

New CalWORKs Earned Income Rules

On July 1, 2011, there are new rules for how your earned income will count against your CalWORKs grant. Your grant may go down by up to \$112 as a result.

First, the state will see if you have any disability income. This can be from Social Security, workers' Comp, state disability, the VA, etc. If you do, the first \$225 of that income will not count against your grant.

If you *don't* have disability income, you get a \$112 deduction. If you *do* have disability income, you will get whatever is left over after subtracting \$225 from your disability income or \$112, whichever is less. (So, if you have \$125 in disability income, you have \$100 left over. This is less than \$112, so you get a \$100 deduction.)

Then, the state will not count another 50% of what is left. (The state only counts ½ of your earned income after the \$112 deduction.) The countable income will be subtracted from the maximum aid payment (MAP) for your size family.

Even if the income doesn't count, you MUST report it. Report in writing and get a receipt.

Example: Jane has no disability income, and \$500 in earned income, and 2 children. Her MAP is \$638.

$\$500 - 112 = \$388 \times \frac{1}{2} = \194 . $\$638 - 194 = \444 grant (\$994 total income)

If Jane had \$125 in disability income as well (\$225 deduction -125=\$100):

$\$500 - 100 = \$400 \times \frac{1}{2} = \200 . $\$638 - 200 = \438 grant (\$1063 total income)

Plan ahead— try to cut your housing costs or get more earned income.

NEED HELP? Call your local free legal services office:

