



Department of Human Resources
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FIA ACTION TRANSMITTAL

Issuance Date:

JANUARY 15, 1997

Effective Date: UPON RECEIPT

Control Number: FIA/OPA 97-75

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS/ELIGIBILITY STAFF
FINANCE OFFICERS - LOCAL DEPARTMENTS**

FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA

RE: CHANGES IN SUPPLEMENTAL SECURITY INCOME (SSI) POLICY

**PROGRAMS AFFECTED: TEMPORARY CASH ASSISTANCE, FOOD STAMP AND
MEDICAL ASSISTANCE**

**ORIGINATING OFFICE: OPA/ DIVISION OF PROGRAM POLICY AND
REGULATION**

BACKGROUND INFORMATION:

Applicants for Supplemental Security Income (SSI) payments must usually wait several months before they are approved to receive payment. The first payment has been a lump-sum amount that included retroactive payments back to the date of application for the SSI benefits. 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. When the individual had signed the Interim Assistance Reimbursement (IAR) and received DALP/TEMHA prior to being awarded SSI, the first check was sent to the local department. The agency would then reimburse itself from the retroactive SSI check in to the amount that they had expended in public assistance benefits. The remaining portion of the customer's SSI was then forwarded to the customer within 10 days.

NEW POLICY:

Lump Sum

One of the new provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 impacts on Interim Assistance Reimbursement (IAR). The new provision requires installment payments of large past due SSI payments. It establishes a schedule for paying retroactive SSI benefit amounts that exceed 12 times the monthly Federal Benefit Rate (FBR) (\$5,640 based on 1996 rates - \$470 max. SSI grant for 1996 X 12 months) plus the monthly State supplement. Payments will be made at six month intervals. The first payment would be 12 times the FBR plus any administered State supplement. Any remaining retroactive benefits would be

paid in a second installment (not to exceed the first payment amount). All remaining retroactive benefits would be paid in the third installment.

Retroactive SSI 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 non-recurring lump-sum payments.

When the individual is going to receive installment payments of retroactive SSI, the same procedures that are used for alcoholics or substance abusers can be applied. The eligibility period is sent to the Local Department of Social Services (LDSS). LDSS states amounts to be retained according to the IAR on the form 8125. The Social Security Administration (SSA) sends the IAR amount to be retained to LDSS and the balance to the customer.

EXCEPTIONS:

- Individual has incurred debts to provide for food, clothing or shelter.
- Individual has expenses for disability related items and services that exceed the installment limit.
- Individual has entered into a contract to purchase a home.

When one or more of the exceptions listed above exist the installment payment would be increased by the amount needed to cover these debts, expenses, and obligations.

ADDITIONAL EXCEPTIONS:

- Individual is terminally ill.
- Individual currently is not receiving SSI benefits and expected to remain ineligible for the next 12 months.

SSI Benefit Begin Date

The effective date of SSI benefits has been modified. An individual's eligibility application for SSI benefits would be effective on the first day of the month following the date on which the application is filed, or when the individual first becomes eligible, whichever is later. This also means that no prorated portion of the TEMHA benefits can be retained for the month of the SSI application because it is not a concurrent month of eligibility. This policy eliminates prorated payments for the month of application.

An emergency advance payment can be authorized for an individual who is presumptively eligible and who has a financial emergency in the month the application is filed. Under the new rules, the month of presumptive eligibility will be the month following the month of application or determination of eligibility. The new modification of application date policy is effective with all applications filed on or after August 22, 1996.

ACTION REQUIRED:

The SSA will no longer release the entire "large" lump sum SSI to the local Department of Social Services. SSA will send an automated billing (SSA-L8125-F6), SSI Income Notice of Interim Assistance Reimbursement, to the local Department of Social Services Finance Office. This 8125 will provide the Finance Office with the usual monthly breakdown of the recipient's SSI payment for the retroactive period.

Within 10 working days, the local finance office must return the billing form to the appropriate SSA field office serving the SSI recipient. (Note: In the event that the Finance Office is unable to secure the necessary information to complete the IAR calculation within 10 working days, SSA suggests a telephone call to advise the district office of the delay). SSA also recommends the use of FAXES whenever possible to speed up this process. SSA district offices will be instructed to include the name of a contact person and a FAX number in communications with LDSS finance offices.

Once the LDSS Finance Office calculates the IAR amount and sends the completed return billing form (SSA L8125-F6) to SSA, the district office will:

- (1) issue an IAR check to the LDSS in the amount shown on the billing form, and
- (2) issue to the SSI recipient in installments any remainder due.

A copy of the SSA-L8125-F6 is attached.

The LDSS department is still allowed to include the final TEMHA/PAA benefit issued in the IAR calculation. Finance Office staff should be mindful that the final benefit may not yet have been issued at the time the L8125 is completed. You are still permitted to include that payment in the calculation if you are unable to stop the benefit's issuance process.

In CARES counties, the Finance Office indicates on the 8125 screen that the customer has been approved (Message text "SSI approved - check possible closure/adjustment"). This generates an alert to the case manager to close the TEMHA or adjust the PAA case. Note: Local departments that have not yet converted to CARES will follow existing case closure procedures.

PROCEDURES FOR FOOD STAMPS:

AIMS

- Enter the amount of the unearned income on the Aims 2/3B as F05 (Supplemental Security Income).
- Enter the recurring lump sum amount as F40 (other unearned income).
- Send a 745 to the case manager of record notifying them of when the next supplemental SSI payment is expected.

CARES

- Enter the amount of Supplemental Security Income (SSI) on the UINC screen.
- Enter the recurring lump sum amount as LS (lump sum) on the UINC screen.
- Generate a 745 alert to the case manager of record notifying them of when the next supplemental SSI payment is expected.

ACTION DUE DATE: Upon receipt. Inquiries may be directed to Yolanda Parker at (410) 767-7259, Patricia Jeffers at (410) 767-7143, Sue Woolford at (410) 767-7190, Phyliss Arrington at (410) 767-7079 or Kay Finegan at (410) 767-7939, Division of Program Policy and Regulation.

cc: FIA Management Staff
Constituent Services
DHR Executive Staff
Help Desk
CTF

KM/ymp
Attachments