

DEPARTMENT OF HEALTH SERVICES

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SACRAMENTO, CA 94234-7320



June 9, 1992

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 92-36

SUBJECT: PAYMENTS AND ADVANCES OF EARNED INCOME TAX CREDITS

The provisions contained in the enclosed draft regulations are the result of changes made by the Omnibus Budget Reconciliation Act of 1990 (OBRA '90). Section 11115 of OBRA '90 requires that these provisions shall be effective on January 1, 1991. Therefore, beginning no later than September 1, 1992, whenever:

- o A case is known to the county to have such excess property, or
- o As soon as a case with such exempt property is brought to the county's attention, or
- o When reopening a case which was closed since January 1, 1991 due to excess property,

the county shall, if applicable, rescind any discontinuance or denial due to excess property resulting from such payment or advance payment of an Earned Income Tax Credit and, if applicable issue retroactive Medi-Cal cards.

If you have any questions, please feel free to call Sharyl Shanen-Raya at (916) 657-2942 with regard to the property portions or Dave Rappolee at (916) 657-0163 with regard to the income portions.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

DRAFT

Add Section 50449 to read:

50449. Earned Income Tax Credit.

The actual Earned Income Tax Credit (EITC) payment or an advance payment of the Earned Income Tax Credit made by an employer shall be exempt in the month following the month of receipt.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code. Reference: Section 14006, Welfare and Institutions Code; Sections 1612b and 1613a, Social Security Act [42 U.S.C., Sections 1382a(b) and 1382b(a)] and Section 1902r(2) Social Security Act [42 U.S.C., Section 1396a(r)(2)].

DRAFT

R-18-91

Amend Section 50543.5 to read:

50543.5. Earned Income Tax Credit----AFDC-MN-or-MI--Persons.

(a) The actual Earned Income Tax Credit (EITC) payment ~~received by an AFDC-MN or MI person~~ shall be exempt as income whether received as a tax refund or an advance payment.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code. Reference: Section 14005.7, Welfare and Institutions Code; and Section 402(a)(8)(A)(viii), Social Security Act (42 U.S.C. Section 602). Sections 1612b and 1613a, Social Security Act [42 U.S.C., Sections 1382a(b) and 1382b(a)] and Section 1902r(2) Social Security Act [42 U.S.C., Section 1396a(r)(2)].