

Department of Social and Health Services

Olympia, Washington

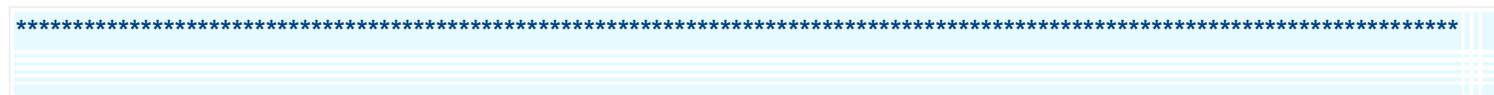
EAZ Manual

Revision # 970
Category Transfer of Property for Cash and Basic Food
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Summary

Updated section to align with plain talk requirements.

See below for edited text:



Transfer of Property for Cash and Basic Food

Revised ~~December 30, 2016~~ May 11, 2017

Purpose:

This category describes how to compute the period of disqualification when a client transfers property to qualify for cash and food assistance benefits and when the disqualification ~~can be may~~ shortened for cash assistance programs.

WAC 388-488-0005 Transfer of property to qualify for cash assistance.

- Clarifying Information and Worker Responsibilities

WAC 388-488-0010 Transfer of property to qualify for food assistance.

- [Clarifying Information and Worker Responsibilities](#)
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Clarifying Information - [WAC 388-488-0005](#)

1. Adequate consideration exists when the reasonable value of the goods or services received in exchange for the transferred property is equal to the value of the property transferred.
2. The market value of the transferred item acts as the guide to the value.
3. Acceptable reasons a client may ~~have transferred~~transfer property for less than its market value include, but ~~are~~ not limited to:
 1. ~~The client transferred the property because t~~IThey were a victim of fraud, misrepresentation or coercion. (Note: The client must attempt and continue to attempt to recover the property or its equivalent value in these situations;)
 2. ~~The client was not~~They weren't receiving cash assistance and didn't plan using assistance at the time of the transfer ~~and the client did not foresee a need for assistance;~~
 3. ~~They property was~~ transferred the property to a spouse because of a divorce or legal separation settlement approved by or ordered by a court~~;~~
 4. ~~They client~~ held the title only as a trustee for the use and benefit of another person and the client did not have beneficial interest~~;~~
 5. The transfer was to clear title to the property in which the client ~~did not~~didn't have beneficial enforceable interest~~;~~
 6. ~~They client can~~ show ~~that~~ the transfer ~~would not have~~wouldn't affected their eligibility for benefits if they ~~had~~ retained the property~~;~~
 7. The child(ren) in the assistance unit transferred their income or resources, up to \$4,000, into an irrevocable educational trust, designated for that child's future educational use~~;~~
 8. ~~Their client's~~ attorney suggested the client accept the amount to finalize the settlement~~;~~
 9. ~~They client has~~ have little or no business knowledge or experience~~;~~ ~~or~~
 10. ~~They client and their family~~ had to move to accept employment/~~or~~ training or ~~to~~ retain a cohesive family unit.

Worker Responsibilities - [WAC 388-488-0005](#)

1. Determine the number of disqualifying months ~~for to disqualify~~ the assistance unit ~~will be disqualified~~ if the client's explanation is unacceptable. To calculate the number of disqualification months:
 1. **Determine the uncompensated value** of the transferred property. The uncompensated value is equal to the value of the transferred property minus:
 1. Encumbrances (amount owed); and
 2. The amount received.
 2. **Determine the state median income** for a family of the same size as the assistance unit for the month and year they transferred the property. Adjust the state median income for those months the assistance unit size changed.
 3. Divide the uncompensated value of the transferred property by the state gross median income and round down the result to obtain the number of full months in the disqualification period. If the result is less than one month, there is no disqualification period.
2. Document the calculation of disqualification months in ACES 3C ~~how the number of disqualification months were calculated.~~

~~Click here to view~~ See the [State Median Income Chart for more information.](#)

EXAMPLE

A client and her child ~~were approved~~ received for TANF on 9-1-97. The client owned a second home when she ~~was first approved~~ received for assistance but never declared it to the department. The client paid \$30,000 for the home and owed \$20,000 on the mortgage.

On 12-20-97 the department discovers the client owned the home and proposes a 12-31-97 termination.

The client responds by 12-30-97 and provides evidence that she quit-claimed the home to her sister, free and clear, on 11-30-97. The sister will ~~be making~~ make all future mortgage payments on the home. The quick-sale value of the home on 11-30-97 was \$40,000.

Result: The client gave the home to her sister to maintain eligibility for benefits.

- Determine the Uncompensated Value

In this example; the reasonable value of the transferred home is \$40,000, minus the encumbrances, \$20,000, and minus the amount the client received, \$0. The transferred property's uncompensated value is \$20,000.

- Determine the State Gross Median Income

For a two-person assistance unit, the state gross median income was \$2,801 in 1997.

- Determine the Number of Months in the Disqualification Period

Divide the uncompensated value of the transferred home, \$20,000, by the state gross median income of \$2,801 for 12-97. This equals 7.14. Round 7.14 down to 7. The disqualification period in this example lasts 7 months.

- Determine the Beginning and Ending Month of the Disqualification Period.

This disqualification period starts 12-1-97 and ends 7 months later on 6-30-98 because this client was a recipient at the time of the transfer.

If the client ~~had~~ applied for benefits on 12-2-97 and told the department she ~~had~~ transferred the home on 11/30/97, the disqualification period would begin on 11-1-97. The assistance unit would be ineligible for 7 months, through 5-31-98.

- Determine if an Overpayment Exists

1. If a recipient transfers a non-exempt resource that would make the recipient ineligible for cash assistance, establish an overpayment for the period of time the client received assistance while owning the resource.
2. If the client received cash assistance after transferring the resource, establish an overpayment for assistance received during the disqualification period.

In the example above, the client was ineligible for benefits from 9-1-97 through 11-30-97 due to excess resources and for the month of 12-97, as 12-97 was a disqualification month.