

DEPARTMENT OF HUMAN SERVICES

Amendments to Chapter 17-676,
Hawaii Administrative Rules

1. Section 17-676-45, Hawaii Administrative Rules, is amended by amending subsection (d), (e) and (f) to read as follows:

"§17-676-45 Availability of income in the financial assistance programs when relatives live in the same household.

(d) When the husband, wife, or parent, living in the home, is not included in the financial assistance payment, the department shall determine the amount of available income pursuant to subsections (a), (b), and (c) as follows:

- (1) Obtain the monthly total earned and unearned income of the individual not included in the financial assistance payment;
- (2) Deduct the following amounts from the monthly gross earned income:
 - (A) A standard deduction of twenty percent; and
 - (B) The amount paid for the care of each incapacitated adult living in the same household and included in the financial assistance payment not to exceed \$175 if the individual is employed full-time or \$165 if the individual is not employed full-time;
- (3) Deduct the difference between the following standards of assistance:
 - (A) The first standard shall include the needs of the individuals included in the financial assistance payment and the needs of the individual and other individuals not included in the financial assistance payment provided such other individuals are or may be

claimed by the individual as dependent for federal income tax purposes and are not being sanctioned or are not excluded due to failure to cooperate;

- (B) The second standard shall include only the needs of the individuals included in the financial assistance payment[.];
- (C) For the purpose of subparagraphs (A) and (B), the standard of assistance for GA and AABD households shall be as specified in section 17-678-3 and the standard of assistance for [AFDC] TANF households shall be in accordance with the household's [exempt or non-exempt] work eligible status as specified in section 17-678-3.1[;].

- (4) All of the remaining income shall be considered available to meet the needs of the family.

(e) When an individual is excluded from financial assistance due to the individual's failure to cooperate or comply with an eligibility requirement, the department shall determine the amount of the excluded individual's income available to the assistance unit pursuant to subsections (a), (b), and (c) and:

- (1) If the individual is required to be included in the financial assistance unit under sections 17-647-12 or 17-647-13, the individual's available monthly income shall be determined under [section] sections 17-676-54 or 17-676-54.1.
- (2) If the individual is not required to be included in the financial assistance unit under sections 17-647-12 or 17-647-13, all of the individual's monthly income shall be considered available to meet the needs of the assistance unit.

(f) For [AFDC] TANF, in the case of a dependent child whose parent is under the age of eighteen, the State shall count as income to the assistance unit the income, after appropriate disregards, of that minor's

own parent living in the same household as the minor and dependent child. The disregards to be applied are the same as are applied to the income of a stepparent pursuant to subsection (g). However, in applying the disregards, each employed parent will receive the benefit of the work expense disregard pursuant to subsection (g)(1)."

[Eff 3/19/93; am 3/14/94; am 11/25/94; am 1/25/97; am 9/26/97; am 01/22/02; comp 11/09/06; am]
(Auth: HRS §346-53) (Imp: HRS §346-29; 45 C.F.R. §233.20; 42 U.S.C. §602)

2. Section 17-676-45, Hawaii Administrative Rules, is amended by amending subsection (h) to read as follows:

"§17-676-45 Availability of income in the financial assistance programs when relatives live in the same household.

(h) The income of a stepparent receiving Supplemental Security Income benefits shall be exempt in determining eligibility for the federally funded [AFDC] TANF category."

[Eff 3/19/93; am 3/14/94; am 11/25/94; am 1/25/97; am 9/26/97; am 01/22/02; comp 11/09/06; am]
(Auth: HRS §346-53) (Imp: HRS §346-29; 45 C.F.R. §233.20; 42 U.S.C. §602)

3. Section 17-676-54, Hawaii Administrative Rules, is amended to read as follow:

"§17-676-54 Determining monthly net income for the GA and AABD financial assistance programs. [(a) Monthly net earned income for households whose total gross income does not exceed one hundred eighty-five percent of the family's standard of need shall be determined by the following process:

- (1) From the monthly gross earned income of each applicant or recipient, deduct a standard deduction of twenty percent;
- (2) After the twenty percent standard deduction, deduct a flat rate of two hundred dollars from the remainder;
- (3) After the two hundred dollar flat rate deduction, a thirty-six percent earned income disregard shall be deducted from the remainder; and
- (4) Deduct an amount equal to the actual cost for the care of each incapacitated adult living in the same household and receiving financial assistance, but not to exceed:
 - (A) \$175 a month if the applicant or recipient is employed full time; or
 - (B) \$165 a month, if the applicant or recipient is employed less than full time.

(b) Monthly net earned income for each applicant and recipient shall be added to any unearned income to determine net income for the family.

(c) If the family's net income does not exceed the standard of assistance, the family shall be eligible for benefits.]

- (a) A household is eligible for benefits if:
- (1) the household's total monthly gross income does not exceed one hundred eighty-five percent of the household's standard of need; and
 - (2) the household's monthly net income does not exceed the standard of assistance.

(b) A household's monthly net income shall be determined by adding the household's monthly net earned income and monthly unearned income.

- (c) To determine monthly net earned income:
- (1) Deduct a standard deduction of twenty percent from the monthly gross earned income of each applicant or recipient;
 - (2) After the twenty percent standard deduction, deduct a flat rate of two hundred dollars from the remainder;

- (3) After the two hundred dollar flat rate deduction, deduct a thirty-six percent earned income disregard from the remainder; and
- (4) After the thirty-six percent earned income disregard deduction, deduct an amount equal to the actual cost for the care of each incapacitated adult living in the same household and receiving financial assistance, but not to exceed:
 - (A) \$175 a month if the applicant or recipient is employed full time; or
 - (B) \$165 a month, if the applicant or recipient is employed less than full time." [Eff 1/25/97; am 9/26/97; am 7/16/99; am 11/15/04; am 9/18/06; comp 11/09/06; am] (Auth: HRS §346-14) (Imp: 42 U.S.C. §§601, 602, 608; HRS §§346-29, 346-53, 346-71)

4. Section 17-676-54.1, Hawaii Administrative Rules, is added to read as follow:

"§17-676-54.1 Determining monthly net income for the TANF financial assistance program. (a) A household is eligible for benefits if:

- (1) the household's total monthly gross income does not exceed one hundred eighty-five percent of the household's standard of need; and
- (2) the household's monthly net income does not exceed the standard of assistance.

(b) A household's monthly net income shall be determined by adding the household's monthly net earned income and monthly unearned income.

(c) To determine monthly net earned income for a TANF applicant for the purpose of determining eligibility:

- (1) Deduct a standard deduction of twenty percent from the monthly gross earned income of each applicant;
- (2) After the twenty percent standard deduction, deduct a flat rate of two hundred dollars from the remainder;
- (3) After the two hundred dollar flat rate deduction, deduct a thirty-six percent earned income disregard from the remainder; and
- (4) After the thirty-six percent earned income disregard deduction, deduct an amount equal to the actual cost for the care of each incapacitated adult living in the same household and receiving financial assistance, but not to exceed:
 - (A) \$175 a month if the applicant is employed full time; or
 - (B) \$165 a month, if the applicant is employed less than full time.

(d) To determine monthly net earned income for a TANF applicant or recipient for the purpose of determining amount of assistance, and for a TANF recipient for the purpose of determining continued eligibility:

- (1) Deduct a standard deduction of twenty percent from the monthly gross earned income of each applicant or recipient;
- (2) After the twenty percent standard deduction, deduct a flat rate of two hundred dollars from the remainder;
- (3) After the two hundred dollar flat rate deduction, deduct from the remainder:
 - (A) A fifty-five percent earned income disregard for an adult recipient and a thirty-six percent earned income disregard for a dependent child, for month one to month twenty-four of the household's TANF benefits, determined by counting the number of months an employed adult has received benefits since July 1997; or

- (B) A thirty-six percent earned income disregard for an adult recipient and a thirty-six percent earned income disregard for a dependent child, for month twenty-five through month sixty of the household's TANF benefits, determined by counting the number of months an employed adult has received benefits since July 1997; and
- (4) After the thirty-six percent earned income disregard deduction, deduct an amount equal to the actual cost for the care of each incapacitated adult living in the same household and receiving financial assistance, but not to exceed:
- (A) \$175 a month if the applicant or recipient is employed full time; or
- (B) \$165 a month, if the applicant or recipient is employed less than full time." [Eff 1/25/97; am 9/26/97; am 7/16/99; am 11/15/04; am 9/18/06; comp 11/09/06; am] (Auth: HRS §346-14) (Imp: 42 U.S.C. §§601, 602, 608; HRS §§346-29, 346-53, 346-71)

5. Section 17-676-55, Hawaii Administrative Rules, is amended to amend subsection (a) to read as follow:

"§17-676-55 Earned income disregard reimbursement to reward work in the [AFDC] TANF program. (a) Effective January 2006, households eligible for [AFDC] TANF who have not received an exit bonus or job retention bonus as described in section 17-656.2, and who meet the work participation requirements specified in chapter 17-794.1, are eligible for an earned income disregard reimbursement as follows:

- (1) From month one through month twenty-four of receipt of benefits, the earned income disregard reimbursement shall be the

difference between [thirty-six] fifty-five percent as specified in [section 17-676-54(a)(3)] subparagraph 17-676-54.1(d)(3)(A) and one hundred percent;

- (2) From the twenty-fifth month through the forty-eighth month of receipt of benefits, the earned income disregard reimbursement shall be the difference between thirty-six percent as specified in [section 17-676-54(a)(3)] subparagraph 17-676-54.1(d)(3)(B) and fifty percent.

(b) The earned income disregard reimbursement specified in subsection (a) shall be issued for each month the recipient has complied with the work participation requirements for that month.

(c) The department shall count the number of months the employed adult received benefits since July 1997 to determine the amount of the earned income disregard reimbursement specified in subsection (a) each recipient is eligible to receive.

(d) For the purposes of this section, there shall be no good cause available for failure to comply with the work participation requirements." [Eff 9/18/06; am and comp 11/09/06; am] (Auth: HRS §346-14) (Imp. 42 U.S.C. §§601, 602, 608; HRS §§346-29, 346-53; 346-71)

6. Section 17-794.1-52, Hawaii Administrative Rules, is repealed.

"[§17-794.1-52 Work incentive payments. (a) The department may provide a monthly work incentive to a WEI or OWEI, who has received TANF assistance for less than twenty-five months, for participating in paid employment as provided in sections 17-794.1-23, 17-794.1-24, and 17-794.1-26, and meeting the minimum work participation requirements provided in section 17-794.1-37.

(b) Work incentive payments shall be made based on the following:

- (1) \$50 for ten to nineteen hours per week average of paid employment during each month of participation;
- (2) \$100 for twenty to twenty-nine hours per week average of paid employment during each month of participation;
- (3) \$150 for thirty to thirty-nine hours per week average of paid employment during each month of participation; or
- (4) \$300 for forty hours or more per week average of paid employment during each month of participation.

(c) Work incentive payments referenced in paragraphs (b)(1), (2), and (3) shall be limited to six total months for a participant's lifetime, regardless of the amount of each payment, beginning with the initial month of receiving a payment.

(d) The six month time limit in subsection (c) shall be applied retroactively and the participant's entire history of receiving work incentive payments shall be considered in determining eligibility for work incentive payments referenced in paragraphs (b)(1), (2), and (3). A participant who has received more than six payments under paragraphs (b)(1), (2), and (3) prior to the effective date of this section shall not be considered to have received an overpayment.]" [Eff 6/11/07; am 6/26/09; R (Auth: HRS §346-14) (Imp: HRS §346-271)]

7. Material, except source notes, to be repealed is bracketed. New material is underscored.

8. Additions to update source notes to reflect these amendments are not underscored.

9. These amendments of chapters 17-676, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.