

**Overview of TANF Policy:** In 2020, New Jersey provided TANF cash support to 16% of families with children living below the poverty level, below the national average (21%).<sup>1</sup> The state provides a maximum monthly benefit of \$559 for a family of three (26% of the 2024 Federal Poverty Level, or FPL). According to a report from the Department of Health and Human Services, as of 2021 **the state held no TANF funds in reserve; the state received \$402,701,508 in federal block grants the following year, 2022.**<sup>2</sup>

A family of three must have gross income no higher than \$5,379/month (250% FPL) to be eligible for TANF cash assistance in New Jersey. After deductions and income disregards, net income must be no higher than \$839/month (39% FPL). Additionally, family assets other than vehicles and other certain property items must be less than \$2,000.

New Jersey **maintains the federal 60-month lifetime limit** on TANF cash assistance and requires parents to work after 24 months of assistance. The state has **lifted the eligibility ban for those convicted of drug-related felonies**. Additionally, **pregnant people who have no other children are eligible to receive cash assistance** if they meet other requirements – though from state General Assistance funds rather than federal TANF support.

Like most states, New Jersey **provides cash assistance to families led by parents holding green cards with at least five years' residence in the U.S.** The state **provides transitional assistance** to those parents who have received TANF for at least six months and are working at least 20 hours/week, granting as much as \$200/month for up to 24 additional months. In place of monthly TANF cash assistance for families who are not in immediate need, New Jersey provides a three-person family a lump-sum benefit of \$750 as a **one-time diversionary payment** while parents seek employment.

**Assessment of TANF Policy:** By **increasing maximum benefits**, New Jersey could greatly benefit parents and children during periods of acute need. **Mandating recurring benefit increases tied to inflation or cost-of-living assessments** would also ensure adequate support for families in the future.

**Increasing or eliminating the asset test** would also allow families to retain more savings, enabling households to build economic mobility and be more resilient against hardships. **Eliminating the requirement for parents to search for a job** before their application can be approved would provide much-needed assistance to families in periods of critical need. New Jersey could also consider **using state funds to provide cash assistance to low-income parents holding green cards who have resided in the country less than five years.**

Further, New Jersey could consider **eliminating TANF's full-family sanctions** by reducing rather than terminating benefits for parents not fulfilling the program's work requirements, as more states are doing.<sup>3</sup>

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<sup>1</sup> For more on TANF-to-poverty ratios, see <https://www.cbpp.org/research/income-security/state-fact-sheets-trends-in-state-tanf-to-poverty-ratios>.

<sup>2</sup> Block grants and spending priorities for 2022 for all states are accessible here: <https://www.acf.hhs.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2022>.

<sup>3</sup> For research detailing effects of some state-level TANF policies and administrative practices on children and families, see <https://www.nccp.org/ec-profiles-pes-policies-related-research-and-resources/#parenting>.

New Jersey’s Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
HOW MUCH CASH ASSISTANCE CAN A FAMILY OF THREE RECEIVE?		
Flexibility	Current policy	Potential improvement
<p><b>Maximum benefit allowed</b></p> <p>What is the maximum monthly amount a family of three could receive in cash assistance?</p>	<p>\$839/month (39% FPL in 2024).</p>	<p><b>Increase the maximum benefit level.</b></p> <p><b>Example: California’s maximum payment to a family of three is \$1,171/month, or 51% FPL.</b></p>
<p><b>Recurring benefit increases</b></p> <p>Has the state mandated increases to these amounts, as the cost of living rises?</p>	<p>No. New Jersey has not updated its Standard of Need since 2012.</p>	<p><b>Make recurring increases to the state’s Standard of Need, tied to a cost-of-living or poverty measurement.</b></p> <p><b>Example: Ohio requires scheduled cost-of-living updates to TANF benefit amounts each year on January 1st.</b></p>
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p><b>Maximum income</b></p> <p>How much can a family of three earn and still be considered eligible to receive cash assistance?</p>	<p>There is a gross income test in New Jersey of 250% FPL. A family of three cannot earn more than \$5,379/month to be eligible.</p>	<p><b>Remove the gross income test to simplify administrative costs and burdens, as several states have done.</b></p> <p><b>Example: Maine’s eligibility process requires only that a family’s net income fall below its Standard of Need.</b></p>
<p><b>Asset limit</b></p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>\$2,000.</p>	<p><b>Consider removing or raising the asset limit. At least eight states have removed it entirely (e.g., Illinois, Colorado).</b></p>

<p><b>Eligibility during pregnancy for parents without children</b></p> <p>Are pregnant people with no children in the household eligible for cash assistance?</p>	<p>Yes, although through New Jersey’s General Assistance instead of federal or MOE TANF funds.</p>	<p><b>Ensure that pregnant parents without other children are eligible from the first month of pregnancy if they are not (e.g., Maryland, Colorado).</b></p>
<p><b>Provision of cash assistance to out-of-work parents before they search for a job</b></p> <p>Does New Jersey provide eligibility to parents without a search for employment?</p>	<p>No. Parents must search for a job from 15 or 30 days or their application will be denied.</p>	<p><b>Consider eliminating the requirement to search for a job, which can prevent families from receiving assistance at times of critical need.</b></p> <p><b>Examples: Pennsylvania and Connecticut have eliminated the requirement for a job search.</b></p>
<p><b>ADDITIONAL RULES AND RESTRICTIONS</b></p>		
<p><b>Flexibility</b></p>	<p><b>Current policy</b></p>	<p><b>Potential improvement</b></p>
<p><b>Time limit</b></p> <p>Does New Jersey allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>The lifetime limit is 60 months, although parents are required to work after 24 months of receiving benefits.</p>	<p>N/A</p>
<p><b>Provision of federal TANF cash assistance to immigrant families who are lawful permanent residents (LPRs) *after* five years' residence in US</b></p> <p>Can parents who hold green cards access cash assistance in New Mexico once they have been in the country for at least five years?</p>	<p>Yes.</p>	<p>N/A</p>

<p><b>Use of state funds to provide cash assistance to immigrant families who are lawful permanent residents (LPRs) with less than five years' residence in US</b></p> <p>Can parents who hold green cards access cash assistance in New Mexico before they have been in the country for at least five years?</p>	<p>No.</p>	<p><b>Provide families led by parents who are lawful permanent residents (LPRs) with less than five years' residence in US with cash assistance using state funding.</b></p> <p><b>Examples: Connecticut and New York use state funding to provide such families with cash assistance.</b></p>
<p><b>Transitional cash benefits for families when they stop receiving TANF</b></p> <p>Will parents who have just begun to earn enough to be ineligible for TANF cash assistance receive some additional support for a limited period?</p>	<p>Yes. Post-TANF Support Services may provide \$200/month for up to 24 months for NJ parents working at least 20 hours/week who have been receiving cash assistance for at least six months.</p>	<p>N/A</p>
<p><b>Providing one-time cash payments to families in need</b></p> <p>Does the state provide a formal diversion program to support families with specific short-term needs?</p>	<p>Yes. New Jersey provides a three-person family a lump-sum benefit of \$750 as a diversionary payment while parents seek employment. (Parents can apply for this payment more than once.)</p>	<p>N/A</p>
<p><b>Lifting full-family sanctions</b></p> <p>Are other family members able to continue receiving</p>	<p>At the end of two months of an adult's noncompliance with work</p>	<p><b>Lower the benefit amount in place of full-family sanctions if parents do</b></p>

cash benefits if an adult does not meet work requirements?	requirements, the household case can be closed.	<b>not meet work requirements (e.g., Illinois).</b>
<b>Lifting drug felony bans</b>  Are persons convicted of drug-related felonies eligible for cash assistance?	Yes.	N/A
<b>Lifting the family cap for a new birth</b>  Can families receive additional cash assistance if they have another child while receiving assistance?	Yes.	N/A