

County of Orange Social Services Agency
Family Self-Sufficiency

Program/Area: CalWORKs

Title: Employment Activities

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PURPOSE

The purpose of this policy is to provide the Case Managers (CM) with guidelines when determining whether the type of employment is an allowable WTW activity, and how the activity is to be recorded in CalWIN.

SUMMARY

The California Work Opportunities and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) program offers a variety of activities to satisfy the work participation requirements, including Unsubsidized Employment, Work Study, Subsidized Employment, and Self-Employment.

EMPLOYMENT

Employment activities are considered core activities and include Unsubsidized Employment, Subsidized Employment, Paid Work Experience, Work Study, and Self-Employment. These are allowable WTW activities, provided they meet certain requirements.

**UNSUBSIDIZED
EMPLOYMENT**

Unsubsidized Employment is work that is compensated by the employer at least at the state minimum wage. The employer does not receive any governmental subsidy.

Work performed in exchange for in-kind items may be approved as full-time Unsubsidized Employment as long as it meets the required hours of participation through the state minimum wage-based computation.

Providing child care is considered valid Unsubsidized Employment when the participant is earning at least the state minimum wage. The minimum wage requirement only applies to license-exempt individuals who provide care in their home or in the home of the parent.

The hourly state minimum wage was \$9.00 per hour effective July 1, 2014 and increased to \$10.00 per hour effective January 1, 2016.

Note: Employment with the hourly wage lower than the state minimum wage is not an appropriate WTW activity.

SUBSIDIZED EMPLOYMENT

Subsidized Employment is a paid, four-month training activity, available through the OC Earns program. Participants gain valuable employment skills and experience that leads to meaningful, unsubsidized employment. Refer to Policy [213 – OC Earns Program \(Subsidized Employment Program – SEP\)](#) for additional information.

EXPANDED SUBSIDIZED EMPLOYMENT

Expanded Subsidized Employment is a subsidized employment activity performed in the public or private sector, with a focus on County worksites.

Programs include placement in the Employment Preparation Program (EPP) for a maximum of six months. Two additional three-month extensions might be granted if certain criteria are met. Refer to [Policy 215 – ESE Employment Preparation Program](#) for additional information.

PAID WORK EXPERIENCE

Paid Work Experience (WEX) is a twelve (12) week, post-assessment, planned, structured training activity in the public or private sector under close supervision of the activity provider. Paid WEX provides basic job skills, enhances existing job skills in a position related to the participant’s experience, or provides a needed community service that shall lead to unsubsidized employment. Refer to [Policy 274 Orange County Workforce Investment Board](#) and [Policy 276 Santa Ana Workforce Investment Board](#) for additional information.

WORK STUDY

Work Study is subsidized, paid employment, arranged through colleges, to help students learn job skills while attending school. Work Study is available to qualified students at local community colleges and universities. It is used primarily to supplement vocational education and training activities, especially for participants in educational activities such as Self-Initiated Program (SIP) and Vocational Educational and Training (VTC/VTR).

SELF-EMPLOYMENT

Self-Employment is work that does not involve an employer, produces income at least at the federal minimum wage, and may include independent work on commission.

The federal minimum wage is \$7.25 per hour, effective 7/24/09.

The CM shall perform a minimum wage-based computation to determine if the participant’s self-employment is an appropriate

WTW activity.

- If the participant meets the weekly minimum participation requirement, the CM will treat the Self-Employment activity in the same manner as Unsubsidized Employment. Refer to [Example 1](#) and [Example 2](#) under Computation of Self-Employment section below.
- If the participant does not meet the weekly minimum participation requirement and has never been to an Assessment, he/she will be sent to Assessment and be evaluated for concurrent WTW activities that are consistent with the Assessment, in addition to the Self-Employment, to meet the minimum hours of participation requirements. If the participant already attended Assessment, the CM will evaluate concurrent activities that are consistent with the Assessment, in addition to the Self-Employment, to meet the minimum hours of participation requirements. Refer to [Example 3](#) under Computation of Self-Employment section below.
- If the participant's Self-Employment does not produce income or the income produced is considered unreasonable compared to the total actual worked hours, the Self-Employment may not be an appropriate WTW activity and may not be approved. The CM must work with him/her to mutually agree on alternative WTW activities that meets the CalWORKs participation requirements. Refer to [Example 4](#) under Computation of Self-Employment section below.

For additional information on how to determine whether earnings should be considered income from self-employment or regular earned income, refer to [Guidelines for Determining Self-Employment Activities and Participation Hours](#).

COMPUTATION OF SELF-EMPLOYMENT

The CM shall perform the following computation to determine if the participant's self-employment is an allowable WTW activity:

- Based on the participant's choice, deduct either the standard 40% of gross self-employment income, or actual costs of producing self-employment income, from total gross earned income to arrive at the net gross self-employment income amount.
- Divide the net gross self-employment income amount by the federal minimum wage to determine the WTW participation hours.

Note: The self-employment deduction (whether it is the standard 40% or the actual costs of business expenses) used in the self-employment computation to determine if self-

employment is an appropriate WTW activity must be consistent with the deduction allowed in the CalWORKs grant computation determined at application, redetermination, semi-annual report or when the employment begins. Once the self-employed participant chooses a method of determining net income, the participant cannot change the methodology until redetermination or every six months, whichever occurs sooner. Refer to [Policy 100-B1 – Income Definitions](#) for additional information.

Self-employment may be approved as a WTW activity without any concurrent activities if the resulting hours are at least 20/30/35 weekly average.

Example 1:

The participant has a landscaping business and earns \$1,450 per month. The participant has chosen to claim actual verified expenses and provides receipts totaling \$200.

Step 1: $\$1,450 - \$200 = \$1,250$ net gross income per month

Step 2: $\$1,250 \div \$7.25 = 172.41$ hours per month

Step 3: $172.41 \text{ hours} \div 4.33 = 39.81$ hours per week

Note: 4.33 is the average number of weeks per month.

The participant's self-employment is an approvable WTW activity without any concurrent activities because the participant meets the required participation hours.

Example 2:

The participant is a self-employed manicurist and reports monthly income of \$1,850. The participant has chosen the 40% standard expense deduction.

Step 1: $\$1,850 \times 40\% = \740 expenses per month

Step 2: $\$1,850 - \$740 = \$1,110$ net gross income per month

Step 3: $\$1,110 \div 7.25 = 153.10$ hours per month

Step 4: $153.10 \text{ hours} \div 4.33 = 35.35$ hours per week

The participant's self-employment is an approvable WTW activity without any concurrent activities because the participant meets the required participation hours.

Example 3:

The participant is a self-employed hair dresser (rents a work station from a salon and schedules her own customers) and reported monthly income of \$1,200. The participant has

chosen the 40% standard expense deduction.

Step 1: $\$1,200 \times 40\% = \480 expenses per month

Step 2: $\$1,200 - \$480 = \$720$ net gross income per month

Step 3: $\$720 \div 7.25 = 99.31$ hours per month

Step 4 $99.31 \text{ hours} \div 4.33 = 22.94$ hours per week

The participant does not have a child under 6 years old; she is required to participate 30 hours per week. Since the earnings from self-employment do not meet the minimum required participation hours, the participant must be evaluated for concurrent activities in addition to the self-employment activity.

Example 4:

The participant has a swimming pool cleaner business and earns \$800 per month. The participant has chosen to claim actual verified expenses and provides receipts totaling \$350. The participant reported to work five to six days per week with an average of 8 hours per day.

Step 1: $\$800 - \$350 = \$450$ net gross income per month

Step 2: $\$450 \div \$7.25 = 62.06$ hours per month

Step 3: $62.06 \text{ hours} \div 4.33 = 14.33$ hours per week

The participant does not have a child under 6 years old; the participant is required to participate a average 30 hours per week. The self-employment computation shows a total of 14 self-employment hours per week that can be counted towards the required average 30 hours per week but this self-employment may not be an appropriate WTW activity as the participant reported that he spent more than 40 hours per week to earn the reported income. The participant will be referred to Assessment and be evaluated for alternative WTW activities that are consistent with Assessment.

**INCOME
FLUCTUATION**

Due to the fluctuating nature of self-employment income, the participant is allowed to remain in his/her self-employment activity when participation hours fall below the minimum requirement, for a maximum period of two consecutive months. However, he/she must be evaluated for concurrent WTW activities in addition to the self-employment activity.

If the participant's self-employment income and expenses fluctuate from month-to-month, they shall be averaged over a 12-month period, or over the period of time the business has been in operation, if less than a year. The averaged income shall be used in the computation for the purpose of determining

self-employment as an allowable activity.

Example:

The participant has had a mobile auto detailing service for 3 months and earns between \$600 and \$800 monthly. The participant claims \$80 - \$100 per month in expenses. Verification of income (\$1,950) and actual expenses (\$265) for the past 3 months was provided.

Step 1: $\$1,950 \div 3 = \650 averaged gross income per month

Step 2: $\$265 \div 3 = \88.33 averaged expenses per month

Step 3: $\$650 - \$88.33 = \$561.67$, net gross income per month

Step 4: $\$561 \div \$7.25 = 77.37$ hours per month

Step 5: $77.37 \text{ hours} \div 4.33 = 17.87$ hours per week.

Since the participant does not meet the participation requirement, the participant must be evaluated for concurrent WTW activities in addition to the self-employment activity or for alternate WTW activities that are consistent with Assessment as the self-employment is not an appropriate activity.

COMPLIANCE

Compliance with Employment and/or Self-Employment activities

Failure to accept employment, or failure to continue employment/self-employment at the same level of earnings without good cause, will result in initiation of the noncompliance process.

Note: For the purpose of implementing the hourly participation requirements effective January 1, 2013 based on the WTW 24-Month Time Clock rules, currently employed participants will not be subject to sanction for receiving reduced earnings as a result of reducing employment hours, as long as the new hourly participation requirements are met. After modifying employment hours under this **one-time** transition period and the new WTW plan is signed, participants will again be subject to a WTW sanction if a voluntary reduction in hours leads to reduced earnings.

Compliance with Subsidized Employment activities

Individuals assigned to subsidized employment who fail to attend or complete their assignments without good cause will be referred for noncompliance.

Refer to [Policy 240 – Good Cause/Compliance/Sanction](#) for additional information.

PARTICIPATION HOURS

Beginning July 1, 2014, hourly participation requirements are determined by an average per week during the month, rather than by a weekly minimum. The average weekly requirements are as follows:

- Single parents with a child under 6 years of age must participate in approved activities an average of at least 20 hours per week.
- Single parents with no children under 6 years of age must participate in approved activities an average of at least 30 hours per week.
- In a two-parent family, one or both adults must participate for an average combined total of at least 35 hours per week.

Refer to [Policy 202 – Work Participation Hours and Activities](#) for additional information.

WTW PLAN

Effective January 1, 2013, all employed WTW mandatory participants are required to sign a WTW plan following the comprehensive discussion.

Employed participants whose hours in Unsubsidized Employment meet the minimum hours of participation requirements prior to Assessment may choose to:

- Opt out of an Assessment and sign a WTW plan.
- Be sent to Assessment if he/she wishes to participate in additional WTW activities and sign a WTW plan.

Note: If the individual chooses to participate in more than the minimum hours, the WTW plan should reflect the actual participation hours. The Additional Comments field of the WTW 2 should clearly indicate that participating in additional hours is strictly voluntary. CalWIN Case Comments should also reflect the reason(s) the participant chose to participate in additional hours.

Employed participants whose hours in Unsubsidized Employment are less than the required minimum hours of participation will need to participate in an additional activity to at least meet the minimum hours of participation. The participant must:

- Be referred to Assessment, if they have not already

completed an Assessment.

- Be evaluated for concurrent WTW activities that are consistent with the Assessment.
- Sign a WTW plan that includes the Unsubsidized Employment and the concurrent activity(ies) that are consistent with the Assessment, to meet the minimum hours of participation required.
- Concurrent activities during the WTW 24-Month Time Clock period may include, but not limited to:

- Self-Employment
- Subsidized Employment (Public and/or Private)
- Work Study
- Work Experience
- Community Services
- Vocational Education
- On-the-Job-Training (OJT)
- Job Search/Job Readiness Assistance
- Mental Health Services
- Substance Abuse Services
- Domestic Abuse Services
- Job Skill Training Directly Related to Employment
- Education Directly Related to Employment
 - Satisfactory Progress in a Secondary School or in a Course Leading to a GED
 - Adult Basic Education
 - Participation Required by School to Ensure Child's Attendance
 - Other Activities Necessary to Assist in Obtaining Employment

Refer to [WT 15 WTW Activities](#).

Individuals who fail or refuse to sign a WTW plan without good cause will be subject to the Non-Compliance process and

possible financial sanctions. Refer to [Policy 240 – Good Cause/Compliance/Sanction](#) for additional information.

CALWIN ENTRIES

The CM will:

1. Communicate new employment and /or changes in employment to the Continuing Worker.
2. Complete CalWIN Employment Services entries for the WTW plan and employment activity. Refer to [Welfare-to-Work Plan/Adding Activities With/Without Plan Resource Guide](#).
3. Update Attendance and Activity Status by the 10th business day of the following month, or according to the requirements of the activity, to reflect the client’s actual hours of employment. Refer to [Worker Tool 33](#) for documentation and reporting requirements of CalWORKs WTW activities.

Note: The Activity Status only needs to be updated when there is a change in the status (i.e. Satisfactory to Unsatisfactory). If the activity ends, update the activity status and end date the activity.

4. Update case comments.
5. Complete the [F063-41-211 Employment Services Communication Document](#) with employment information and forward it to the Continuing Worker.

Upon receipt of the F063-41-211, the Continuing Worker will:

1. Add employment details into CalWIN Data Collection.
2. Update case comments.

SUPPORTIVE SERVICES

The CM will evaluate the participant’s need for any supportive services necessary to participate in his/her assigned WTW activity.

Refer to policies [301 Child Care Eligibility](#), [310 Transportation](#) and [315 Ancillary](#) for additional information.

REFERENCES

ACL 99-65 Welfare-to-Work Participation Requirements

ACL12-67 New CalWORKs Welfare-to-Work 24-Month Time

Clock

ACL 12-69 Alignment of CalWORKs Hourly Work Participation Requirements to Federal TANF Requirements

ACL 13-15 Questions and Answers for the CalWORKs Welfare-to-Work 24-Month Time Clock

EAS Manual Sections 42-701, 42-711.552, 42-711.646, 42-721.2, and 42-750

[Policy 202 – Work Participation Hours and Activities](#)

[Policy 211 – Welfare-to-Work Plan](#)

[Policy 213 – OC Earns Program \(Subsidized Employment Program – SEP\)](#)

[Policy 240 – Good Cause/Compliance/Sanction](#)

[Policy 274 – Orange County Workforce Investment Board](#)

[Policy 275 – Anaheim Workforce Investment Board](#)

[Policy 276 – Santa Ana Workforce Investment Board](#)

[Policy 301 – Child Care Eligibility](#)

[Policy 310 - Transportation](#)

[Policy 315 - Ancillary](#)

[WT 15 WTW Activities](#)

[WT 33 - CalWORKs WTW Activities, Documentation, and Reporting Requirements](#)

[Welfare-to-Work Plan/Adding Activities With/Without Plan Resource Guide](#)

ATTACHMENTS

[Employment Services Communication Document F063-41-211](#)

[Guidelines for Determining Self-Employment Activities and Participation Hours.](#)