Reference: 45 CFR 261.30-.36 & .70; ARM 37.78.103 and .807
TANF 701-3

CODING: EMPLOYMENT (EMP)
Employment with earned income (paid employment or self employment), paid internships, work study, or subsidized employment (WIA).

Employment is the most effective way for the TANF family to bring immediate and new earned income into the household. Part-time or temporary employment, paid internships, or work study earnings provide a work history, create ties to the labor market, and establish current work experience and job references. The best rule to follow is if there is a paycheck, the activity is coded EMP. Often the first step in gaining or reestablishing self-sufficiency is an entry-level opportunity. WoRC supports the participant getting an entry level job, getting a better job, and continuing that pattern to career employment and independence from TANF assistance.

Employment is the goal and preferred activity for all WoRC participants. In order to meet participation rates, all reported and verified employment counts towards the individual's monthly participation obligation.

In order to code employment, there must be earnings/wages. Employment counts as a **primary** component. All full or part-time employment hours are coded EMP provided the participant is earning at least minimum wage. It is allowable for EMP to be the sole participation activity as long as the hours meet the requirements.

At the participant's request, WoRC may assist her/him in establishing a good communication foundation with the new employer if issues arise in regards to the participant not understanding certain job requirements, or needing modifications or adaptation in order to fulfill the job needs, etc.

SELF EMPLOYMENT:
During the first month only of self-employment start-up (no income), hours associated with the self-employment are coded JBS.

After the first month of self-employment start-up, self-employment hours are allowed as a countable primary activity ***only*** by a ratio of the ***net monthly earnings*** (gross earnings minus allowable business expenses) divided by **federal** minimum wage with the result accounting for allowable participation hours.

> EXAMPLE: $625 gross monthly income minus business expenses of $110 = $515 net monthly income. Divide $515 net monthly earnings by $7.25 = 88 hours of allowable monthly participation hours. Those hours are coded EMP.
>
> This formula assists participants in realizing most successful self-employment businesses begin as 'supplemental' incomes into a household and are not relied upon as the sole source of income until the business is financially sound and producing adequate and sustaining monthly income.

TIP INCOME:
Clarification is provided as to how to account for tip income in determining allowable employment participation hours. Below are three scenarios regarding tip income where it may or may not be counted towards employment/participation hours.

Scenario 1
Cosmetologist working for Hair Business. The cosmetologist receives a paycheck from Hair Business. The check is for 60% of the money they take in over the course of the week plus it may include tip income. The check will include tip income if the customer included a tip in the check for services. The cosmetologist is able to keep all cash tips. The cosmetologist is at Hair Business for 8 hours a day but may only make $150-200 per week.

In this situation, all of the employment hours, basically 40 hours a week, even though the income is not equal to minimum wage are countable as employment.

Scenario 2
The cosmetologist is renting a chair/booth for $50 a week from Hair Business. The cosmetologist is usually at Hair Business for 8 hours per day while building a clientele.

In this situation, the cosmetologist would be considered self-employed and the calculation would include their gross income including tips **minus their expenses** divided by federal minimum wage ($7.25) to get the allowable hours.

Scenario 3
Waitress/waiter working at the local café for 30 hours per week. The employee earns a wage plus receives tip income.

In this case, the waitress only gets to count the actual 30 hours of employment and the tip income is not factored into or counted towards hours.

SUPERVISION:
The participant must provide documents that prove their hours of participation such as; income/expense records, phone logs, products completed, etc. The WoRC case manager will meet with the participant no less frequently than weekly.

▶ **IN KIND:**
Bartering/trading or 'in-kind' activity can be counted as employment only when it is reported as in kind to OPA. If this is the case, the amount reported should be divided by federal minimum wage to determine the number of hours that can be used for participation.

If a participant is trading services with an employer this is called In Kind Employment. For example: If a participant works as a maintenance worker for an apartment complex and in turn gets their rent paid this is In Kind Employment. Employment still needs to be reported to OPA and the participant must get written verification from their employer regarding the agreement they have and value of work to be done. The In Kind employment can be counted for the time period the work is completed.

EXAMPLE: John work for his neighbor in exchange for a vehicle. John begins the work on 7/15 and completes the job on 8/14. For the work John does, he receives a car from his neighbor. The neighbor writes a statement that John worked 160 hours and the value of the car is $1160. To determine the allowable hours, the value ($1160) would be divided by $7.25 for a total of 160 hours. The hours would be divided by half showing 80 hours of Employment for each month

EMPLOYMENT REPORT:
All employment is reported to the Social Service Specialist. The WoRC Case Manager:

1. instructs the participant to complete the change report and provide needed verification to OPA, and
2. notifies the Social Service Specialist by Completing the Information Exchange Form (HCS 753); and/or sending an email to OPA.

NOTE: WoRC offices are encouraged to keep a stack of Change Report forms to facilitate communication.

NOTE: OPA must notify WoRC if the participant initially reports the employment to their office.

▶ ALTERNATE CONTACT:
If a participant reports employment by phone, it is acceptable to update the EMPL screen based on the participant's verbal report of the employment change. Case managers note on the paper Employability Plan (EP) how they learned of the new employment, when reported, by whom, and have the participant initial and/or sign the reported changes at the next face-to-face case management meeting. A TEAMS case note is always entered anytime employment is reported.

WoRC must make every effort to accommodate the participant's work schedule. If the participant is employed full-time or works alternate schedules, e.g. night shifts, WoRC should offer phone, email or fax contact as a viable alternative to regular face to face case management meetings. It is not appropriate for the WoRC Case Manager to attempt to contact the participant at work in regards to participation related issues. Any request from WoRC to the participant for timesheets or other verification is conducted by mail.

▶ EMPLOYMENT VERIFICATION:

WoRC updates the EMPL screen as activities change. It is particularly important these changes are made when employment is gained mid-month so if the employment is responsible for case closure the final reconciliation month gives credit for employment hours if verification is present.

Contractors are required to track weekly hours of participation in employment activities as long as the WoRC case is open. WoRC may collect the verification documentation or share the information obtained by OPA. Sharing documentation eliminates participants having to provide duplicate information.

If participant's case is not closing due to earned income he/she must turn in employment verification every two weeks to case manager to ensure ongoing employment.

If the individual is moving to Post Employment Program, the Employer Verification form or OPA collateral employer contact case note may be used to negotiate and reconcile employment hours for the 3 months, provided it contains the signature/name of the employer, the start date of employment, anticipated hours of employment and the hourly rate of pay. If the participant quits or loses the employment, different activities must be negotiated and reconciliation cannot occur based upon the Employer Verification form or OPA collateral employer contact case note.

The WoRC Case Manager needs to request a copy of the Employer Verification form from OPA.

NOTE: If a participant reports employment to a WoRC case manager they have technically reported it to the 'Department'. WoRC MUST send any information they have received over to the Eligibility worker. If more information is needed by the Eligibility worker they will send the household a TEAMS notice requesting such information.

EXAMPLES OF VERIFICATION INFORMATION AND SOURCES:

- Employer Verification form
- Pay Stubs, which can take the place of a weekly/monthly timesheet report
- Self-employment bookkeeping records
- Employer schedule for work shifts
- Employer's wage/payroll records
- For spot jobs, a handwritten note from the person requesting the work. Name and phone number statement
- OPA employer collateral contact TEAMS case note

▶ RECONCILIATION OF EMPLOYMENT HOURS:

When a TANF case is closing, but the participant is employed, either part-time or full-time, it is often difficult to obtain timesheets, pay stubs or other documentation of employment hours from the participant.

In order to assist with the reconciliation of employment hours, we are implementing the following policy/process effective immediately:

▶ POLICY:

If a TANF case is closing (verified by notice of closure from OPA) and the participant has failed to provide pay stubs or other documentation verifying employment hours for participation purposes, the WoRC program may reconcile hours of employment as follows:

- The OPA **must** have a signed statement, employment verification form, or collateral contact with the employer (TEAMS case note) indicating the following:
  - Start date of employment
  - Anticipated hours of employment
  - Hourly wage

- The WoRC Office must obtain a copy of the signed statement, employment verification form or the TEAMS case note for the WoRC case file.

- The "prospected" hours of employment may be reconciled using the following guidelines:
  - The hours may only be reconciled from the start date of employment;
  - The reconciled hours may **not** exceed the "anticipated" hours as stated on the statement or form;

When a client verbally reports the change and requests case closure, verification should be requested but if not obtained, hours cannot be reconciled as EMP. Also the OPA should use ROR (client request) as the closure reason and not IEN (income exceeds need).

> **Reminder**: Post Employment benefits can only be issued if the income is reported and verified timely.

Example 1:
Joe reports to the OPA on 10/10/09 that he has gained employment at Rock Hand Hardware. He is given an employment verification form, which he returns to the OPA on 10/15/09. The employment verification form indicates that Joe will begin work on 10/22/09. He will be scheduled to work 35 hours per week (Mon-Fri 7 hours per day) at $8.00 per hour. His TANF case closes effective 10/31/09 due to income.

Joe contacts his WoRC Case Manager and reports the job. He renegotiates his EP to be EMP for 35 hours per week effective 10/22/09. The WoRC Case Manager reminds Joe that he will need to provide pay stubs and/or time sheets to verify the employment hours, but Joe does not provide the information.

If the WoRC Case Manager had obtained a copy of the signed employment verification form, they would reconcile EMPR for October as follows:

CMP	START	END	NEG	REC	METHOD
EMP	10/22/09	10/28/09	035	035	M
EMP	10/29/09	10/31/09	021	021	M

All other activities for October would be reconciled based on the **actual** verified hours of participation.

Reminder:
- If the employer statement was not provided until 10/22 and case was not closed until 11/30/09, employer statement could be used to reconcile November EMPR.

Example 2:
Don reports to OPA on 10/25/09 that he was hired at Big Sky Care Center on 10/22/09. He provides a signed statement from the employer which indicates that Don will begin work on 10/30/09 and is scheduled to work 40 hours per week, Friday – Tuesday 8 hours per day. Don's TANF case will close effective 11/30/09 due to income.

Don meets with his WoRC Case Manager and renegotiates his EP for the last week of October and November. The renegotiated EP is as follows:

EMP	10/30/09	10/31/09	016
EMP	11/01/09	11/30/09	160

The WoRC Case Manager reminds Don that he will need to provide pay stubs and/or time sheets to verify the employment hours, but Don does not provide the information. If the WoRC Case Manager has obtained a copy of the signed employment statement, they would reconcile EMPR for October as follows:

CMP	START	END	NEG	REC	METHOD
EMP	10/30/09	10/31/09	016	016	M

All other activities for October would be reconciled based on the actual verified hours of participation.

The WoRC Case Manager would reconcile EMPR for November as follows:

CMP	START	END	NEG	REC	METHOD
EMP	11/01/09	11/30/09	160	160	M

ACCEPT AND MAINTAIN EMPLOYMENT (MAE):

Because MAE is a mandatory activity, a TANF participant can be sanctioned for failure to accept or maintain employment, without good cause (Section 2.3). If the participant reports the loss of employment to the WoRC Case Manager he/she should notify the OPA Social Service Specialist immediately so a request for information notice can be sent. The Social Service Specialist will send an X009 notice requesting information regarding the loss of employment and good cause verification. If the participant does not respond to the notice or does respond but does not have good cause or cannot verify good cause, the sanction process is initiated.