
Temporary Assistance for Needy Families Information Memorandum

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20201

No. TANF-ACF-IM-2021-01

Date: July 29, 2021

TO: State agencies administering the Temporary Assistance for Needy Families (TANF) Program and other interested parties.

SUBJECT: Work Participation Rates for FY 2020

REFERENCES: Sections 407 & 409 of the Social Security Act; 45 C.F.R. Parts 261 & 262

BACKGROUND:

The U.S. Department of Health and Human Services (HHS) issues TANF state work participation rates, which measure how well states engage families receiving assistance in certain work activities during a fiscal year. For work participation rate purposes, states include the 50 states, the District of Columbia, and the US territories of Guam, Puerto Rico and the Virgin Islands. A state must meet an overall (or “all families”) and a two-parent work participation requirement or face a potential financial penalty. The statutory requirements for fiscal year (FY) 2020 are 50 percent for all families and 90 percent for two-parent families, but a state’s individual targets equal the statutory rates minus a credit for reducing its caseload.

A state’s caseload reduction credit for a fiscal year equals the percentage point decline in its average monthly caseload between the previous year and a base year, FY 2005. (For a caseload reduction credit toward the two-parent work participation rate, the state has the option of using its overall caseload reduction credit or a separate one calculated using the decline in its two-parent caseload.) In calculating the caseload reduction, HHS must exclude any caseload reduction resulting from changes in state or federal eligibility requirements since 2005. In addition, a state that is investing state maintenance-of-effort (MOE) funds in excess of the required 80 percent or 75 percent basic MOE amount need only include the pro rata share of caseloads receiving assistance that is required to meet basic MOE requirements. In other words, it may exclude from its comparison-year caseload the share of cases funded with “excess MOE.”

CONTENT:

This memorandum transmits the FY 2020 state work participation rates. All states were required to report work participation information for the months of October 2019 through September 2020. Six states failed their required two-parent work participation rate. The FY 2020 national average overall work participation rate was 39.6, and the FY 2020 national average two-parent work participation rate was 46.9 percent. In FY 2020, 31 states and territories had a zero percent overall work participation target to meet. Additionally, 26 states and territories were not subject to the two-parent work participation requirement due to the manner in which they structured their programs.

The attached tables provide detailed state-by-state information regarding work participation rates and standards, caseload reduction credits, the number of work-eligible individuals, and activities in which individuals participated.

We have notified states individually of their work participation rates for FY 2020. A state that fails its minimum work participation requirement (by failing either work participation rate), is subject by statute to a potential penalty; however, a state has an opportunity to dispute a penalty, seek a discretionary reduction due to needy state status or extraordinary circumstances, file a request for a reasonable cause exception from that penalty, and/or submit a corrective compliance plan to correct the failure before any penalty is imposed.

ATTACHMENTS: TANF Work Participation Rate Tables for FY 2020

INQUIRIES: Please direct inquiries to the TANF Program Manager in your region.

/s/

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