Necessity:**

The Department of Human Services and the Department of Commerce's Division of Workforce Services, who jointly administer the TEA program, submit a proposal to support Arkansas' maternal health initiative. DHS raises the net income limit standard from \$223.00 to \$513.00 monthly. The TEA Policy Manual has also been updated in accordance with the new eligibility system's language and procedures.

#### **Summary:**

- TEA 2101 – Updated the income eligibility limit from \$223 to \$513.
- TEA 2351 - Updated language, minimum wage information, and income eligibility limit.
- TEA 2353 - Updated language, minimum wage information, and income eligibility limit.
- TEA 2362 – Added numbers, updated income limit, and updated language.
- TEA 4120.1 – Updated income and examples.
- TEA 4120.2 – Updated income, and examples
- TEA 9041.1 – Updated income
- Glossary – Updated income (G)

## NOTICE OF RULE MAKING

The Director of the Division of County Operations of the Department of Human Services announces for a public comment period of thirty (30) calendar days a notice of rulemaking for the following proposed rule under one or more of the following chapters, subchapters, or sections of the Arkansas Code: §§20-76-201, 20-76-401, 20-77-107, and 25-10-129.

### **Effective January 1, 2023:**

The Director of the Division of County Operations amends the Transitional Employment Assistance (TEA) Policy Manual by increasing the income eligibility standard to support Arkansas' Maternal Health Initiative. DHS is raising the net income standards from \$223.00 to \$513.00 monthly. The projected annual cost of this change for state fiscal year (SFY) 2023 is \$8,026,871 (federal share of \$7,116,896) and for SFY 2024 is \$16,053,742 (federal share of \$14,233,793).

The proposed rule is available for review at the Department of Human Services (DHS) Office of Rules Promulgation, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule at <https://humanservices.arkansas.gov/do-business-with-dhs/proposed-rules/>. Public comments must be submitted in writing at the above address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov). All public comments must be received by DHS no later than **November 7, 2022**. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you need this material in a different format, such as large print, contact the Office of Rules Promulgation at 501-534-4138.

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin.

  
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Mary Franklin, Director  
Division of County Operations

## APPENDIX: FOOD STAMP GLOSSARY

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### Gross Income Trigger - Job Ready

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#### Gross Income Trigger

When the gross income of a family reaches \$~~446~~1026 monthly and the TEA payment is reduced by 50%.

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#### Head of Household

The ~~casehead~~case head.

#### Head of Household (Minor Parent)

A minor parent who is legally married regardless of whether he/she is currently living with the spouse, or a minor parent who is living on his/her own without adult supervision and it has been determined (TEA 2122.1) that this is an appropriate living arrangement for the minor parent and child.

#### Head of Household (Teen Parent)

A head of household who is under 20 years of age. Household Composition All persons living in the home with family members included in the TEA Unit.

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#### Imposition of Sanction

The case was closed or, if a closure exception was allowed, the payment was reduced due to non-compliance in certain program requirements.

#### Income Eligibility Standard

The dollar amount a family's net countable income must be equal to or less than in order to meet the income eligibility requirement.

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#### Job Ready

A person who has no physical, mental or job skill barriers that Oprevent employment.

## TRANSITIONAL EMPLOYMENT ASSISTANCE POLICY MANUAL, SECTION 2000

### 2100 TEA Application Process

#### 2101 Preliminary Income and Resource Eligibility Screening

### 2100 TEA Application Process

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07/01/9701/01/2023

#### 2101 Preliminary Income and Resource Eligibility Screening

The income and resource sections of the application will be reviewed with the applicant to determine whether the family may be eligible for assistance. If the income or resources are above the maximums of ~~\$2235~~13/month for income ([TEA 2351](#)) or \$3000 for resources ([TEA 2272](#)), it is not necessary to continue the application interview. The TEA application will be denied. If it appears that the family may be eligible for assistance, the interview process will continue.



## TRANSITIONAL EMPLOYMENT ASSISTANCE POLICY MANUAL, SECTION 2000

### 2300 Income Eligibility and Payment Determination

#### 2350 Income Eligibility Determination

#### 2351 Income Eligibility Standard

~~01/04/1999~~01/01/2023

~~The Income Eligibility Standard is 25% of the amount a full-time worker would earn at the September 1997 minimum wage of \$5.15 per hour. The Income Eligibility Standard~~  
~~is~~ is the same amount for all family sizes and is used to determine both initial and on-going income eligibility.

Countable unearned income plus net earned income (gross minus certain deductions specified in [TEA 2352](#)) is compared to the Income Eligibility Standard. If the total countable income exceeds the Standard, the family is ineligible for TEA benefits.

The Income Eligibility Standard is ~~\$223~~\$513 per month.

## 2300 Income Eligibility and Payment Determination

## 2360 Payment Determination

## 2353.1 Applicant Income Eligibility Budget

~~01/04/1999~~01/01/2023

1. Compute the family's countable unearned income.
2. Compute the family's monthly countable gross earned income.
3. From the monthly gross earnings, deduct 20% of the gross amount to arrive at the monthly net earnings. (May multiply the gross earnings by 80%.)
4. Add the net earnings to the unearned income to arrive at the monthly countable income. Compare the total monthly countable income to the Income Eligibility Standard of ~~\$223~~513.
5. If the income is equal to or less than ~~\$223~~513.0, then the family meets the income requirement, and the eligibility and payment determination will continue (see [TEA 2360](#)).
6. If the income is over ~~\$223~~513.0, then the family is ineligible, and the application will be denied.

**EXAMPLE #1:** Ms. Jones has one child, and their only income is a ~~\$100~~125 per week Unemployment Insurance benefit. Their monthly countable income is computed to be ~~\$433.33~~541.75. This exceeds the Income Eligibility Standard of ~~\$223~~513 so the application is denied due to income.

**EXAMPLE #2:** Mr. and Mrs. Miller have two children and no unearned income. Mr. Miller is currently employed for only a few hours per week (10 hours) at ~~\$5.15~~11.00/hour. His gross monthly earnings are computed to be ~~\$275~~476.74. When the 20% work-related deduction is applied to the gross earnings, it results in net countable earnings of ~~\$220~~381.40. Since this is below the ~~\$223~~513 standard, the family is income eligible.

For applicant families who are income eligible, the earned income deductions available to recipients should be explained so that the adult is aware that assistance will not automatically be terminated if he or she finds a job or increases his or her earnings.

## 2353.2 Recipient Income Eligibility Budget

~~01/04/1999~~01/01/2023

1. Compute the family's countable unearned income.

## 2300 Income Eligibility and Payment Determination

## 2360 Payment Determination

2. Compute the family's monthly countable gross earned income.
3. From the monthly gross earnings, deduct 20% of the gross amount (May be computed by multiplying the gross earnings by 80%.)
4. From the amount arrived at in Step 3, deduct 60% to arrive at the net countable earnings.
5. Add the net earnings to the unearned income to arrive at the monthly countable income.
6. Compare the total monthly countable income to the Income Eligibility Standard of \$223513.
7. If the income is equal to or less than \$223.00513, then the family continues to meet the income requirement and the payment will be determined (see [TEA 2360](#)).
8. If the income is over \$223.00513, then the family is no longer eligible.

**EXAMPLE #1:** Ms. Adams who is receiving benefits for herself and two children has started working at a local plant. She works 40-30 hours a week at \$6.0011.00 per hour. Her gross monthly earnings are \$10401430.22. Her income eligibility budget is computed as follows:  $\$10401430.22 \times 80\% = \$8321144.17$  - \$499.20686.50 (60% of \$832.001144.17) = \$332.80457.67. Since the net countable income of \$332.80457.67 exceeds the Income Eligibility Standard of \$223513, the family is no longer income eligible.

**EXAMPLE #2:** Mr. Turner has started working part-time and his monthly gross earnings are computed to be \$325953.48. The Income Eligibility budget is as follows:  
 $\$325953.48$  (gross earnings)  $\times 80\% = \$260762.78$  - \$156.00457.66 (60% of \$260.00762.78) = \$104305.00 which is less than the \$223513 standard. The family remains income eligible.

## 2300 Income Eligibility and Payment Determination

## 2362 Reduced Payment – Gross Income Trigger

## 2362 Reduced Payment – Gross Income Trigger

~~12/06/11~~01/01/2023

The payment amount for the family size will be reduced by 50% when the family's countable monthly gross income, excluding assigned child support payments, is equal to or more than ~~\$446~~1026. If the reduction does not result in a whole dollar amount, then it will be rounded down if the remaining cents are \$ .49 or less, and up if \$ .50 or more.

**EXAMPLE #1:** Mr. and Mrs. Smith have two children. Mr. Smith has a disability and receives both Social Security and SSI disability benefits. Mrs. Smith and the two children receive a total of \$150/month SSA benefits. Since Mr. Smith is a SSI recipient, he is excluded from the family size for payment and his income is not considered. Only Mrs. Smith and the two children are included. They are income eligible, based on the ~~\$223~~513 standard, so their payment is determined as follows. The monthly gross income of \$150 is less than ~~\$446~~1026 so their payment is the maximum grant for a family size of three (3) or \$204.

**EXAMPLE #2:** Ms. Brown has received TEA benefits for one month for herself and one child. She has now found a job and is expected to earn ~~\$500~~1200 gross per month. After allowing the recipient earned income deductions (20% of the gross and then 60%), she is income eligible based on the ~~\$223~~513 income standard. The payment is then determined as follows: Gross countable income (~~\$500~~1200) exceeds ~~\$446~~1026 so the Browns' payment is 50% of the maximum for a two-person family, or \$81.

The payment determination showing the number of persons included in the grant, the family's gross income, and the grant amount will be documented in the case record.

When a family's payment amount reduces to the 50% amount, the worker should discuss possible alternatives to continuing to receive cash assistance with the ~~case head~~case head. It should be explained that even though the payment has been reduced, the time limit count is continuing. Therefore, it may benefit the family in the long-term to terminate cash assistance while the family's gross income is at the ~~\$446~~1026 or above level rather than continue to receive the reduced TEA payment. It must be emphasized that the decision

**2300 Income Eligibility and Payment Determination**

**2363 Drug Screenings**

to close the cash assistance at this time is strictly the client's and he or she should not be made to believe that the cash assistance case must be closed.

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## 4100 Non-Work Participation Eligibility Requirements

## 4130 Household Composition

## 4120.1 Recomputing Income

07/01/9701/01/2023

When a family reports a significant change in income, the budget will be recomputed to determine the family's continued eligibility.

1. If the net countable income exceeds \$~~223-513~~ (Income Eligibility Standard), the family is no longer eligible (See Example #1; Refer to [TEA 2353.2](#)).
2. If the net countable income does not exceed \$~~223-513~~ and the **gross** countable income does not exceed \$~~446-1026~~, the assistance payment will remain the same (See Example #2; Refer to [TEA 2353.2](#)).
3. If the net countable income does not exceed \$~~223-513~~ but the **gross** countable income exceeds \$~~446-1026~~ the assistance payment will be reduced by 50% (See Example #3; Refer to [TEA 2362](#)).

**EXAMPLE #1:** Mrs. Jones receives \$286/mo. assistance for herself, husband and three children. Mr. Jones started to work and his monthly gross earnings computed to be \$~~754-2000~~. The income eligibility budget is as follows:  $\$~~754-2000-00~~ \text{ (gross earnings)} \times 80\% = \$~~603-201600~~ - \$~~361-92960~~ \text{ (60\% of } \$~~603-201600~~)} = \$~~241-28640~~$ . Since the net countable income of \$~~241-28640~~ exceeds the Income Eligibility Standard of \$~~223-00513~~, the family is no longer eligible.

**EXAMPLE #2:** Mr. Thomas receives assistance for himself and one child (\$162-~~00~~). He started to work and his monthly gross earnings computed to be \$~~400-001025~~. The income eligibility budget is as follows:  $\$~~400-001025~~ \text{ (gross earnings)} \times 80\% = \$~~320-00820~~ - \$~~192-00492~~ \text{ (60\% of } \$~~320-00820~~)} = \$~~128-00328~~$ . Since the net countable income is less than the Income Eligibility Standard of \$~~223-00513~~, the family remains eligible. The assistance payment (\$162-~~00~~) remains the same because the gross earnings (\$~~400-001025~~) are less than \$~~446-001026~~.

**EXAMPLE #3:** Mrs. Hill receives assistance for herself and two children (\$204-~~00~~). She has found employment and her monthly gross earnings are computed to be \$~~450-001250~~. The income eligibility budget is as follows:

$\$~~450-001250~~ \text{ (gross earnings)} \times 80\% = \$~~360-001000~~ - \$~~216-00600~~ \text{ (60\% of } \$~~360-001000~~)} =$

\$~~144-00400~~, which is less than the \$~~223-00513~~ standard. The family remains income eligible. Since the gross income is greater than the

### 4100 Non-Work Participation Eligibility Requirements

#### 4130 Household Composition

~~\$446.00~~1026 (refer to [TEA 2360](#)), the assistance payment is reduced by 50%. The new assistance payment will be \$102.00.

Even if the family remains eligible, the participant may choose at any time to have his or her case closed. The worker should discuss this option with a participant who becomes employed, since each month of receipt reduces the number of months he or she may receive benefits in the future.

#### 4120.2 Child Support Income Exceeds Assistance Payment

01/04/9901/01/2023

The Office of Child Support Enforcement sends the TEA family any current monthly child support collected which is in excess of the TEA payment. A printout is sent to the County Office stating that the child support exceeds the TEA payment. If the total child support collected, alone or with other countable income, exceeds the Income Eligibility Standard of ~~\$223~~513, action to close the case will be taken. If the family remains eligible, however, then contact will be made with the participant to discuss options, or alternatives to cash assistance which could benefit the family. The contact can be by phone, in writing, or during in person contacts with the participant.

When the child support income exceeds the assistance payment but the family remains income eligible, the participant will be given the following options:

- Close the TEA case and receive the full child support. Explain to the participant that the child support payment is more than the TEA payment and even though a partial child support payment is being received, the limited months of TEA are continuing to count. Also, explain that Medicaid may continue and if the absent parent stops paying, reapplication for TEA can be made.
- Continue to receive TEA and the partial child support payments. Explain to the participant that if this option is chosen, the payments will continue to count toward the time limitation.

It will be the participant's decision as to which option is chosen. If there is no response from the participant, no further action will be taken on the case.

**EXAMPLE:** The family's TEA payment is \$204/mo. The absent parent is paying \$220 per month in child support. OCSE is sending the participant \$16. It would be to the family's benefit to close the TEA case and receive the child support in full. The time limit clock would stop at this point. If the reapplies in the future, the time limit will pick up from where it previously

**4100 Non-Work Participation Eligibility Requirements**

**4130 Household Composition**

ended.

Whichever option is chosen, the caseworker should re-determine the family's Medicaid eligibility. The family may be eligible for three (3) months of extended Medicaid due to child support income, or may be eligible in another Medicaid category. Please refer to [Medical Services \(MS\) policy](#).

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9000 TANF Overpayments

9041 TANF Cash Assistance

9041.1 Income

The process for calculating a TEA and Work Pays overpayment due to income is described below.

TEA

To determine a TEA overpayment involving income, the caseworker will determine the monthly gross and net income as outlined in the [TEA 2300](#) sections (Determining Income Eligibility).

Unless a significant change occurred in the income during the overpayment period, the same monthly net income will be used to determine income eligibility for all overpaid months. In

addition, the same gross monthly income will be used to determine if an eligible family was eligible for a full or reduced payment unless a significant change occurred during the overpayment period. (Refer to [TEA 4120](#) for the definition of a significant change in income.) It is not necessary to verify the actual income in each month of the overpayment period.

If earned income is involved, both the 20% and the applicable Work incentive (50% or 60%) earned income deductions will be allowed when determining income eligibility for the overpayment period. The applicable Work incentive deduction will be the percentage that was in effect during the particular over paid month.

The following are examples of overpayment determinations when the income exceeds the Income Eligibility Standard and when the family is entitled to a reduced payment rather than full payment.

**EXAMPLE 1:** Mr. Jackson was approved for TEA on May 10<sup>th</sup>. Two months later, the eligibility worker discovered that Mr. Jackson was already working when he applied for assistance. The income made the participant ineligible at approval. An overpayment will be processed beginning with the month of approval.

**EXAMPLE 2:** Ms. Jones started working in August. She reported the employment in November. When determining the monthly income, both the 20% and the Work incentive deduction were ~~allowed~~allowed, and the family was no longer eligible for cash assistance. The overpayment will be completed beginning with the month of October. The income amount that determined ineligibility will be used for all overpaid months, unless

9000 TANF Overpayments

9041 TANF Cash Assistance

there was a change in the Work incentive deduction in any of the months.

**EXAMPLE 3:** Mrs. Davis and her two children are receiving TEA benefits in the amount of \$204. Mrs. Davis became employed in November. Her gross earnings are ~~\$550~~ \$1200 per month. She reported her employment in January of the following year. After allowing the participant earned income deductions, she is income eligible based on the ~~\$223~~ \$513 income standard. However, when determining the payment amount, the gross earnings exceed ~~\$446~~ \$1026 (gross income trigger). Therefore, the family was only eligible for a reduced payment of \$102. The overpayment will be completed beginning with the month of January.

**Work Pays**

To determine a Work Pays overpayment involving income, the worker will determine the monthly gross income for each month in which an overpayment exists. An overpayment will exist for each month in which the gross income exceeds the Federal Poverty Level

(FPL) for the household size and a Work Pays payment was received for that month. There are no allowable work deductions for Work Pays.

The following are examples of overpayment determinations when the income exceeds the FPL for the family size.

**EXAMPLE 1:** Ms Brown was approved for Work Pays in October based on her declared income of \$950 monthly. However, when verification of earnings was received in November, the October payment had been made and Ms Brown's gross income was \$1775. This exceeded the 150% FPL for her household size of 2 and therefore she was not eligible. An overpayment exists for the October payment.

**EXAMPLE 2:** Ms Wilson was approved for Work Pays in October. At the time of approval Ms Wilson's gross monthly income was \$1900 which is below the 150% FPL for her household size. In December, Ms Wilson's income increased to \$2150 which is above the 150% FPL. The participant continued to receive a Work Pays payment for 3 additional months. An overpayment will be calculated beginning with the payment received for the month of February.