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EXECUTIVE COMMISSIONER

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To: Eligibility Services – Regional Directors
Program Managers
Eligibility Services Supervisors
Regional Attorneys
Hearings Officers

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Policy Strategy, Analysis, and Development
State Office 2115
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Eligibility Operations
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Subject: Budgeting Earned Income using Texas Workforce Commission (TWC) Quarterly Wage Information

Bulletins are sent to supervisors and other regional managers, who must share the information with eligibility staff. Please ensure that copies are provided to staff without access to email. For questions regarding the information in this memo, follow regional procedures. Find active bulletins at the following respective handbook websites:

- Medicaid for the Elderly and People with Disabilities (MEPD):
http://www.dads.state.tx.us/handbooks/mepd_policy/index.htm
- Texas Works:
http://www.dads.state.tx.us/handbooks/texasworks_bulletins/index.htm

Budgeting Earned Income using Texas Workforce Commission (TWC) Quarterly Wage Information

Background

As a result of the 2014 Farm Bill that lowers the Quality Control (QC) error threshold, the Health and Human Services Commission (HHSC) is updating TIERS automation to more accurately budget income that is received weekly or bi-weekly and verified using the TWC quarterly wage information. Without this automation change, the potential for QC payment errors could increase.

All Texas Works Programs

Current Process

Currently, when staff uses TWC quarterly wage information as verification, TIERS divides the most recent TWC quarterly wage information by three to get a monthly amount, and then divides the monthly amount using the applicable conversion factor (weekly = 4.33; bi-weekly = 2.17; semi-monthly = 2) to obtain the individual's average gross pay per pay period. (Texas Works Handbook (TWH), A-1355.2, How to Use TWC Quarterly Wage Information to Budget Earned Income)

New Process

When using the TWC quarterly wage information as verification for weekly and bi-weekly income, staff must now indicate the number of pay periods in the selected quarter to more accurately calculate the income.

Note: Staff must continue to use the policy in TWH A-1355.2 to determine when it is permissible to use TWC quarterly wage information as a verification source for earned income.

TIERS functionality has been changed in the TWC inquiry section of the **Employment – Payments** page to better determine the projected average gross pay amount. For TWC quarterly wage information, TIERS will use the number of pay periods in the full quarter. This automation change only impacts weekly and bi-weekly payment calculations.

When using TWC income, staff must select from the drop down menu the number of pay periods in a quarter which was added in the TWC inquiry section on the **Employment-Payments** page.

Selection of weekly or bi-weekly in the “Current Pay Frequency” field and answering ‘Yes’ to the “Did the client receive 3 full months of income in this quarter?” field enables the drop down menu that includes the following selections:

- 12, 13, or 14 for weekly frequency; or
- 6 or 7 for bi-weekly frequency.

TIERS uses the following calculations to derive the Calculated Payment value on the “TWC Inquiry” section of the **Employment Payments** screen.

<p>If the answer to “Did the client receive 3 full months of income in this quarter?” is</p>	<p>YES, then TIERS will use the following calculations:</p>
	<ul style="list-style-type: none"> • Weekly – Divide Quarterly amount by the number selected in the drop down menu “Number of pay periods in the selected quarter” • Bi-Weekly – Divide Quarterly amount by the number selected in the drop down menu “Number of pay periods in the selected quarter” • Semi-Monthly – Divide Quarterly amount by 3 / Divide Monthly amount by 2 • Monthly – Divide Quarterly amount by 3 • Quarterly – Display Quarterly Amount
	<p>NO or N/A, then the field is disabled and TIERS will use the following calculations:</p>
	<ul style="list-style-type: none"> • Weekly – Divide Quarterly amount by 3/ Divide Monthly amount by 4.33 • Bi-Weekly – Divide Quarterly amount by 3/ Divide Monthly amount by 2.17 • Semi-Monthly – Divide Quarterly amount by 3 Divide Monthly amount by 2 • Monthly – Divide Quarterly amount by 3 • Quarterly – Display Quarterly Amount

When “Weekly” is selected as “Current Pay Frequency”, and the question “Did the client receive full 3 months of income in this quarter?” is answered “Yes”, then the field “Number of pay periods in the selected quarter” is enabled with only the values of 12, 13, or 14 available for selection.

Screen Shot Example

Summary Employer Employee **Payments** Expenses Loss of Employment

Change Password Logout Help

Employment - Payments ? Q STOP ?

Case Name: test,test Case #: 1000000001 Case Mode: Change Action Case Status: Denied

TAX SENSITIVE INFORMATION

Cancel Project Pay Periods Add Previous Next

Individual Information

Name: test,test 31F Individual #: 100000000 Updated Date:

Dates

Effective Begin Date: 01/01/2004 End Date: 03/24/2004

Reported On: 03/24/2004 Date Client Became Aware: 03/24/2004

[Hide TWC Inquiry](#)

TWC Inquiry

TWC Inquiry Quarter: 1st (Jan - Mar) TWC Inquiry Year: 2014

Current Pay Frequency: Weekly Gross Quarterly Income Amount: \$0.00

Did the client receive 3 full months of income in this quarter?: YES

Months of Income in this Quarter:

Number of pay periods in the selected quarter:

6
7
12
13
14

et Calculate

Calculated Payment:

Did the client have any change in wage rate during or since this quarter?:

Is the income amount representative of current and future pay?:

When “Bi-Weekly” is selected as “Current Pay Frequency”, and the question “Did the client receive full 3 months of income in this quarter?” is answered “Yes”, then the field “Number of pay periods in the selected quarter” is enabled with only the values of 6 or 7 available for selection.

Screen Shot Example

Summary Employer Employee **Payments** Expenses Loss of Employment

Case Name: test,test Case #: 100000001 Case Mode: Change Action Case Status: Denied

TAX SENSITIVE INFORMATION

Cancel Project Pay Periods Add Previous Next

Individual Information

Name : test,test 31F Individual #: 100000000 Updated Date :

Dates

Effective Begin Date: 01/01/2004 End Date:

Reported On: 03/24/2004 Date Client Became Aware: 03/24/2004

[Hide TWC Inquiry](#)

TWC Inquiry

TWC Inquiry Quarter: TWC Inquiry Year:

Current Pay Frequency: Bi-Weekly Gross Quarterly Income Amount: \$0.00

Did the client receive 3 full months of income in this quarter?: YES

Months of Income in this Quarter:

Number of pay periods in the selected quarter:

6 7 12 13 14

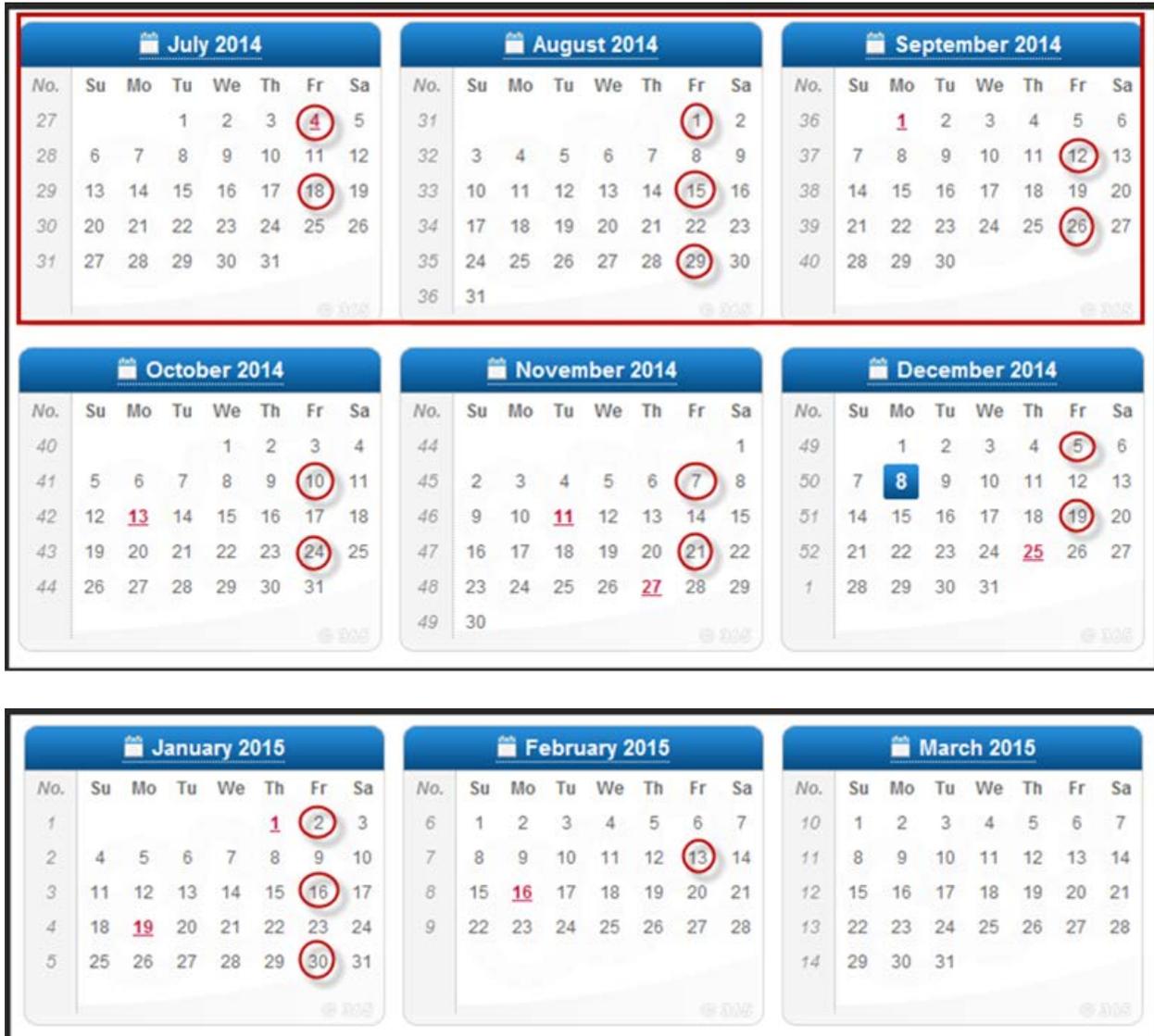
Calculate

Example

An application for benefits is filed on February 6, 2015.

The first full quarter of quarterly wage information that is available to determine eligibility is the 3rd quarter of 2014. The individual, currently employed by the same employer (ABC Healthcare), indicates that she has worked all three months of the 3rd quarter and has had no changes in her income. She states that she is paid bi-weekly on Fridays and will receive her next check on February 13, 2015.

The advisor must determine how many pay periods were in July 2014 through September 2014. To determine the number of pay periods in the 3rd quarter, the advisor must calculate from the client's pay date in February 2015 and determine all pay periods by going backwards using a calendar. In this example, the client was paid seven times in the 3rd quarter of 2014.



Handbook

Staff will be informed when the Texas Works Handbook is updated.

Automation

The automation for this update will be deployed on December 13, 2014 with Release 92.0.0.

Effective Date

The process is effective January 1, 2015.

Training

This material will be added to the existing SNAP Budget Refresher materials.