

DOCUMENT RESUME

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[Claims of Excessive Welfare Payments in Wisconsin]. HPD-77-125; B-164031(3). August 3, 1977. 6 pp. + 6 enclosures (7 pp.).

Report to Rep. Robert W. Kasten, Jr.; by Elmer B. Staats, Comptroller General.

Issue Area: Income Security Programs: Eligibility Determination (1301).

Contact: Human Resources Div.

Budget Function: Income Security: Public Assistance and Other Income Supplements (604).

Organization Concerned: Department of Health, Education, and Welfare.

Congressional Relevance: Rep. Robert W. Kasten, Jr.

Authority: Social Security Act, as amended (42 U.S.C. 602). 45 C.F.R. 233.20(a)(2)(i). Shea v. Vialpando, 416 U.S. 251 (1974).

Federal regulations require Aid for Dependent Children (AFDC) State plans to specify in dollars the statewide standards to be used for determining the needs of applicants and recipients and the amount of the assistance payment. In comparison with other States and the District of Columbia in July 1976, Wisconsin's monthly need standard of \$466 for an AFDC family of four ranked fourth, and its payment standard and maximum payments to AFDC families of four of \$424 ranked third. Wisconsin ranked third in average payments per family and per recipient for July 1976. Findings/Conclusions: In 1973 Wisconsin established a consolidated need standard to replace its administratively complex standard which was based on family need for individual consumption items. In computing the monthly allowance, Wisconsin averaged the autumn 1971 Bureau of Labor Statistics' (BLS) lower level budget figures for the cities of Green Bay and Milwaukee. Since 1973, Wisconsin has periodically adjusted its need standard by using updated BLS lower level budget figures. Wisconsin increased its payment standard from 81% of the need standard, excluding shelter costs, to 91% of the standard, including shelter costs, in July 1976. Review of the amounts allowed for work-related expenses in the six States in the Department of Health, Education, and Welfare's Region V showed that Wisconsin ranked second. (SC)



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

RELEASED

8/15/77

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B-164031(3)

AUG 5 1977

The Honorable Robert W. Kasten, Jr.
House of Representatives

Dear Mr. Kasten:

This is in response to your November 22, 1976, letter in which you expressed concern over a series of Milwaukee Sentinel articles about Wisconsin's Aid to Families with Dependent Children (AFDC) Program.

You asked that we

- determine the justification for Wisconsin's abnormally high payment standards;
- compare Wisconsin's need standard, payment standard, and maximum payment for an AFDC family of four with those of other States and the District of Columbia;
- compare Wisconsin's average actual payment per family and per recipient with those of other States and the District of Columbia;
- determine whether welfare families are moving into Wisconsin from other States for the purpose of receiving higher welfare benefits; and
- compare Wisconsin's allowances for work-related expenses with those of other States in the region and other selected larger States.

As agreed upon by your office, we are including Wisconsin in our planned review of the impact and effectiveness of the income disregard provisions of the Social Security Act, as amended (42 U.S.C. 602).

An oral briefing was presented to you and members of your office on January 13, 1977. Members of your office received another briefing on March 8. This report details the matters discussed in the briefings and presents, in the enclosures, related statistical data.

HRD-77-125

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We made our review at the Department of Health, Education, and Welfare (HEW) in Washington, D.C., and at HEW's Chicago regional office. We reviewed program records and interviewed HEW, State, and county agency officials in Wisconsin and Illinois. As requested by your office, we did not obtain written comments on this report; however, we discussed our observations with HEW, State, and county officials.

ESTABLISHMENT OF STATE ASSISTANCE STANDARDS

Federal regulations (45 C.F.R. 233.20(a)(2)(i)) require AFDC State plans to specify in dollars the state's standards to be used for determining the needs of applicants and recipients and the amount of the assistance payment. This latitude has resulted in wide differences among the States in both the items included in the need standard and the size of assistance payments. The need standard is the monthly amount, based on family size, which States consider necessary to cover the cost of essential items such as food, clothing, shelter, and utilities. An applicant's income is compared against this standard to determine financial eligibility.

When States are unable to pay the full need standard, a payment standard limiting the amount paid to the AFDC recipient is established. The payment standard minus the family's income (less applicable disregards) gives the amount of the AFDC grant. The Social Security Act provides for income disregards which allow recipients to work and still retain part of their earnings before the AFDC grant is reduced. Because of budgetary restrictions, many States establish maximum amounts which they will pay even though their need standard exceeds the maximum payment.

JUSTIFICATION FOR WISCONSIN'S NEED AND PAYMENT STANDARDS

In 1973 Wisconsin established a consolidated need standard to replace its administratively complex standard which was based on family need for individual consumption items. The consolidated need standard was intended to help control rising welfare costs and consisted of a monthly allowance for basic items based on family size. Shelter costs were paid separately.

In computing the monthly allowance, Wisconsin averaged the autumn 1971 Bureau of Labor Statistics' lower level

budget figures for the cities of Green Bay and Milwaukee. These budget figures represent the cost of essential goods and services for a specific family of four who maintain a lower standard of living and include such items as food, housing, transportation, clothing, and personal care. Wisconsin then updated the budget figures using the Bureau's Index of Retail Prices for December 1972 and adjusted the figures to exclude medical care, gifts, life insurance, contributions, and taxes. Further adjustments made the four-person budget applicable to various family sizes.

According to a State official, other sources for determining the consolidated need standard had been considered; however, State welfare officials and the State legislature concluded that the Bureau of Labor Statistics' modified lower level budget figures were the most realistic indicator of family consumption patterns within the State. Since 1973, Wisconsin has periodically adjusted its need standard by using updated Bureau lower level budget figures.

In fiscal year 1974, the State legislature set the Wisconsin payment standard at 81 percent of the need standard, excluding shelter costs. Initially, Wisconsin's Department of Health and Social Services had proposed that the State pay 100 percent of the need standard, but due to insufficient funds, the proposal was not adopted. In July 1976, Wisconsin increased its payment standard to 91 percent of the need standard, including shelter costs.

Until August 1975, shelter allowances were paid separately. These allowances were not to exceed the maximum rates (\$130, \$110, \$85, and \$80) established for four shelter cost areas within the State. The shelter cost areas, which were determined by projecting 1970 population statistics prepared by the Bureau of State Planning, were categorized as follows: area I--counties with 70,000 people and over; area II--counties with 35,000 to 70,000 people; area III--counties with 20,000 to 35,000 people; and area IV--counties with under 20,000 people. Counties with larger populations were considered to have higher shelter costs; however, counties were reclassified to different areas if updated shelter costs within the county indicated that such a reclassification was necessary. Since the State was not divided into four uniform shelter cost areas, the counties within each area were located throughout the State.

COMPARISON OF WISCONSIN'S
STANDARDS AND ASSISTANCE
PAYMENTS WITH OTHER STATES

In comparison with other States and the District of Columbia in July 1976, Wisconsin's monthly need standard of \$466 for an AFDC family of four ranked fourth and its payment standard and maximum payments to AFDC families with four recipients of \$424 ranked third. Because of its relatively high need and payment standards, Wisconsin ranked third in average payments per family (\$323) and per recipient (\$106) for July 1976. (See encls. I and II.)

MIGRATION OF WELFARE
FAMILIES TO WISCONSIN
FOR HIGHER BENEFITS

We reviewed Milwaukee County's fiscal years 1974-76 nonresident reports for families who had lived in Wisconsin for less than 1 year. In February 1976 Milwaukee County provided AFDC assistance to approximately 38 percent of the total AFDC families in Wisconsin and accounted for about 40 percent of the total AFDC dollars spent in the State. Of the 37,835 cases opened in Milwaukee County during this period, 1,344 (3.6 percent) consisted of families who had lived in Wisconsin for less than 1 year. The largest number of recipients who migrated to the county during fiscal years 1974-76 came from Illinois. (See encls. III and IV.)

State officials were also gathering migratory data through their computer reporting network on AFDC recipients who moved to Kenosha and Wood Counties from other States.

According to a State official, data reported by the computer reporting network showed that 1,590 cases, representing 90 percent of Kenosha's AFDC caseload, had been sampled for the quarter ending March 31, 1977. Of the total cases sampled, 245 (15.4 percent) were families who had lived in Wisconsin less than 1 year. Data reported for Wood County was based on 100 percent of the county caseload and showed that, for the quarter ending March 31, 1977, 47 of the total 759 cases (6.2 percent) consisted of families who had lived in Wisconsin less than 1 year.

COMPARISON OF WISCONSIN'S
ALLOWANCES FOR WORK-RELATED
EXPENSES WITH SELECTED STATES

Under title IV-A of the Social Security Act, States are required to consider an individual's reasonable work-

related expenses in determining eligibility and amount of AFDC benefits. Each State can establish its own criteria for reasonable work-related expenses. (See enc. V.) However, as a result of an April 23, 1974, U.S. Supreme Court decision, Shea v. Vialpando (416 U.S. 251), the States are not allowed to limit the dollar amount of work-related expenses that may be deducted from an individual's gross income when determining eligibility and amount of AFDC benefits. In the Court's opinion, any limitation placed on the dollar amount of work-related expenses would act as a disincentive to an individual seeking or retaining employment.

Wisconsin considers the following to be reasonable expenses of employment: mandatory payroll deductions, lunches, transportation to and from work, tools, special uniforms, transportation to call on customers, and child care. Wisconsin pays a flat amount of 21 percent of the individual's gross income for all work-related expenses, except child care, unless the individual can provide documented evidence that the reasonable expenses of employment exceed the flat amount. Wisconsin arrived at the flat amount in 1974 by randomly sampling AFDC cases and reviewing them for work-related expenses claimed. The results of the sample showed that work-related expenses averaged 21 percent of an individual's gross income.

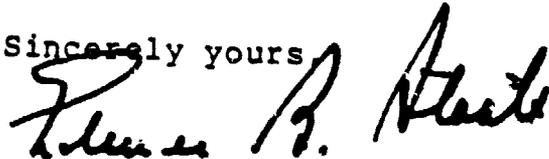
To determine how Wisconsin's work-related expenses compared with other States in HEW Region V (Illinois, Indiana, Michigan, Minnesota, and Ohio), we sampled five AFDC cases from Illinois with itemized work-related expenses. We then applied the amounts of these work-related expenses to the deductions allowed under each State's criteria. We found that dollar amounts allowed for work-related expenses varied among the States because of the different methods used for treating work-related expenses. Our analysis showed that, for the six States in HEW's Region V, total monthly work-related expenses for the five cases sampled ranged from \$250 for Ohio to about \$510 for Michigan. Wisconsin ranked second with approximately \$460 in work-related expenses. (See enc. VI.)

We trust this information satisfactorily responds to your request. As arranged with your office, unless you publicly announce its contents earlier, we plan no further

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distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas B. Stebbins". The signature is written in a cursive style with a large initial 'T' and 'S'.

Comptroller General
of the United States

Enclosures - 6

AFDC FAMILY WITH FOUR RECIPIENTS
MONTHLY AMOUNT FOR BASIC NEED STANDARD, PAYMENT STANDARD,
AND MAXIMUM AMOUNT PAID IN JULY 1976,
BY STATE AND THE DISTRICT OF COLUMBIA (note a)

<u>State</u>	<u>Need standard</u>	<u>State</u>	<u>Payment standard</u>	<u>State</u>	<u>Maximum payment</u>
1. Vermont	\$519	1. Hawaii	\$514	1. Hawaii	\$514
2. Hawaii	514	2. Oregon	433	2. Oregon	433
3. Oregon	475	3. WISCONSIN	424	3. WISCONSIN	424
4. WISCONSIN	465	4. New York	422	4. New York	422
5. Utah	433	5. Connecticut	405	5. Connecticut	405
6. Ohio	431	6. Michigan	403	6. Michigan	403
7. California	422	7. Alaska	400	7. Alaska	400
8. New York	422	8. Massachusetts	385	8. Minnesota	385
9. Connecticut	405	9. Minnesota	385	9. Washington	385
10. Michigan	403	10. Washington	385	10. Massachusetts	385
11. Alaska	400	11. California	379	11. Vermont	379
12. Idaho	395	12. Vermont	379	12. California	379
13. Massachusetts	385	13. Pennsylvania	373	13. Pennsylvania	373
14. Minnesota	385	14. North Dakota	370	14. North Dakota	370
15. Washington	385	15. Missouri	365	15. Kansas	364
16. Iowa	376	16. Kansas	364	16. Rhode Island	359
17. Pennsylvania	373	17. Rhode Island	359	17. Iowa	356
18. North Dakota	370	18. Iowa	356	18. New Jersey	356
19. Missouri	365	19. New Jersey	356	19. New Hampshire	346
20. Kansas	364	20. New Hampshire	346	20. Idaho	344
21. Indiana	363	21. Idaho	344	21. South Dakota	333
22. Rhode Island	359	22. South Dakota	333	22. Utah	333
23. New Jersey	356	23. Utah	333	23. Illinois	317
24. District of Columbia	349	24. Nebraska	330	24. District of Columbia	314
25. Maine	349	25. Indiana	327	25. Virginia	311
26. New Hampshire	346	26. Illinois	317	26. Nebraska	294
27. Virginia	346	27. District of Columbia	314	27. Delaware	287
28. Nevada	341	28. Virginia	311	28. Oklahoma	284
29. South Dakota	333	29. Delaware	287	29. Maine	278
30. West Virginia	332	30. Oklahoma	284	30. Colorado	276
31. Nebraska	330	31. Maine	278	31. Wyoming	270
32. Illinois	317	32. Mississippi	277	32. Ohio	254
33. Maryland	314	33. Colorado	276	33. Montana	252
34. Arkansas	290	34. Wyoming	270	34. Indiana	250
35. Delaware	287	35. Arkansas	255	35. West Virginia	249
36. Oklahoma	284	36. Ohio	254	36. Nevada	249
37. Arizona	282	37. Montana	252	37. Maryland	242
38. Mississippi	277	38. West Virginia	249	38. Kentucky	235
39. Colorado	276	39. Nevada	249	39. New Mexico	206
40. Wyoming	270	40. Maryland	242	40. North Carolina	200
41. Montana	252	41. New Mexico	239	41. Arizona	198
42. New Mexico	239	42. Kentucky	235	42. Florida	170
43. Kentucky	235	43. South Carolina	217	43. Missouri	170
44. Florida	230	44. Tennessee	217	44. Louisiana	158
45. Georgia	227	45. North Carolina	200	45. Georgia	148
46. Alabama	225	46. Arizona	198	46. Arkansas	140
47. South Carolina	217	47. Florida	170	47. Texas	140
48. Tennessee	217	48. Louisiana	158	48. Alabama	135
49. Louisiana	203	49. Georgia	148	49. Tennessee	132
50. North Carolina	200	50. Texas	140	50. South Carolina	117
51. Texas	187	51. Alabama	135	51. Mississippi	60

a/Four recipients may be represented by an adult and three children, two adults and two children, or three children with no allowance for the adult caretaker. In general, standards represent one adult and three children.

Source: HEW's Office of Information Systems, National Center for Social Statistics

AVERAGE PAYMENT PER AFDC FAMILY AND PER RECIPIENT
BY STATE AND THE DISTRICT OF COLUMBIA FOR JULY 1976

<u>State</u>	<u>Average payment per family</u>	<u>State</u>	<u>Average payment per recipient</u>
1. New York	\$408.71	1. New York	\$123.87
2. Hawaii	362.80	2. Hawaii	111.22
3. WISCONSIN	322.67	3. WISCONSIN	106.26
4. Pennsylvania	291.30	4. Alaska	103.91
5. Michigan	289.73	5. California	92.93
6. California	283.56	6. Oregon	91.54
7. Massachusetts	282.68	7. Massachusetts	90.50
8. Alaska	281.05	8. Minnesota	90.42
9. Connecticut	275.11	9. Michigan	89.83
10. Illinois	267.60	10. Pennsylvania	88.35
11. Vermont	267.60	11. Washington	88.14
12. Oregon	263.14	12. Connecticut	86.98
13. New Jersey	262.73	13. Utah	85.26
14. Washington	260.31	14. Idaho	82.68
15. Minnesota	259.69	15. Iowa	80.71
16. Rhode Island	a/254.12	16. Rhode Island	a/80.63
17. Iowa	250.82	17. Vermont	80.14
18. Idaho	243.56	18. North Dakota	79.92
19. Utah	243.16	19. New Jersey	79.87
20. North Dakota	234.48	20. Kansas	78.44
21. District of Columbia	231.94	21. Illinois	77.76
22. Kansas	231.02	22. District of Columbia	73.61
23. New Hampshire	221.78	23. New Hampshire	72.71
24. South Dakota	210.26	24. South Dakota	69.86
25. Delaware	207.94	25. Wyoming	69.75
26. Nebraska	203.86	26. Delaware	69.26
27. Oklahoma	203.42	27. Colorado	67.80
28. Colorado	200.06	28. Nebraska	67.14
29. Ohio	196.23	29. Virginia	65.46
30. Virginia	194.31	30. Oklahoma	64.24
31. Wyoming	193.77	31. Ohio	63.33
32. Maryland	175.02	32. Maryland	59.80
33. Maine	174.08	33. Montana	59.64
34. West Virginia	172.10	34. Maine	57.37
35. Montana	172.01	35. West Virginia	55.50
36. Kentucky	171.20	36. Indiana	55.47
37. Indiana	167.12	37. North Carolina	55.40
38. Nevada	159.73	38. Kentucky	55.01
39. North Carolina	155.48	39. Nevada	54.75
40. Arizona	142.79	40. Missouri	45.29
41. New Mexico	141.09	41. New Mexico	44.54
42. Missouri	139.72	42. Arizona	44.53
43. Florida	124.42	43. Florida	41.11
44. Louisiana	119.36	44. Arkansas	38.09
45. Arkansas	117.93	45. Louisiana	35.25
46. Texas	105.49	46. Tennessee	34.29
47. Tennessee	102.78	47. Georgia	32.36
48. Alabama	99.53	48. Texas	32.25
49. Georgia	94.26	49. Alabama	31.76
50. South Carolina	85.15	50. South Carolina	27.82
51. Mississippi	48.05	51. Mississippi	14.33

a/For July 1976, Rhode Island's average AFDC payments per family and per recipient were \$418.35 and \$132.73, respectively. This amount included a retroactive adjustment totaling about \$2.8 million, resulting from a court order. Excluding this amount, the average AFDC payment per family and per recipient would be \$254.12 and \$80.63, respectively.

Source: Public Assistance Statistics Report for July 1976 prepared by HEW's Office of Information Systems, National Center for Social Statistics.

COMPUTATION OF THE PERCENTAGE OF NEW NONRESIDENT AFDC AND
AFDC-UNEMPLOYED FAMILY CASES TO THE TOTAL AFDC AND
AFDC-UNEMPLOYED FAMILY CASE OPENINGS IN
MILWAUKEE COUNTY, WISCONSIN, DURING FY 1974-76

	<u>FY</u>			<u>Total</u>
	<u>1974</u>	<u>1975</u>	<u>1976</u>	
Total AFDC and AFDC-unemployed new family case openings	11,898	14,681	11,256	37,835
Nonresident AFDC and AFDC-unemployed openings	450	554	340	<u>a/1,344</u>
Percent	3.8	3.8	3.0	3.6

a/These openings represent 3,114 adults and children who have lived in the State less than 1 year.

ESTIMATED NUMBER OF AFDC AND AFDC-UNEMPLOYED NONRESIDENT
RECIPIENTS (ADULTS AND CHILDREN) IN MILWAUKEE COUNTY,
WISCONSIN, DURING FY 1974-76 AND 1969-76
AND PLACE OF LAST RESIDENCY (note a)

<u>Place of last residency</u>	<u>Estimated number of recipients</u> <u>in county during FY</u>	
	<u>1974-76</u>	<u>1969-76</u>
Illinois	586	1,470
Mississippi	408	1,038
Texas	153	938
Tennessee	165	502
Arkansas	202	459
California	187	437
Michigan	102	418
Missouri	133	340
Indiana	166	337
Ohio	99	221
Louisiana	113	205
New York	62	192
Florida	94	189
Minnesota	59	182
Alabama	70	165
Iowa	29	85
Kentucky	31	75
New Jersey	47	71
Pennsylvania	23	68
Nebraska	24	59
Georgia	35	57
Colorado	21	52
Washington	18	50
Arizona	15	47
Kansas	15	46
Massachusetts	11	34
North Carolina	16	35
Oklahoma	7	28
Oregon	2	24
Connecticut	8	22
Nevada	12	18
West Virginia	5	18
Maryland	5	16
Montana	2	15
Virginia	3	14
North Dakota	2	14
New Mexico	6	14
Washington, D.C.	1	12
Idaho	-	9
Delaware	2	9
South Carolina	4	7
South Dakota	4	6
Wyoming	1	6
New Hampshire	1	3
Maine	3	3
Utah	1	3
Hawaii	4	2
Rhode Island	2	2
Vermont	-	1
Alaska	-	1
U.S. territories and foreign countries	<u>164</u>	<u>312</u>
Total	<u>3,123</u>	<u>8,331</u>
Undistributed differences	<u>b/(y)</u>	-
Total	<u>3,114</u>	<u>8,331</u>

a/Wisconsin considers a nonresident to be a person who has lived in the State less than 1 year.

b/Adjustment for prior years.

COMPARISON OF WISCONSIN'S ALLOWANCES FOR WORK-RELATED EXPENSES WITH THE OTHER STATES IN NEW REGION V AND OTHER SELECTED LARGER STATES

State	Flat (F) and/or actual amount/Percent	Mandatory payroll deductions	Lunches	Transportation to and from work	Tools	Mate-rials	Spe-cial uni-forms	Transportation to call on customers	Cost of care expended by worker	Child care provided or purchased by agency	Other
NEW Region V:											
WISCONSIN	2 1/2% of gross income (F)	F	F	F	F	-	F	F	A	-	-
Illinois	(A)	A	A	A	A	A	A	-	-	-	a/A
Indiana	(A)	A	A	A	A	A	A	-	-	-	b/A
Michigan	\$40 (F)	A	F	F	-	-	-	-	-	A	c/F
Minnesota	(A)	A	A	A	A	-	A	A	A	A	d/A
Ohio	\$50 (F)	F	-	F	-	F	-	F	A	A	e/F
Other selected larger States:											
Hawaii	(A)	A	-	A	A	A	A	A	-	A	-
Idaho	(A)	A	A	A	A	A	A	A	A	-	f/A
Iowa	\$30 (F)	F	F	F	F	F	F	A	A	-	g/F
Kansas	\$30 (F)	F	F	F	F	F	F	F	A	-	h/F
Kentucky	(A)	A	-	A	A	A	A	A	A	-	i/A
Maine	(A)	A	-	A	A	A	A	A	A	-	j/A
Missouri	(F) - Variable by income amts.	F	F	F	A	A	F	A	A	-	k/A
Nebraska	\$25 (F)	F	F	F	F	-	F	-	-	A	-
Nevada	\$25 (F)	A	A	F	F	F	F	F	A	-	l/A
New Hampshire	\$18 (F)	F	-	F	-	-	F	-	A	-	m/F
New Jersey	\$50 (F)	A	-	F	F	-	F	-	A	-	n/A
New York	(A)	A	A	A	A	A	A	A	A	-	o/A
Oregon	(A)	A	-	A	A	A	A	A	A	-	p/A
Pennsylvania	(A)	A	-	A	-	-	-	-	A	-	q/A
Utah	\$30 (F)	A	F	F	F	F	F	F	-	A	r/A
Vermont	(A)	A	A	A	A	A	A	A	A	-	s/A
Virginia	(A)	A	A	A	A	A	A	A	A	-	t/A
Washington	\$5.70 (F)	A	-	A	A	A	F	A	-	A	u/F/A

F - These expenses are included in the flat amount.

A - Actual expenses allowed.

- a/Union dues, group life insurance premiums, group health insurance premiums, and retirement plan withholdings-- included only if payment is mandatory as a condition of employment.
- b/Mandatory dues, mandatory health insurance premiums, and mandatory licenses.
- c/Incidentals.
- d/Health insurance premiums, professional association dues, and public liability or other required insurance not reimbursed by employer.
- e/Union dues.
- f/Compulsory health insurance, union dues, and retirement deductions when required by employer.
- g/Union dues, transportation to and from child care facility, bridge tolls, and parking fees.
- h/Transportation to child care facility.
- i/Mandatory health and/or life insurance required by employer.
- j/Alimony, child support, voluntary support of dependents, and garnishment of wages.
- k/Licenses, union dues, and fees paid to obtain employment.
- l/Any additional item which the State may allow on an individual basis.
- m/Union dues, required group insurance, disability or pension plans, and other expenses.
- n/Union dues, group insurance, other special clothing, and mandatory fees for licenses or permits.
- o/Fees to private employment agencies, union dues, protective clothing, and telephone.
- p/Health insurance premiums, union dues, voluntary retirement plan contributions, education and licenses required by employer; necessary special devices or appliances not covered by Medicaid, expenses for clothing; and grooming and incidental expenses.
- q/Union dues and other expenses required by employer.
- r/Clothing, other than special uniforms or clothing (included in flat amount), and actual expenses necessary for continued employment.

WORK-RELATED EXPENSES FOR SELECTED ILLINOIS
AFDC RECIPIENTS AND APPLICATION OF THESE EXPENSES TO THE
OTHER STATES IN NEW REGION V

Sample no. and client's monthly gross earned income	Illinois Work-related expenses allowed by Illinois	Amount of deduction	Deductions allowed by				
			Indiana	Michigan	Minnesota	Ohio	Wisconsin
1 \$254.86	Federal and State taxes	a/\$ 29.25	Same as Illinois	\$ 81.32	Same as Illinois	\$ 50.00	\$ 53.52
	Social Security	a/15.07		(\$40.00 flat amount and \$44.32 mandatory expenses)	(flat amount)	(21% of gross earned income)	
	Transportation Lunch (provided by employer)	26.00					
	Other mandatory	-					
	Total	\$ 70.32		\$ 81.32		\$ 50.00	\$ 53.52
	Percent	28	Same as Illinois	33	Same as Illinois	20	21
2 \$324.00	Federal and State taxes	a/\$ 27.72	a/\$ 27.72	\$ 86.68	a/\$ 27.72	\$ 50.00	\$ 68.04
	Social Security	a/18.96	a/18.96	(\$40.00 flat amount and \$46.68 mandatory expenses)	(flat amount)	(21% of gross earned income)	
	Transportation Lunch	16.60	16.60		16.60		
	Other mandatory	9.00	12.90		20.00		
	Total	\$ 72.28	\$ 76.18	\$ 86.68	\$ 83.28	\$ 50.00	\$ 68.04
	Percent	22	24	27	26	15	21
3 \$296.48	Federal and State taxes	a/\$ 20.19	Same as Illinois	\$ 77.52	Same as Illinois	\$ 50.00	\$ 62.26
	Social Security	a/17.33		(\$40.00 flat amount and \$37.52 mandatory expenses)	(flat amount)	(21% of gross earned income)	
	Transportation Lunch (carried from home)	15.00					
	Other mandatory	-					
	Total	\$ 52.52		\$ 77.52		\$ 50.00	\$ 62.26
	Percent	18	Same as Illinois	26	Same as Illinois	17	21
4 \$606.67	Federal and State taxes	a/\$ 66.08	a/\$ 66.08	\$141.61	a/\$ 66.08	\$ 50.00	\$127.40
	Social Security	a/35.53	a/35.53	(\$40.00 flat amount and \$101.61 mandatory expenses)	(flat amount)	(21% of gross earned income)	
	Transportation Lunch	32.50	32.50		32.50		
	Other mandatory	9.00	12.90		21.50		
	Total	\$143.11	\$147.01	\$141.61	\$155.61	\$ 50.00	\$127.40
	Percent	24	24	23	26	8	21
5 \$708.06	Federal and State taxes	a/\$ 36.00	Same as Illinois	\$120.82	Same as Illinois	\$ 50.00	\$148.69
	Social Security	a/38.24		(\$40.00 flat amount and \$80.82 mandatory expenses)	(flat amount)	(21% of gross earned income)	
	Transportation Lunch (beverage allowance)	5.20					
	Other - union dues	4.80					
	Total	\$ 90.82		\$120.82		\$ 50.00	\$148.69
	Percent	13	Same as Illinois	17	Same as Illinois	7	21
\$2,190.07	Total for all five cases	\$492.05	\$436.85	\$510.95	\$452.55	\$250.00	\$459.91
	Percent	22	20	23	21	11	21

a/Mandatory expense.