24. Semi-Annual Reporting Requirements

24.1 Semi-Annual Reporting (SAR) Households

As a result of Senate Bill (SB) 79, California eliminated Change Reporting and all CalFresh households became SAR households.

24.2 SAR 7 Report

Recipients are required to submit a “Semi-Annual Eligibility/Status Report once per year, which is due in the Submit Month (the sixth month of the semi-annual period).

The following information is required to be reported on the SAR 7 report:

- All income received for the SAR Data Month (i.e., the fifth month of the semi-annual period),
- Any changes in household composition or resources that occurred since the submission of their last SAR 7 or RC forms through the end of the Data Month.
- Any change in income that the recipient anticipates will occur in the upcoming SAR Payment Period.

[Refer to “SAR 7 Processing [63-508.3],” page 25-1] for detailed information.

24.3 Mandatory Mid-Period Recipient Reports

Recipients are required to report specified changes to the county within 10 calendar days of the date the change becomes known to the household. Recipients may report these mid-period changes verbally, including in person or by telephone, or in writing. The worker MUST document the substance of the report, as well as the date of the report.

NACF households must report the following change during the semi-annual period:

- When their income exceeds the income reporting thresholds (IRT) of 130 percent of the federal poverty level (FPL) for the household size.

[Refer to “Income Reporting Threshold (IRT),” page 24-3] section below for more information.
• If an Able-Bodied Adult Without Dependents' (ABAWDs’) hours of work drop to below 20 hours per week or 80 hours per month. (NOTE: This requirement is not applicable to Santa Clara County due to the ABAWD waiver)

Some mid-period changes are required to be reported in the CalWORKs program that are NOT required to be reported in the CalFresh. However, when there is a combined CalWORKs/CalFresh case, if the household reports a change that is required to be reported for CalWORKs, the EW must also act on the information to determine CalFresh eligibility/benefit amount.

All CalWORKs recipients must report the following changes during the mid-period:

• Fleeing felon status;
• Violation of conditions of probation or parole;
• Address changes; and
• When income exceeds the Income Reporting Threshold (IRT).

Note:
For mandatory reports to another public assistance program that are not acted upon, CalFresh will not act on the change.

CF 377.5 SAR

The “CalFresh Mid-Certification Period Status Report” (CF 377.5 SAR) must be provided to SAR reporting households at:

• Certification.
• Recertification.
• Household request.
• Any time a CF 377.5 SAR is returned.

This form is used for households to report mandatory mid-period changes in income that exceed the CalFresh IRT which is 130% of the FPL for the household size and Able Bodied Adult Without Dependents (ABAWD) work hours. Households can use this form to voluntarily report other household changes that may result in increased benefits.

SAR 3

The “Mid-Period Status Report for Cash Aid and CalFresh” (SAR 3) must be provided to CalWORKs/CalFresh semi-annual reporting households at:

• Certification.
• Recertification.
• Household request.
• Any time a SAR 3 is returned.
24. Semi-Annual Reporting Requirements

24.3.1 Income Reporting Threshold (IRT)

- Households are required to report mid-period when their income exceeds their IRT. The CalFresh IRT is the amount of household gross income that renders most households ineligible for CalFresh benefits. The CalFresh IRT is based on the household size in existence at the time of certification (initial or recertification), or whenever a household composition changes. All households are continue to be required to report all income on their SAR 7 and at recertification.

Note:
If CalWORKs benefits are decreased or discontinued due to the CalWORKs IRT, the county must also act to adjust the household’s CalFresh benefits.

- Households determined eligible with gross income at or below 130 percent (%) of the FPL are required to report changes in income when the household's gross income exceeds 130% of the FPL during the SAR payment period.

- Households certified between 131% and 200% of the FPL are NOT required to make any reports of income during the SAR payment period. Such households do NOT have a CalFresh IRT because they have already reported income of over 130%. Per Food and Nutrition Service (FNS) guidance, a household is only required to report that its gross income exceeds 130% of the FPL one time during a reporting period.

- When the household with ineligible non-citizen(s) reports income over the IRT, the EW must calculate the household income based on the gross income of eligible members plus the prorated share of the ineligible non-citizen(s). In cases where this amount exceeds 200% of the FPL, the household’s MCE status must be removed and the removal of MCE status must be documented in the case record before the case can be terminated for exceeding the CalFresh gross income limit.

Example:
An NACF MCE CalFresh household of three, consisting of an undocumented mother and two children with U.S. citizenship, has an IRT of $1,705. On March 5, during a January through December certification period, the household reports income over IRT with the mother earning $3,000 a month. The amount prorated to the household is $2,000 and benefits are adjusted accordingly. The household has fulfilled its mandatory reporting requirement for the remainder of the SAR payment period. On the SAR 7 submitted in June, the household reports a $1,200 increase in monthly income. The total income combined with the $800 prorated increase to the CalFresh household is now $2,800 a month, the EW determines the household is no longer eligible, removes MCE status and send the household a timely discontinuance NOA.
• The chart below contains the IRT information based on household type:

<table>
<thead>
<tr>
<th>Household Type</th>
<th>NACF Income at or below 130%</th>
<th>NACF Income between 131% and at or below 200%</th>
<th>NACF CalFresh Non-MCE due to Sanction</th>
<th>PACF: All members receive CalWORKs &amp; CalFresh</th>
<th>Mixed Household: Some members receive CalWORKs; all members receive CalFresh.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td>At or Below 130%</td>
<td>131%- 200%</td>
</tr>
<tr>
<td>CalFresh IRT Level</td>
<td>130%</td>
<td>No IRT</td>
<td>130%</td>
<td>CalWORKs IRT</td>
<td>130%</td>
</tr>
</tbody>
</table>

**Eligibility Determination when IRT is Reported**

• When a household reports their income may be over the CalFresh IRT (i.e., 130% FPL), the EW must ask if the income is expected to continue,

• If the income is only expected to last for one month and will not continue to exceed its 130% IRT (i.e., the IRT was exceeded due to overtime or extra shifts), the income should not be used. A "no change" NOA must be provided to the household.

• If the household is not reasonably certain that the income will continue or does not know when to expect the income again, the EW must not discontinue the household or decrease the CalFresh allotment. However, the household must report if the unexpected income does continue.

• If the household reports mid-period income exceeds it IRT and the income will continue to exceed 130% of the FPL, the EW must determine if the household’s gross income does not exceed 200% of the FPL. If the household has gross income of over 200% of the FPL, the EW must remove the MCE status and document in the case record that the household is no longer MCE.

• The household’s statement is sufficient for Verified Upon Receipt (VUR) when the household reports their income is over 130% (for non-MCE) or 200% (MCE) of the FPL.

• If the household expects the increased income to continue and verification is needed to change the CalFresh budget (MCE households only), send out the “Notice of Information/Verification Needed” (CF 377.6) to request verification of income.
Note:

The CF 377.6 does not meet the requirements of the discontinuance notice. Therefore, if the requested verification is not received by the due date, the worker must send a timely discontinuance notice for lack of receipt of the requested information needed to accurately determine eligibility or benefit level.

When a CalFresh household reports income over the 130% IRT, the EW must take the appropriate action depending on the reasonable anticipation of gross income for the remainder of the certification period.

<table>
<thead>
<tr>
<th>If the Reported Income is...</th>
<th>Then the EW...</th>
</tr>
</thead>
</table>
| Not expected to exceed 130% (i.e. IRT was due to overtime or extra shifts), | • Must not discontinue the case or reduce the benefit amount.  
• Send a No Change NOA. |
| Uncertain that it will continue to exceed its IRT for the remainder of the certification period, | Must discuss the circumstances with the HH in order to determine if the household will remain eligible and at or below the 200% of FPL.  
| | **If...** | **Then the EW...** |
| The household’s income cannot be reasonably anticipated, because the household is not reasonably certain that the income will continue or does not know when to expect the income again, | • Must not discontinue the household or decrease the household’s allotment.  
Income that cannot be reasonably anticipated cannot be prospectively budgeted.  
• Inform the client that they must report if the unexpected income continues |
| Expected to exceed 130% and the HH is non-MCE, | • Discontinue the case whether the information is considered VUR or not.  
• Send a timely NOA and  
• Document case action in the Maintain Case Comments window in CalWIN. |
| Expected to exceed 130% but below 200% and the HH is MCE, | • Adjust the CalFresh budget only if the report is VUR,  
• Send a timely NOA and  
• Document case action in the Maintain Case Comments window in CalWIN. |
| Expected to exceed the income limit for the program that conferred MCE status (i.e., 200%), | • Must remove the MCE status  
• Documented in the case record  
• Discontinue the case whether the information is consider VUR or not  
• Send a timely and adequate notice for exceeding the MCE income limit. |

Examples
The following are the examples related to IRT:

**Scenario #1: Household with Gross Income at or Below 130% of FPL**

A NACF household applies for benefits and has gross income at or below 130% of the FPL for the household size. This is documented in the case narrative and the household is conferred MCE status. The County must provide a SAR 2 that notifies the household of the CalFresh family size, current income and the 130% IRT amount for the household size. The household **must** report mid-period when gross income exceeds their IRT.

**#1: Household reports over the IRT (Under 200% of FPL)**

If the household reports mid-period that its gross income exceeds its IRT and the income will continue to exceed the 130% of the FPL, the county must determine if the household’s gross income is under 200% of the FPL. If the household’s gross income is determined to be over 130% and at or below 200% of the FPL, the county must send a new SAR 2 that notifies the household of their CalFresh family size, current income, and that the household no longer has an IRT for reporting purposes.

**#2. Household reports over the IRT (Above 200%of FPL)**

If the household reports mid-period that its gross income exceeds its IRT and the income will continue to exceed 130% of the FPL, the county must determine if the household’s gross income does not exceed 200% of the FPL. If the household has gross income of over 200% of the FPL, the county must remove the MCE status and document in the case record that the household is no longer MCE. **The household’s statement is sufficient for Verified Upon Receipt (VUR) when the household reports their income is over 200 percent of the FPL.** Since the non-elderly/disabled household exceeds the 130% of the FPL for CalFresh, the gross income test.

**#3. Household of One or Two Person Reports over the IRT (Under 200% of FPL)**

If a household of one or two reports mid-period that its gross income exceeds its IRT and the income will continue to exceed the 130% of the FPL, the county must determine if the household’s gross income is under 200% of the FPL.

If the household has gross income of between 131% and 200% of the FPL, the county must send a new SAR 2 that notifies the household of their CalFresh family size, current income and that the household no longer has an IRT for reporting purposes. Households of one or two persons that have been conferred MCE status will be entitled to the minimum CalFresh benefit even though the household’s net income exceeds the maximum allowable for their household size.

**#4. Household of One or Two Person Reports over the IRT (Above 200% of FPL)**

If the household reports mid-period that its gross income exceeds its IRT and the income will continue to exceed the 130% of the FPL, the county must determine if the household’s gross income does not exceed 200% of the FPL. If the household’s gross income exceeds 200% of the FPL, the county must
remove the MCE status and document in the case record that the household is no longer MCE. Since the household exceeds the 130% of the FPL for CalFresh, the household shall be discontinued.

Scenario #2: Households with Gross Income between 131% and 200% of the FPL

A NACF household applies for CalFresh and has gross income above 130% but the gross income does not exceed 200% of the FPL. The household is conferred MCE and this is documented in the case narrative. The county must send a SAR 2 notifying the household of their CalFresh family size, current gross income amount, and that they do not have an IRT amount. The household is not required to report again until their next SAR 7 or at recertification, whichever occurs first.

#1. Household Voluntarily Reports Increase (Under 200% of the FPL)

If the household voluntarily reports an increase in income that does not exceed 200 percent of the FPL, the county is only to take action if the report is considered VUR. If the information is not considered VUR, no action is taken and no Notice of Action needs to be provided to the household. If the information is considered VUR, the county must take the appropriate action.

#2. Household Voluntarily Reports Increase (Above 200% of FPL)

If the household voluntarily reports an increase in income that exceeds 200 percent of the FPL, and the income will continue, the county must remove the MCE status, document the case record and discontinue the case whether the information is considered VUR or not. It is critical that the reason for the discontinuance (loss of MCE status and exceeding the CalFresh gross income limit) be clearly documented in the case record.

#3. Household of One or Two Person Voluntarily Reports over the IRT (Under 200 Percent of FPL)

If a household of one or two persons voluntarily reports an increase in income that does not exceed 200% of the FPL, the county is only to take action if the report is considered VUR. If the information is not considered VUR, no action is taken and no Notice of Action needs to be provided to the household. If the information is considered VUR, the county must take the appropriate action. Households of one or two persons that have been conferred MCE status will be entitled to the minimum CalFresh benefit even though the household’s net income exceeds the maximum allowable for their household size.

#4. Household of One or Two Person Reports over the IRT (Above 200 Percent of FPL)

If a household of one or two persons voluntarily reports an increase in income that exceeds 200% of the FPL, the county must remove the MCE status, document the case record and discontinue the case whether the information is considered VUR or not.

SAR 2 Reporting Changes for Cash Aid and CalFresh

The IRT must be provided to the CalFresh Household and CalWORKs AU using the SAR 2 form at approval of initial application and at any time the household/AU’s IRT changes during the certification period, whether the household has an IRT or not. The IRT can be listed on other forms, as long as counties ensure that the SAR 2 is issued to each household.
CalWORKs Discontinuance

In CalFresh, the family would no longer be categorically eligible once cash aid is discontinued due to financial ineligibility.

Reminder:

When CalWORKs is discontinued, Transitional CalFresh benefits must be set up for the household, if eligible, the first of the month after CalWORKs is discontinued. [Refer to “Transitional CalFresh Benefits,” page 34-1] for detailed policy information regarding Transitional CalFresh.

Exception: In the case where the CalFresh household consists of 2 AUs (one with senior mom and one with minor mom). If one AU discontinues from CalWORKs, the CalFresh household would not be eligible for Transitional CalFresh and it would remain regular CalFresh. Since one AU is still on CalWORKs and would no longer be CE, it is considered a mixed households and therefore the IRT test would apply.

Example:

Mom in a nonexempt AU/household of three has gross earned income of $1,500 per month. The semi-annual period is August through January, and benefits for that period have been determined using $1,500 monthly as the average income amount. On September 15, mom reports that she was promoted and her monthly earnings increased to $2,500, which is greater than the IRT for her AU size ($1,566), and will continue at that level.

After applying the appropriate income disregards, it is determined that the AU is ineligible for continuing cash aid, and cash benefits are discontinued effective September 30.

In the CalFresh program, this family would no longer be categorically eligible once cash aid is discontinued due to financial ineligibility. Since the household’s anticipated income of $2,000 exceeds the gross income limit for a household of 3 ($2,116), it is determined that the household is ineligible for regular CalFresh benefits. The household’s regular CalFresh benefits would be discontinued effective September 30 and Transitional CalFresh benefits set up effective October 1.

Example:

On April 15, a SAR household calls to report that their income has increased over the IRT. The household expects this income to continue at the same level each month. The EW sends a CF 377.6 requesting proof of the income. The requested verification is not received by the due date and the worker sends a 10 day notice of discontinuance for lack of receipt of the requested information needed to accurately determine eligibility or benefit level.
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CalFresh 24. Semi-Annual Reporting Requirements

For Non-Assistance (NA) CF HH, EWs must take the following actions when a household reports their income over the CF IRT (130% FPL) limit:

| Expected to continue at the level above HH’s IRT, | • Sends the “Information/Verification Needed” (CF 377.6) to request verification of income, allowing at least 10 days to provide requested information and  
  • Documents client contact and case actions in the Maintain Case Comments window in CalWIN |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>If the requested verification is...</td>
<td>Then the EW...</td>
</tr>
</tbody>
</table>
| Not received by the due date, | • Must send a timely discontinuance notice for lack of receipt of the requested information needed to accurately determine eligibility or benefit level and  
  • Documents case actions in the Maintain Case Comments window in CalWIN. |
| Received by the due date, and documentation verifies that the household is over the IRT, | • Must send a timely discontinuance notice and  
  • Documents case actions in the Maintain Case Comments window in CalWIN. |
| If the requested verification is... | Then the EW...(cont) |
| Received by the due date, and documentation verifies that the household is below the IRT, | • Adjusts CF benefits according to the provided verification of earnings as Verified Upon Receipt (VUR),  
  • Sends a timely Notice of Action (NOA) and  
  • Documents case actions in the Maintain Case Comments window in CalWIN. |

24.4 Voluntary Mid-Period Recipient Report

The changes listed under Mandatory Recipient Mid-Period Reports are the ONLY changes that a client is required to report between SAR 7 report and Recertification forms. A recipient may voluntarily report changes in income and circumstances that may increase benefits any time during the semi-annual period. These reports may be made in writing, online, verbally, or in person to the county.

For household composition and income changes in both PACF and NACF cases, the EW must act on changes considered verified upon receipt (VUR) to increase, decrease, or terminate benefits at any
point during the SAR Payment period.

Examples of changes that when reported, might increase or decrease benefits include, but are not limited to the following:

- When the household’s income changes and is verified;
- When someone moves into or out of the home;
- When allowable CalFresh deductions increase.

### 24.4.1 New Household Member

A change in household composition reported by the head of household is considered VUR. Once the county has been made aware of the change in household composition, the household’s eligibility is now in question and further information is needed to determine continuing eligibility.

For all CalFresh cases, if the person moving into the home has income that, once considered, would result in the household being financially ineligible for CalFresh, the county must take action to change the household’s benefits in the current semi-annual period.

If the new person is a mandatory household member, the EW must take action as follows:

<table>
<thead>
<tr>
<th>If...</th>
<th>Then the EW...</th>
</tr>
</thead>
<tbody>
<tr>
<td>The new income combined with the new household's current income exceeds the IRT or uncertain,</td>
<td>Sends a Request for Contact (RFC) form, CF 32 requesting all required verification for the new member and their income and document in the case record.</td>
</tr>
<tr>
<td>If the RFC is not returned or is returned incomplete,</td>
<td>Discontinue the household for failing to respond to the RFC and issue a CF 377.4 SAR.</td>
</tr>
<tr>
<td>If the RFC is returned complete,</td>
<td>Add the new member and their income to the household. If the household’s income exceeds the IRT for the new household size, the household is ineligible and must be terminated with a 10-day NOA.</td>
</tr>
<tr>
<td>The new mandatory member does not have income or their new income does not exceed the IRT,</td>
<td>Informs the household on the CF 377.6 of the action necessary to add the new member and note such action in the case record.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>If the household does not respond,</td>
<td>• The EW must send a “No Change NOA” to the household informing them that the voluntary report of the new household member did not increase benefits.</td>
</tr>
<tr>
<td></td>
<td>• The household should be reminded that the change must be reported on the next SAR 7 or recertification, whichever comes first, along with the required verification.</td>
</tr>
<tr>
<td>Note:</td>
<td>If information presented on the next SAR 7 or RC forms is not consistent with the original voluntary report, the county must follow-up with the household to determine what the current circumstances are.</td>
</tr>
<tr>
<td>If the household responds with all needed verifications,</td>
<td>Add the new member and their income and adjust benefits effective the following month.</td>
</tr>
</tbody>
</table>

[Refer to “Adding or Deleting a Person,” page 13-1]] for detailed information.

### 24.4.2 Changes in Address and/or Shelter Costs

CalFresh households are only required to report a mid period address change on the periodic report (SAR 7). However if they report the change, the EW must act on the change whether it results in increase or decrease in benefits.

Verification is required only if the change is questionable. If the household does not respond to the request for verification of the address change and resulting shelter costs, the budget should be computed without a shelter cost deduction.
If the recipient reports moving out of state, CalFresh benefits must be terminated in mid-period at the end of the month in which an adequate notice can be sent. A 10-day notice is not required.

**Note:**

An OI claim is not established unless the household did not identify their new address on the SAR 7 or if the household received benefits from both California and another state.

If a Public Assistance household moves out of county, CalFresh benefits are to be discontinued at the same time the CalWORKs case is terminated at the end of the Intercounty Transfer (ICT) period. The “CalFresh Informing Notice of Sending Intercounty Transfer” (NA 1268) must be sent to the household. A 10-day notice is not required.

If a Non-Assistance CalFresh household moves out of county, CalFresh cases must be transferred to the new county (ICT). CalFresh will be terminated by the end of transfer period. The “CalFresh Informing Notice of Sending Intercounty Transfer” (NA 1268) must be sent to the household. A 10-day notice is not required.

**Shelter cost Changes**

CalFresh households are not required to report mid-period changes of shelter costs; however, if they report the change, the County must act on the change whether it causes an increase or decrease in benefits. A supplemental payment should be provided if applicable and the benefit amount for the remaining months in the SAR period must be recalculated.

Changes in residence and shelter costs are mandatory reports on the SAR7 form. However, when a change of address and/or a change in shelter cost are reported mid-period, EWs must act as follows:

<table>
<thead>
<tr>
<th>If a voluntary report of the change in shelter cost is...</th>
<th>Then the EW...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not questionable (VUR) and results in an increase or decrease in CF allotment,</td>
<td>• Updates the case record with the reported changes,</td>
</tr>
<tr>
<td></td>
<td>• Issues a 10-day NOA, if the change results in a decrease in CF allotment or an adequate notice if the change results in an increase in benefits and</td>
</tr>
<tr>
<td></td>
<td>• Documents case actions in the Maintain Case Comments window in CalWIN.</td>
</tr>
</tbody>
</table>
### 24.4.3 New Household Member Results in Ineligibility Due to Other Eligibility Factors

If adding the new person would result in increased benefits, but he or she does not meet other eligibility factors, the county must not take action to add the person, nor shall the county take action to discontinue benefits to the existing members of the household mid-period. For example, for CalWORKs, if deprivation ceases or the new person’s resources cause the AU’s resources to exceed the CalWORKs resource limit, benefits must continue unchanged for the remainder of the current semi-annual period for the aided AU members.

### 24.4.4 County Action for Changes

County action to increase the allotment based on voluntary reports must be based on when the change was reported, not when the change actually occurred. The effective date of the increase in benefits is determined differently for increases due to decreased income than for increases due to adding household members and are as follows:

- Increases due to decreased income are effective the first of the month in which the change occurs or is reported, whichever is later.

<table>
<thead>
<tr>
<th>If a voluntary report of the change in shelter cost is...</th>
<th>Then the EW...</th>
</tr>
</thead>
</table>
| Questionable,                                          | • Issues “CalFresh Request for Information” (DFA 387) requesting to clarify questionable costs allowing 10 days to return requested verification  
• Updates CalWIN with the new address, if the change in address was reported,  
• Issues a "No Change" NOA,  
• Documents case actions in the Maintain Case Comments window in CalWIN and creates an alert to follow up on the case.  
  | If the requested verification is...  
  | Received by the due date and provides acceptable clarification of the questionable cost, | • Updates CalWIN with the verified information  
  • Issues a 10-day NOA, if the change results in a decrease in CF allotment or an adequate notice if the change results in an increase in benefits and  
  • Documents case actions in the Maintain Case Comments window in CalWIN.  
  | Not received, | • Recalculates CF benefits without the shelter deduction  
  • Issues a 10-day NOA  
  • Documents case actions in the Maintain Case Comments window in CalWIN.  
  |
24. Semi-Annual Reporting Requirements

24.4.5 Request for Discontinuance of benefits

A recipient may also voluntarily request mid-period that:

- The entire household be discontinued; or
- Any individual member of the household who is no longer in the home be discontinued.

If the household is requesting discontinuance of the household or an individual, discontinuance action MUST be taken mid-period as follows:

- If the household or the individual’s request is made verbally, a 10-day Notice of Action (NOA) is required before discontinuing or decreasing benefits.
- If the request is made in writing, discontinue or decrease benefits at the end of the month with adequate notice. A 10-day NOA is NOT required.

The worker is NOT to assume that a voluntary mid-period report of someone leaving the home equates to a voluntary request for discontinuance of that household member. [Refer to “Deleting a Person from a Semi-Annual Reporting Household,” page 13-14] for steps in making this determination.

Exception:

The report of the death of a household member MUST be treated as a request for discontinuance. If the report is verbal, the decrease/discontinuance is taken at the end of the month in which timely and adequate notice can be given. If the report is in writing, the decrease/discontinuance is taken at the end of the month with adequate notice.

24.5 Verified Upon Receipt (VUR)

Verified upon receipt (VUR) means that the information provided is not questionable, the provider is the primary source of the information, and no further information is needed to take action.

Changes in benefits (increased or decreased as a result of a voluntary report) that are considered VUR, must take place as follows:

- Increases due to the addition of new household members are effective the first of the month following the report of the change.

The recipient should provide verification of the change within the 10 day period listed on the request for verification. If verification is not received within 10 days, the county must send a “no-change NOA” to the household which states that no action to increase benefits was taken because verification was not received. If verification is provided after 10 days, the date the verification is provided must be considered the date of the voluntary report.
• Benefit increases due to decreased income are effective the month of the report or the month of
the change, whichever is later.
• Benefit decreases due to increase income are effective the first of the month following the month
in which the change was reported.

Changes that cannot be verified by client statement alone are:

• Income;
• Medical costs for a deduction
• Legal obligations to pay child support and the amount paid.

Examples of information from the primary source considered VUR include:

• BENDEX and SDX from the Social Security Administration
• SAVE from the United States Citizenship and Immigration Services
• Unemployment compensation from the state unemployment agency
• Worker’s compensation from the state agency.

Examples of internal agency information that is considered VUR include:

• State agency determination of an IPV
• Actions taken by other programs within the county agency that affect CalFresh income and
expenses

Exception:

Income information verified for Medi-Cal, using the Federal Verification Hub is considered
verified. However, it cannot be used for CalFresh because the income information that is
verified is not relevant to CalFresh eligibility determination due to the age of the information.

• Information from a state, county or local work agency that a client failed to comply with work
requirements.

If secondary information is requested for verification in order to act on a change in another program,
such as Medi-Cal, then by definition it is not VUR.

Counties can hold the results of IEVS match until the SAR 7 or RC if the information is not considered
VUR. Information not considered VUR includes, but is not limited to:

• Quarterly wage match data
• New hire match,
• Unearned income matches form Internal Revenue Service, and
• Wage data from the Social Security Administration.

When the information is received by the primary source of the information and no further information is
needed to take action, it is considered VUR.
**Example:**

January through December certification period. On March 15, the county receives an SDX report that indicates a SAR household has been determined eligible for $300 in Social Security benefits and the first regular payment will be April 3. This information is considered VUR because it was reported by the party that is responsible for the income. The EW narrates the information in the case record, sends a 10-day notice to reduce benefits and takes action for the April benefits.

### 24.5.1 Household Composition Changes

A voluntary report of household composition change by the head of household or responsible adult household member is considered VUR, and must be acted on PACF and NACF cases. For reports of household composition change by another source, the county must contact the household to verify eligibility.

**Example:**

A mom calls and reports one of her children has left the home. The report is considered VUR, the EW must take action to reduce the household size and send out a timely notice of action (NOA).

**Example:**

Same situation as above, but the report of the child leaving the home comes from a neighbor, a third party. This is not VUR since it was not reported by a primary source (i.e, the head of household). No action is taken until verified with the household.

<table>
<thead>
<tr>
<th>If the new member’s income combined with the current HH’s income is...</th>
<th>Then the EW...</th>
</tr>
</thead>
</table>
| Exceed the IRT limit for the new HH size, | • Terminates CF  
• Sends a 10-day discontinuance NOA and  
• Documents case actions in the Maintain Case Comments window in CalWIN. |
| Below the IRT limit for the new HH size, | • Adds new HH member to the case  
• Issues appropriate NOA to the HH and  
• Documents case actions in the Maintain Case Comments window in CalWIN.  
**Note:**  
If CF benefits decrease due to changes in HH composition, a 10-day NOA must be sent to the HH |
24.5.2 Income under 130% of FPL

When a voluntary mid-period report of income less than the IRT that is not verified, the county must document the report of the change in the case record to be reviewed at the time of the next SAR 7 or recertification. Send out a “No Change NOA.”

Example:

January through June SAR period. On March 15, mom reports she is eligible for Social Security and the first payment of $300 will be received April 3. This information is not VUR because the county needs further information in order to verify the change. If additional verification is not received, no action is taken. Send out a ‘No Change NOA’ and note in case record for the next SAR 7 or RC application.

If a household provides undisputed verification that requires no further inquiry and is VUR, then the county must act to reduce benefits.

Example:

Same scenario as above. On April 7, mom reports she is eligible for Social Security and sends in a copy of the first payment of $300 that was received April 3. This information is considered verified because the county needs no further information in order to verify the change. The EW narrates the information in the case record, sends a 10-day notice to reduce benefits and takes action to change for the May allotment.

24.6 County Initiated Mid-Period Actions

In addition to making mid-period adjustments to benefits as a result of mandatory and voluntary recipient reports, the county must also act on certain changes in eligibility status at the end of the month in which timely and adequate notice can be provided, even if it results in a decrease or termination of benefits. The changes in eligibility status listed below are considered county-initiated and these actions may occur at any time during the semi-annual period. They include, but are not limited to:

- Sanctions or financial penalties;
- Failure of a member of the household to comply with a Quality Control Review;
- Discontinuances due to the termination of a CalWORKs inter-county transfer;
- Benefits are applied for and approved for a household member in another household or for the household;
- CalWORKs is approved in mid period;
- Change from state funding California Food Assistance Program (CFAP) to federal SNAP which must be seamless to the client;
24.6.1 Move out of State

If the county determines that the household is no longer or will not be residing in the state, CalFresh benefits must be terminated in mid-period at the end of the month in which a timely notice can be sent. An OI may be established if the household was residing out of state and continued to receive benefits from California.

24.6.2 Transitional CalFresh

If TANF grants of SNAP benefits are received out-of-state while transitional benefits are received in CA, Transitional CalFresh must be discontinued, and there would be an OI if SNAP benefits were concurrently issued in another state. However, if public benefits are not received out-of-state while transitional benefits are received in CA then the TCF benefits would continue for the full duration of the TCF benefit period.

24.6.3 Joint CalWORKs/CalFresh Application

When a joint CalWORKs and CalFresh application is taken and Public Assistance eligibility is pending, if CalWORKs is granted after CalFresh has been paid, the new CalWORKs income must be used to recompute CalFresh benefits mid-period. This is considered a County-Initiated Action. [Refer to “PA Grant [63-509(h)(3)(B)],” page 22-3] for additional information and examples of the treatment of a CalWORKs grant.]
LATE SAR 7

A mid-period benefit adjustment is also initiated if such an adjustment is necessary as a result of a late SAR 7 being submitted by the recipient. Submission of a late SAR 7, may require that benefits be reduced for the SAR Payment Period. However, if benefits cannot be decreased due to an inability to provide 10-day notice, benefits for the first month of the SAR Payment Period must be released at the prior level. The EW must take action to reduce benefits effective the first day of the next month in that SAR Payment Period when 10-day notice of decrease in benefits can be provided.

An Inadvertent Household Error (IHE) overissuance MUST be established when a recipient submits a late SAR 7 (after the 11th of the SAR submit month) which results in the household receiving more benefits than to which it is entitled because of the county’s inability to decrease benefits due to the 10-day notice requirement.

<table>
<thead>
<tr>
<th>IF...</th>
<th>THEN...</th>
</tr>
</thead>
<tbody>
<tr>
<td>The SAR 7 is received timely (by the 11th of the Submit Month) but was not processed or was processed incorrectly by the county,</td>
<td>An Administrative Error (AE) overissuance must be established if the household will receive more benefits than to which it is entitled for the SAR Payment Period.</td>
</tr>
<tr>
<td>The SAR 7 is submitted late (after the 11th of the Submit Month), but before the NOA cut-off; however was not processed by the county until after the NOA cut-off,</td>
<td>An Inadvertent Household Error (IHE) overissuance must be established if the household will receive more benefits than to which it is entitled for the SAR Payment Period.</td>
</tr>
<tr>
<td>The SAR 7 is submitted after the NOA cut-off, but by the Extended Filing Date,</td>
<td>An Inadvertent Household Error (IHE) overissuance must be established if the household will receive more benefits than to which it is entitled for the SAR Payment Period.</td>
</tr>
</tbody>
</table>

Process the SAR 7 as if it had been received before NOA cutoff. Follow the chart below when determining the amount of benefits.

<table>
<thead>
<tr>
<th>IF BENEFITS WILL...</th>
<th>THEN...</th>
</tr>
</thead>
</table>
| Increase or remain the same, | • Revise the budget.  
• Issue benefits in a timely manner.  
• Send an appropriate NOA. |
| Decrease, | • Issue benefits for at least the same amount as was indicated on the last valid NOA sent.  
• Revise the budget for the remaining months of the Payment Period to decrease benefits.  
• Establish an overissuance for the 1st month of the SAR Payment Period which occurred due to the inability to decrease benefits with a 10 day notice. |

[Refer to “Complete SAR 7 Received After NOA Cutoff [63-508.65],” page 25-13 for more details.]
24.6.4 Third Party/Known to the County Information

Under certain circumstances, information will be “known to the county” or will be provided to the county through a third-party. Such information should be used by the county to:

- Calculate an OP/OI when the information received was a mandatory report and is obtained after benefits have been issued in the wrong amount, such as in the case of Income and Eligibility Verification Systems (IEVS) matches; and

- Take prospective action to change benefits mid-period or at the beginning of a semi-annual period if the county learns that the recipient failed to accurately report changes on a mandatory mid-period report or on the SAR 7 or RC forms.

All third party information that is received by or known to the county must be acted upon in accordance with SAR rules.

- If a change is required to be reported by the recipient under SAR rules, the county must take action to verify the information and take action based on the information once it has been verified.

- If a change is not required to be reported, such as a change of income not over IRT that occurs mid-period, the county may use the third party information as ancillary information to ensure that the next semi-annual report submitted by the recipient is consistent with other information known to the county.

Note:

- If a change that was not required to be reported is considered VUR, the county must act on the change mid period.

- If the information on the SAR 7 or RC forms is not consistent with what has already been reported or is being reported through a third party, the county must seek to resolve the discrepancy. If the county cannot resolve the discrepancy, the SAR 7 or RC forms may be considered incomplete.

24.7 Multiple Mid-Period Changes

If a recipient experiences multiple changes during a SAR Payment Period, the county will be required to act on those changes in accordance with the SAR rules outlined in the previous sections regarding county actions on mandatory and voluntary recipient reports and on county-initiated actions. The county must act on each change separately and sequentially, using the rule that is unique to that type of change and may not combine the different circumstances to effect a change in benefits resulting from the combined changes.
When multiple changes are voluntarily reported mid-period, the county must first determine if the changes are independent of each other or if they are different events that are part of one change. If the two events are separate changes, the county must evaluate each change independently of the other and only act on those changes that result in an increase. The county must not determine the net result of two changes, even if the net result is an increase; each change must only be acted on if that change, by itself, would result in a mid-period increase in benefits. If the two events are part of one change, then the county must treat this voluntary report as one change and determine if acting on this change would result in an increase to the grant amount. For CalFresh, if the voluntary reports are considered VUR, then those changes must be acted on mid-period.

**Example:**

The AU/household is in the January through June semi-annual period. On January 15, the AU/household reports that Dad moved back into the home and has a part-time job. In reviewing whether the AU/household would be entitled to an increase as a result of new household member, the county determines that earnings from Dad’s job would actually result in a decrease to the AU/household’s benefits. If the report of Dad’s income is considered VUR, the county must take action on the change mid-period.

**Example:**

The child care expense for a CalFresh household decreases from $200 to $175. At the same time, Mom’s income also decreases. The county would not evaluate the net result of the two changes. The county must act to increase CalFresh benefits based on Mom’s decreased income; however, the county cannot act to decrease benefits resulting from the decrease in child care expenses because that would result in decreased benefits. No action to decrease benefits should be taken based on the decrease in child care expenses because this is not a mandatory mid-period report. However, if the report of the change in Mom’s income is considered VUR for CalFresh, the County must act on this change mid-period.

**Example:**

January through June semi-annual period. AU consists of Mom and her child. Mom is working part-time. Unemployed Dad moves into the home on February 5 and Mom loses her job on February 8. Both changes are reported to the county on February 9. The county must evaluate each change separately and sequentially, keeping in mind the timing of when benefits can be increased based on decreased income and new household members in the SAR system. In the scenario described above, the county would act to increase benefits for the month of February based on Mom’s decreased income and the county would add Dad to the AU effective March 1.