

Table II.A.1 Earned Income Disregards for Benefit Computation, July 2011

| State | Earned income disregards |
|----------------------|--|
| Alabama | 100% in first 12 months, 20% thereafter ¹ |
| Alaska | \$150 and 33% of remainder in first 12 months, \$150 and 25% of remainder in months 13–24, \$150 and 20% of remainder in months 25–36, \$150 and 15% of remainder in months 37–48, \$150 and 10% of remainder in months 49–60, \$150 thereafter ² |
| Arizona | |
| All, except JOBSTART | \$90 and 30% of remainder |
| JOBSTART | 100% of subsidized wages ³ |
| Arkansas | No disregards—flat grant amount |
| California | \$112 and 50% of remainder |
| Colorado | 66.7% in first 12 months, \$120 and 33.3% of remainder in next 4 months, \$120 in next 8 months, \$90 thereafter |
| Connecticut | 100% up to the federal poverty level |
| Delaware | \$120 and 33.3% of remainder in first 4 months, \$120 in next 8 months, \$90 thereafter |
| D.C. | \$160 and 66.7% of remainder |
| Florida | \$200 and 50% of remainder |
| Georgia | \$120 and 33.3% of remainder in first 4 months, \$120 in next 8 months, \$90 thereafter |
| Hawaii | 20%, \$200, and 55% of remainder in first 24 months; 20%, \$200, and 36% of remainder thereafter |
| Idaho | 40% |
| Illinois | 75% |
| Indiana | 75% |
| Iowa | 20% and 58% of remainder |
| Kansas | \$90 and 60% of remainder |
| Kentucky | 100% in first 2 months, ⁴ \$120 and 33.3% of remainder in next 4 months, \$120 in next 8 months, \$90 thereafter |
| Louisiana | \$1,020 in first 6 months, ⁵ \$120 thereafter |
| Maine | \$108 and 50% of remainder |
| Maryland | 40% |
| Massachusetts | |
| Exempt | \$120 and 33.3% of remainder |
| Nonexempt | \$120 and 50% of remainder |
| Michigan | \$200 and 20% of remainder |
| Minnesota | 37% |
| Mississippi | 100% in first 6 months, \$90 thereafter ⁶ |
| Missouri | 66.7% and \$90 of remainder in first 12 months, \$90 thereafter ⁷ |
| Montana | \$200 and 25% of remainder |
| Nebraska | 20% |
| Nevada | 100% in first 3 months, 85% in months 4–6, 75% in months 7–9, 65% in months 10–12, \$90 or 20% (whichever is greater) thereafter |
| New Hampshire | 50% |
| New Jersey | 100% in first month, 75% in next 6 months, 50% thereafter ⁸ |
| New Mexico | \$125 and 50% of remainder ⁹ |
| New York | \$90 and 48% of remainder |
| North Carolina | 100% in first three months of employment, ¹⁰ 27.5% thereafter |
| North Dakota | \$180 or 27% (whichever is greater) and 50% of remainder in first 6 months, \$180 or 27% (whichever is greater) and 35% of remainder in months 7–9, \$180 or 27% (whichever is greater) and 25% of remainder in months 10–13, \$180 or 27% (whichever is greater) thereafter ¹¹ |
| Ohio | \$250 and 50% of remainder |
| Oklahoma | \$240 and 50% of remainder ¹² |
| Oregon | 50% |

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| State | Earned income disregards |
|----------------|---|
| Pennsylvania | 50% |
| Rhode Island | \$170 and 50% of remainder |
| South Carolina | 50% in first 4 months, ¹³ \$100 thereafter |
| South Dakota | \$90 and 20% of remainder |
| Tennessee | \$250 ¹⁴ |
| Texas | \$120 and 90% of remainder (up to \$1,400) for 4 of 12 months, \$120 thereafter ¹⁵ |
| Utah | \$100 and 50% of remainder |
| Vermont | \$200 and 25% of remainder ¹⁶ |
| Virginia | \$142 ¹⁷ and 20% of remainder |
| Washington | 50% |
| West Virginia | 40% |
| Wisconsin | No disregards—flat grant amount |
| Wyoming | \$200 ¹⁸ |

Source: The Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

Notes: Only earned income disregards are described in the table. Child care disregards and other special disregards, such as deductions for units subject to time limits and family caps, are not included.

The table describes the earned income disregards used to compute a recipient's benefit. If different disregards are used to compute an applicant's benefit in the first month, they are footnoted. When no duration is specified for the disregards, they remain for the entire period of receipt.

¹ The earned income disregard cannot be applied to the earnings of an individual receiving assistance beyond the 60th month under an extension.

² These disregards also apply to applicants who have received assistance in one of the previous four months.

³ In addition to the 100 percent disregard of all subsidized JOBSTART wages, recipients can disregard the standard \$90 and 30 percent of the remainder for any non-JOBSTART earned income.

⁴ Recipients are eligible for the one-time 100 percent disregard if they become newly employed or report increased wages acquired after approval.

⁵ The six months in which the extra \$900 is disregarded need not be consecutive, but the recipient may use this extra disregard in no more than six months over the course of his or her lifetime.

⁶ Recipients are eligible for the one-time 100 percent disregard if they find employment of 35 hours a week within 30 days of either their initial approval for TANF or the beginning of job-readiness training. If work is not found, the recipient will never be eligible to receive the disregard again. An additional 100 percent disregard is available to units for three months when the unit's case is subject to closure because of increased earnings and the individual is employed for at least 25 hours a week at the federal minimum wage or higher. The recipient may not have already received the six-month disregard, unless there has been at least a 12-month break in receipt of TANF benefits. The three-month disregard may be received more than once during the 60-month TANF benefit period, provided there is a period of at least 12 consecutive months in which a family does not receive TANF benefits before the family reapplies for assistance. If a recipient marries for the first time, his or her new spouse may receive a one-time 100 percent disregard for six consecutive months.

⁷ These disregards apply only to recipients who become employed while receiving TANF. Applicants and those recipients who gained employment before receiving TANF are allowed to disregard \$120 and 33.3 percent of the remainder for the first four months, \$120 the next eight months, and \$90 thereafter.

⁸ These disregards apply to individuals working 20 or more hours a week. Individuals employed fewer than 20 hours a week may disregard 100 percent in the first month of employment and 50 percent thereafter. However, if an individual's hours increase to 20 hours during the first six months, he or she may disregard 75 percent for the remainder of the six-month period. The 100 percent disregard is applicable only once every 12 months, even if employment is lost and then regained.

⁹ Two-parent units may disregard \$225 and 50 percent of the remainder.

¹⁰ The 100 percent disregard is available only once in a lifetime and may be received only if the recipient is newly employed for more than 20 hours a week at a job that is expected to be permanent.

¹¹ If a parent marries while receiving assistance, the income of his or her new spouse is disregarded for the first six months. The disregard for the new spouse applies only if his or her needs were not previously included in the unit.

¹² These disregards apply to individuals working full time, defined as 20 hours a week for recipients caring for a child under age 6 and 30 hours a week for all other recipients. Individuals working less than full time may disregard \$120 and 50 percent of the remainder.

¹³ The 50 percent disregard is available only once in a lifetime and may only be applied to consecutive months.

¹⁴ If a parent marries while receiving assistance, the unit may choose to exclude the new spouse from the unit for three months. At the end of the three months, the new spouse becomes a mandatory member of the assistance unit, and his or her income is counted in benefit computation calculations.

¹⁵ Once the recipient has received four months (they need not be consecutive) of the 90 percent disregard, he or she is not eligible to receive the disregard again until the TANF case has been denied and remains denied for one full month and 12 calendar months have passed since the denial. The 12-month ineligibility period begins with the first full month of denial after the client uses the fourth month of the 90 percent disregard. The earnings of a TANF recipient's new spouse are disregarded for six months if the total gross income of the budget group does not exceed 200 percent of the federal poverty level.

¹⁶ These disregards apply to recipients with income from unsubsidized employment or a combination of subsidized and unsubsidized employment. For recipients with earnings from subsidized employment only, the disregard is \$90.

¹⁷ The disregard varies by family size; for one to three family members, the disregard is \$142. For four members, the disregard is \$153; for five members, the disregard is \$179; and for six or more family members, the disregard is \$205.

¹⁸ Married couples with a child in common may disregard \$400.