

Rosemary Malone

DEPARTMENT OF HUMAN RESOURCES INCOME MAINTENANCE ADMINISTRATION W. Saratoga Street Baltimore, Maryland 21201	IMA ACTION TRANSMITTAL
ISSUANCE DATE: September 25, 1995	EFFECTIVE DATE: Upon Receipt
	CONTROL NUMBER: IMA OPA #96-07

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR INCOME MAINTENANCE
INCOME MAINTENANCE SUPERVISORS ELIGIBILITY STAFF**

**FROM: KATHERINE L. COOK, ACTING EXECUTIVE DIRECTOR
INCOME MAINTENANCE ADMINISTRATION**

**RE: SUPPLEMENTAL SECURITY INCOME (SSI) AND SOCIAL SECURITY
DISABILITY INSURANCE (SSDI) PAYMENTS BASED ON DRUG
ADDICTION AND/OR ALCOHOLISM (DAA)**

PROGRAMS AFFECTED: FOOD STAMPS

ORIGINATING OFFICE: OPA/POLICY AND REGULATIONS UNIT

BACKGROUND

Applicants for SSI and SSDI disability payments must usually wait several months before they are approved to receive payment. The first payment was a lump-sum amount that included retroactive payments back to the month of application. The lump-sum amount for the retroactive payment was counted as a nonrecurring lump-sum payment and excluded as income for food stamps because it was always given in one payment.

NEW POLICY

As a result of Public Law 103-296, retroactive benefits to DAA clients will be paid in two or more monthly installments, depending on the retroactive amount. If the Social Security Administration determines there is a high risk of homelessness for the DAA individual due to outstanding housing debts incurred while awaiting an eligibility decision, the first installment may be increased by the amount needed to cover the debts.

All DAA individuals are now required to receive payment through a representative payee. Qualified organizations may collect a monthly fee equal to 10 percent of the monthly benefit or \$50 per month, whichever is less. This fee is higher than the amount authorized to be collected from non-DAA cases.

The monthly fee withheld by the organizational representative payee is legally obligated to the payee rather than to the household; therefore, the fee withheld is not counted as income to the household for food stamp purposes.

NOTE: The Social Security Administration will have the responsibility of determining whether a Representative Payee is an Authorized/Qualified Organization. This determination will be made when the client initially applies for SSI or SSDI under DAA.

The representative payee and the DAA client will receive notice from SSA advising the DAA individual whether one or more installments will be issued, the amount of each installment, and when the first and last installments will be issued.

SSI or SSDI retroactive installments which are made for two or more months are to be counted as income in the month(s) received. They are recurring payments, and cannot be treated as non-recurring lump-sum payments.

The policy remains unchanged for retroactive or restored payments made in one lump-sum payment. These payments are still excluded as income and are treated as nonrecurring lump-sum payments.

This statute also mandates that DAA individuals receive treatment for their drug and alcohol addictions. DAA individuals who fail to attend scheduled treatment or fail to make progress in their treatment will have their benefits suspended by SSA. A household member who is suspended from SSI for noncompliance with DAA treatments will not receive any retroactive SSI benefits for the period of suspension, and will no longer be considered categorically eligible to participate in the Food Stamp Program.

To regain food stamp certification, the household will have to be determined eligible under the normal requirements. Their food stamp eligibility determination will be calculated without including an SSI benefit as income for the suspended individual until the suspension period ends and benefits are resumed. The household cannot be considered categorically eligible again until the suspension ends and SSI benefits resume.

ACTION REQUIRED:

- Review the client's SSA Eligibility Notice to verify the type of benefit (SSI or SSDI) received, the amounts to be issued, and the expected dates of issuance.
- Calculate the client's unearned income by adding the retro benefit and the current regular monthly benefit.
- Deduct the representative payee's monthly fee from the clients SSI/SSDI benefit before calculating the household's food stamp benefit.

- Complete a 745 or worker generated alert for the expected date of the last retro installment so that the household's food stamp case can be recalculated using only the regular SSI/SSDI monthly income as unearned income.
- Send clients with overscale income and not categorically eligible (SSDI) a notice of ineligibility. The client notice should inform them when they will be eligible to reapply.

EXAMPLE:

A. The SSI Recipient

On July 9, 1995 Mr. Jones reported receipt of SSI. He provided his notice of eligibility dated July 1, 1995, which states he is entitled to a retroactive payment in the amount of \$1,000. His retro payment will be paid in the amount of \$500 on August 1, 1995 and \$500 on September 1, 1995. His regular SSI monthly payment will be \$458 beginning August.

August and September
\$458 SSI
+ 500 Retro Payment
958
- 50 Representative Payee Fee
\$908 Countable unearned income for August & September.
Even though Mr. Jones' monthly unearned income is overscale, he is still categorically eligible.

October
\$458 SSI Only
- 46 Representative Payee Fee
\$412 Countable unearned income for October

B. The SSDI Recipient

Using the above example, assuming the benefit received is SSDI only.

August and September
\$466 SSDI
+ 500 Retro Payment
966
- 50 Representative Payee Fee
\$916 Countable unearned income for August and September.
Since this client is not categorically eligible, he will be ineligible/overscale. This client should be told to reapply in October.

October

\$466 SSDI Only
- 47 Representative Payee Fee
\$419 Countable unearned income for October

ACTION TAKEN BY: All Local Departments

ACTION DUE DATE: Upon Receipt

INQUIRES: Direct any questions to John Carter at (410)
767-7494.

KC/jc

cc: DHR Executive Staff
IMA Management Staff