

600. STANDARDS FOR EVALUATING CAPACITY OF LEGALLY  
RESPONSIBLE RELATIVES TO SUPPORT

601. Relatives, whatever the relationship, are a possible resource. It is and shall be at all times the duty of the agency and its staff to determine the willingness of relatives, because of their close relationship and evidence of interest, to contribute to the support of the client.
602. Certain relatives are specifically identified by law as legally responsible relatives. The legally responsible relatives as defined by law and according to the programs are:
- H.L.A. (A.D.C.) - grandparent, parent, spouse, child and grandchild
  - O.A.A. - parent, spouse and child
  - A.B. - grandparent, parent, spouse and child
  - D.A. - parent, spouse and child
603. The capacity of the legally responsible relative to contribute to the support of the client must be determined.
- 603.1 For the purposes of the Budget Manual, income (as verified) of the legally responsible relative includes:
- a. Gross earnings before deductions, or the net profit from a business, farm or profession before income and other personal taxes are deducted. This includes all income of whatever kind and from whatever source (except as stated in sub-section d. below) for the twelve (12) months immediately preceding the evaluation of his capacity to support.
  - b. In those cases where there has been no appreciable change in the earnings in the past year, the average for the most recent period of four months may be accepted as satisfactory evidence of the average for the last year, but the earnings record for the entire twelve (12) month period may be considered if the individual so requests and makes the necessary information available.
  - c. "Net profit" as used in the preceding sub-section is the total revenue less the cost of producing the revenue. Business deductions which are allowable for income tax purposes may be recognized as expenses of producing this revenue.
  - d. Whenever a legally responsible relative or his spouse is the recipient of benefits which are granted for and restricted to a specific purpose in accordance with the requirements of the law or contract under which they are provided, such as education, rehabilitation, medical care, etc., such benefits shall not be included in the income of the legally responsible relative for the purpose of computing his evaluated capacity to support.



- 603.2 When a person is receiving food or lodging or both as part of his income, his total gross income shall be determined as follows:

The gross cash payment plus the monetary value of the maintenance received as used by the employer for tax purposes, (the employer's monetary evaluation for payment of social security and withholding taxes).

- 603.3 With respect to any child for whom a legally responsible relative is providing support, any net income of such child shall be counted as income of the legally responsible relative unless information is provided by the legally responsible relative to substantiate that he by actual practice is foregoing both directly and indirectly all claim to that income.
- 603.4 If a legally responsible relative has either related or unrelated roomers or roomer-boarders living in the home, the method as outlined in Section 503.4 shall be used to determine the net income to the legally responsible relative from such roomers or roomer-boarders.
- 603.5 When a legally responsible relative has an emancipated child living in the home, such child shall be considered as a roomer or roomer-boarder, and Section 503.4 shall be used to determine the net income to the legally responsible relative.
- 603.6 When a legally responsible relative has a child who is turning over all his income to a parent and when this child's income is more than the amount that appears in 1a of the Schedule of Exemptions in Section 607., this child is not to be included in the family unit size. The net income to the legally responsible relative in such situations will be the difference between the gross income of the child and the amount that appears in 1a of the Schedule of Exemptions.
604. Where a legally responsible relative with respect to OAA, BA and DA is the husband or wife and is living in the same household with the client his capacity to contribute to the support of the client is the amount by which his own income exceeds his own requirements. The requirements of this legally responsible relative shall also include the requirements for the persons in the household (other than the client) who are his legal dependents and are unemancipated and under 21 years of age. The income and requirements of this legally responsible relative will be determined by the same method as used for a client.
- 604.1 Where a legally responsible relative with respect to HLA is the husband of the recipient or the children's natural or adoptive parent, and whether he is living in the same household with the client or elsewhere, his capacity to contribute to the support of the client is the amount by which his own income exceeds his own requirements. The requirements of this legally responsible relative shall also include the requirements for the persons in his household (other than the client) who are his legal dependents and are unemancipated and under 21 years of age. The income and requirements of this legally responsible relative will be determined by the same method as is used for a client.

605. For all legally responsible relatives, other than those relatives coming under the provisions of Sections 604. and 604.1, the capacity to contribute to the support of the client out of income is determined by the Schedule of Exemptions as set forth in Section 607., and rules relating to the use of such Schedule as set forth in Sections 608. and 609.
- 605.1 It shall be recognized that a person has a primary responsibility to support those relatives for whom he is legally responsible.
- 605.2 In using the following Schedule of Exemptions, the appropriate family unit size will be determined by recognizing any or all of the following (family unit size for this purpose does not include the client or clients):
- a. legally responsible relatives, himself or herself
  - b. his or her spouse, natural or adopted children, grandchildren, parents, and grandparents when living in the home with the legally responsible relative and for whom the legally responsible relative is providing support in an amount equal to or exceeding the amount of the additional exemption, which would be allowable if the family unit size were increased by the addition of the person for whom such support is being provided. When the amount of this support is not sufficient to entitle the legally responsible relative to include such person in his family unit size, the amount of such support shall then be subtracted from the legally responsible relative's evaluated monthly capacity to support.
- 605.3 When a legally responsible relative is supporting or making contribution to the support of a person(s) within the relationship stated in Section 605.2-b. but this person is not living in the home with the legally responsible relative, the actual amount of such contribution shall be subtracted from the legally responsible relative's evaluated monthly capacity to support. These persons shall not be included in the determination of the legally responsible relative's family unit size.
606. The City Worker's Family Budget was used as the basis for the Schedule of Exemptions but adjusted with the Wharton School of Finance and Commerce, University of Pennsylvania, Study of Consumer Expenditures, Income and Saving (A tabulation of the 1950 studies of the United States Department of Labor). A budget was adjusted to the January, 1958 Consumer Price Index as developed by the New Jersey Department of Labor and Industry, Division of Labor. The City Worker's Family Budget originally was developed in response to a directive by the Labor and Federal Security Subcommittee of the House Committee on Appropriations, to "find out what it costs a worker's family to live in the large cities of the U.S.". The City Worker's Family Budget was designed to describe a "modest but adequate" standard of living. It was not intended to be a "subsistence" budget. Budget includes conventional and social as well as biological needs. The budget describes an urban worker's family of four persons - an employed father, a housewife, not gainfully employed, and two children.

## 607. Schedule of Exemptions

Family Unit Size	Annual Exemption (Gross Income)	Monthly Exemption (Gross Income)
1a	\$2400	\$200
1b	3300	275
2	4740	395
3	5400	450
4	5880	490
5	7680	640
6	8100	675

For each additional person in the family unit add \$420 to the annual amount or \$35 to the monthly amount.

- 607.1 The exemption schedule for the family unit size 1a shall be used when the legally responsible relative has no dependents other than the client, and is living in the same household as the client but is not himself the head of the household; in all other cases, when a legally responsible relative has no dependents, other than the client, the exemption schedule for a family unit size of 1b shall be used.
- 607.2 Any income available to a legally responsible relative which is in excess of the amount allowed as an exemption according to the above schedule represents the relative's capacity to support the client unless modified by Sections 608. or 609.
- 607.3 Whenever a legally responsible relative who has an evaluated capacity to support the client is a roomer, table-boarder or roomer-boarder in the home of a client and is paying an amount in excess of the cost of the services, the excess should be credited against his evaluated capacity to support.
608. When the relative whose capacity to support is being evaluated is a married person, and both the husband and wife have incomes, there shall be recognition of the principle that the husband has primary responsibility for the support of his wife and children. Based on this principle, the following rules shall apply:
- 608.1 When the husband is the legally responsible relative whose capacity to support is being evaluated, proceed as follows:
- select from the Schedule of Exemptions the appropriate amount of exemption according to the family unit size and make any adjustments as authorized by Sections 605.3 and 609.;
  - deduct from this amount the amount of the wife's separate income up to a maximum of \$600;
  - the resulting figure is the exemption applicable to the husband's income;

- d. when the amount of the wife's separate income cannot be obtained, the agency shall assume that such separate income is \$600.

608.2 When the wife is the legally responsible relative whose capacity to support is being evaluated, proceed as follows:

- a. select from the Exemption Schedule the appropriate amount according to the family unit size and make any adjustments as authorized by Sections 605.3 and 609.;
- b. if the husband's income equals or exceeds such amount, then the wife's capacity to support the client is 50% of the amount of her separate income less the full amount of extraordinary occupational expenses; such as traveling expenses incident to her employment; mandatory payroll deductions over which she has no control and employment or professional expenses necessary to maintain her present employment;
- c. if the husband's income is less than the amount referred to in Section 608.2a., add the incomes of husband and wife (less the amount of wife's occupational expenses as defined in Section 608.2b.) and if the sum exceeds the amount referred to in Section 608.2a., 50% of the excess represents the wife's capacity to support the client;
- d. when the amount of the husband's income cannot be obtained, the agency shall assume that the husband's income is adequate to support his family unit. In all such cases, the wife's capacity to support the client is 50% of the amount of her separate income less the full amount of any extraordinary expenses as defined in Section 608.2b.

608.3 When the husband and wife have incomes and both are legally responsible relatives of the same client:

- a. add the incomes of the husband and wife;
- b. select from the Schedule of Exemptions the appropriate family size and make any adjustments as authorized by Sections 605.3 and 609.;
- c. the resulting figure is the combined capacity to support of the two legally responsible relatives.

609. Extraordinary Expenses of the Legally Responsible Relatives. The following types of extraordinary expenses shall be considered, in the manner specified, as affecting the legally responsible relative's capacity to support the client.

609.1 Medical Obligation

- a. If the regular monthly cost for medical, dental, nursing,

hospital or other similar medical services necessitated by illness exceeds 5% of the basic exemption shown in the Schedule, the difference between 5% of the basic exemption (see following Schedule) and the actual monthly medical costs shall be added to his monthly basic exemption.

b. Schedule of 5% of Monthly Basic Exemption

Family Size	Monthly Basic Exemption	5% of Monthly Basic Exemption
1a	\$200	\$10.00
1b	275	13.75
2	395	19.75
3	450	22.50
4	490	24.50
5	640	32.00
6	675	33.75

609.2 Educational Expenses -- If educational expenses are being incurred for a member of the family unit for whom free educational facilities are not available, proceed as follows:

- a. when the member of the family unit is being maintained at home, the verified cost of tuition, fees, books and transportation shall, when prorated on a 12 month basis be added to the monthly basic exemption shown in the Schedule;
- b. when the member of the family unit is being maintained away from home, the verified costs of tuition, fees, books and transportation, plus any cost of maintenance in excess of \$450 per annum, shall, when prorated on a 12 month basis, be added to the monthly basic exemption shown in the Schedule.

609.3 Indebtedness Due to Catastrophic Events -- When a legally responsible relative, whether before or following the evaluation of his capacity to support, is required to incur debts due to catastrophic events, other than medical, over which he had no control (for example, fire, flood, etc.) the verified monthly amount of payments necessary to liquidate these debts shall be added to his monthly basic exemption. Whenever a legally responsible relative has been deemed incapable of providing support for a specified period in order to liquidate the indebtedness due to catastrophic events, the agency shall re-evaluate the legally responsible relative's capacity to support at the date set for full payment of the debt.

610. The legally responsible relative may fulfill his obligation to the support of the client by contributing in cash or in kind or by cash and kind. The following rules must be applied:

- a. contribution must be regular, recurrent and reliable;

- b. contribution other than cash must be substantial and identifiable;
  - c. contribution other than cash must be acceptable to the client, unless otherwise ordered by the courts.
611. Availability of the legally responsible relative's capacity to support the client.
- 611.1 Whether the client is living in the same household or separate and apart from the legally responsible relative, the amount of the relative's monthly capacity to support shall be considered available to the client and entered as income in the client's budget, unless Section 612.2 applies.
612. Effect of the legally responsible relative's capacity to support on the Eligibility of the client.
- 612.2 The client will not be eligible for assistance when the amount of the legally responsible relatives' capacity to support equals or exceeds the amount of the client's total budget deficit.
- 612.2 When any legally responsible relative not living in the same household as the client, fails or refuses to make available to the client all or any portion of his monthly capacity to support, and this has been verified, such amount shall not be entered as income in the client's budget. However, in every such case, the agency shall, within 30 days, take appropriate action in accordance with available procedure to compel contribution in the indicated amount.
613. Effect of relative's refusal to furnish necessary information.
- a. Whenever the legally responsible relative fails or refuses to furnish or produce information concerning his ability to support the client, it shall be deemed a failure or refusal to provide support for the client as required by law.
  - b. In every such case, the agency shall take appropriate action within 30 days in accordance with available procedure to secure judicial determination of the legally responsible relative's ability to support the client in the amount determined.



Case No. ....

Comp. Case No. ....

Client's Name .....

Case No. ....

Comp. Case No. ....

Client's Name .....

DATE \_\_\_\_\_



3. Name of Relative.....  
(RELATIONSHIP)  
Family Unit Size.....  
Date of Evaluation .....

Case No.....  
Comp. Case No.....  
Client's Name.....

	VERIFIED (CHECK)		AMOUNTS		VERIFIED (CHECK)		AMOUNTS
	YES	NO			YES	NO	
MONTHLY EXEMPTION SCHEDULE				MONTHLY INCOME OF LRR			
DEPENDENTS LIVING OUT OF HOME				(When income is derived			
				from more than one			
MEDICAL EXPENSES				source, identify)			
EDUCATIONAL EXPENSES							
CATASTROPHIC EVENTS				TOTAL MONTHLY INCOME			
				LESS MONTHLY EXEMPTIONS			
TOTAL MONTHLY EXEMPTIONS				MONTHLY CAPACITY TO SUPPORT			

IS THE EVALUATED MONTHLY CAPACITY TO SUPPORT AVAILABLE TO CLIENT?

YES [ ] PARTIALLY [ ] EXPLAIN:  
NO [ ] EXPLAIN: