

# ILLINOIS

## 1. TANF

### a. Administrative Rules

- i. Illinois Admin Code 100.400
- ii. Illinois Admin Code 112.150
- iii. Illinois Admin Code 112.151
- iv. Illinois Admin Code 112.152
- v. Illinois Admin Code 112.153
- vi. Illinois Register – Notice of Adopted Amendments\_TANF

### b. Public Comments

- i. Letter to Tracie Drew from Dory Rand, commenting on the proposed rules
- ii. Letters to governor expressing support for the proposed rules

### c. Advocacy

- i. Letter to Marva Arnold on eliminating asset limits
- ii. Letter from Tracie Drew to Dory Rand on Dory Rand's comments to the proposed rules
- iii. Email to Teyonda Wertz to get the governor to sign onto the proposed rules
- iv. Letter to Louanner Peters to ask the governor to adopt the proposed rules
- v. Letter to Louanner Peters for advice when the governor did not finalize the proposed rules

### d. Media

- i. New America Foundation press piece
- ii. Talking points on passing an asset limit administrative rule change

## 2. Food Stamps

### a. Administrative Rules

- i. Illinois Admin Code 121.57
- ii. Illinois Admin Code 121.58
- iii. Illinois Admin Code 121.59

- iv. Illinois Admin Code 121.34
  - v. Illinois Register Proposed Admin Rule Change\_Food Stamps
- 3. Medicaid
  - a. Administrative Rules
    - i. Illinois Admin Code 120.336
    - ii. Illinois Admin Code 120.380
    - iii. Illinois Admin Code 120.382
    - iv. Illinois Admin Code 120.384
- 4. Other
  - a. Bills/Laws
    - i. Letter with suggestions for co-sponsors on *Retirement Savings for Working Adults* bill
    - ii. Public Act 094-1043
  - b. Administrative Rules
    - i. Illinois Admin Code 114.250
    - ii. Illinois Admin Code 114.251
    - iii. Illinois Admin Code 114.252
    - iv. Illinois Admin Code 114.260
    - v. Illinois Department of Human Services PM 07-01-16-I
    - vi. Illinois Register Notice of Adopted Amendment\_General Assistance
  - c. Advocacy
    - i. Letter to Dory Rand on SEED accounts
    - ii. Letter to the Department of Public Aid for verification of SCHIP rules
    - iii. Letter to Kevin Davy to help implement IDA accounts

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Temporary Assistance for Needy Families
- 2) Code Citation: 89 Ill. Adm. Code 112
- 3) Section Numbers:  
112.54  
112.150
- Adopted Action:  
Amendment  
Amendment
- 4) Statutory Authority: Implementing Article IV and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. IV and 12-13].
- 5) Effective Date of Amendments: April 1, 2005
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposal Published in Illinois Register: July 30, 2004; 28 Ill. Reg. 10505
- 10) Has JCAR Issued a Statement of Objection to these amendments? No
- 11) Differences between proposal and final version: No substantive changes were made in the text of the proposed amendments.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will these amendments replace any emergency amendments currently in effect? No
- 14) Are there any amendments pending on this Part? Yes

<u>Section Numbers</u>	<u>Proposed Action</u>	<u>Illinois Register Citation</u>
112.9	Amendment	28 Ill. Reg. 14340; 11-5-04
112.40	Amendment	28 Ill. Reg. 15424; 12-3-04
112.65	Amendment	28 Ill. Reg. 14340; 11-5-04
112.69	Amendment	28 Ill. Reg. 14340; 11-5-04
112.101	Amendment	28 Ill. Reg. 11656; 8-13-04

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## NOTICE OF ADOPTED AMENDMENTS

112.110	Amendment	28 Ill. Reg. 11656; 8-13-04
112.127	Amendment	28 Ill. Reg. 14340; 11-5-04
112.130	Amendment	28 Ill. Reg. 11656; 8-13-04
112.150	Amendment	28 Ill. Reg. 14340; 11-5-04
112.151	Repeal	28 Ill. Reg. 14340; 11-5-04
112.152	Repeal	28 Ill. Reg. 14340; 11-5-04
112.153	Repeal	28 Ill. Reg. 14340; 11-5-04
112.305	Amendment	28 Ill. Reg. 14340; 11-5-04
112.320	Amendment	28 Ill. Reg. 15424; 12-3-04
112.307	Amendment	28 Ill. Reg. 14340; 11-5-04

- 15) Summary and Purpose of Rulemaking: This rulemaking is being adopted in accordance with an option provided under Title IV of the Farm Bill (HR 2646-The Food Stamp Reauthorization Act of 2002). Under this provision, states may exclude certain types of resources from consideration as an asset when determining eligibility. This rulemaking exempts pension plans, including accounts solely owned by an individual such as an Individual Retirement Account (IRA), 401 K and Keogh Plan, from consideration as an asset for TANF. Implementing this change will simplify the way these assets are considered for the TANF Program. This rulemaking also corrects the reference for appeals from 89 Ill. Adm. Code 104 to 89 Ill. Adm. Code 14.

Companion amendments are also being adopted in 89 Ill. Adm. Code 114 and 89 Ill. Adm. Code 121.

- 16) Information and questions regarding these adopted amendments shall be directed to:

Tracie Drew, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3<sup>rd</sup> Floor, Harris Bldg.  
Springfield, Illinois 62762

Telephone number: (217) 785-9772

The full text of Adopted Amendments begins on the next page:

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMSPART 112  
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

## SUBPART A: GENERAL PROVISIONS

## Section

112.1	Description of the Assistance Program and Time Limit
112.2	Time Limit on Receipt of Benefits for Clients Enrolled in Post-Secondary Education
112.3	Receipt of Cash Benefits Beyond the 60 Month Lifetime Limit
112.5	Incorporation by Reference
112.6	The Family Violence Option

## SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

## Section

112.8	Caretaker Relative
112.9	Client Cooperation
112.10	Citizenship
112.20	Residence
112.30	Age
112.40	Relationship
112.50	Living Arrangement
112.52	Social Security Numbers
112.54	Assignment of Medical Support Rights
112.60	Basis of Eligibility
112.61	Death of a Parent (Repealed)
112.62	Incapacity of a Parent (Repealed)
112.63	Continued Absence of a Parent (Repealed)
112.64	Unemployment of the Parent (Repealed)
112.65	Responsibility and Services Plan
112.66	Alcohol and Substance Abuse Treatment
112.67	Restriction in Payment to Households Headed by a Minor Parent
112.68	School Attendance Initiative
112.69	Felons and Violators of Parole or Probation

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

## SUBPART C: TANF EMPLOYMENT AND WORK ACTIVITY REQUIREMENTS

## Section

112.70	Employment and Work Activity Requirements
112.71	Individuals Exempt from TANF Employment and Work Activity Requirements
112.72	Participation/Cooperation Requirements
112.73	Adolescent Parent Program (Repealed)
112.74	Responsibility and Services Plan
112.75	Teen Parent Personal Responsibility Plan (Repealed)
112.76	TANF Orientation
112.77	Reconciliation and Fair Hearings
112.78	TANF Employment and Work Activities
112.79	Sanctions
112.80	Good Cause for Failure to Comply with TANF Participation Requirements
112.81	Responsible Relative Eligibility for JOBS (Repealed)
112.82	Supportive Services
112.83	Teen Parent Services
112.84	Employment Retention and Advancement Project
112.85	Four Year College/Vocational Training Demonstration Project (Repealed)

## SUBPART E: PROJECT ADVANCE

## Section

112.86	Project Advance (Repealed)
112.87	Project Advance Experimental and Control Groups (Repealed)
112.88	Project Advance Participation Requirements of Experimental Group Members and Adjudicated Fathers (Repealed)
112.89	Project Advance Cooperation Requirements of Experimental Group Members and Adjudicated Fathers (Repealed)
112.90	Project Advance Sanctions (Repealed)
112.91	Good Cause for Failure to Comply with Project Advance (Repealed)
112.93	Individuals Exempt From Project Advance (Repealed)
112.95	Project Advance Supportive Services (Repealed)

## SUBPART F: EXCHANGE PROGRAM

## Section

112.98	Exchange Program (Repealed)
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## SUBPART G: FINANCIAL FACTORS OF ELIGIBILITY

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Section	
112.100	Unearned Income
112.101	Unearned Income of Stepparent or Parent
112.105	Budgeting Unearned Income
112.106	Budgeting Unearned Income of Applicants
112.107	Initial Receipt of Unearned Income
112.108	Termination of Unearned Income
112.110	Exempt Unearned Income
112.115	Education Benefits
112.120	Incentive Allowances
112.125	Unearned Income In-Kind
112.126	Earmarked Income
112.127	Lump-Sum Payments
112.128	Protected Income (Repealed)
112.130	Earned Income
112.131	Earned Income Tax Credit
112.132	Budgeting Earned Income
112.133	Budgeting Earned Income of Employed Applicants
112.134	Initial Employment
112.135	Budgeting Earned Income For Contractual Employees
112.136	Budgeting Earned Income For Non-contractual School Employees
112.137	Termination of Employment
112.138	Transitional Payments (Repealed)
112.140	Exempt Earned Income
112.141	Earned Income Exemption
112.142	Exclusion from Earned Income Exemption
112.143	Recognized Employment Expenses
112.144	Income from Work-Study and Training Programs
112.145	Earned Income From Self-Employment
112.146	Earned Income From Roomer and Boarder
112.147	Income From Rental Property
112.148	Payments from the Illinois Department of Children and Family Services
112.149	Earned Income In-Kind
112.150	Assets
112.151	Exempt Assets
112.152	Asset Disregards
112.153	Deferral of Consideration of Assets
112.154	Property Transfers (Repealed)
112.155	Income Limit

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

## SUBPART H: PAYMENT AMOUNTS

Section	
112.250	Grant Levels
112.251	Payment Levels
112.252	Payment Levels in Group I Counties
112.253	Payment Levels in Group II Counties
112.254	Payment Levels in Group III Counties
112.255	Limitation on Amount of TANF Assistance to Recipients from Other States (Repealed)

## SUBPART I: OTHER PROVISIONS

Section	
112.300	Persons Who May Be Included in the Assistance Unit
112.301	Presumptive Eligibility
112.302	Reporting Requirements for Clients with Earnings
112.303	Budgeting
112.304	Budgeting Schedule
112.305	Strikers
112.306	Foster Care Program
112.307	Responsibility of Sponsors of Non-Citizens Entering the Country Prior to 8/22/96
112.308	Responsibility of Sponsors of Non-Citizens Entering the Country On or After 8/22/96
112.309	Institutional Status
112.310	Child Care for Representative Payees
112.315	Young Parents Program (Renumbered)
112.320	Redetermination of Eligibility
112.330	Extension of Medical Assistance Due to Increased Income from Employment
112.331	Four Month Extension of Medical Assistance Due to Child Support Collections
112.332	Extension of Medical Assistance Due to Loss of Earned Income Disregard (Repealed)
112.340	New Start Payments to Individuals Released from Department of Corrections Facilities (Repealed)

## SUBPART J: CHILD CARE

Section	
112.350	Child Care (Repealed)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

- 112.352 Child Care Eligibility (Repealed)
- 112.354 Qualified Provider (Repealed)
- 112.356 Notification of Available Services (Repealed)
- 112.358 Participant Rights and Responsibilities (Repealed)
- 112.362 Additional Service to Secure or Maintain Child Care Arrangements (Repealed)
- 112.364 Rates of Payment for Child Care (Repealed)
- 112.366 Method of Providing Child Care (Repealed)
- 112.370 Non-JOBS Education and Training Program (Repealed)

## SUBPART K: TRANSITIONAL CHILD CARE

## Section

- 112.400 Transitional Child Care Eligibility (Repealed)
- 112.404 Duration of Eligibility for Transitional Child Care (Repealed)
- 112.406 Loss of Eligibility for Transitional Child Care (Repealed)
- 112.408 Qualified Child Care Providers (Repealed)
- 112.410 Notification of Available Services (Repealed)
- 112.412 Participant Rights and Responsibilities (Repealed)
- 112.414 Child Care Overpayments and Recoveries (Repealed)
- 112.416 Fees for Service for Transitional Child Care (Repealed)
- 112.418 Rates of Payment for Transitional Child Care (Repealed)

**AUTHORITY:** Implementing Article IV and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. IV and 12-13].

**SOURCE:** Filed effective December 30, 1977; preemptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; preemptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; preemptory amendment at 2 Ill. Reg. 46, p. 56, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amendment at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979; preemptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; preemptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency

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amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981; preemptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; preemptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; preemptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10760, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; preemptory amendment at 6 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; preemptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; preemptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; preemptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 11, 1983; rules repealed and new rules adopted and codified at 7 Ill. Reg. 2720, effective February 28, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 11284, effective August 26, 1983; amended at 7 Ill. Reg. 13920, effective October 7, 1983; amended at 7 Ill. Reg. 15690, effective November 9, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 16105; amended at 7 Ill. Reg. 17344, effective December 21, 1983; amended at 8 Ill. Reg. 213, effective December 27, 1983; emergency amendment at 8 Ill. Reg. 569, effective January 1, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 4176, effective March 19, 1984; amended at 8 Ill. Reg. 5207, effective April 9, 1984; amended at 8 Ill. Reg. 7226, effective May 16, 1984; amended at 8 Ill. Reg. 11391, effective June 27, 1984; amended at 8 Ill. Reg. 12333, effective June 29, 1984; amended (by adding Sections being codified with no substantive change) at 8 Ill. Reg. 17894; preemptory amendment at 8 Ill. Reg. 18127, effective October 1, 1984; preemptory amendment at 8 Ill. Reg. 19889, effective October 1, 1984; amended at 8 Ill. Reg. 19983, effective October 3, 1984; emergency

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amendment at 8 Ill. Reg. 21666, effective October 19, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 21621, effective October 23, 1984; amended at 8 Ill. Reg. 25023, effective December 19, 1984; amended at 9 Ill. Reg. 282, effective January 1, 1985; amended at 9 Ill. Reg. 4062, effective March 15, 1985; amended at 9 Ill. Reg. 8155, effective May 17, 1985; emergency amendment at 9 Ill. Reg. 10094, effective June 19, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 11317, effective July 5, 1985; amended at 9 Ill. Reg. 12795, effective August 9, 1985; amended at 9 Ill. Reg. 15887, effective October 4, 1985; amended at 9 Ill. Reg. 16277, effective October 11, 1985; amended at 9 Ill. Reg. 17827, effective November 18, 1985; emergency amendment at 10 Ill. Reg. 354, effective January 1, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 1172, effective January 10, 1986; amended at 10 Ill. Reg. 3641, effective January 30, 1986; amended at 10 Ill. Reg. 4885, effective March 7, 1986; amended at 10 Ill. Reg. 8118, effective May 1, 1986; amended at 10 Ill. Reg. 10628, effective June 1, 1986; amended at 10 Ill. Reg. 11017, effective June 6, 1986; Sections 112.78 through 112.86 and 112.88 recodified to 89 Ill. Adm. Code 160 at 10 Ill. Reg. 11928; emergency amendment at 10 Ill. Reg. 12107, effective July 1, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 12650, effective July 14, 1986; amended at 10 Ill. Reg. 14681, effective August 29, 1986; amended at 10 Ill. Reg. 15101, effective September 5, 1986; amended at 10 Ill. Reg. 15621, effective September 19, 1986; amended at 10 Ill. Reg. 21860, effective December 12, 1986; amended at 11 Ill. Reg. 2280, effective January 16, 1987; amended at 11 Ill. Reg. 3140, effective January 30, 1987; amended at 11 Ill. Reg. 4682, effective March 6, 1987; amended at 11 Ill. Reg. 5223, effective March 11, 1987; amended at 11 Ill. Reg. 6228, effective March 20, 1987; amended at 11 Ill. Reg. 9927, effective May 15, 1987; amended at 11 Ill. Reg. 12003, effective November 1, 1987; emergency amendment at 11 Ill. Reg. 12432, effective July 10, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 12908, effective July 30, 1987; emergency amendment at 11 Ill. Reg. 12935, effective August 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 13625, effective August 1, 1987; amended at 11 Ill. Reg. 14755, effective August 26, 1987; amended at 11 Ill. Reg. 18679, effective November 1, 1987; emergency amendment at 11 Ill. Reg. 18781, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20114, effective December 4, 1987; Sections 112.90 and 112.95 recodified to Sections 112.52 and 112.54 at 11 Ill. Reg. 20610; amended at 11 Ill. Reg. 20889, effective December 14, 1987; amended at 12 Ill. Reg. 844, effective January 1, 1988; emergency amendment at 12 Ill. Reg. 1929, effective January 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 2126, effective January 12, 1988; SUBPARTS C, D and E recodified to SUBPARTS G, H and I at 12 Ill. Reg. 2136; amended at 12 Ill. Reg. 3487, effective January 22, 1988; amended at 12 Ill. Reg. 6159, effective March 18, 1988; amended at 12 Ill. Reg. 6694, effective March 22, 1988; amended at 12 Ill. Reg. 7336, effective May 1, 1988; amended at 12 Ill. Reg. 7673, effective April 20, 1988; amended at 12 Ill. Reg. 9032, effective May 20, 1988; amended at 12 Ill. Reg. 10481, effective June 13, 1988; amended at 12 Ill. Reg. 14172, effective August 30, 1988; amended at 12 Ill. Reg. 14669, effective September 16, 1988; amended at 13 Ill. Reg. 70, effective January 1, 1989; amended at 13 Ill. Reg. 6017, effective April 14, 1989;

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amended at 13 Ill. Reg. 8567, effective May 22, 1989; amended at 13 Ill. Reg. 16006, effective October 6, 1989; emergency amendment at 13 Ill. Reg. 16142, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 14 Ill. Reg. 705, effective January 1, 1990; amended at 14 Ill. Reg. 3170, effective February 13, 1990; amended at 14 Ill. Reg. 3575, effective February 23, 1990; amended at 14 Ill. Reg. 6306, effective April 16, 1990; amended at 14 Ill. Reg. 10379, effective June 20, 1990; amended at 14 Ill. Reg. 13652, effective August 10, 1990; amended at 14 Ill. Reg. 14140, effective August 17, 1990; amended at 14 Ill. Reg. 16937, effective September 30, 1990; emergency amendment at 15 Ill. Reg. 338, effective January 1, 1991, for a maximum of 150 days; emergency amendment at 15 Ill. Reg. 2862, effective February 4, 1991, for a maximum of 150 days; emergency expired July 4, 1991; amended at 15 Ill. Reg. 5275, effective April 1, 1991; amended at 15 Ill. Reg. 5684, effective April 10, 1991; amended at 15 Ill. Reg. 11127, effective July 19, 1991; amended at 15 Ill. Reg. 11447, effective July 25, 1991; amended at 15 Ill. Reg. 14227, effective September 30, 1991; amended at 15 Ill. Reg. 17308, effective November 18, 1991; amended at 16 Ill. Reg. 9972, effective June 15, 1992; amended at 16 Ill. Reg. 11550, effective July 15, 1992; emergency amendment at 16 Ill. Reg. 11652, effective July 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 13629, effective September 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 17724, effective November 9, 1992; amended at 16 Ill. Reg. 20147, effective December 14, 1992; amended at 17 Ill. Reg. 357, effective December 24, 1992; amended at 17 Ill. Reg. 813, effective January 15, 1993; amended at 17 Ill. Reg. 2253, effective February 15, 1993; amended at 17 Ill. Reg. 4312, effective March 25, 1993; emergency amendment at 17 Ill. Reg. 6325, effective April 9, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 6792, effective April 21, 1993; amended at 17 Ill. Reg. 15017, effective September 3, 1993; amended at 17 Ill. Reg. 19156, effective October 25, 1993; emergency amendment at 17 Ill. Reg. 19696, effective November 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 5909, effective March 31, 1994; amended at 18 Ill. Reg. 6994, effective April 27, 1994; amended at 18 Ill. Reg. 8703, effective June 1, 1994; amended at 18 Ill. Reg. 10774, effective June 27, 1994; amended at 18 Ill. Reg. 12805, effective August 5, 1994; amended at 18 Ill. Reg. 15774, effective October 17, 1994; expedited correction at 19 Ill. Reg. 998, effective October 17, 1994; amended at 19 Ill. Reg. 2845, effective February 24, 1995; amended at 19 Ill. Reg. 5609, effective March 31, 1995; amended at 19 Ill. Reg. 7883, effective June 5, 1995; emergency amendment at 19 Ill. Reg. 10206, effective July 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 12011, effective August 7, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 12664, effective September 1, 1995; emergency amendment at 19 Ill. Reg. 15244, effective November 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15661, effective November 3, 1995; emergency amendment at 19 Ill. Reg. 15839, effective November 15, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 16295, effective December 1, 1995, for a maximum of 150 days; amended at 20 Ill. Reg. 845, effective January 1, 1996; amended at 20 Ill. Reg. 3538, effective February 15, 1996; amended at 20 Ill. Reg. 5648, effective March 30, 1996; amended at 20 Ill. Reg. 6018, effective April 12, 1996;

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

amended at 20 Ill. Reg. 6498, effective April 29, 1996; amended at 20 Ill. Reg. 7892, effective June 1, 1996; emergency amendment at 20 Ill. Reg. 12499, effective September 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 14820, effective November 1, 1996; amendment at 20 Ill. Reg. 15983, effective December 9, 1996; emergency amendment at 21 Ill. Reg. 662, effective January 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 940, effective January 7, 1997; amended at 21 Ill. Reg. 1366, effective January 15, 1997; amended at 21 Ill. Reg. 2655, effective February 7, 1997; amended at 21 Ill. Reg. 7391, effective May 31, 1997; emergency amendment at 21 Ill. Reg. 8426, effective July 1, 1997, for a maximum of 150 days; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 21 Ill. Reg. 15597, effective November 26, 1997; emergency amendment at 22 Ill. Reg. 4466, effective February 24, 1998, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 12197, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 14420, effective July 24, 1998; amended at 22 Ill. Reg. 14744, effective August 1, 1998; amended at 22 Ill. Reg. 16256, effective September 1, 1998; emergency amendment at 22 Ill. Reg. 16365, effective September 1, 1998, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 18082, effective October 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 19840, effective November 1, 1998; emergency amendment at 23 Ill. Reg. 598, effective January 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 942, effective January 6, 1999; emergency amendment at 23 Ill. Reg. 1133, effective January 7, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 1682, effective January 20, 1999; emergency amendment at 23 Ill. Reg. 5881, effective May 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 6958, effective May 30, 1999; amended at 23 Ill. Reg. 7091, effective June 4, 1999; amended at 23 Ill. Reg. 7896, effective July 1, 1999; emergency amendment at 23 Ill. Reg. 8672, effective July 13, 1999, for a maximum of 150 days; emergency amendment at 23 Ill. Reg. 10530, effective August 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 12648, effective September 27, 1999; amended at 23 Ill. Reg. 13898, effective November 19, 1999; amended at 24 Ill. Reg. 289, effective December 28, 1999; amended at 24 Ill. Reg. 2348, effective February 1, 2000; amended at 25 Ill. Reg. 10336, effective August 3, 2001; emergency amendment at 25 Ill. Reg. 11584, effective September 1, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 14865, effective November 1, 2001; amended at 26 Ill. Reg. 138, effective January 1, 2002; amended at 26 Ill. Reg. 924, effective January 15, 2002; emergency amendment at 26 Ill. Reg. 3329, effective February 19, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 9803, effective June 24, 2002; amended at 26 Ill. Reg. 10492, effective July 1, 2002; emergency amendment at 26 Ill. Reg. 10994, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17182, effective November 15, 2002; amended at 27 Ill. Reg. 4545, effective February 28, 2003; amended at 27 Ill. Reg. 7240, effective April 7, 2003; amended at 27 Ill. Reg. 18417, effective November 20, 2003; amended at 28 Ill. Reg. 1090, effective December 31, 2003; amended at 28 Ill. Reg. 5655, effective March 22, 2004; amended at 29 Ill. Reg. 5473, effective April 1, 2005.

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## SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

**Section 112.54 Assignment of Medical Support Rights**a) Rights to Support

- 1) As a condition of eligibility for medical assistance under the TANF AFDC program, each applicant or recipient by operation of State law, automatically assigns to the Department any rights to support which the applicant or recipient may have. This assignment gives the Department the right to collect support money directly from the absent parent in order to be reimbursed for assistance given to the dependent children.
- 2) This right includes support money paid in the applicant/ recipient own behalf, such as alimony, and money paid in behalf of any other family member for whom assistance is requested, such as child support.

b) As a condition of eligibility for medical assistance under the TANF AFDC program each legally able applicant and recipient must cooperate (see 89 Ill. Adm. Code 120.320(b)) with the Department in obtaining medical support or payments. ("Legally able" means the applicant/recipient has the legal authority to execute an assignment of medical support rights.) This includes support or payments for the applicant/recipient and/or for any person for whom the applicant/recipient receives medical assistance.c) Refusal/Failure to Cooperate

- 1) If the applicant/recipient refuses to cooperate with the Department in obtaining medical support or payments, he/she is ineligible for medical assistance and will be removed from the assistance unit for medical assistance. (Non-cooperation is failure/refusal to comply with the requirements of 89 Ill. Adm. Code 120.320(b).) However, the applicant/recipient remains eligible for TANFAFDC cash benefits.
- 2) Cooperation in obtaining medical support and/or payments includes enrolling dependents for no cost dependent health insurance coverage.
- 3) If the applicant/recipient fails/refuses to cooperate in obtaining medical support/payments or sign up for no cost medical insurance, he/she is ineligible for medical assistance as long as he/she continues to fail/refuse

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to cooperate. If the applicant/recipient later wishes to receive medical assistance then he/she must cooperate by complying with the ~~requirements~~ requirement(s) (see 89 Ill. Adm. Code 120.320(b)) that he/she previously failed/refused to meet.

- 4) An applicant/recipient can appeal the Department's determination that he/she refused to cooperate in obtaining medical support/payments or that he/she refused to sign up for no cost medical insurance. Such appeal shall be in accordance with 89 Ill. Adm. Code ~~14104~~: Subpart A.
- d) The Department will provide or continue to provide medical assistance to any applicant or recipient who is not legally able to cooperate in securing medical support, and would otherwise be eligible for medical assistance but for the refusal by a person legally able to cooperate.

(Source: Amended at 29 Ill. Reg. 5473, effective April 1, 2005)

## SUBPART G: FINANCIAL FACTORS OF ELIGIBILITY

**Section 112.150 Assets**

- a) The value of nonexempt assets shall be considered in determining eligibility for an assistance payment.
- b) The entire equity value of a jointly-held liquid asset or the client's proportional share of a jointly-held non-liquid asset shall be considered in determining eligibility for an assistance payment, unless:
  - 1) the asset is a joint income tax refund;
  - 2) the client can document the amount of his or her legal interest in the asset, and that such amount is less than the entire value of the asset, the documented amount shall be considered. Appropriate documentation, may include, but is not limited to, bank documents, trust documents, signature cards, divorce papers, or court orders;
  - 3) the asset is held jointly with a client or clients of any Department assistance program other than food stamps;
  - 4) the client documents that he or she does not have access to the asset.

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Appropriate documentation may include but is not limited to, bank documents, trust documents, signature cards, divorce papers, or court orders;

- 5) the client documents that the asset or a portion of the asset is not owned by the client and the client's accessibility to the asset is changed (see subsections (b)(2) and (4) of this Section for examples of documentation);
  - 6) the co-owner refuses to make the asset available; or
  - 7) the co-owner has engaged in violent activity against a family member in the past.
- c) Income tax refunds shall be considered available assets and are to be considered against the appropriate non-exempt asset limitation of the assistance unit. One-half of joint tax refunds shall be considered available for each payee. A client who declares that less than one-half of the joint income tax was received may claim an exception. Only the amount claimed to be received shall be considered.
- d) An applicant or recipient can appeal the Department's decision relating to consideration of assets in accordance with 89 Ill. Adm. Code 14104.
- e) Pension plans are exempt from consideration as an asset, including accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan.

(Source: Amended at 29 Ill. Reg. 5473, effective April 1, 2005)

November 17, 2004

Tracie Drew, Chief  
Bureau of Administrative Rules and Procedures  
Illinois Department of Human Services  
100 South Grand Avenue East  
Harris BLDG., 3d Floor  
Springfield, IL 62762

Re: Proposed Amendments to 89 Ill. Adm. Code 112, 113, and 121 (Ill. Reg. Vol. 28, Issue 45, November 5, 2004)

Dear Ms. Drew:

On behalf of the Sargent Shriver National Center on Poverty Law (Shriver Center), I am writing to express our strong support for the proposed rules that would eliminate assets as a consideration in determining eligibility for Temporary Assistance for Needy Families (TANF) and General Assistance (GA), and eliminate vehicles from consideration as assets in the Food Stamp programs.

The Shriver Center is a Chicago-based nonprofit organization that takes action to end poverty through law reform, public policy, and communications strategies in the areas of welfare reform, workforce development, affordable housing, and community development. We believe that cash, nutrition, and healthcare assistance programs are critically important. We support rules that create simpler application processes, align policies across assistance programs, and increase utilization by needy families, especially low-wage working families who have some of the lowest participation rates.

At a time when staff and resources are limited, complex rules regarding assets that vary from program and increase administrative burden and error rates are unnecessary and wasteful. Moreover, asset rules that penalize individuals for saving money and require applicants to spend down assets in order to qualify for assistance are counterproductive to families' long-term self-sufficiency and financial stability.

Having TANF and GA asset policies consistent with the Family Health Plan's medical assistance asset policy makes it easier for caseworkers, service providers, applicants and recipients to understand the rules. The proposed rules simplify program administration. In addition, we agree with the Department that a major advantage of this proposal is that the Department can actively encourage families "to build a savings fund that would assist them in maintaining self-sufficiency when they experience an employment setback," thereby promoting greater financial security and less dependence on assistance programs.

Encouraging saving and asset building is consistent with the goals of the IDHS-funded Financial Links for Low-Income People (FLLIP) financial education program, which is coordinated by the Shriver Center. TANF recipients can receive “work activity” credit for participating in the FLLIP financial education classes.

Similarly, aligning the Food Stamp Program’s vehicle asset policy with the TANF vehicle asset policy (no asset limit on vehicles) will simplify administration of the Food Stamp Program. By no longer considering vehicles when determining countable assets for Food Stamps, this rule will help recipients, especially persons in suburban and rural areas, to obtain and retain jobs and promote greater self-sufficiency. In drafting the proposed rule change, however, it appears that the Department inadvertently deleted vehicles from the list of exempt assets. By eliminating all of section 121.58 (i), the Department has inadvertently placed vehicles into the category of nonexempt assets. The final rule should include “vehicles” in the list of exempt assets in section (i) in order to effectuate the intent of the rule change.

In future rulemaking, IDHS should use the full extent of its authority to align asset policies across programs and eliminate asset barriers by using categorical eligibility to eliminate asset rules entirely in the Food Stamp Program. Under categorical eligibility, states may not count the resources of individuals when determining Food Stamp eligibility. See 7 C.F. R. section 273.8(e)(17). To date, eleven states have adopted various forms of categorical eligibility in their Food Stamp Programs.

The Shriver Center would be interested in working with the Department to adopt categorical eligibility for Food Stamps and decrease administrative burden and error rates in the Food Stamp Program.

Sincerely,

Dory Rand, Supervising Attorney, Community Investment

cc: Dr. Carol Adams, Director Marva Arnold

October 5, 2005

Honorable Rod R. Blagojevich  
Office of the Governor  
JRTC, 15<sup>th</sup> Floor  
Chicago, Illinois

Re: New TANF, GA and Food Stamp asset limit rules (approved by JCAR August 16, 2005)

Dear Governor:

I am writing to express my strong support for the rules proposed by the Illinois Department of Human Services and approved by the Joint Committee on Administrative Rules that would eliminate assets as a consideration in determining eligibility for Temporary Assistance for Needy Families (TANF) and General Assistance (GA), and eliminate vehicles from consideration as assets in the Food Stamp programs. Please allow these rules to become effective immediately.

At a time when government resources are limited, the new asset rules are good fiscal policy. Complex asset rules significantly increase administrative costs and error rates. Ohio and Virginia, states that have already abolished asset limits, determined that the cost of administering asset rules far exceeds the cost of providing benefits to the households who become eligible for benefits under the new rules. Prior to the rule change in Virginia, for example, caseworkers screened every applicant for assets, but only 1,200 of 60,000 applications (one-half of one percent) were ineligible due to excess resources. The Virginia Department of Social Services found that its asset limit changes in TANF and Food Stamps (effective Dec. 1, 2003) had little impact on caseloads (as of March 2005). Similarly, any increase in the number of eligible households under these Illinois rules will be more than offset by the administrative savings.

Asset rules that penalize Illinois households for saving money or owning a car are counterproductive to families' financial stability. We have seen the unfortunate effects of Hurricane Katrina on those who did not have the savings, credit, and vehicles necessary to evacuate in an emergency or to survive after becoming unemployed or homeless. The new rules encourage families "to build a savings fund that would assist them in maintaining self-sufficiency when they experience an employment setback" or other crisis, thereby promoting greater financial security and investment in the Illinois economy and less dependence on government.

Illinois is a recognized leader in promoting financial education and asset building. Illinois policies, programs, and initiatives have been featured in papers published by the Brookings Institution, the Urban Institute, and the Fannie Mae Foundation and at conferences hosted by the National Conference of State Legislatures, FDIC, National Community Tax Coalition, and others. Please continue your leadership in promoting assets and opportunity for all people in Illinois.

Sincerely,

June 9, 2004

Marva Arnold, Director  
Division of Human Capital Development  
Illinois Department of Human Services  
401 South Clinton St., Seventh Floor  
Chicago, IL 60607

Dear Ms. Arnold:

On behalf of the Sargent Shriver National Center on Poverty Law (Shriver Center), thank you for the opportunity to submit recommendations to improve access to services at Illinois Department of Human Services (IDHS) Family Community Resource Centers. As you know, the Shriver Center's Community Investment unit coordinates the Financial Links for Low-Income People (FLLIP) coalition and the financial education program that was developed in partnership with IDHS to help low-income families make sound financial decisions and build assets.

The myriad income and asset limits and exemptions for means-tested programs are very confusing to applicants/recipients and caseworkers. The lack of simple and consistent rules imposes an enormous administrative burden and cost on IDHS at a time when it is understaffed and cannot afford to spend a lot of time requiring and checking a lot of paperwork from clients. Moreover, research and anecdotal information confirm that this confusion about who is eligible for what contributes to underutilization of needed work support programs and discourages saving and asset building that increase self-sufficiency and decrease reliance on public benefits. See, for example, [www.brookings.edu/urban/publications/20040413\\_doryrand.htm](http://www.brookings.edu/urban/publications/20040413_doryrand.htm); [www.povertylaw.org/advocacy/community\\_investment/fllip\\_evaluation\\_exec\\_summary.cfm](http://www.povertylaw.org/advocacy/community_investment/fllip_evaluation_exec_summary.cfm); and [www.ers.usda.gov/publications/efan03013/efan03013-2/efan03013-2.pdf](http://www.ers.usda.gov/publications/efan03013/efan03013-2/efan03013-2.pdf).

To simplify the income and asset eligibility issues for IDHS, clients, and other social service providers, and to encourage saving and asset building, IDHS should simplify and align asset rules across programs.

Illinois has authority under federal TANF, Medicaid, SCHIP, child care, and Food Stamps, to eliminate resource/asset rules for these means-tested programs. The best way to do this is through a combination of IDHS rule changes and development of a "categorical eligibility" plan under Food Stamps (which will require sign-off by Regional USDA).

States have authority to determine eligibility for TANF under federal block grants. Under the Illinois Public Aid Code (Code), IDHS sets resource limits by rule and has explicit authority to disregard resources to the maximum extent. (305 ILCS 5/3-1.2) States also have full flexibility to establish resource rules for Medicaid, SCHIP and child care. (CBPP paper 1/6/2004).

1. Eliminate asset limits for TANF. This helps with food stamps categorical eligibility, too.
2. Establish categorical eligibility for Food Stamps.

The Food Stamp program allows states to confer "categorical eligibility" (cat el) to households in which all members receive a benefit that is funded with either TANF or MOE funds. This benefit does not have to meet the TANF definition of "assistance." Cat el households are not subject to the resource test that would otherwise apply to the Food Stamp program. (CBPP paper)

At least 6 other states have already established cat el programs, including Michigan, which is in the same USDA region as Illinois. Illinois is one of the states for which CBPP provided Technical Assistance. An easy way to do a low-cost cat el program is to use TANF or MOE funds to produce a brochure that is given to every Food Stamp applicant (with income up to the maximum 185% of the federal poverty level) and advises them of a program or service available to them; the applicant/recipient does not have to use the service. For example, a brochure could advise of rights and responsibilities and availability of DV hotline and services (Michigan), pregnancy prevention services (Delaware), other services (Oregon, Maine), or online services (Washington-see [www1.dshs.wa.gov/esa/pdf/categorical%20eligibility.pdf](http://www1.dshs.wa.gov/esa/pdf/categorical%20eligibility.pdf) ). We would need to develop a written plan and get it approved by Regional USDA in Chicago.

IDHS could allocate MOE funds for expansion of the FLLIP financial education program and distribute brochures to every food stamp applicant advising them of these free classes. Structuring the cat el program in this way would not only decrease administrative burdens and increase eligibility but also provide a real service to Illinois residents through a proven program. A cheaper alternative might be to provide a rights and responsibilities type brochure with information relating to the new online DHS benefit info and application resources and/or the RealBenefits program.

3. Raise the income eligibility limit to 3 months' income based on the Self-Sufficiency Standard. (Women Employed determined these amounts for Illinois).

If we want a standard amount (not based on family size), use the standard for a family of 3 or 4, whichever is most prevalent in the IDHS caseload. This wouldn't require raising the TANF payment, but people over the income limit would count as no-grant TANF recipients and be eligible for related benefits (e.g., child care and transportation subsidies, categorically eligible for TANF can apply TANF rules to food stamps).

4. At a minimum, expand the income and asset exemptions to exclude deposits and interest earned in the SEED Initiative's college savings accounts. See <http://seed.cfed.org>. The Shriver Center is one of nine nonprofits participating in the national SEED Policy & Practice Initiative designed to test the efficacy of children's savings program and move toward a national policy of opening an account for every child at birth. Fifty SEED families in Chicago are saving for college in 529 college savings plans.

Ideally, IDHS would exempt similar accounts set up for long-term savings (one year or more?) that include a penalty or forfeiture for early withdrawal or for use for other than the intended purpose. So this could be Certificates of Deposit, IRAs, IDAs (not limited to TANF-funded IDAs), 529 college savings accounts, retirement accounts (401k, 403b, SEP, pensions, annuities, etc.). This would be an expansion of the current narrow exemptions for trust funds, and AFIA- or TANF-funded IDAs. This rewards good saving behavior, increases self-sufficiency, and avoids forfeiture or spend downs for the sole purpose of meeting IDHS eligibility requirements. Expanding asset exemptions would be consistent with the goal of the recent Farm Bill to allow states greater flexibility in exempting assets from counting toward the food stamp asset limit (although the proposed rule implementing this law is too narrow and must be changed-see [www.workwelfareandfamilies.org/PDF/FLLIPLetter.PDF](http://www.workwelfareandfamilies.org/PDF/FLLIPLetter.PDF) ).

Dory Rand ([doryrand@povertylaw.org](mailto:doryrand@povertylaw.org))  
Supervising Attorney, Community Investment  
Sargent Shriver National Center on Poverty Law  
312.368.2007

**Subject:** need Gov office action on DHS asset rules  
**From:** Dory Rand <doryrand@povertylaw.org>  
**Date:** Mon, 28 Mar 2005 16:39:56 -0600  
**To:** teyonda.wertz@dhs.state.il.us  
**CC:** John Bouman <johnbouman@povertylaw.org>

Dear Ms. Wertz,

Judith Davis suggested that I contact you regarding the Governor's office inaction on DHS proposed rules that would eliminate assets as a consideration in determining eligibility for TANF and GA, and eliminate vehicles from consideration as assets in the Food Stamp programs. (Proposed Amendments to 89 Ill. Adm. Code 112, 113, and 121, Ill. Reg. Vol. 28, Issue 45, November 5, 2004). The Shriver Center and others submitted letters strongly supporting these policies. No letter was submitted in opposition.

I am seeking your help to contact the Governor's Office and get approval of these rules so that they can go to second reading at JCAR. If you think I should contact someone at the Governor's Office directly or someone else at DHS, please let me know.

I am scheduled to speak at several events in April and May on Illinois's successes in promoting smart asset policies such as these proposed rules, which do not penalize recipients for saving and building assets, including the national SEED Initiative meeting in San Francisco April 13-15, the State IDA and Asset Policy national conference in St. Louis on April 21, the Welpan meeting of midwest welfare agencies on April 22, and at events May 20 in Springfield and May 23 at the Federal Reserve Bank of Chicago announcing the Assets and Opportunities Scorecard and implications for Illinois. (The Scorecard grades each state on its levels of asset ownership and policies that promote asset building and asset preservation.) I would like to provide an update to these audiences on the status of these proposed DHS asset rules and show Illinois as a leader on these issues.

Thank you for your help. I would appreciate a response by March 31, if possible.

Sincerely,

Dory Rand  
Supervising Attorney, Community Investment  
Sargent Shriver National Center on Poverty Law  
50 East Washington, Suite 500  
Chicago, IL 60602  
312.368.2007

**Subject:** [Fwd: IDHS asset rules]  
**From:** John Bouman <johnbouman@povertylaw.org>  
**Date:** Mon, 11 Jul 2005 15:00:21 -0500  
**To:** Dory Rand <doryrand@povertylaw.org>

Just sent this to Louanner.

**Subject:** IDHS asset rules  
**From:** John Bouman <johnbouman@povertylaw.org>  
**Date:** Mon, 11 Jul 2005 14:59:52 -0500  
**To:** louanner\_peters@gov.state.il.us

Hi Louanner --

Hope you're having a good and restful summer (one can wish!).

I wanted to send a quick note about an IDHS proposed rule change that I think it would be good for you to approve. It has been pending (on your desk) for several months, but I did not want to trouble you about it during the session. The rule change would remove or reduce the asset limits in public benefit programs, notably TANF.

This long overdue step would allow TANF families to have savings without losing their TANF eligibility. The relatively few TANF families that are able to save money should be encouraged to do so, not punished for doing so. Savings promote all kinds of positive behavior, and they allow families to build a nest egg to get them through tough times, allow them to attend college, or allow them to start a business, among other things.

The rule has another excellent effect: it takes a large amount of administrative busywork off of the shoulders of DHS. The administration of the asset limits is time-consuming and mostly unnecessary. The reduction of administrative tasks (and the associated savings) are what persuaded other states to take this step in spite of difficult budget times (Ohio and Virginia). It is unlikely that this rule change will cause much in the way of new costs, but whatever is caused should be offset by these administrative savings.

Please let me know if you have any questions about this that I can help to answer. I hope you will quickly approve this rule so that it can proceed through the JCAR process.

Thanks!!

John Bouman

**IDHS asset rules**      **Content-Type:**      message/rfc822  
                                 **Content-Encoding:** 7bit

**Subject:** asset rules

**From:** John Bouman <johnbouman@povertylaw.org>

**Date:** Mon, 21 Nov 2005 09:58:36 -0600

**To:** louanner\_peters@gov.state.il.us

Hi Louanner --

I'm writing to ask your advice about the decision by the Governor's office not to finalilze the asset rules for TANF and Food Stamps. It was, of course, extremely disappointing. The rules had been through the full rulemaking process (JCAR, etc.). We felt everyone understood the importance of the issues and the budget neutrality of the rules. The rules were placing Illinois at the lead of a national policy movement to elevate the building of assets as a core strategy to escape poverty and ultimately enter the middle class. Few around the country understand this yet. We feel certain that this Governor and his staff do understand it, which makes this difficult for us to react to.

One of the problems that we now face is how to talk about this publicly. There are advocates and others all around the country who were watching and eagerly anticipating these rules. We have to tell them what happened, and they will want to know why. Since nobody "out here" has been told anything about why the Governor's office stopped the finalization of the rules, I am at a loss for what to say or how to explain it.

If the timing was wrong, and the rules can get done next year, that will be a very useful thing to know in this context. If the rules are to be considered dead, then it would be good to know why. As of now, we would have to speculate on ther reasoning, and I don't want to do that. This Administration has been a leader in many anti-poverty initiatives, especially in health care, and so I would prefer to cooperate with you on how we convey this news to the large number of people inside the state and around the country who have been eagerly watching these rules.

I look forward to hearing from you. Thanks!

John

Illinois should pass an administrative rule abolishing asset limits in TANF and GA and aligning Food Stamp asset rules with TANF asset rules. There was no opposition from the public, advocates, or legislators to the rule proposed in Nov. 2004 and approved by JCAR in Aug. 2005.

1. Asset limits send the wrong message, discourage saving

Clients and caseworkers are confused by complex and inconsistent asset rules and are afraid to open bank accounts and save for fear of losing needed subsistence benefits. See "Do Asset Limits in Social Programs Affect the Accumulation of Wealth?" Henry Chen and Robert Lerman (Urban Institute 2005), [www.urban.org](http://www.urban.org)  
"The Effect of Asset Tests on Saving" Gordon McDonald, Peter R. Orszag, and Gina Russell ([www.retirementsecurityproject.org](http://www.retirementsecurityproject.org))  
To Save Or Not To Save? ([www.newamerica.net/events/2006/to\\_save\\_or\\_not\\_to\\_save](http://www.newamerica.net/events/2006/to_save_or_not_to_save))

2. States have authority to abolish or reform asset rules under PWRORA and Farm Bill

States are not required to have any asset limit in TANF. States can align Food Stamp policies with TANF or Medicaid. States can exempt all vehicles.

3. Other states have reformed asset rules

OH (1997) & VA (2003) abolished TANF limits; IL abolished asset limits in family Medicaid (1998) and exempted retirement accounts in TANF, GA and FS (2005); CO&CA (2006) exempted retirement and education accounts; CO raised limit to \$15,000 (2006); PA and a growing number of states exempt education accounts.

4. Reforming asset limits is good public policy, consistent with state goals: encourages saving and assets, promotes self-sufficiency, reduces dependence

IL already abolished asset limits in family Medicaid (1998) and exempted retirement accounts in TANF.

DHS has a long and successful history of supporting financial education and asset-building programs, including a partnership with the Shriver Center and Financial Links for Low-Income People (FLLIP) coalition (2001-2006). DHS is rolling out AFI IDA program this spring, which leveraged \$1 million federal funds for asset building and exempts funds in IDAs. Failure to exempt others' savings is inequitable.

Families participating in the SEED children's savings program in Chicago have saved over \$50,000 for college. When ownership is transferred from Shriver Center to parents at end of pilot project in Dec. 2007, families should not have to liquidate funds to avoid asset sanctions. Illinois Asset Building Group is advancing a bill to establish a Children's

Savings Account task force in 2007 with a goal of implementing a statewide plan in 2008. Families will be discouraged from participating if asset limits remain.

DHS supports free tax preparation and EITC outreach efforts. With new IRS split refund policy, EITC recipients and working poor should be encouraged to save part of their refunds instead of spending down to avoid asset limits.

With ever-increasing health care and college costs, families need to be able to save for medical care, car repairs, and for future education without fear of losing cash assistance and Food Stamps as they work their way off welfare.

5. Abolishing asset limits simplifies and streamlines policies across programs, reduces administrative burden, does not significantly increase caseload

OH & VA realized significant administrative savings from abolishing the asset limit in TANF. Neither state has experienced an increase in TANF caseload as a result of the change. In Illinois, DHS denies only about 8 cases a year (saving \$37,000 in benefits) due to asset rules through IRS cross match, but spends about \$188,686 per year in staff time to implement the policy, which could be better used to address backlogs and serve customers.

6. Abolishing asset limits does not make one "soft on welfare"

Asset limits are a vestige of the old welfare system, based on fears of so-called "welfare queens" living large on the public dole. Enforcement of income limits and strict federal work requirements, as well as relatively low benefit levels, are sufficient to limit participation in assistance programs to the "deserving" poor. In other states, asset reform passed with broad bipartisan, sometimes unanimous, support.

Dory Rand  
Shriver Center  
312.368.2007  
[doryrand@povertylaw.org](mailto:doryrand@povertylaw.org)

# Joint Committee on Administrative Rules

## ADMINISTRATIVE CODE

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 121 FOOD STAMPS  
SECTION 121.57 ASSETS

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### **Section 121.57 Assets**

- a) The value of nonexempt assets shall be considered in determining eligibility.
  
- b) Value of Nonexempt Assets
  - 1) The value of nonexempt assets is the equity value (fair market value less the amount owed), except for prepaid funeral agreements valued over \$1500.
  
  - 2) The Department considers the following assets in determining eligibility:
    - A) Liquid Assets
      - i) Liquid assets are those properties in the form of cash or other financial instruments which are convertible to cash, such as, but not limited to, cash

on hand, money, in checking or savings accounts, credit union accounts, savings certificates, stocks or bonds, lump-sum payments, prepaid funeral agreements, IRAs and Keogh Plans that do not involve a contractual relationship with someone who is not a member of the same food stamp household.

- ii) Pension plans are exempt from consideration as an asset, except accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan, that are accessible without a penalty for withdrawal.

B) Nonliquid Assets

Nonliquid assets are those properties which are not in the form of cash or other financial instruments, such as personal property, licensed vehicles, unlicensed vehicles, buildings, land, recreational properties, and any other property not specifically exempted in Section 121.58.

C) Assets of Sponsors of Aliens

Consider the assets of the sponsor and the sponsor's spouse who sponsored an alien on or after February 1, 1983 (7 CFR 272.1(g)(54) (2001)) in accordance with Section 121.55.

D) Licensed Vehicles

The Department shall consider the equity value of a licensed vehicle unless exempted as stated in Section 121.58.

E) Prepaid Funeral Agreements

The value of prepaid funeral agreements over \$1500.00 per person is considered.

(Source: Amended at 29 Ill. Reg. 5499, effective April 1, 2005)

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 121 FOOD STAMPS  
SECTION 121.58 EXEMPT ASSETS

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**Section 121.58 Exempt Assets**

- a) Homestead Property
  - 1) The home and surrounding property which, exclusive of public rights of way, is not separated from the home by intervening property owned by others.
  - 2) Homes which are temporarily unoccupied for reasons of employment, training for future employment, illness, or inhabitability caused by casualty or natural disaster, remain exempt if the household intends to return.
  - 3) A lot owned or being purchased by the household if the household intends to build or is building a permanent home and the household does not currently own a home.
  
- b) Personal Property

Household goods, personal effects, one burial plot per household member, and the cash value of life insurance policies. Pension plans are exempt from consideration as an asset, except accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan, that are accessible without a penalty for withdrawal.

c) Income Producing Property

- 1) Property which is annually producing income consistent with its fair market value (including land or buildings being sold by installment contract), even if only used on a seasonal basis.
- 2) Property which is essential to the employment or self-employment of a household member, such as, farmland and work related equipment (tools of a tradesman, farm machinery). In the case of farm property (including land, equipment, and supplies) that is essential to the self-employment of a household member in a farming operation, the value of such property shall be excluded from financial resources until the expiration of the one year period beginning on the date such member ceases to be self-employed in farming.
- 3) A rental home which is used by a household for vacation purposes at sometime during the year is an asset, unless excluded by subsection (c)(1) of this Section.

d) Disaster Relief Payments

Disaster relief payments provided by federal, state or local government or a disaster assistance organization.

e) Inaccessible Assets

Assets whose cash value is not accessible to the household, such as but not limited to:

- 1) irrevocable trust funds,
- 2) security deposits on rental property and utilities,
- 3) property in probate,
- 4) real property when a good faith effort is being made to sell at a reasonable price,
- 5) jointly owned assets which cannot be practically subdivided and are accessible only with the consent of the joint owner who refuses to give that consent,
- 6) non-liquid asset or assets (see Section 121.57(b)(2)(B)) which have a lien against it as a result of a business loan and the household is prohibited by the security or lien agreement from selling the asset or assets,
- 7) monies received from the Social Security Administration under the PASS Program that are held in a separate account, or
- 8) an asset if when sold or otherwise disposed of would net the household less than \$1500. The net is determined by subtracting the expenses of disposing of the property from the equity value. This does not apply to negotiable financial instruments or stocks and bonds.

f) Prorated Income

Money which has been prorated as income, such as income of self-employed persons or students.

g) Indian Lands

Indian lands held jointly with the tribe, or land that can be sold only with the approval of the Bureau of Indian Affairs.

h) Federal Statute Exclusions

Assets excluded for food stamp purposes by express provision of Federal Statute.

i) Licensed Vehicles

- 1) used primarily for producing income such as, but not limited to, a taxi, truck, or fishing boat. "Used primarily" means: used over 50% of the time the vehicle is used;
- 2) annually producing income consistent with its fair market value (even if only used on a seasonal basis);
- 3) necessary for long distance travel essential to employment, other than daily commuting (such as a sales person, migrant farmworker);

- 4) necessary for subsistence hunting or fishing (game and fish necessary for the livelihood of the household);
- 5) used as the household's home;
- 6) necessary to transport a physically disabled household member regardless of the purpose of such transportation. Only one vehicle per disabled person is allowed. The vehicle need not be specially equipped or used primarily for the transportation of the disabled individual;

\*Agency Note: Exclusions (1)-(6) also apply when the vehicle is not in use because of temporary unemployment.

- 7) one licensed vehicle per household, regardless of its use;
- 8) the equity value of one licensed vehicle for each adult household member, regardless of its use;
- 9) the equity value of any other licensed vehicles used by household members under age 18 to drive to and from employment, training or education which is preparatory for employment, or to seek employment. Temporary periods of unemployment are not to affect this exemption;
- 10) any vehicle if the net proceeds would total less than \$1500 if sold; and

11) property, real or personal, to the extent that it is directly related to the maintenance or use of a vehicle excluded under subsections (i)(1), (i)(2) or (i)(3) of this Section.

j) Assets of a TANF or SSI household member

All assets of a household member who receives TANF or SSI benefits.

(Source: Amended at 29 Ill. Reg. 5499, effective April 1, 2005)

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 121 FOOD STAMPS  
SECTION 121.59 ASSET DISREGARDS

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**Section 121.59 Asset Disregards**

- a) Households which are categorically eligible, as defined in Section 121.76, do not have to meet the asset limits in this Section.
- b) \$3,000 for all households with a qualifying member, as defined in Section 121.61.
- c) \$2,000 for all other households.

(Source: Expedited Correction at 27 Ill. Reg. 14262, effective February 7, 2003)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMSPART 121  
FOOD STAMPS

## SUBPART A: APPLICATION PROCEDURES

## Section

- 121.1 Application for Assistance
- 121.2 Time Limitations on the Disposition of an Application
- 121.3 Approval of an Application and Initial Authorization of Assistance
- 121.4 Denial of an Application
- 121.5 Client Cooperation
- 121.6 Emergency Assistance
- 121.7 Expedited Service
- 121.10 Interviews

## SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

## Section

- 121.18 Work Requirement
- 121.19 Ending a Voluntary Quit Disqualification (Repealed)
- 121.20 Citizenship
- 121.21 Residence
- 121.22 Social Security Numbers
- 121.23 Work Registration/Participation Requirements
- 121.24 Individuals Exempt from Work Registration Requirements
- 121.25 Failure to Comply with Work Provisions
- 121.26 Period of Sanction
- 121.27 Voluntary Job Quit/Reduction in Work Hours
- 121.28 Good Cause for Voluntary Job Quit/Reduction in Work Hours
- 121.29 Exemptions from Voluntary Quit/Reduction in Work Hours Rules

## SUBPART C: FINANCIAL FACTORS OF ELIGIBILITY

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- 121.30 Unearned Income
- 121.31 Exempt Unearned Income

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121.32	Education Benefits (Repealed)
121.33	Unearned Income In-Kind
121.34	Lump Sum Payments and Income Tax Refunds
121.40	Earned Income
121.41	Budgeting Earned Income
121.50	Exempt Earned Income
121.51	Income from Work/Study/Training Programs
121.52	Earned Income from Roomer and Boarder
121.53	Income From Rental Property
121.54	Earned Income In-Kind
121.55	Sponsors of Aliens
121.57	Assets
121.58	Exempt Assets
121.59	Asset Disregards

## SUBPART D: ELIGIBILITY STANDARDS

Section	
121.60	Net Monthly Income Eligibility Standards
121.61	Gross Monthly Income Eligibility Standards
121.62	Income Which Must Be Annualized
121.63	Deductions from Monthly Income
121.64	Food Stamp Benefit Amount

## SUBPART E: HOUSEHOLD CONCEPT

Section	
121.70	Composition of the Assistance Unit
121.71	Living Arrangement
121.72	Nonhousehold Members
121.73	Ineligible Household Members
121.74	Strikers
121.75	Students
121.76	Households Receiving AFDC, SSI, Interim Assistance and/or GA – Categorical Eligibility

## SUBPART F: MISCELLANEOUS PROGRAM PROVISIONS

Section	
121.80	Fraud Disqualification (Renumbered)

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- 121.81 Initiation of Administrative Fraud Hearing (Repealed)
- 121.82 Definition of Fraud (Renumbered)
- 121.83 Notification To Applicant Households (Renumbered)
- 121.84 Disqualification Upon Finding of Fraud (Renumbered)
- 121.85 Court Imposed Disqualification (Renumbered)
- 121.90 Monthly Reporting and Retrospective Budgeting (Repealed)
- 121.91 Monthly Reporting (Repealed)
- 121.92 Budgeting
- 121.93 Issuance of Food Stamp Benefits
- 121.94 Replacement of the EBT Card or Food Stamp Benefits
- 121.95 Restoration of Lost Benefits
- 121.96 Uses For Food Coupons
- 121.97 Supplemental Payments
- 121.98 Client Training for the Electronic Benefits Transfer (EBT) System
- 121.105 State Food Program (Repealed)
- 121.107 New State Food Program
- 121.120 Redetermination of Eligibility
- 121.125 Redetermination of Earned Income Households
- 121.130 Residents of Shelters for Battered Women and their Children
- 121.131 Fleeing Felons and Probation/Parole Violators
- 121.135 Incorporation By Reference
- 121.140 Small Group Living Arrangement Facilities and Drug/Alcoholic Treatment Centers
- 121.145 Quarterly Reporting (Repealed)

## SUBPART G: INTENTIONAL VIOLATIONS OF THE PROGRAM

## Section

- 121.150 Definition of Intentional Violations of the Program
- 121.151 Penalties for Intentional Violations of the Program
- 121.152 Notification To Applicant Households
- 121.153 Disqualification Upon Finding of Intentional Violation of the Program
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## SUBPART H: FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM

## Section

- 121.160 Persons Required to Participate
- 121.162 Program Requirements
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- 121.164 Orientation (Repealed)
- 121.165 Community Work
- 121.166 Assessment and Employability Plan (Repealed)
- 121.167 Counseling/Prevention Services
- 121.170 Job Search Activity
- 121.172 Basic Education Activity
- 121.174 Job Readiness Activity
- 121.176 Work Experience Activity
- 121.177 Illinois Works Component (Repealed)
- 121.178 Job Training Component (Repealed)
- 121.179 JTPA Employability Services Component (Repealed)
- 121.180 Grant Diversion Component (Repealed)
- 121.182 Earnfare Activity
- 121.184 Sanctions for Non-cooperation with Food Stamp Employment and Training
- 121.186 Good Cause for Failure to Cooperate
- 121.188 Supportive Services
- 121.190 Conciliation
- 121.200 Types of Claims (Recodified)
- 121.201 Establishing a Claim for Intentional Violation of the Program (Recodified)
- 121.202 Establishing a Claim for Unintentional Household Errors and Administrative Errors (Recodified)
- 121.203 Collecting Claim Against Households (Recodified)
- 121.204 Failure to Respond to Initial Demand Letter (Recodified)
- 121.205 Methods of Repayment of Food Stamp Claims (Recodified)
- 121.206 Determination of Monthly Allotment Reductions (Recodified)
- 121.207 Failure to Make Payment in Accordance with Repayment Schedule (Recodified)
- 121.208 Suspension and Termination of Claims (Recodified)

## SUBPART I: WORK REQUIREMENT FOR FOOD STAMPS

- Section
- 121.220 Work Requirement Components (Repealed)
- 121.221 Meeting the Work Requirement with the Earnfare Component (Repealed)
- 121.222 Volunteer Community Work Component (Repealed)
- 121.223 Work Experience Component (Repealed)
- 121.224 Supportive Service Payments to Meet the Work Requirement (Repealed)
- 121.225 Meeting the Work Requirement with the Illinois Works Component (Repealed)
- 121.226 Meeting the Work Requirement with the JTPA Employability Services Component (Repealed)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

AUTHORITY: Implementing Sections 12-4.4 through 12-4.6 and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-4.4 through 12-4.6 and 12-13].

SOURCE: Adopted December 30, 1977; amended at 3 Ill. Reg. 5, p. 875, effective February 2, 1979; amended at 3 Ill. Reg. 31, p. 109, effective August 3, 1979; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amended at 3 Ill. Reg. 41, p. 165, effective October 11, 1979; amended at 3 Ill. Reg. 42, p. 230, effective October 9, 1979; amended at 3 Ill. Reg. 44, p. 173, effective October 19, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; preemptory amendment at 4 Ill. Reg. 3, p. 49, effective January 9, 1980; preemptory amendment at 4 Ill. Reg. 9, p. 259, effective February 23, 1980; amended at 4 Ill. Reg. 10, p. 253, effective February 27, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 17, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1131, effective January 16, 1981; amended at 5 Ill. Reg. 4586, effective April 15, 1981; preemptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; preemptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 12736, effective October 29, 1981; amended at 6 Ill. Reg. 1653, effective January 17, 1982; amended at 6 Ill. Reg. 2707, effective March 2, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10208, effective August 9, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; amended at 7 Ill. Reg. 394, effective January 1, 1983; codified at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 5715, effective May 1, 1983; amended at 7 Ill. Reg. 8118, effective June 24, 1983; preemptory amendment at 7 Ill. Reg. 12899, effective October 1, 1983; amended at 7 Ill. Reg. 13655, effective October 4, 1983; preemptory amendment at 7 Ill. Reg. 16067, effective November 18, 1983; amended at 7 Ill. Reg. 16169, effective November 22, 1983; amended at 8 Ill. Reg. 5673, effective April 18, 1984; amended at 8 Ill. Reg. 7249, effective May 16, 1984; preemptory amendment at 8 Ill. Reg. 10086, effective July 1, 1984; amended at 8 Ill. Reg. 13284, effective July 16, 1984; amended at 8 Ill. Reg. 17900, effective September 14, 1984; amended (by adding Section being codified with no substantive change) at 8 Ill. Reg. 17898; preemptory amendment at 8 Ill. Reg. 19690, effective October 1, 1984; preemptory amendment at 8 Ill. Reg. 22145, effective November 1, 1984; amended at 9 Ill. Reg. 302, effective January 1, 1985; amended at 9 Ill. Reg. 6804, effective May 1, 1985; amended at 9 Ill. Reg. 8665, effective May 29, 1985; preemptory amendment at 9 Ill. Reg. 8898, effective July 1, 1985; amended at 9 Ill. Reg. 11334, effective July 8, 1985; amended at 9 Ill. Reg. 14334, effective September 6, 1985; preemptory amendment at 9 Ill. Reg. 15582, effective October 1, 1985; amended at 9 Ill. Reg. 16889, effective October 16, 1985; amended at 9 Ill. Reg. 19726, effective December 9, 1985; amended at 10 Ill. Reg.

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## NOTICE OF ADOPTED AMENDMENTS

229, effective December 20, 1985; peremptory amendment at 10 Ill. Reg. 7387, effective April 21, 1986; peremptory amendment at 10 Ill. Reg. 7941, effective May 1, 1986; amended at 10 Ill. Reg. 14692, effective August 29, 1986; peremptory amendment at 10 Ill. Reg. 15714, effective October 1, 1986; Sections 121.200 thru 121.208 recodified to 89 Ill. Adm. Code 165 at 10 Ill. Reg. 21094; peremptory amendment at 11 Ill. Reg. 3761, effective February 11, 1987; emergency amendment at 11 Ill. Reg. 3754, effective February 13, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 9968, effective May 15, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 10269, effective May 22, 1987; amended at 11 Ill. Reg. 10621, effective May 25, 1987; peremptory amendment at 11 Ill. Reg. 11391, effective July 1, 1987; peremptory amendment at 11 Ill. Reg. 11855, effective June 30, 1987; emergency amendment at 11 Ill. Reg. 12043, effective July 6, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 13635, effective August 1, 1987; amended at 11 Ill. Reg. 14022, effective August 10, 1987; emergency amendment at 11 Ill. Reg. 15261, effective September 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 15480, effective September 4, 1987; amended at 11 Ill. Reg. 15634, effective September 11, 1987; amended at 11 Ill. Reg. 18218, effective October 30, 1987; peremptory amendment at 11 Ill. Reg. 18374, effective October 30, 1987; amended at 12 Ill. Reg. 877, effective December 30, 1987; emergency amendment at 12 Ill. Reg. 1941, effective December 31, 1987, for a maximum of 150 days; amended at 12 Ill. Reg. 4204, effective February 5, 1988; amended at 12 Ill. Reg. 9678, effective May 23, 1988; amended at 12 Ill. Reg. 9922, effective June 1, 1988; amended at 12 Ill. Reg. 11463, effective June 30, 1988; amended at 12 Ill. Reg. 12824, effective July 22, 1988; emergency amendment at 12 Ill. Reg. 14045, effective August 19, 1988, for a maximum of 150 days; peremptory amendment at 12 Ill. Reg. 15704, effective October 1, 1988; peremptory amendment at 12 Ill. Reg. 16271, effective October 1, 1988; amended at 12 Ill. Reg. 20161, effective November 30, 1988; amended at 13 Ill. Reg. 3890, effective March 10, 1989; amended at 13 Ill. Reg. 13619, effective August 14, 1989; peremptory amendment at 13 Ill. Reg. 15859, effective October 1, 1989; amended at 14 Ill. Reg. 729, effective January 1, 1990; amended at 14 Ill. Reg. 6349, effective April 13, 1990; amended at 14 Ill. Reg. 13202, effective August 6, 1990; peremptory amendment at 14 Ill. Reg. 15158, effective October 1, 1990; amended at 14 Ill. Reg. 16983, effective September 30, 1990; amended at 15 Ill. Reg. 11150, effective July 22, 1991; amended at 15 Ill. Reg. 11957, effective August 12, 1991; peremptory amendment at 15 Ill. Reg. 14134, effective October 1, 1991; emergency amendment at 16 Ill. Reg. 757, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 10011, effective June 15, 1992; amended at 16 Ill. Reg. 13900, effective August 31, 1992; emergency amendment at 16 Ill. Reg. 16221, effective October 1, 1992, for a maximum of 150 days; peremptory amendment at 16 Ill. Reg. 16345, effective October 1, 1992; amended at 16 Ill. Reg. 16624, effective October 23, 1992; amended at 17 Ill. Reg. 644, effective December 31, 1992; amended at 17 Ill. Reg. 4333, effective March 19, 1993; amended at 17 Ill. Reg. 14625, effective August 26, 1993; emergency amendment at 17 Ill. Reg. 15149, effective September 7, 1993, for a maximum of 150 days; peremptory amendment at 17 Ill. Reg. 17477, effective October 1, 1993; expedited correction at 17 Ill. Reg. 21216, effective

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## NOTICE OF ADOPTED AMENDMENTS

October 1, 1993; amended at 18 Ill. Reg. 2033, effective January 21, 1994; emergency amendment at 18 Ill. Reg. 2509, effective January 27, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 3427, effective February 28, 1994; amended at 18 Ill. Reg. 8921, effective June 3, 1994; amended at 18 Ill. Reg. 12829, effective August 5, 1994; amended at 18 Ill. Reg. 14103, effective August 26, 1994; amended at 19 Ill. Reg. 5626, effective March 31, 1995; amended at 19 Ill. Reg. 6648, effective May 5, 1995; emergency amendment at 19 Ill. Reg. 12705, effective September 1, 1995, for a maximum of 150 days; peremptory amendment at 19 Ill. Reg. 13595, effective October 1, 1995; amended at 20 Ill. Reg. 1593, effective January 11, 1996; peremptory amendment at 20 Ill. Reg. 2229, effective January 17, 1996; amended at 20 Ill. Reg. 7902, effective June 1, 1996; amended at 20 Ill. Reg. 11935, effective August 14, 1996; emergency amendment at 20 Ill. Reg. 13381, effective October 1, 1996, for a maximum of 150 days; emergency amendment at 20 Ill. Reg. 13668, effective October 8, 1996, for a maximum of 150 days; amended at 21 Ill. Reg. 3156, effective February 28, 1997; amended at 21 Ill. Reg. 7733, effective June 4, 1997; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; emergency amendment at 22 Ill. Reg. 1954, effective January 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 5502, effective March 4, 1998; amended at 22 Ill. Reg. 7969, effective May 15, 1998; emergency amendment at 22 Ill. Reg. 10660, effective June 1, 1998, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 12167, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 16230, effective September 1, 1998; amended at 22 Ill. Reg. 19787, effective October 28, 1998; emergency amendment at 22 Ill. Reg. 19934, effective November 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 20099, effective November 1, 1998; emergency amendment at 23 Ill. Reg. 2601, effective February 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 3374, effective March 1, 1999; amended at 23 Ill. Reg. 7285, effective June 18, 1999; emergency amendment at 23 Ill. Reg. 13253, effective October 13, 1999, for a maximum of 150 days; emergency amendment at 24 Ill. Reg. 3871, effective February 24, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 4180, effective March 2, 2000; amended at 24 Ill. Reg. 10198, effective June 27, 2000; amended at 24 Ill. Reg. 15428, effective October 10, 2000; emergency amendment at 24 Ill. Reg. 15468, effective October 1, 2000, for a maximum of 150 days; amended at 25 Ill. Reg. 845, effective January 5, 2001; amended at 25 Ill. Reg. 2423, effective January 25, 2001; emergency amendment at 25 Ill. Reg. 2439, effective January 29, 2001, for a maximum of 150 days; emergency amendment at 25 Ill. Reg. 3707, effective March 1, 2001, for a maximum of 150 days; emergency expired July 28, 2001; amended at 25 Ill. Reg. 7720, effective June 7, 2001; amended at 25 Ill. Reg. 10823, effective August 12, 2001; amended at 25 Ill. Reg. 11856, effective August 31, 2001; emergency amendment at 25 Ill. Reg. 13309, effective October 1, 2001, for a maximum of 150 days; amended at 26 Ill. Reg. 151, effective January 1, 2002; amended at 26 Ill. Reg. 2025, effective February 1, 2002; amended at 26 Ill. Reg. 13530, effective September 3, 2002; peremptory amendment at 26 Ill. Reg. 15099, effective October 1, 2002; amended at 26 Ill. Reg. 16484, effective October 25, 2002; amended at 27 Ill. Reg. 2889, effective February 7, 2003; expedited correction at 27 Ill. Reg. 14262, effective

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## NOTICE OF ADOPTED AMENDMENTS

February 7, 2003; amended at 27 Ill. Reg. 4583, effective February 28, 2003; amended at 27 Ill. Reg. 7273, effective April 7, 2003; amended at 27 Ill. Reg. 12569, effective July 21, 2003; peremptory amendment at 27 Ill. Reg. 15604, effective October 1, 2003; amended at 27 Ill. Reg. 16108, effective October 6, 2003; amended at 27 Ill. Reg. 18445, effective November 20, 2003; amended at 28 Ill. Reg. 1104, effective December 31, 2003; amended at 28 Ill. Reg. 3857, effective February 13, 2004; amended at 28 Ill. Reg. 10393, effective July 6, 2004; peremptory amendment at 28 Ill. Reg. 13834, effective October 1, 2004; emergency amendment at 28 Ill. Reg. 15323, effective November 10, 2004, for a maximum of 150 days; amended at 29 Ill. Reg. 5549, effective April 1, 2005.

## SUBPART C: FINANCIAL FACTORS OF ELIGIBILITY

**Section 121.57 Assets**

- a) The value of nonexempt assets shall be considered in determining eligibility.
- b) Value of Nonexempt Assets
  - 1) The value of nonexempt assets is the equity value (fair market value less the amount owed), except for prepaid funeral agreements valued over \$1500.
  - 2) The Department considers the following assets in determining eligibility:
    - A) Liquid Assets
      - i) Liquid assets are those properties in the form of cash or other financial instruments which are convertible to cash, such as, but not limited to, cash on hand, money, in checking or savings accounts, credit union accounts, savings certificates, stocks or bonds, lump-sum payments, prepaid funeral agreements, IRAs and Keogh Plans that do not involve a contractual relationship with someone who is not a member of the same food stamp household.
      - ii) Pension plans are exempt from consideration as an asset, except accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan, that are accessible without a penalty for withdrawal. The amount of the Keogh Plan or IRA to be

## DEPARTMENT OF HUMAN SERVICES

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~~counted as an asset is the total value minus any amount that would be lost for early withdrawal. The amount considered is the amount the individual would receive if the account were closed. An individual (one person) Keogh Plan is the nonexempt asset. However, the Keogh Plan involving a household member and someone who is not a member of the same food stamp household is exempt unless the client can make withdrawals from the account without affecting the other individual or individuals.~~

- B) **Nonliquid Assets**  
Nonliquid assets are those properties which are not in the form of cash or other financial instruments, such as personal property, licensed vehicles, unlicensed vehicles, buildings, land, recreational properties, and any other property not specifically exempted in Section 121.58.
- C) **Assets of Sponsors of Aliens**  
Consider the assets of the sponsor and the sponsor's spouse who sponsored an alien on or after February 1, 1983 (7 CFR 272.1(g)(54) (2001)) in accordance with Section 121.55.
- D) **Licensed Vehicles**  
The Department shall consider the equity value of a licensed vehicle unless exempted as stated in Section 121.58.
- E) **Prepaid Funeral Agreements**  
The value of prepaid funeral agreements over \$1500.00 per person is considered.

(Source: Amended at 29 Ill. Reg. 5549, effective April 1, 2005)

**Section 121.58 Exempt Assets**

- a) **Homestead Property**
  - 1) The home and surrounding property which, exclusive of public rights of way, is not separated from the home by intervening property owned by others.

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- 2) Homes which are temporarily unoccupied for reasons of employment, training for future employment, illness, or inhabitability caused by casualty or natural disaster, remain exempt if the household intends to return.
  - 3) A lot owned or being purchased by the household if the household intends to build or is building a permanent home and the household does not currently own a home.
- b) **Personal Property**  
Household goods, personal effects, one burial plot per household member, and the cash value of life insurance policies. Pension plans are exempt from consideration as an asset, except accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan, that are accessible without a penalty for withdrawal, and pension plans except Individual Retirement Accounts (IRA's) and Keogh plans which do not involve a household member in a contractual relationship with someone who is not a member of the same food stamp household. If the Keogh plan involves a member of the household and someone who is not a member of the same food stamp household, it is exempt unless the client can withdraw funds from the plan without affecting the other individual or individuals.
- c) **Income Producing Property**
- 1) Property which is annually producing income consistent with its fair market value (including land or buildings being sold by installment contract), even if only used on a seasonal basis.
  - 2) Property which is essential to the employment or self-employment of a household member, such as, farmland and work related equipment (tools of a tradesman, farm machinery). In the case of farm property (including land, equipment, and supplies) that is essential to the self-employment of a household member in a farming operation, the value of such property shall be excluded from financial resources until the expiration of the one year period beginning on the date such member ceases to be self-employed in farming.
  - 3) A rental home which is used by a household for vacation purposes at sometime during the year is an asset, unless excluded by subsection (c)(1) of this Section.

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- d) **Disaster Relief Payments**  
Disaster relief payments provided by federal, state or local government or a disaster assistance organization.
- e) **Inaccessible Assets**  
Assets whose cash value is not accessible to the household, such as but not limited to:
- 1) irrevocable trust funds,
  - 2) security deposits on rental property and utilities,
  - 3) property in probate,
  - 4) real property when a good faith effort is being made to sell at a reasonable price,
  - 5) jointly owned assets which cannot be practically subdivided and are accessible only with the consent of the joint owner who refuses to give that consent,
  - 6) non-liquid asset or assets (see Section 121.57(b)(2)(B)) which have a lien against it as a result of a business loan and the household is prohibited by the security or lien agreement from selling the asset or assets,
  - 7) monies received from the Social Security Administration under the PASS Program that are held in a separate account, or
  - 8) an asset if when sold or otherwise disposed of would net the household less than \$1500. The net is determined by subtracting the expenses of disposing of the property from the equity value. This does not apply to negotiable financial instruments or stocks and bonds.
- f) **Prorated Income**  
Money which has been prorated as income, such as income of self-employed persons or students.
- g) **Indian Lands**  
Indian lands held jointly with the tribe, or land that can be sold only with the

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

approval of the Bureau of Indian Affairs.

h) Federal Statute Exclusions

Assets excluded for food stamp purposes by express provision of Federal Statute.

i) Licensed Vehicles

- 1) used primarily for producing income such as, but not limited to, a taxi, truck, or fishing boat. "Used primarily" means: used over 50% of the time the vehicle is used;
- 2) annually producing income consistent with its fair market value (even if only used on a seasonal basis);
- 3) necessary for long distance travel essential to employment, other than daily commuting (such as a sales person, migrant farmworker);
- 4) necessary for subsistence hunting or fishing (game and fish necessary for the livelihood of the household);
- 5) used as the household's home;
- 6) necessary to transport a physically disabled household member regardless of the purpose of such transportation. Only one vehicle per disabled person is allowed. The vehicle need not be specially equipped or used primarily for the transportation of the disabled individual;  
  
\*Agency Note: Exclusions (1)-(6) also apply when the vehicle is not in use because of temporary unemployment.
- 7) one licensed vehicle per household, regardless of its use;
- 8) the equity value of one licensed vehicle for each adult household member, regardless of its use;
- 9) the equity value of any other licensed vehicles used by household members under age 18 to drive to and from employment, training or education which is preparatory for employment, or to seek employment. Temporary periods of unemployment are not to affect this exemption;

## DEPARTMENT OF HUMAN SERVICES

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- 10) any vehicle if the net proceeds would total less than \$1500 if sold; and
  - 11) property, real or personal, to the extent that it is directly related to the maintenance or use of a vehicle excluded under subsections (i)(1), (i)(2) or (i)(3) of this Section.
- j) Assets of a TANF or SSI household member  
All assets of a household member who receives TANF or SSI benefits.

(Source: Amended at 29 Ill. Reg. 5549, effective April 1, 2005)

# Joint Committee on Administrative Rules

## ADMINISTRATIVE CODE

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 120 MEDICAL ASSISTANCE PROGRAMS  
SECTION 120.336 EDUCATION BENEFITS

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### **Section 120.336 Education Benefits**

The following education benefits shall be exempt:

- a) Veterans Educational Assistance  
  
Income from educational benefits paid to a veteran or to a dependent of a veteran.
  
- b) Social Security Administration Benefits  
  
Income received as an SSA benefit paid to or for an individual and conditioned upon the individual's regular attendance in a school, college or university, or a course of vocational or technical learning.
  
- c) All other education grants and loans.

(Source: Amended at 28 Ill. Reg. 4701, effective March 3, 2004)

SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 120 MEDICAL ASSISTANCE PROGRAMS  
SECTION 120.380 ASSETS

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**Section 120.380 Assets**

- a) The value of nonexempt assets shall be considered in determining eligibility for AABD MANG. Assets do not affect eligibility for TANF MANG.
  
- b) Jointly held assets for AABD MANG shall be treated in the same manner as described in 89 Ill. Adm. Code 113.140.
  
- c) Potential payments from a Medicaid qualifying trust for AABD MANG and MANG(C) shall be treated in the same manner as described in Section 120.346.
  
- d) Trusts established on or after August 11, 1993, shall be treated in the manner described in Section 120.347.
  
- e) The value of a life estate shall be determined at the time the life estate in the property is established and at the time the property (for example, assets) is liquidated. In determining the value of a life estate and remainder interest based on the value of the property at the time the life estate is established or of the amount received when the property is liquidated, the Department shall apply the values described in Section 120. Table A. The life estate and remainder interest are based on the age of the person at the time the life estate in the property is established and at the time the property is liquidated and the corresponding values described in Section 120. Table A.

(Source: Amended at 22 Ill. Reg. 19875, effective October 30, 1998)

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 120 MEDICAL ASSISTANCE PROGRAMS  
SECTION 120.382 ASSET DISREGARD

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**Section 120.382 Asset Disregard**

In addition to the exempt assets listed in Section 120.381, the cash value of assets shall be disregarded for AABD MANG as follows:

- a) \$2000 for a client and \$3000 for a client and one dependent residing together.
- b) \$50 for each additional dependent residing in the same household.
- c) The amount equal to the sum of qualifying insurance benefit payments made as a result of coverage under a Long Term Care Partnership Insurance Policy, as described in 50 Ill. Adm. Code 2018, provided that the person has received all of the qualifying insurance benefit payments that are payable under the policy.
- d) All assets of a person who purchases a Long Term Care Partnership Insurance Policy, as described in 50 Ill. Adm. Code 2018, with coverage equal to the average cost of four years of long term care services in a nursing facility, provided that the person has received all of the qualifying insurance benefit payments that are payable under the policy.

- e) Eligibility for AABD MANG does not exist when nonexempt assets exceed the above disregard.
  
- f) Qualified Medicare Beneficiary (QMB)
  - 1) \$4,000 for a single person and \$6,000 for a person with one or more dependents.
  
  - 2) Eligibility for QMB status does not exist when countable assets exceed the above disregard.

(Source: Amended at 22 Ill. Reg. 19875, effective October 30, 1998)

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 120 MEDICAL ASSISTANCE PROGRAMS  
SECTION 120.384 SPEND-DOWN OF ASSETS (AABD MANG)

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**Section 120.384 Spend-down of Assets (AABD MANG)**

- a) Determination of Assets
  - 1) For individuals residing in the community the Department determines the amount of non-exempt assets using the verified amount on the date of decision on the application for medical assistance. The date of verification may be prior to the date of decision. Money considered as income for a month is not considered as an asset for that same month. If income for a month is added to a bank account that month, the Department will

subtract the amount of income from the bank balance to determine the asset level. Any income remaining the following month(s) is considered as an asset.

- 2) The amount of non-exempt assets verified during the application process is used on the date of decision. If medical eligibility includes a backdated month(s), for the backdated month(s), the Department will consider the amount of assets available to apply to the cost of medical care. The Department will not determine the value of assets for a backdated month(s) of eligibility. However, the amount of the excess assets verified during the application process is used to determine spend-down status in each backdated month of eligibility.
- 3) Once the excess asset has been used to meet spend-down, whether or not the excess amount has actually been reduced, it is no longer considered. However, at reapplication/redetermination, the Department will consider any excess non-exempt assets remaining as currently available.

b) Community Cases (AABD MANG)

For AABD MANG, to determine the spend-down obligation for clients in the community, the Department will compare monthly countable income to the appropriate MANG standard and add any non-exempt assets in excess of the appropriate asset disregard to non-exempt monthly income in excess of the appropriate MANG Standard.

1) Regular AABD MANG – Community Residents

When an individual residing in the community, has countable monthly income of not more than 99 cents over the appropriate MANG Standard and has non-exempt excess assets of not more than 99 cents over the appropriate asset disregard, the case is referred to as a Regular MANG case. Payment for covered services is made for each month eligibility exists.

2) Spend-down AABD MANG

- A) When an individual resides in the community and has countable monthly income of at least \$1.00 over the MANG Standard and/or non-exempt assets of at least \$1.00 in excess of the asset disregard for the appropriate size household, the case is referred to as a community spend-down case. The spend-down amount is the sum of the amount of income in excess of the MANG Standard plus non-exempt assets in excess of the appropriate asset disregard. The Department will disregard any excess income and/or asset amounts that are not at least \$1.00 over the appropriate standard or disregard.
  
- B) If the individual presents verification that the excess amount is no longer available, the Department will make the appropriate changes the month following the month the assets were transferred.
  
- C) Individuals enrolled in spend-down are not eligible for payment of covered medical services until spend-down is met. Spend-down is met by presenting allowable medical bills or receipts to the Department that equal the amount of the individual's excess countable income and/or non-exempt excess assets. Excess assets do not have to be reduced prior to the authorization of medical assistance.

c) Group Care Cases

To determine the spend-down obligation for AABD MANG clients in group care, the Department will compare monthly countable income and non-exempt assets in excess of the appropriate asset disregard to the cost of long term care at the private pay rate or the Department rate, whichever is greater. When an individual has non-exempt excess assets, the excess amount is applied to the monthly long term care charges after the monthly countable income has been applied.

1) Regular Group Care

When an individual in group care has countable monthly income plus non-exempt assets in excess of the applicable asset disregard of not more than 99 cents over the private pay rate or the Department rate, whichever is greater, the case is referred to as a Regular Group Care case. If monthly countable income plus excess non-exempt assets are less than the long term care charges at the Department rate, the Department will pay the difference.

2) Group Care Spend-down

A) When an individual in group care has countable monthly income plus non-exempt assets in excess of the applicable asset disregard of at least \$1.00 over the cost of long term care at the private pay rate or the Department rate, whichever is greater, the case is referred to as a Group Care Spend-down case. The spend-down amount is the sum of the monthly countable income plus non-exempt assets over the applicable asset disregard.

B) The transfer of asset policy set forth in Section 120.385 still applies. Once the client has been determined to have a resource spend-down because of excess non-exempt assets, the spend-down cannot be eliminated by a non-allowable transfer made to qualify for or increase the need for medical assistance.

C) If the individual presents verification that the excess amount is no longer available and the transfer of assets is allowable according to Section 120.385, the Department will make the appropriate changes the month following the month the assets were transferred. If spend-down has been met, the policy set forth in Section 120.385 regarding transfer of assets does not apply. The client may dispose of the asset as he/she wishes as it has been applied to a met spend-down.

- D) Individuals enrolled in spend-down are not eligible for payment of covered medical services until spend-down is met. Spend-down is met by presenting allowable medical bills or receipts to the Department that equal the amount of the individual's excess countable income and/or non-exempt assets. Excess assets do not have to be reduced prior to the authorization of medical assistance.

(Source: Amended at 22 Ill. Reg. 19875, effective October 30, 1998)



AN ACT concerning public aid.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 2. The Department of Human Services Act is amended by adding Section 10-50 as follows:

(20 ILCS 1305/10-50 new)

Sec. 10-50. Illinois Steps for Attaining Higher Education through Academic Development Program established. The Illinois Steps for Attaining Higher Education through Academic Development ("Illinois Steps AHEAD") program is established in the Illinois Department of Human Services. Illinois Steps AHEAD shall provide educational services and post-secondary educational scholarships for low-income middle and high school students. Program components shall include increased parent involvement, creative and engaging academic support for students, career exploration programs, college preparation, and increased collaboration with local schools. The Illinois Department of Human Services shall administer the program. The Department shall implement the program only if federal funding is made available for that purpose. All moneys received pursuant to the federal Gaining Early Awareness and Readiness for Undergraduate Programs shall be deposited into the Gaining Early Awareness and Readiness for Undergraduate Programs Fund, a special fund hereby created in the State treasury. Moneys in this fund shall be appropriated to the Department of Human Services and expended for the purposes and activities specified by the federal agency making the grant. All interest earnings on amounts in the Gaining Early Awareness and Readiness for Undergraduate Programs Fund shall accrue to the Gaining Awareness and Readiness for Undergraduate Programs Fund and be used in accordance with 34 C.F.R. 75.703.

Section 3. The State Finance Act is amended by adding Section 5.663 as follows:

(30 ILCS 105/5.663 new)

Sec. 5.663. The Gaining Early Awareness and Readiness for Undergraduate Programs Fund.

Section 5. The Illinois Public Aid Code is amended by changing Section 5-2 and adding Section 12-4.103a as follows:

(305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

Sec. 5-2. Classes of Persons Eligible. Medical assistance under this Article shall be available to any of the following classes of persons in respect to whom a plan for coverage has been submitted to the Governor by the Illinois Department and approved by him:

1. Recipients of basic maintenance grants under Articles III and IV.

2. Persons otherwise eligible for basic maintenance under Articles III and IV but who fail to qualify thereunder on the basis of need, and who have insufficient income and resources to meet the costs of necessary medical care, including but not limited to the following:

(a) All persons otherwise eligible for basic maintenance under Article III but who fail to qualify under that Article on the basis of need and who meet either of the following requirements:

(i) their income, as determined by the Illinois Department in accordance with any federal requirements, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined by the federal Office of

Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size; or

(ii) their income, after the deduction of costs incurred for medical care and for other types of remedial care, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined in item (i) of this subparagraph (a).

(b) All persons who would be determined eligible for such basic maintenance under Article IV by disregarding the maximum earned income permitted by federal law.

3. Persons who would otherwise qualify for Aid to the Medically Indigent under Article VII.

4. Persons not eligible under any of the preceding paragraphs who fall sick, are injured, or die, not having sufficient money, property or other resources to meet the costs of necessary medical care or funeral and burial expenses.

5.(a) Women during pregnancy, after the fact of pregnancy has been determined by medical diagnosis, and during the 60-day period beginning on the last day of the pregnancy, together with their infants and children born after September 30, 1983, whose income and resources are insufficient to meet the costs of necessary medical care to the maximum extent possible under Title XIX of the Federal Social Security Act.

(b) The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 5(a) by April 1, 1990. Such plan shall provide

ambulatory prenatal care to pregnant women during a presumptive eligibility period and establish an income eligibility standard that is equal to 133% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size, provided that costs incurred for medical care are not taken into account in determining such income eligibility.

(c) The Illinois Department may conduct a demonstration in at least one county that will provide medical assistance to pregnant women, together with their infants and children up to one year of age, where the income eligibility standard is set up to 185% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget. The Illinois Department shall seek and obtain necessary authorization provided under federal law to implement such a demonstration. Such demonstration may establish resource standards that are not more restrictive than those established under Article IV of this Code.

6. Persons under the age of 18 who fail to qualify as dependent under Article IV and who have insufficient income and resources to meet the costs of necessary medical care to the maximum extent permitted under Title XIX of the Federal Social Security Act.

7. Persons who are under 21 years of age and would qualify as disabled as defined under the Federal Supplemental Security Income Program, provided medical service for such persons would be eligible for Federal Financial Participation, and provided the Illinois Department determines that:

(a) the person requires a level of care provided by a hospital, skilled nursing facility, or intermediate care facility, as determined by a physician licensed to

practice medicine in all its branches;

(b) it is appropriate to provide such care outside of an institution, as determined by a physician licensed to practice medicine in all its branches;

(c) the estimated amount which would be expended for care outside the institution is not greater than the estimated amount which would be expended in an institution.

8. Persons who become ineligible for basic maintenance assistance under Article IV of this Code in programs administered by the Illinois Department due to employment earnings and persons in assistance units comprised of adults and children who become ineligible for basic maintenance assistance under Article VI of this Code due to employment earnings. The plan for coverage for this class of persons shall:

(a) extend the medical assistance coverage for up to 12 months following termination of basic maintenance assistance; and

(b) offer persons who have initially received 6 months of the coverage provided in paragraph (a) above, the option of receiving an additional 6 months of coverage, subject to the following:

(i) such coverage shall be pursuant to provisions of the federal Social Security Act;

(ii) such coverage shall include all services covered while the person was eligible for basic maintenance assistance;

(iii) no premium shall be charged for such coverage; and

(iv) such coverage shall be suspended in the event of a person's failure without good cause to file in a timely fashion reports required for this coverage under the Social Security Act and coverage shall be reinstated upon the filing of such reports if the person remains otherwise

eligible.

9. Persons with acquired immunodeficiency syndrome (AIDS) or with AIDS-related conditions with respect to whom there has been a determination that but for home or community-based services such individuals would require the level of care provided in an inpatient hospital, skilled nursing facility or intermediate care facility the cost of which is reimbursed under this Article. Assistance shall be provided to such persons to the maximum extent permitted under Title XIX of the Federal Social Security Act.

10. Participants in the long-term care insurance partnership program established under the Partnership for Long-Term Care Act who meet the qualifications for protection of resources described in Section 25 of that Act.

11. Persons with disabilities who are employed and eligible for Medicaid, pursuant to Section 1902(a)(10)(A)(ii)(xv) of the Social Security Act, as provided by the Illinois Department by rule.

12. Subject to federal approval, persons who are eligible for medical assistance coverage under applicable provisions of the federal Social Security Act and the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. Those eligible persons are defined to include, but not be limited to, the following persons:

(1) persons who have been screened for breast or cervical cancer under the U.S. Centers for Disease Control and Prevention Breast and Cervical Cancer Program established under Title XV of the federal Public Health Services Act in accordance with the requirements of Section 1504 of that Act as administered by the Illinois Department of Public Health; and

(2) persons whose screenings under the above program were funded in whole or in part by funds

appropriated to the Illinois Department of Public Health for breast or cervical cancer screening.

"Medical assistance" under this paragraph 12 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. The Department must request federal approval of the coverage under this paragraph 12 within 30 days after the effective date of this amendatory Act of the 92nd General Assembly.

13. Subject to appropriation and to federal approval, persons living with HIV/AIDS who are not otherwise eligible under this Article and who qualify for services covered under Section 5-5.04 as provided by the Illinois Department by rule.

14. Subject to the availability of funds for this purpose, the Department may provide coverage under this Article to persons who reside in Illinois who are not eligible under any of the preceding paragraphs and who meet the income guidelines of paragraph 2(a) of this Section and (i) have an application for asylum pending before the federal Department of Homeland Security or on appeal before a court of competent jurisdiction and are represented either by counsel or by an advocate accredited by the federal Department of Homeland Security and employed by a not-for-profit organization in regard to that application or appeal, or (ii) are receiving services through a federally funded torture treatment center. Medical coverage under this paragraph 14 may be provided for up to 24 continuous months from the initial eligibility date so long as an individual continues to satisfy the criteria of this paragraph 14. If an individual has an appeal pending regarding an application for asylum before the Department of Homeland Security, eligibility under this paragraph 14 may be extended until a final decision is rendered on the appeal. The Department may adopt rules governing the implementation of this paragraph 14.

The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 7 as soon as possible after July 1, 1984.

The eligibility of any such person for medical assistance under this Article is not affected by the payment of any grant under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act or any distributions or items of income described under subparagraph (X) of paragraph (2) of subsection (a) of Section 203 of the Illinois Income Tax Act. The Department shall by rule establish the amounts of assets to be disregarded in determining eligibility for medical assistance, which shall at a minimum equal the amounts to be disregarded under the Federal Supplemental Security Income Program. The amount of assets of a single person to be disregarded shall not be less than \$2,000, and the amount of assets of a married couple to be disregarded shall not be less than \$3,000.

To the extent permitted under federal law, any person found guilty of a second violation of Article VIIIA shall be ineligible for medical assistance under this Article, as provided in Section 8A-8.

The eligibility of any person for medical assistance under this Article shall not be affected by the receipt by the person of donations or benefits from fundraisers held for the person in cases of serious illness, as long as neither the person nor members of the person's family have actual control over the donations or benefits or the disbursement of the donations or benefits.

(Source: P.A. 93-20, eff. 6-20-03; 94-629, eff. 1-1-06.)

(305 ILCS 5/12-4.103a new)

Sec. 12-4.103a. Assets for Independence Program.

(a) Program established. Subject to available funding and receipt of a federal Assets for Independence grant award, the Department of Human Services shall establish and administer an Assets for Independence Program (Program). The Program shall be

established in accordance with the terms of the Assets for Independence Act (AFIA) as now and hereafter amended (Title IV Community Opportunities, Accountability, and Training and Educational Services Act as amended, Public Law 105-285, 42 U.S.C. 604 note).

(b) Assets for Independence Fund. The Assets for Independence Fund is established. The Fund shall be held by the Secretary or his or her designee as ex-officio custodian thereof separate and apart from all other State funds. The Assets for Independence Fund is authorized to receive grants under AFIA, State moneys appropriated for the Program, and moneys from voluntary donations from individuals, foundations, corporations, and other sources. Moneys in the Assets for Independence Fund shall not be commingled with other State funds, but they shall be deposited as required by law and maintained in a separate account on the books of a savings and loan association, bank, or other qualified financial institution. All interest earnings on amounts within the Assets for Independence Fund shall accrue to the Assets for Independence Fund and shall be used in accordance with the terms of the AFIA. Administrative expenses related to the Program, including the provision of financial education to Program participants, shall be paid from the Assets for Independence Fund in accordance with the terms of AFIA Section 707(c)(3).

(c) Program purpose. The purpose of the Program is to allow eligible low-income Illinois citizens, subject to the availability of State and federal funds and authorization from the Department, to open and maintain an Individual Development Account (IDA) at a federally insured financial institution. Deposits into an IDA that are used for subsequent qualified purchases shall be matched dollar-for-dollar by moneys from the Assets for Independence Fund. Not more than \$2,000 of moneys from the Assets for Independence Fund shall be provided to any one individual. Not more than \$4,000 of moneys from the Assets for Independence Fund shall be provided to any one household.

Assets for Independence Fund moneys not being used to administer the Program shall be used only for qualified purchases, shall be distributed only directly to the vendor of a qualified purchase, and shall require the authorization by signature of the Department's chief financial officer.

(d) Contributions to IDA and use of moneys. An individual may make contributions to his or her IDA only from earned income as defined in Section 911(d)(2) of the Internal Revenue Code of 1986. The moneys deposited into an IDA shall not be commingled with any Assets for Independence Fund moneys. An IDA holder shall have a 36-month period, beginning on the date the Department authorizes the holder to open the IDA, within which to make a qualified purchase. If a qualified purchase is not made within that 36-month period, Assets for Independence Fund moneys earmarked for that individual shall be released, and the Department shall authorize another eligible person to open an IDA. Under no circumstances, and at no time, shall an IDA holder lose the ability to withdraw moneys from his or her IDA.

(e) Qualified purchases. A qualified asset purchase using moneys from an IDA shall be defined in accordance with AFIA Section 404(8) and shall be one or more of the following:

(1) Payment of post-secondary education expenses, if the expenses are paid directly to an eligible educational institution.

(2) Acquisition of a principal residence, if the individual is buying a home for the first time and if the funds are paid directly to the person to whom the amounts required for the purchase are due.

(3) Financing of business capitalization expenses, if the funds are paid directly into a business capitalization account at a federally insured financial institution and are restricted to use solely for qualified business capitalization expenses.

(f) Program eligibility. Program eligibility shall be established by the Department in accordance with AFIA Section 408. Persons eligible to open an IDA and to receive Assets for

Independence Fund moneys are Illinois citizens currently residing in Illinois who are (i) able to demonstrate that they are currently eligible for assistance under the State's Temporary Assistance for Needy Families program or (ii) able to demonstrate that the adjusted gross income of their household in the calendar year preceding the determination of eligibility was equal to or less than 200% of the poverty line, as determined by the Federal Office of Management and Budget. An individual must further demonstrate that the net worth of his or her household, as of the end of the calendar year preceding the determination of eligibility, does not exceed \$10,000, as determined by AFIA Section 408(2)(B). Notwithstanding any other provision of State law, moneys in an Individual Development Account, including accrued interest and matching deposits, shall be disregarded for the purpose of determining the eligibility and benefit levels under this Code in the case of the individual establishing the IDA with respect to any period during which the individual maintains or makes contributions into the IDA. The Department shall approve an individual to open an IDA at a federally insured financial institution upon determining, based on the individual's application, that all eligibility criteria are met and subject to the availability of \$2,000 in Assets for Independence Fund moneys.

Section 99. Effective date. This Act takes effect upon becoming law.

## Joint Committee on Administrative Rules

### ADMINISTRATIVE CODE

TITLE 89: SOCIAL SERVICES  
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PART 120 MEDICAL ASSISTANCE PROGRAMS  
SECTION 120.336 EDUCATION BENEFITS

## **Joint Committee on Administrative Rules**

### ADMINISTRATIVE CODE

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 114 GENERAL ASSISTANCE  
SECTION 114.250 ASSETS

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#### **Section 114.250 Assets**

- a) The value of non-exempt assets shall be considered in determining eligibility for an assistance payment.
  
- b) The entire equity value of jointly held assets shall be considered in determining eligibility for an assistance payment, unless:
  - 1) The asset is a joint income tax refund; or
  
  - 2) The client documents that he/she does not have access to the asset.

Appropriate documents may include, but are not limited to, bank documents, signature cards, trust documents, divorce papers, and papers from court proceedings; or

- 3) The client can document the amount of his legal interest in the asset, and that such amount is less than the entire value of the asset, then the documented amount shall be considered. Appropriate documentation may include, but is not limited to, bank documents, trust documents, signature cards, divorce papers, or court orders; or
- 4) The asset is held jointly with a client of any Illinois Department of Human Services assistance program, other than Food Stamps; or
- 5) The client documents that the asset or a portion of the asset is not owned by the client and the client's accessibility to the asset is changed (see subsections (b)(2) and (b)(3) for documentation examples).

c) Income tax refunds

- 1) Income tax refunds shall be considered available assets and are to be considered against the appropriate nonexempt asset limitation of the assistance unit. One-half of joint tax refunds shall be considered available for each payee.
- 2) A client who declares that less than one-half of the joint income tax was received may claim an exception. Only the amount claimed to be received shall be considered.

d) Trust Fund for the Benefit of a Dependent Child

- 1) When trust fund exists in the name of a child or for the benefit of a child included in the assistance unit and the amount of the trust fund by itself or combined with other nonexempt assets of the assistance unit exceeds the asset disregard, the caretaker shall be allowed 45 days to petition the court for release of the funds. When someone other than the caretaker is the trustee of the trust fund, the caretaker is responsible for taking action within 45 days of the Department's becoming aware of the existence of the trust fund to petition the court to order the trustee to release the funds. The child for whom the trust fund was established shall remain in the assistance unit for the 45 days.
  
- 2) When the trust fund combined with other nonexempt assets of the assistance unit does not exceed the asset disregard, petitioning the court for release of the funds is not required.
  
- 3) At the end of 45 days, if the caretaker:
  - A) does not provide verification that the court has been petitioned, the amount of the trust fund shall be considered a nonexempt asset and shall be applied to the asset disregard of the assistance unit. When the trust fund and other nonexempt assets exceed the asset disregard, the child may be deleted or if the child is the only child in the assistance unit, the case may be changed to an adult only case. The eligibility of all other members of the assistance unit shall not be affected unless the child with the trust fund is the only child in the assistance unit, or
  
  - B) provides verification that the court has been petitioned and the court denied the request for release of the funds, the amount of the trust fund shall be considered an exempt asset, or
  
  - C) provides verification the court will release the funds for the child, the released amounts shall be considered as follows:

- i) When the petition and court order direct the money be used for the child's income maintenance needs or do not specify a purpose, payments shall be budgeted as nonexempt unearned income. The caretaker may request the child be removed from the assistance unit if the earmarked income meets the child's needs. The earmarked income shall be considered available to meet the needs of the child only and the other assistance unit members remain eligible.
  - ii) When the petition and court order direct the money be used for the child's income maintenance needs or do not specify a purpose, a one-time only release of the money shall be considered an asset subject to the asset disregard. If the payment plus other nonexempt assets exceed the asset disregard, the caretaker may choose to delete the child from the assistance unit. The other assistance unit members shall remain eligible.
  - iii) When the petition and court-order direct the money be used for a specific purpose other than the income maintenance needs of the child, the money shall be considered exempt and does not affect eligibility, or
- D) provides verification the court was petitioned but a decision was not made, assistance shall be continued for the child and a control established for 30 days.
- e) Pension plans are exempt from consideration as an asset, including accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan.

(Source: Amended at 29 Ill. Reg. 5487, effective April 1, 2005)

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 114 GENERAL ASSISTANCE  
SECTION 114.251 EXEMPT ASSETS

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**Section 114.251 Exempt Assets**

- a) The following assets are exempt from consideration in determining eligibility for assistance:
- 1) Homestead property.
  - 2) Household furnishings.
  - 3) Clothing and personal effects.
  - 4) One motor vehicle.
  - 5) The principal and interest of a court-ordered trust fund established for a child which, upon petition, the court refuses to release and one-time only payments released for a specific purpose other than the income maintenance needs of the child.
  - 6) Donations or benefits from fund raisers held for a seriously ill client provided the client or responsible relative of the client does not have control over the donations or benefits or the disbursement of the donations or benefits and the donations or benefits are not available to the client or the responsible relative.

- b) The following payments are also exempt:
- 1) The value of any savings in which the money is accumulated from the earnings of a child.
  - 2) Any payment received under Title I of P.L. 100-383 of the Civil Liberties Act of 1988 (50 U.S.C. 1989b through 1989b-8).
  - 3) Any payment received under Title II of P.L. 100-383 of the Aleutian and Pribilof Islands Restitution Act (50 U.S.C. 1989c through 1989c-8).
  - 4) Payments made by the Illinois Department of Mental Health and Developmental Disabilities under the Family Assistance Program for Mentally Disabled Children under P.A. 86-921.
  - 5) Disaster relief payments provided by federal, State or local governments or a disaster assistance organization.

(Source: Amended at 21 Ill. Reg. 15545, effective November 26, 1997)

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 114 GENERAL ASSISTANCE  
SECTION 114.252 ASSET DISREGARDS

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**Section 114.252 Asset Disregards**

In addition to the exempt assets listed in Section 114.251, the cash value of assets shall be disregarded as follows:

All assets or the cash value of assets other than those listed in Section 114.251 are nonexempt and must be considered in determining initial or continued eligibility for assistance and level of assistance payment. The client's asset disregard is the same as the TANF asset disregard contained in 89 Ill. Adm. Code 112.152.

(Source: Amended at 21 Ill. Reg. 15545, effective November 26, 1997)



## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

- 15) Summary and Purpose of Rulemaking: This rulemaking is being adopted in accordance with an option provided under Title IV of the Farm Bill (HR 2646-The Food Stamp Reauthorization Act of 2002). Under this provision, states may exclude certain types of resources from consideration as an asset when determining eligibility. This rulemaking exempts pension plans, including accounts solely owned by an individual such as an Individual Retirement Account (IRA), 401 K and Keogh Plan, from consideration as an asset for General Assistance. Implementing this change will simplify the way these assets are considered for the General Assistance Program.

Companion amendments are also being adopted in 89 Ill. Adm. Code 112 and 89 Ill. Adm. Code 121.

- 16) Information and questions regarding this adopted amendment shall be directed to:

Tracie Drew, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3<sup>rd</sup> Floor, Harris Bldg.  
Springfield, Illinois 62762

(217) 785-9772

The full text of Adopted Amendment begins on the next page:

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMSPART 114  
GENERAL ASSISTANCE

## SUBPART A: GENERAL PROVISIONS

Section	Description of the Assistance Program
114.1	Description of the Assistance Program
114.2	Determination of Not Employable
114.3	Advocacy Program for Persons Receiving State Transitional Assistance
114.5	Incorporation By Reference

## SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

Section	Description of the Assistance Program
114.9	Client Cooperation
114.10	Citizenship
114.20	Residence
114.30	Age
114.40	Relationship
114.50	Living Arrangement
114.52	Social Security Numbers
114.60	Work Registration Requirements (Outside City of Chicago only)
114.61	Individuals Exempt From Work Registration Requirements (Outside City of Chicago only)
114.62	Job Service Registration (Outside City of Chicago only)
114.63	Failure to Maintain Current Job Service Registration (Outside City of Chicago only)
114.64	Responsibility to Seek Employment (Outside City of Chicago only)
114.70	Initial Employment Expenses (Outside City of Chicago only)
114.80	Downstate General Assistance Work and Training Programs
114.85	Downstate General Assistance – Food Stamps Employment and Training Pilot Project
114.90	Work and Training Programs
114.100	General Assistance Jobs Program (Repealed)
114.101	Persons Ineligible for TANF Due to Time Limits

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

## SUBPART C: PROJECT ADVANCE

## Section

- 114.108 Project Advance (Repealed)
- 114.109 Project Advance Participation Requirements of Adjudicated Fathers (Repealed)
- 114.110 Project Advance Cooperation Requirements of Adjudicated Fathers (Repealed)
- 114.111 Project Advance Sanctions (Repealed)
- 114.113 Project Advance Good Cause for Failure to Comply (Repealed)
- 114.115 Individuals Exempt From Project Advance (Repealed)
- 114.117 Project Advance Supportive Services (Repealed)

## SUBPART D: EMPLOYMENT AND TRAINING REQUIREMENTS

## Section

- 114.120 Employment and Training Requirements
- 114.121 Persons Required to Participate in Project Chance (Repealed)
- 114.122 Advocacy Program for Persons Who Have Applied for Supplemental Security Income (SSI) Under Title XVI of the Social Security Act (Repealed)
- 114.123 Persons in Need of Work Rehabilitative Services (WRS) to Become Employable (Repealed)
- 114.124 Employment and Training Participation/Cooperation Requirements (Repealed)
- 114.125 Employment and Training Program Orientation (Repealed)
- 114.126 Employment and Training Program Full Assessment Process/Development of an Employment Plan (Repealed)
- 114.127 Employment and Training Program Components (Repealed)
- 114.128 Employment and Training Sanctions (Repealed)
- 114.129 Good Cause For Failure to Cooperate With Work and Training Participation Requirements (Repealed)
- 114.130 Employment and Training Supportive Services (Repealed)
- 114.135 Conciliation and Fair Hearings (Repealed)
- 114.140 Employment Child Care (Repealed)

## SUBPART E: FINANCIAL FACTORS OF ELIGIBILITY

## Section

- 114.200 Unearned Income
- 114.201 Budgeting Unearned Income
- 114.202 Budgeting Unearned Income of Applicants
- 114.203 Initial Receipt of Unearned Income
- 114.204 Termination of Unearned Income

## DEPARTMENT OF HUMAN SERVICES

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114.210	Exempt Unearned Income
114.220	Education Benefits (Repealed)
114.221	Unearned Income In-Kind
114.222	Earmarked Income
114.223	Lump-Sum Payments
114.224	Protected Income
114.225	Earned Income
114.226	Budgeting Earned Income
114.227	Budgeting Earned Income of Applicants
114.228	Initial Employment
114.229	Termination of Employment
114.230	Exempt Earned Income
114.235	Recognized Employment Expenses
114.240	Income From Work/Study/Training Program (Repealed)
114.241	Earned Income From Self-Employment
114.242	Earned Income From Roomer and Boarder
114.243	Earned Income From Rental Property
114.244	Earned Income In-Kind
114.245	Payments from the Illinois Department of Children and Family Services
114.246	Budgeting Earned Income for Contractual Employees
114.247	Budgeting Earned Income for Non-contractual School Employees
114.250	Assets
114.251	Exempt Assets
114.252	Asset Disregards
114.260	Deferral of Consideration of Assets (Repealed)
114.270	Property Transfers (Repealed)
114.280	Supplemental Payments

## SUBPART F: PAYMENT AMOUNTS

Section	
114.350	Payment Levels
114.351	Payment Levels in Group I Counties
114.352	Payment Levels in Group II Counties
114.353	Payment Levels in Group III Counties

## SUBPART G: OTHER PROVISIONS

Section	
114.400	Persons Who May Be Included In the Assistance Unit

## DEPARTMENT OF HUMAN SERVICES

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114.401	Eligibility of Strikers
114.402	Special Needs Authorizations (Repealed)
114.403	Institutional Status
114.404	Budgeting
114.405	Budgeting Schedule
114.406	Limitation on Amount of General Assistance to Recipients from Other States (Repealed)
114.408	Responsibility of Sponsors of Non-citizens Entering the Country On or After 8/22/96
114.420	Redetermination of Eligibility
114.430	Extension of Medical Assistance Due to Increased Income from Employment
114.440	Attorney's Fees for VA Appellants
114.442	Attorney's Fees for SSI Applicants

## SUBPART H: CHILD CARE

Section	
114.450	Child Care (Repealed)
114.452	Child Care Eligibility (Repealed)
114.454	Qualified Provider (Repealed)
114.456	Notification of Available Services (Repealed)
114.458	Participant Rights and Responsibilities (Repealed)
114.462	Additional Service to Secure or Maintain Child Care Arrangements (Repealed)
114.464	Rates of Payment for Child Care (Repealed)
114.466	Method of Providing Child Care (Repealed)

## SUBPART I: TRANSITIONAL CHILD CARE

Section	
114.500	Transitional Child Care Eligibility (Repealed)
114.504	Duration of Eligibility for Transitional Child Care (Repealed)
114.506	Loss of Eligibility for Transitional Child Care (Repealed)
114.508	Qualified Provider (Repealed)
114.510	Notification of Available Services (Repealed)
114.512	Participant Rights and Responsibilities (Repealed)
114.514	Child Care Overpayments and Recoveries (Repealed)
114.516	Fees for Service for Transitional Child Care (Repealed)
114.518	Rates of Payment for Transitional Child Care (Repealed)

AUTHORITY: Implementing Article VI and authorized by Section 12-13 of the Illinois Public

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

Aid Code [305 ILCS 5/Art. VI and 12-13].

SOURCE: Filed effective December 30, 1977; preemptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; preemptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; preemptory amendment at 2 Ill. Reg. 46, p. 56, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amendment at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979; preemptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; preemptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981; preemptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; preemptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; preemptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10760, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; preemptory amendment at 6 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; preemptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; preemptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; preemptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg.

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

10970, effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 7, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 9909, effective August 5, 1983; amended (by adding Section being codified with no substantive change) at 7 Ill. Reg. 14747; amended (by adding Section being codified with no substantive change) at 7 Ill. Reg. 16107; amended at 7 Ill. Reg. 16408, effective November 30, 1983; amended at 7 Ill. Reg. 16652, effective December 1, 1983; amended at 8 Ill. Reg. 243, effective December 27, 1983; amended at 8 Ill. Reg. 5233, effective April 9, 1984; amended at 8 Ill. Reg. 6764, effective April 27, 1984; amended at 8 Ill. Reg. 11435, effective June 27, 1984; amended at 8 Ill. Reg. 13319, effective July 16, 1984; amended at 8 Ill. Reg. 16237, effective August 24, 1984; amended (by adding Sections being codified with no substantive change) at 8 Ill. Reg. 17896; amended at 9 Ill. Reg. 314, effective January 1, 1985; emergency amendment at 9 Ill. Reg. 823, effective January 3, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 9557, effective June 5, 1985; amended at 9 Ill. Reg. 10764, effective July 5, 1985; amended at 9 Ill. Reg. 15800, effective October 16, 1985; amended at 10 Ill. Reg. 1924, effective January 17, 1986; amended at 10 Ill. Reg. 3660, effective January 30, 1986; emergency amendment at 10 Ill. Reg. 4646, effective February 3, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 4896, effective March 7, 1986; amended at 10 Ill. Reg. 10681, effective June 3, 1986; amended at 10 Ill. Reg. 11041, effective June 5, 1986; amended at 10 Ill. Reg. 12662, effective July 14, 1986; amended at 10 Ill. Reg. 15118, effective September 5, 1986; amended at 10 Ill. Reg. 15640, effective September 19, 1986; amended at 10 Ill. Reg. 19079, effective October 24, 1986; amended at 11 Ill. Reg. 2307, effective January 16, 1987; amended at 11 Ill. Reg. 5297, effective March 11, 1987; amended at 11 Ill. Reg. 6238, effective March 20, 1987; emergency amendment at 11 Ill. Reg. 12449, effective July 10, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 12948, effective August 1, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 18311, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 18689, effective November 1, 1987; emergency amendment at 11 Ill. Reg. 18791, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20129, effective December 4, 1987; amended at 11 Ill. Reg. 20889, effective December 14, 1987; amended at 12 Ill. Reg. 889, effective January 1, 1988; SUBPARTS C, D and E recodified to SUBPARTS E, F and G at 12 Ill. Reg. 2147; Section 114.110 recodified to Section 114.52 at 12 Ill. Reg. 2984; amended at 12 Ill. Reg. 3505, effective January 22, 1988; amended at 12 Ill. Reg. 6170, effective March 18, 1988; amended at 12 Ill. Reg. 6719, effective March 22, 1988; amended at 12 Ill. Reg. 9108, effective May 20, 1988; amended at 12 Ill. Reg. 9699, effective May 24, 1988; amended at 12 Ill. Reg. 9940, effective May 31, 1988; amended at 12 Ill. Reg. 11474, effective June 30, 1988; amended at 12 Ill. Reg. 14255, effective August 30, 1988; emergency amendment at 12 Ill. Reg. 14364, effective September 1, 1988, for a maximum of 150 days; amendment at 12 Ill. Reg. 16729, effective September 30, 1988; amended at 12 Ill.

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

Reg. 20171, effective November 28, 1988; amended at 13 Ill. Reg. 89, effective January 1, 1989; amended at 13 Ill. Reg. 1546, effective January 20, 1989; amended at 13 Ill. Reg. 3900, effective March 10, 1989; amended at 13 Ill. Reg. 8580, effective May 20, 1989; emergency amendment at 13 Ill. Reg. 16169, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 13 Ill. Reg. 16015, effective October 6, 1989; amended at 14 Ill. Reg. 746, effective January 1, 1990; amended at 14 Ill. Reg. 3640, effective February 23, 1990; amended at 14 Ill. Reg. 6360, effective April 16, 1990; amended at 14 Ill. Reg. 10929, effective June 20, 1990; amended at 14 Ill. Reg. 13215, effective August 6, 1990; amended at 14 Ill. Reg. 13777, effective August 10, 1990; amended at 14 Ill. Reg. 14162, effective August 17, 1990; amended at 14 Ill. Reg. 17111, effective September 30, 1990; amended at 15 Ill. Reg. 288, effective January 1, 1991; amended at 15 Ill. Reg. 5710, effective April 10, 1991; amended at 15 Ill. Reg. 11164, effective August 1, 1991; emergency amendment at 15 Ill. Reg. 15144, effective October 7, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 3512, effective February 20, 1992; emergency amendment at 16 Ill. Reg. 4540, effective March 10, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 11662, effective July 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 13297, effective August 15, 1992; emergency amendment at 16 Ill. Reg. 13651, effective September 1, 1992, for a maximum 150 days; emergency amendment at 16 Ill. Reg. 14769, effective September 15, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 16276, effective October 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 17772, effective November 13, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 18815, effective November 24, 1992; amended at 17 Ill. Reg. 1091, effective January 15, 1993; amended at 17 Ill. Reg. 2277, effective February 15, 1993; amended at 17 Ill. Reg. 3255, effective March 1, 1993; amended at 17 Ill. Reg. 3639, effective February 26, 1993; amended at 17 Ill. Reg. 3255, effective March 1, 1993; amended at 17 Ill. Reg. 6814, effective April 21, 1993; emergency amendment at 17 Ill. Reg. 19728, effective November 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 3436, effective February 28, 1994; amended at 18 Ill. Reg. 7390, effective April 29, 1994; amended at 18 Ill. Reg. 12839, effective August 5, 1994; emergency amendment at 19 Ill. Reg. 8434, effective June 9, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15058, effective October 17, 1995; emergency amendment at 20 Ill. Reg. 4445, effective February 28, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 9970, effective July 10, 1996; emergency amendment at 21 Ill. Reg. 682, effective January 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 7413, effective May 31, 1997; emergency amendment at 21 Ill. Reg. 8652, effective July 1, 1997, for a maximum of 150 days; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 21 Ill. Reg. 15545, effective November 26, 1997; emergency amendment at 22 Ill. Reg. 16356, effective September 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 19820, effective November 1, 1998; emergency amendment at 23 Ill. Reg. 588, effective January 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 1619, effective January 20, 1999; amended at 23 Ill. Reg. 6067, effective May 4, 1999; amended at 23 Ill. Reg. 6434, effective May 15, 1999; amended at 23 Ill. Reg. 6948, effective

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

May 30, 1999; emergency amendment at 23 Ill. Reg. 8661, effective July 13, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 13863, effective November 19, 1999; amended at 24 Ill. Reg. 2338, effective February 1, 2000; amended at 24 Ill. Reg. 5688, effective March 20, 2000; amended at 25 Ill. Reg. 10325, effective August 3, 2001; amended at 26 Ill. Reg. 164, effective January 1, 2002; amended at 26 Ill. Reg. 9821, effective June 24, 2002; emergency amendment at 26 Ill. Reg. 11009, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17198, effective November 15, 2002; amended at 27 Ill. Reg. 7263, effective April 7, 2003; amended at 27 Ill. Reg. 18433, effective November 20, 2003; amended at 28 Ill. Reg. 5682, effective March 22, 2004; amended at 29 Ill. Reg. 5487, effective April 1, 2005.

## SUBPART E: FINANCIAL FACTORS OF ELIGIBILITY

**Section 114.250 Assets**

- a) The value of non-exempt assets shall be considered in determining eligibility for an assistance payment.
- b) The entire equity value of jointly held assets shall be considered in determining eligibility for an assistance payment, unless:
  - 1) The asset is a joint income tax refund; or
  - 2) The client documents that he/she does not have access to the asset. Appropriate documents may include, but are not limited to, bank documents, signature cards, trust documents, divorce papers, and papers from court proceedings; or:
  - 3) The client can document the amount of his legal interest in the asset, and that such amount is less than the entire value of the asset, then the documented amount shall be considered. Appropriate documentation may include, but is not limited to, bank documents, trust documents, signature cards, divorce papers, or court orders; or
  - 4) The asset is held jointly with a client~~client~~(s) of any Illinois Department of Human Services assistance program, other than Food Stamps; or
  - 5) The client documents that the asset or a portion of the asset is not owned by the client and the client's accessibility to the asset is changed (see subsections (b)(2) and (b)(3) ~~above~~ for documentation examples).

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

- c) Income tax refunds
- 1) Income tax refunds shall be considered available assets and are to be considered against the appropriate nonexempt asset limitation of the assistance unit. One-half of joint tax refunds shall be considered available for each payee.
  - 2) A client who declares that less than one-half of the joint income tax was received may claim an exception. Only the amount claimed to be received shall be considered.
- d) Trust Fund for the Benefit of a Dependent Child
- 1) When trust fund exists in the name of a child or for the benefit of a child included in the assistance unit and the amount of the trust fund by itself or combined with other nonexempt assets of the assistance unit exceeds the asset disregard, the caretaker shall be allowed ~~forty-five (45)~~ days to petition the court for release of the funds. When someone other than the caretaker is the trustee of the trust fund, the caretaker is responsible for taking action within ~~forty-five (45)~~ days of the Department's becoming aware of the existence of the trust fund to petition the court to order the trustee to release the funds. The child for whom the trust fund was established shall remain in the assistance unit for the ~~forty-five (45)~~ days.
  - 2) When the trust fund combined with other nonexempt assets of the assistance unit does not exceed the asset disregard, petitioning the court for release of the funds is not required.
  - 3) At the end of ~~forty-five (45)~~ days, if the caretaker:
    - A) does not provide verification that the court has been petitioned, the amount of the trust fund shall be considered a nonexempt asset and shall be applied to the asset disregard of the assistance unit. When the trust fund and other nonexempt assets exceed the asset disregard, the child may be deleted or if the child is the only child in the assistance unit, the case may be changed to an adult only case~~case(s)~~. The eligibility of all other members of the assistance unit shall not be affected unless the child with the trust fund is the only child in the assistance unit, or

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENT

- B) provides verification that the court has been petitioned and the court denied the request for release of the funds, the amount of the trust fund shall be considered an exempt asset, or
- C) provides verification the court will release the funds for the child, the released ~~amounts~~ amount(s) shall be considered as follows:
- i) When the petition and court order direct the money be used for the child's income maintenance needs or do not specify a purpose, payments shall be budgeted as nonexempt unearned income. The caretaker may request the child be removed from the assistance unit if the earmarked income meets the child's needs. The earmarked income shall be considered available to meet the needs of the child only and the other assistance unit members remain eligible.
  - ii) When the petition and court order direct the money be used for the child's income maintenance needs or do not specify a purpose, a one-time only release of the money shall be considered an asset subject to the asset disregard. If the payment plus other nonexempt assets exceed the asset disregard, the caretaker may choose to delete the child from the assistance unit. The other assistance unit members shall remain eligible.
  - iii) When the petition and court-order direct the money be used for a specific purpose other than the income maintenance needs of the child, the money shall be considered exempt and does not affect eligibility, or
- D) provides verification the court was petitioned but a decision was not made, assistance shall be continued for the child and a control established for 30 days.
- e) Pension plans are exempt from consideration as an asset, including accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan.

(Source: Amended at 29 Ill. Reg. 5487, effective April 1, 2005)



## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF ADOPTED AMENDMENTS

- 15) Summary and Purpose of Rulemaking: This rulemaking is being adopted in accordance with an option provided under Title IV of the Farm Bill (HR 2646-The Food Stamp Reauthorization Act of 2002). Under this provision, states may exclude certain types of resources from consideration as an asset when determining eligibility. This rulemaking exempts pension plans, except accounts owned solely by an individual, such as an Individual Retirement Account (IRA), 401 K or Keogh Plan, that are accessible without a penalty for withdrawal. Participants in an IRA, 401 K or Keogh Plan are subject to a penalty for withdrawal if funds are distributed before age 59 1/2. Implementing this change will simplify the way these assets are considered for the Food Stamp Program.

Companion amendments are also being adopted in 89 Ill. Adm. Code 112 and 89 Ill. Adm. Code 114.

- 16) Information and questions regarding these adopted amendments shall be directed to:

Tracie Drew, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3<sup>rd</sup> Floor Harris Bldg.  
Springfield, Illinois 62762

(217) 785-9772

The full text of Adopted Amendments begins on the next page:

LEXSEE 28 ILL REG 10519

ILLINOIS REGISTER

ISSUE: Volume 28, Issue 31

ISSUE DATE: July 30, 2004

SUBJECT: NOTICE OF PROPOSED AMENDMENT

AGENCY: DEPARTMENT OF HUMAN SERVICES

*28 Ill. Reg. 10519*

ILLINOIS ADMINISTRATIVE CODE CITATION: 89 Ill. Adm. Code 114

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS  
PART 114: GENERAL ASSISTANCE

[A> UPPERCASE TEXT WITHIN THESE SYMBOLS IS ADDED <A]

[D> Text within these symbols is deleted <D]

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Star pagination is in accord with Ill. Reg. hardcopy pagination.  
To view the next page, type .np\* and ENTER.  
To view a specific page, transmit p\* and the page number. E.G. p\*1.  
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1) Heading of the Part: General Assistance

2) Code Citation: 89 Ill Adm. Code 114

3) Section Number:	Proposed Action:
114.250	Amendment

4) Statutory Authority: Implementing Article VI and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. VI and 12-13].

5) A Complete Description of the Subjects and Issues involved: This rulemaking is being proposed in accordance with an option provided under Title IV of the Farm Bill (HR 2646-The Food Stamp Reauthorization Act of 2002). Under this provision, states may exclude certain types of resources from consideration as an asset when determining eligibility. This rulemaking exempts pension plans, including accounts solely owned by an individual such as an Individual Retirement Account (IRA), 401 K and Keogh Plan, from consideration as an asset for General Assistance. Implementing this change will simplify the way these assets are considered for the General Assistance Program.

Companion amendments are also being proposed to 89 Ill. Adm. Code 112 and 89 Ill. Adm. Code 121.

6) Will this rulemaking replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create or expand a State mandate.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days after the date of this issue of the Illinois Register. All requests and comments should be submitted in writing to:

Tracie Drew, Chief  
 Bureau of Administrative Rules and Procedures [\*10520]  
 Department of Human Services  
 100 South Grand Avenue East  
 Harris Building, 3rd Floor  
 Springfield, Illinois 62762  
 (217) 785-9772

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None

13) Regulatory agenda on which this rulemaking was summarized: January 2004 [\*10521]

TITLE 89: SOCIAL SERVICES  
 CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
 SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 114 GENERAL ASSISTANCE

SUBPART A: GENERAL PROVISIONS

Section

- 114.1 Description of the Assistance Program
- 114.2 Determination of Not Employable
- 114.3 Advocacy Program for Persons Receiving State Transitional Assistance
- 114.5 Incorporation By Reference

SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

Section

- 114.9 Client Cooperation
- 114.10 Citizenship
- 114.20 Residence
- 114.30 Age
- 114.40 Relationship
- 114.50 Living Arrangement
- 114.52 Social Security Numbers
- 114.60 Work Registration Requirements (Outside City of Chicago only)
- 114.61 Individuals Exempt From Work Registration Requirements (Outside City of Chicago only)
- 114.62 Job Service Registration (Outside City of Chicago only)

- 114.63 Failure to Maintain Current Job Service Registration (Outside City of Chicago only)
- 114.64 Responsibility to Seek Employment (Outside City of Chicago only)
- 114.70 Initial Employment Expenses (Outside City of Chicago only)
- 114.80 Downstate General Assistance Work and Training Programs
- 114.85 Downstate General Assistance -- Food Stamps Employment and Training Pilot Project
- 114.90 Work and Training Programs
- 114.100 General Assistance Jobs Program (Repealed)
- 114.101 Persons Ineligible for TANF Due to Time Limits [\*10522]

#### SUBPART C: PROJECT ADVANCE

##### Section

- 114.108 Project Advance (Repealed)
- 114.109 Project Advance Participation Requirements of Adjudicated Fathers (Repealed)
- 114.110 Project Advance Cooperation Requirements of Adjudicated Fathers (Repealed)
- 114.111 Project Advance Sanctions (Repealed)
- 114.113 Project Advance Good Cause for Failure to Comply (Repealed)
- 114.115 Individuals Exempt From Project Advance (Repealed)
- 114.117 Project Advance Supportive Services (Repealed)

#### SUBPART D: EMPLOYMENT AND TRAINING REQUIREMENTS

##### Section

- 114.120 Employment and Training Requirements
- 114.121 Persons Required to Participate in Project Chance (Repealed)
- 114.122 Advocacy Program for Persons Who Have Applied for Supplemental Security Income (SSI) Under Title XVI of the Social Security Act (Repealed)
- 114.123 Persons in Need of Work Rehabilitative Services (WRS) to Become Employable (Repealed)
- 114.124 Employment and Training Participation/Cooperation Requirements (Repealed)
- 114.125 Employment and Training Program Orientation (Repealed)
- 114.126 Employment and Training Program Full Assessment Process/Development of an Employment Plan (Repealed)
- 114.127 Employment and Training Program Components (Repealed)
- 114.128 Employment and Training Sanctions (Repealed)
- 114.129 Good Cause For Failure to Cooperate With Work and Training Participation Requirements (Repealed)
- 114.130 Employment and Training Supportive Services (Repealed)
- 114.135 Conciliation and Fair Hearings (Repealed)
- 114.140 Employment Child Care (Repealed)

#### SUBPART E: FINANCIAL FACTORS OF ELIGIBILITY

##### Section

- 114.200 Unearned Income
- 114.201 Budgeting Unearned Income
- 114.202 Budgeting Unearned Income of Applicants
- 114.203 Initial Receipt of Unearned Income
- 114.204 Termination of Unearned Income [\*10523]
- 114.210 Exempt Unearned Income
- 114.220 Education Benefits (Repealed)
- 114.221 Unearned Income In-Kind
- 114.222 Earmarked Income
- 114.223 Lump-Sum Payments
- 114.224 Protected Income
- 114.225 Earned Income
- 114.226 Budgeting Earned Income
- 114.227 Budgeting Earned Income of Applicants

114.228 Initial Employment  
114.229 Termination of Employment  
114.230 Exempt Earned Income  
114.235 Recognized Employment Expenses  
114.240 Income From Work/Study/Training Program (Repealed)  
114.241 Earned Income From Self-Employment  
114.242 Earned Income From Roomer and Boarder  
114.243 Earned Income From Rental Property  
114.244 Earned Income In-Kind  
114.245 Payments from the Illinois Department of Children and Family Services  
114.246 Budgeting Earned Income for Contractual Employees  
114.247 Budgeting Earned Income for Non-contractual School Employees  
114.250 Assets  
114.251 Exempt Assets  
114.252 Asset Disregards  
114.260 Deferral of Consideration of Assets (Repealed)  
114.270 Property Transfers (Repealed)  
114.280 Supplemental Payments

#### SUBPART F: PAYMENT AMOUNTS

##### Section

114.350 Payment Levels  
114.351 Payment Levels in Group I Counties  
114.352 Payment Levels in Group II Counties  
114.353 Payment Levels in Group III Counties

#### SUBPART G: OTHER PROVISIONS

##### Section

114.400 Persons Who May Be Included In the Assistance Unit [\*10524]  
114.401 Eligibility of Strikers  
114.402 Special Needs Authorizations (Repealed)  
114.403 Institutional Status  
114.404 Budgeting  
114.405 Budgeting Schedule  
114.406 Limitation on Amount of General Assistance to Recipients from Other States (Repealed)  
114.408 Responsibility of Sponsors of Non-citizens Entering the Country On or After 8/22/96  
114.420 Redetermination of Eligibility  
114.430 Extension of Medical Assistance Due to Increased Income from Employment  
114.440 Attorney's Fees for VA Appellants  
114.442 Attorney's Fees for SSI Applicants

#### SUBPART H: CHILD CARE

##### Section

114.450 Child Care (Repealed)  
114.452 Child Care Eligibility (Repealed)  
114.454 Qualified Provider (Repealed)  
114.456 Notification of Available Services (Repealed)  
114.458 Participant Rights and Responsibilities (Repealed)  
114.462 Additional Service to Secure or Maintain Child Care Arrangements (Repealed)  
114.464 Rates of Payment for Child Care (Repealed)  
114.466 Method of Providing Child Care (Repealed)

## SUBPART I: TRANSITIONAL CHILD CARE

## Section

- 114.500 Transitional Child Care Eligibility (Repealed)
- 114.504 Duration of Eligibility for Transitional Child Care (Repealed)
- 114.506 Loss of Eligibility for Transitional Child Care (Repealed)
- 114.508 Qualified Provider (Repealed)
- 114.510 Notification of Available Services (Repealed)
- 114.512 Participant Rights and Responsibilities (Repealed)
- 114.514 Child Care Overpayments and Recoveries (Repealed)
- 114.516 Fees for Service for Transitional Child Care (Repealed)
- 114.518 Rates of Payment for Transitional Child Care (Repealed)

AUTHORITY: Implementing Article VI and authorized by Section 12-13 of the Illinois Public [\*10525]

Aid Code [305 ILCS 5/Art. VI and 12-13].

SOURCE: Filed effective December 30, 1977; preemptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; preemptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; preemptory amendment at 2 Ill. Reg. 46, p. 56, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amendment at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979; preemptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; preemptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981; preemptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; preemptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; preemptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10760, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; preemptory amendment at 6 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; preemptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; preemptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; preemptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, [\*10526] effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 7, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 9909, effective August 5, 1983; amended (by adding Section being codified with no substantive change) at 7 Ill. Reg. 14747; amended (by adding Section being codified with no substantive change) at 7 Ill. Reg. 16107; amended at 7 Ill. Reg. 16408, effective November 30, 1983; amended at 7 Ill. Reg. 16652, effective December 1, 1983; amended at 8 Ill. Reg. 243, effective December 27, 1983;

amended at 8 Ill. Reg. 5233, effective April 9, 1984; amended at 8 Ill. Reg. 6764, effective April 27, 1984; amended at 8 Ill. Reg. 11435, effective June 27, 1984; amended at 8 Ill. Reg. 13319, effective July 16, 1984; amended at 8 Ill. Reg. 16237, effective August 24, 1984; amended (by adding Sections being codified with no substantive change) at 8 Ill. Reg. 17896; amended at 9 Ill. Reg. 314, effective January 1, 1985; emergency amendment at 9 Ill. Reg. 823, effective January 3, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 9557, effective June 5, 1985; amended at 9 Ill. Reg. 10764, effective July 5, 1985; amended at 9 Ill. Reg. 15800, effective October 16, 1985; amended at 10 Ill. Reg. 1924, effective January 17, 1986; amended at 10 Ill. Reg. 3660, effective January 30, 1986; emergency amendment at 10 Ill. Reg. 4646, effective February 3, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 4896, effective March 7, 1986; amended at 10 Ill. Reg. 10681, effective June 3, 1986; amended at 10 Ill. Reg. 11041, effective June 5, 1986; amended at 10 Ill. Reg. 12662, effective July 14, 1986; amended at 10 Ill. Reg. 15118, effective September 5, 1986; amended at 10 Ill. Reg. 15640, effective September 19, 1986; amended at 10 Ill. Reg. 19079, effective October 24, 1986; amended at 11 Ill. Reg. 2307, effective January 16, 1987; amended at 11 Ill. Reg. 5297, effective March 11, 1987; amended at 11 Ill. Reg. 6238, effective March 20, 1987; emergency amendment at 11 Ill. Reg. 12449, effective July 10, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 12948, effective August 1, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 18311, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 18689, effective November 1, 1987; emergency amendment at 11 Ill. Reg. 18791, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20129, effective December 4, 1987; amended at 11 Ill. Reg. 20889, effective December 14, 1987; amended at 12 Ill. Reg. 889, effective January 1, 1988; SUBPARTS C, D and E recodified to SUBPARTS E, F and G at 12 Ill. Reg. 2147; Section 114.110 recodified to Section 114.52 at 12 Ill. Reg. 2984; amended at 12 Ill. Reg. 3505, effective January 22, 1988; amended at 12 Ill. Reg. 6170, effective March 18, 1988; amended at 12 Ill. Reg. 6719, effective March 22, 1988; amended at 12 Ill. Reg. 9108, effective May 20, 1988; amended at 12 Ill. Reg. 9699, effective May 24, 1988; amended at 12 Ill. Reg. 9940, effective May 31, 1988; amended at 12 Ill. Reg. 11474, effective June 30, 1988; amended at 12 Ill. Reg. 14255, effective August 30, 1988; emergency amendment at 12 Ill. Reg. 14364, effective September 1, 1988, for a maximum of 150 days; amendment at 12 Ill. Reg. 16729, effective September 30, 1988; amended at 12 Ill. Reg. 20171, [\*10527] effective November 28, 1988; amended at 13 Ill. Reg. 89, effective January 1, 1989; amended at 13 Ill. Reg. 1546, effective January 20, 1989; amended at 13 Ill. Reg. 3900, effective March 10, 1989; amended at 13 Ill. Reg. 8580, effective May 20, 1989; emergency amendment at 13 Ill. Reg. 16169, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 13 Ill. Reg. 16015, effective October 6, 1989; amended at 14 Ill. Reg. 746, effective January 1, 1990; amended at 14 Ill. Reg. 3640, effective February 23, 1990; amended at 14 Ill. Reg. 6360, effective April 16, 1990; amended at 14 Ill. Reg. 10929, effective June 20, 1990; amended at 14 Ill. Reg. 13215, effective August 6, 1990; amended at 14 Ill. Reg. 13777, effective August 10, 1990; amended at 14 Ill. Reg. 14162, effective August 17, 1990; amended at 14 Ill. Reg. 17111, effective September 30, 1990; amended at 15 Ill. Reg. 288, effective January 1, 1991; amended at 15 Ill. Reg. 5710, effective April 10, 1991; amended at 15 Ill. Reg. 11164, effective August 1, 1991; emergency amendment at 15 Ill. Reg. 15144, effective October 7, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 3512, effective February 20, 1992; emergency amendment at 16 Ill. Reg. 4540, effective March 10, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 11662, effective July 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 13297, effective August 15, 1992; emergency amendment at 16 Ill. Reg. 13651, effective September 1, 1992, for a maximum 150 days; emergency amendment at 16 Ill. Reg. 14769, effective September 15, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 16276, effective October 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 17772, effective November 13, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 18815, effective November 24, 1992; amended at 17 Ill. Reg. 1091, effective January 15, 1993; amended at 17 Ill. Reg. 2277, effective February 15, 1993; amended at 17 Ill. Reg. 3255, effective March 1, 1993; amended at 17 Ill. Reg. 3639, effective February 26, 1993; amended at 17 Ill. Reg. 3255, effective March 1, 1993; amended at 17 Ill. Reg. 6814, effective April 21, 1993; emergency amendment at 17 Ill. Reg. 19728, effective November 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 3436, effective February 28, 1994; amended at 18 Ill. Reg. 7390, effective April 29, 1994; amended at 18 Ill. Reg. 12839, effective August 5, 1994; emergency amendment at 19 Ill. Reg. 8434, effective June 9, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15058, effective October 17, 1995; emergency amendment at 20 Ill. Reg. 4445, effective February 28, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 9970, effective July 10, 1996; emergency amendment at 21 Ill. Reg. 682, effective January 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 7413, effective May 31, 1997; emergency amendment at 21 Ill. Reg. 8652, effective July 1, 1997, for a maximum of 150 days; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 21 Ill. Reg. 15545, effective November 26, 1997; emergency amendment at 22 Ill. Reg. 16356, effective September 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 19820, effective November 1, 1998; emergency amendment at 23 Ill. Reg. 588, effective January 1, 1999, for a

maximum of 150 days; amended at 23 Ill. Reg. 1619, effective January 20, 1999; amended at 23 Ill. Reg. 6067, effective May 4, 1999; amended at 23 Ill. Reg. 6434, effective May 15, 1999; amended at 23 Ill. Reg. 6948, effective [\*10528] May 30, 1999; emergency amendment at 23 Ill. Reg. 8661, effective July 13, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 13863, effective November 19, 1999; amended at 24 Ill. Reg. 2338, effective February 1, 2000; amended at 24 Ill. Reg. 5688, effective March 20, 2000; amended at 25 Ill. Reg. 10325, effective August 3, 2001; amended at 26 Ill. Reg. 164, effective January 1, 2002; amended at 26 Ill. Reg. 9821, effective June 24, 2002; emergency amendment at 26 Ill. Reg. 11009, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17198, effective November 15, 2002; amended at 27 Ill. Reg. 7263, effective April 7, 2003; amended at 27 Ill. Reg. 18433, effective November 20, 2003; amended at 28 Ill. Reg. 5682, effective March 22, 2004; amended at 28 Ill. Reg. \_\_\_\_, effective \_\_\_\_.

## SUBPART E: FINANCIAL FACTORS OF ELIGIBILITY

### Section 114.250 Assets

- a) The value of non-exempt assets shall be considered in determining eligibility for an assistance payment.
- b) The entire equity value of jointly held assets shall be considered in determining eligibility for an assistance payment, unless:
  - 1) The asset is a joint income tax refund; or
  - 2) The client documents that he/she does not have access to the asset. Appropriate documents may include, but are not limited to, bank documents, signature cards, trust documents, divorce papers, and papers from court proceedings[A> ; OR <A][D> . <D]
  - 3) The client can document the amount of his legal interest in the asset, and that such amount is less than the entire value of the asset, then the documented amount shall be considered. Appropriate documentation may include, but is not limited to, bank documents, trust documents, signature cards, divorce papers, or court orders; or
  - 4) The asset is held jointly with a [A> CLIENT <A][D> client(s) <D] of any Illinois Department of Human Services assistance program, other than Food Stamps; or
  - 5) The client documents that the asset or a portion of the asset is not owned by the client and the client's accessibility to the asset is changed (see subsections (b)(2) and (b)(3) [D> above <D] for documentation examples). [\*10529]
- c) Income tax refunds
  - 1) Income tax refunds shall be considered available assets and are to be considered against the appropriate nonexempt asset limitation of the assistance unit. One-half of joint tax refunds shall be considered available for each payee.
  - 2) A client who declares that less than one-half of the joint income tax was received may claim an exception. Only the amount claimed to be received shall be considered.
- d) Trust Fund for the Benefit of a Dependent Child
  - 1) When trust fund exists in the name of a child or for the benefit of a child included in the assistance unit and the amount of the trust fund by itself or combined with other nonexempt assets of the assistance unit exceeds the asset disregard, the caretaker shall be allowed [D> forty-five ( <D]45[D> ) <D] days to petition the court for release of the funds. When someone other than the caretaker is the trustee of the trust fund, the caretaker is responsible for taking action within [D> forty-five ( <D]45[D> ) <D] days of the Department's becoming aware of the existence of the trust fund to petition the court to order the trustee to release the funds. The child for whom the trust fund was established shall remain in the assistance unit for the [D> forty-five ( <D]45[D> ) <D] days.
  - 2) When the trust fund combined with other nonexempt assets of the assistance unit does not exceed the asset disregard, petitioning the court for release of the funds is not required.
  - 3) At the end of [D> forty-five ( <D]45[D> ) <D] days, if the caretaker:
    - A) does not provide verification that the court has been petitioned, the amount of the trust fund shall be considered a nonexempt asset and shall be applied to the asset disregard of the assistance unit. When the trust fund and other nonexempt assets exceed the asset disregard, the child may be deleted or if the child is the only child in the assistance unit,

the case may be changed to an adult only [A> CASE <A][D> case(s) <D]. The eligibility of all other members of the assistance unit shall not be affected unless the child with the trust fund is the only child in the assistance unit, or [\*10530]

B) provides verification that the court has been petitioned and the court denied the request for release of the funds, the amount of the trust fund shall be considered an exempt asset, or

C) provides verification the court will release the funds for the child, the released [A> AMOUNTS <A][D> amount(s) <D] shall be considered as follows:

i) When the petition and court order direct the money be used for the child's income maintenance needs or do not specify a purpose, payments shall be budgeted as nonexempt unearned income. The caretaker may request the child be removed from the assistance unit if the earmarked income meets the child's needs. The earmarked income shall be considered available to meet the needs of the child only and the other assistance unit members remain eligible.

ii) When the petition and court order direct the money be used for the child's income maintenance needs or do not specify a purpose, a one-time only release of the money shall be considered an asset subject to the asset disregard. If the payment plus other nonexempt assets exceed the asset disregard, the caretaker may choose to delete the child from the assistance unit. The other assistance unit members shall remain eligible.

iii) When the petition and court-order direct the money be used for a specific purpose other than the income maintenance needs of the child, the money shall be considered exempt and does not affect eligibility, or

D) provides verification the court was petitioned but a decision was not made, assistance shall be continued for the child and a control established for 30 days.

[A> E) PENSION PLANS ARE EXEMPT FROM CONSIDERATION AS AN ASSET, INCLUDING ACCOUNTS OWNED SOLELY BY AN INDIVIDUAL, SUCH AS AN INDIVIDUAL RETIREMENT ACCOUNT (IRA), 401 K OR KEOGH PLAN. <A]

(Source: Amended at 28 Ill. Reg. \_\_\_\_, effective \_\_\_\_)

# SEED Letter from IDHS

April 22, 2004

Dory Rand  
Supervising Attorney, Community Investment  
Sargent Shriver National center on Poverty Law  
50 East Washington, Suite 500  
Chicago, Illinois 60602

Dear Dory:

This is in response to your e-mail of 4/7/04 requesting us to review a summary on Illinois income and asset policy.

## Treatment of IDAs under Illinois Law

As stated, our current policy limits use of funds in an IDA account to starting a business, purchasing a home for first time buyers, paying for post-secondary educational expenses or purchasing an automobile. We agree that the SEED accounts would not qualify as an IDA under current policy.

## TANF and Food Stamps

The citation under assets for TANF is unclear. Policy on the asset limit for TANF is as follows:

- \$2,000 for a TANF household of 1 person.
- \$3,000 for a TANF household of 2, and
- an additional \$50 for each additional TANF unit member.

If the accounts continue to be held in the name of the Shriver Center, the accounts are an exempt asset because they are inaccessible to the client per PM 07-01-03 for TANF and PM 07-04-03 for Food Stamps.

Benchmark payments given directly to the client (excluding petty income mentioned in PM 08-01-07-q for TANF and PM 08-04-04-m for Food Stamps) is unearned income for the month received even if it was then immediately placed into the account.

If the SEED account is restructured or policy is changed to allow the account to be treated as an IDA, interest earned on the account is exempt if it remains in the account.

The question concerning how unearned income deposited into an IDA would be treated assumes that it is allowable to deposit unearned income into an IDA. However, deposits into an IDA must come from earned income. Deposits of unearned income into an "IDA" disqualifies the account, by definition, from being an IDA.

While we agree that the earned income of all dependent children is exempt for TANF, earnings of a dependent child are only exempt for Food Stamps if the child is age 17 or under and attending elementary or secondary school.

If the SEED account is set up as an UTMA, under current policy for both TANF and Food Stamps, interest or matching funds would be exempt.

Under the Asset Section of the Food Stamps heading, correct the statement to read "If SEED accounts are excluded as IDAs, families can have greater countable assets up to the maximum limit without becoming ineligible for benefits".

**Child Care**

No comments.

**SSI State Supplemental Payments**

To clarify the earnings disregard for our Aged, Blind, and Disabled (AABD) program, we suggest re-organizing the paragraph and including a sentence to read as follows:

**Income:** Federal limits apply with the following additional income disregards. In Illinois, the first \$25 per month of income is disregarded for all applicants. Aged, blind, and disabled individuals can disregard their work expenses. Aged and disabled individuals have an additional earned income disregard of \$20 and ½ of the next \$60 of earned income. Blind individuals have an additional earned income disregard of \$85 and ½ of the earned income remainder.

**Medicaid/SCHIP**

We have shared your correspondence with the Department of Public Aid, and suggest you contact them directly for input in their policies.

You also asked about the proposal to simplify asset rules for TANF. It is still in the decision makers hands. I will keep John posted as this progresses.

Thank you for allowing us to review. Please let me know if I can be of further assistance.

Sincerely,

Carla Sheppard, Chief  
Bureau of Policy Development

pdl/Response/Letter1

cc: Jacquetta Ellinger  
File

**ILLINOIS: Text of letter/email Shriver Center sent to Department of Public Aid for VERIFICATION of Medicaid and S-CHIP rules**

Dear Ms. Ellinger,

The Sargent Shriver National Center on Poverty Law is helping low-income students save for college in 529 college savings accounts as part of the national SEED Initiative. See <http://seed.cfed.org/>.

I'd appreciate it very much if you would review the attached (CLASP) summary of Illinois income and asset rules and let me know if it is accurate or what needs to be changed as to Medicaid and S-CHIP. I sent you this request previously in April. If you could get back to me by Sept. 10, I'd appreciate it. We are attending a national SEED meeting in New Orleans Sept. 19-20 and would like to share this information with other SEED program partners.

Also attached is Carla Sheppard's response (Letter) from IDHS, indicating that SEED accounts would not be counted as income or assets.

IDHS also recently proposed some good rules that would exempt retirement and other accounts that impose penalties for unqualified withdrawals from consideration as an asset for purposes of TANF, General Assistance, and Food Stamps. See <http://www.sos.state.il.us/publications>.

In addition, Michigan's Family Independence Agency and Department of Community Health recently agreed that, effective January 2005, all assets accumulated in 529 education accounts will not be considered when determining eligibility for FIP/TANF and LIF/Medicaid. (For Michigan info, contact Michigan SEED partner Eric Muschler at 734.542.3951.)

Eliminating or simplifying asset rules is one of the policy recommendations that I made in a paper about the FLLIP financial education and IDA programs in papers that the Brookings Institution and Clearinghouse Review recently published. See attached article (Rand).

I look forward to hearing from you at your earliest convenience and working with you to expand low-income families' opportunities to save and build assets.

Sincerely,

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**Subject:** Asset Limits

**From:** "Kevin Davy" <Kevin.Davy@illinois.gov>

**Date:** Tue, 06 Mar 2007 15:29:09 -0600

**To:** <doryrand@povertylaw.org>

It was good speaking to you today and I look forward to us getting together on the 20th. Attached is confirmation of the information that you requested on how a change in TANF policy can help us to implement the IDA strategy. At the bottom of the page is an article (memo) from CFED that I thought might be helpful for you in making your case.

Illinois Department of Human Services is working to establish a program that will offer Individual Development Accounts to TANF recipients during the next tax season (January-March of 2008). Under this program, TANF recipients will need to save some of their income tax returns, which average more than \$1500 annually, to participate in this vocational education project. This savings, which can be as much as \$2000 will place these families clearly in violation of Illinois State Law regarding asset limits.

In order to offer these families the opportunity to participate in this vocational education program, it would serve us best if the asset limits connected with TANF accounts be eliminated, as is the case in Pennsylvania, Virginia and Ohio. Participants in our program have the potential to accumulate at least \$4000 in savings and match. The alternative to offering this program is to watch many needy families squander this important resource, in part as a way to circumvent state law related to asset limits.

To: Heather Tyler, Pennsylvania Department of Banking  
From: Jennifer Brooks, CFED  
Re: Arguments in support of raising TANF asset limits  
Date: June 27, 2005

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Per our conversation in early June regarding the Governor's Task Force on Working Families recommendation to increase the asset limit in Pennsylvania's welfare program, the information that follows describes Pennsylvania's asset limit rules in the context of what other states are doing and provides a justification for why Pennsylvania should move to a more progressive asset limit policy.

**Overview:**

A key recommendation included in the Governor's Task Force on Working Families report Dollars and Sense to help families move beyond living "paycheck to paycheck" is to increase the limit on the amount of assets a family can have, as well as exclude certain assets altogether, for the purposes of determining eligibility for Temporary Assistance for Needy Families (TANF). Specifically, the Task Force recommends that the Commonwealth increase the TANF asset limits from \$1,000 to at least \$5,000 and that it exempt savings that are in safeguarded accounts earmarked for specific purposes that help families invest in themselves, as well as tax refunds, especially those that result from the Earned Income Tax Credit.

Under the policy that preceded TANF, Aid to Families with Dependent Children (AFDC), asset limits were necessary in a system that provided non-time-limited basic resources to needy families. The current TANF policy, by contrast, focuses on helping families become self-sufficient in a limited amount of time. Under TANF, asset limits are a barrier to self-sufficiency for low-income families. They also send conflicting messages to welfare recipients. On one hand, low-income families are encouraged to work, become self-sufficient, and build up adequate reserves for future economic shocks. On the other hand, asset limits force families to deplete their cash reserves to low levels before becoming eligible for temporary assistance (Parrish 2005).

Pennsylvania's current TANF asset limit is \$1,000 (with one car and home excluded). The Commonwealth already exempts assets in several promising savings programs that support long-term family self-sufficiency. Both the Family Savings Account program and education savings accounts (including 529s) are excluded from consideration for TANF eligibility. However, the Department of Public Welfare should ensure that all such accounts are excluded, including SEED children's savings accounts (being demonstrated by People for People with 75 Philadelphia-area children).

Five reasons to increase TANF asset limits and exempt safeguarded savings accounts:

1. Pennsylvania's TANF asset policy is more restrictive than most states.

While Pennsylvania has been a leader in eliminating other barriers to financial security—including, in 1993, being one of the first states to eliminate asset limits in Medicaid (Smith 2001)—it lags behind other states in terms of TANF asset limit policy. Most states have TANF asset limits in the \$2,000-\$3,000 range, while Ohio and Virginia have eliminated asset limits outright. The Commonwealth is one of only nine states with asset limits at or below \$1,000 (Office of Family Assistance 2005).

2. Asset limits are a holdover from AFDC policy.

Prior to welfare reform in 1996, federal eligibility for welfare included a \$1,000 asset limit. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced AFDC with the TANF block grant. Asset limits are a relic of the entitlement philosophy implicit in AFDC policy. Under AFDC, each state could draw down unlimited federal funds to pay for a portion of cash benefits to families who met federal and state eligibility requirements. By contrast, TANF is not an entitlement program. Under TANF, each state receives a fixed level of funding and has much greater flexibility over how it spends those funds. States may now determine many of the key policies that affect families receiving benefits.

TANF, unlike AFDC, emphasizes work and self-sufficiency. TANF recipients must meet certain performance standards and work activity requirements in order to receive time-limited benefits. These requirements discourage asset-rich individuals from "gaming the system," as they would likely not elect to participate in the day-to-day activities required to remain TANF-eligible (Parrish 2005).

3. Asset limits force TANF applicants to deplete resources before receiving assistance.

It is counterproductive to make people get rid of resources before they can receive the Commonwealth's assistance in moving toward true self-sufficiency, which includes rebuilding their resource pools. Many families seeking assistance through TANF are a single medical emergency, layoff, divorce, or other disruption away from financial desperation. Limiting the amount of asset holdings that TANF applicants are allowed forces families who are already financially insecure to spend down their savings before receiving assistance.

4. Asset limits create a disincentive to saving for TANF recipients.

A recent review by the Center on Budget and Policy Priorities (CBPP) concluded that the empirical evidence on the impact of asset limits suggests that they may reduce saving by lower-income families (Orszag 2001). One study that CBPP reviewed, which uses data from the National Longitudinal Survey, found that each additional \$1 increase in a state's AFDC asset limit led to 25 cents of additional savings among low-income families (Powers 1998). Other research on the effects of vehicle exemptions under TANF eligibility indicated that more generous vehicle exemptions (i.e., a higher asset limit) led to increases in total wealth for low-income single mothers (Sullivan 2004).

As noted in a recent speech by Secretary Richman, the Pennsylvania Department of Public Welfare aspires to undertake "a policy shift away

from merely reacting to the crisis of the day" (Richman 2004). Helping the needy to save for the future is a crucial step in moving away from a purely reactionary state welfare policy. Given the research suggesting that asset limits discourage saving among TANF recipients, it follows that the Commonwealth should take measures to provide saving incentives, not disincentives, to low-income Pennsylvanians by raising TANF asset limits.

5. Asset limits are administratively inefficient. Currently, TANF caseworkers in Pennsylvania must ensure they include the correct types of assets in their calculations for TANF eligibility; and further, they are required to follow-up with welfare recipients regularly to account for any changes to their financial situation. According to new research from the New America Foundation, despite the substantial cost and effort involved in administering asset limits, few TANF applicants possess significant assets (Parrish 2005). Research by the Federal Reserve found that families who comprise the bottom 20 percent of earners only hold a median of \$2,000 in financial assets and \$7,900 in total net worth, including cars and homes (Aizcorbe 2003).

The Kaiser Foundation found that states that have waived the asset limit for Medicaid eligibility indicate that the cost and time savings in administering Medicaid have far exceeded the costs of additional cases (Smith 2001). For example, since eliminating the asset limit for Medicaid, Oklahoma has spent \$1 million less on program administration (Parrish 2005). In Ohio, officials indicated that the administrative process associated with verifying assets for Medicaid eligibility was very costly in terms of the state's resources and few applicant families had countable assets in excess of the limits (Smith 2001).

Evidence from Virginia: After the 1996 welfare reform, Virginia began gradually relaxing its asset limits (Parrish 2005). In the process of liberalizing the state's limits, researchers discovered that only two percent (1,200 out of 60,000) of TANF applications were being denied due to excess resources (Golden 2005). Citing the small number of denials and the excessive administrative burden of managing asset limits, the Virginia Department of Social Services acted to eliminate asset limits for TANF eligibility in December of 2003. Preliminary data shows that TANF caseload has been only minimally impacted (see table, below). Asset limits were eliminated in Virginia in a comprehensive effort to reduce administrative costs and complexity.

TANF case loads in Virginia  
July, 2003 32,369  
December, 2003\* 35,078  
January, 2005 35,971

Source: (Golden 2005)  
\* TANF asset limits eliminated

Evidence from Ohio: In response to the 1996 welfare reform, Ohio created a TANF program with strict time limits and work effort requirements. As part of these reforms, which were focused on moving away from eligibility and income maintenance and toward helping recipients achieve true self-sufficiency, asset limits were eliminated from TANF eligibility requirements. Since Ohio's TANF reforms were enacted in 1997, the number of TANF recipients in the state has declined nearly 65 percent, from 552,000 in 1996 to 194,000 in 2004 (Parrish 2005). Asset limits were eliminated in Ohio as part of a larger strategy to help recipients achieve self-sufficiency.

While each state followed its own rationale for eliminating asset limits from TANF eligibility, the results of both are positive. Neither state has conducted a study that isolates the impacts of eliminating their asset limits; however, neither have they experienced any "horror stories" of asset-rich applicants abusing the system (Parrish 2005).

Sources:

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Curley, J. and Sherraden, M. (2000). Policy lessons from children's allowances for children's savings accounts. Child Welfare, 79, 661-687.

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Office of Family Assistance (2005). Temporary Assistance for Needy Families, Sixth Annual Report to Congress. U.S. Department of Health and Human Services, Administration for Children and Families. Available at <http://www.acf.hhs.gov/programs/ofa/annualreport6/chapter12/chap12.htm>

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Powers, E.T. (1998). Does means-testing welfare discourage savings? Evidence from a change in AFDC policy in the United States. Journal of Public Economics, 68, 33-53.

Richman, E.B. (2004). Testimony on "The Children and Youth Services Delivery System in Pennsylvania, February 2, 2004." Available at <http://www.dpw.state.pa.us/General/FormsPub/AdminPublications/SecretarySpeeches/003670582.htm>

Smith, V.K., Ellis, E., and Chang, C. (2001). Eliminating the Medicaid asset test for families: A review of state experiences. Washington, DC: Kaiser Commission on Medicaid and the Uninsured.

Sullivan, J.X. (2004). Welfare reform, saving, and vehicle ownership: Do asset limits and vehicle exemptions matter? Annual Meeting Paper for the American Economic Association (AEA). Available at [http://www.aeaweb.org/annual\\_mtg\\_papers/2005/0107\\_0800\\_1207.pdf](http://www.aeaweb.org/annual_mtg_papers/2005/0107_0800_1207.pdf).

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