



Department of Human Resources
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FIA ACTION TRANSMITTAL

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS**

Charles E. Henry for
FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA

RE: CHANGE REPORTING WAIVER

PROGRAM AFFECTED: FOOD STAMP PROGRAM

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

BACKGROUND

Recently, the Food and Consumer Service approved a waiver to the change reporting requirements. We requested the waiver in an effort to reduce errors in cases with fluctuating earned income.

OLD POLICY

Households are required to report a change of more than \$25 in income, except changes in public assistance if the case is subject to joint processing.

NEW POLICY

Households with earned income are required to report any change in:

- ▶ the rate of pay
- ▶ the hours worked of more than 5 hours per week which are expected to continue for more than a month
- ▶ source of earned income

NOTE: The reporting requirements for unearned income have not changed. Households are still required to report changes in the source of income and/or changes in the amount of gross monthly income of more than \$25.

Examples

#1 Mr. A applied for food stamps on July 2. He reported that he earns \$4.75 per hour and is paid weekly. His hours fluctuate. He provided his four most recent pay stubs as proof of earnings. On June 3, he received \$142.50 for 30 hours, on June 10, \$166.25 for 35 hours, on June 17, \$95.00 for 20 hours and on June 24, \$104.50 for 22 hours. The agency used \$504 to calculate his food stamp benefits. In July, his hourly rate increased to \$4.80 per hour. This is a reportable change because the wage rate changed.

#2 Ms. B works 40 hours per week and earns \$5.25 per hour. She normally earns \$210 per week. In December, she worked 20 hours overtime because of a personnel shortage. Since this overtime is not expected to continue through January, this is not a reportable change.

#3 Mrs. C works 20 hours per week and receives \$103 per week. In June, Mrs. C begins a new job at the same rate of pay and hours. This is a reportable change because Mrs. C has a new source of income.

ACTION REQUIRED

IMPORTANT FOR PAYMENT ACCURACY

- ▶ **Remind customers, at each contact, of ALL change reporting requirements.**
- ▶ **Act on any reported change, even if it is not a "required reportable change."**

Example: Mrs. E reported that she will now work 4 hours every Saturday, in addition to her regular 40 hours per week. Even though this is not a reportable change because it is less than 5 hours per week, the case manager must take action .

Use the new policy in determining if an overpayment exists.

Example: Mr. D reported on the first of December that he had ten hours of overtime last week and will work ten hours of overtime through December. He will go back to straight time in January. Even though the increased earnings were for more than a month, the change in hours was reported within 10 days and will not continue into January. No adjustment is required for January benefits and there is no overpayment.

This policy change has no impact on AIMS or CARES processing.

Please place the attached page in the Food Stamp Manual. A copy of the mailer to households with information about the change in reporting requirements is attached.

REF: 7 CFR
273.10

Section Title

REPORTING CHANGES

Section

420

Pa

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- B. The civil and criminal penalties for violations of the Act in understandable terms and in prominent and bold-face lettering; and
- C. A reminder to the household of its right to claim actual utility costs if its costs exceed the standard.

420.2 The reporting form may also include the amount of gross income itemized by household member, used to certify the household, and the source and frequency of the income.

Changes reported over the telephone or in person by the household shall be acted on in the same manner as those reported on the change report form.

A change report form shall be provided to newly certified households at the time of certification, at recertification if household needs a new form, and a new form shall be sent to the household whenever a change is reported by a change report from from the client.

420.3 LOCAL DEPARTMENT ACTION ON CHANGES

The local department shall take prompt action on all changes to determine if the change affects the household's eligibility or allotment. Even if there is no change in the allotment, the local department shall document the reported change in the case-file, provide another change report form to the household, and notify the household of the receipt of the change report. If the reported change affects the household's eligibility or level of benefits, the adjustment shall also be reported to the household. The local department shall also advise the household of additional verification requirements, if any, and state that failure to provide verification shall result in increased benefits reverting to the original allotment. The local department shall document the date a change is reported, which shall be the date the local department receives a report form or is advised of the change over the telephone or by a personal visit. Restoration of lost benefits shall be provided to any household if the local department fails to take action on a change which increases benefits within the time limits specified in 420.4.

420.4 INCREASE IN BENEFITS

For changes which result in an increase in a household's benefits, other than changes described in the following section, the eligibility worker shall make the change effective not later than the first allotment issued 10 days after the date the change was reported to the local department.

For example, a \$30 decrease in income reported on the 15th day of May would increase the household's June allotment. If the same decrease was reported on May 28, and the household's normal issuance cycle was on June 1, the household's allotment would have to be increased by July.

FOOD STAMP PROGRAM REPORTING CHANGES IN YOUR INCOME

- **YOU MUST REPORT TO YOUR CASE MANAGER CHANGES IN EMPLOYMENT:**

- ◆ You must report if you get a job or stop working.
- ◆ If you have already reported working, you must report the following changes:
 - ▶ If your rate of pay, such as how much you are paid by the hour, goes up or down
 - ▶ If the hours you work change by more than 5 hours per week and you expect the change in hours to continue for more than one month
 - ▶ If you change jobs or start working somewhere else

- **YOU MUST ALSO REPORT CHANGES IN OTHER INCOME:**

- ◆ You must report if anyone in your household starts or stops receiving a check, money, benefits or other income.
- ◆ If you have already reported this income but the income goes up or down by more than \$25 per month, you must also report this change.

- **WHY YOU MUST REPORT:**

YOUR FOOD STAMP BENEFITS ARE BASED ON THE TOTAL AMOUNT OF YOUR INCOME. IF YOU FAIL TO REPORT YOUR INCOME IT COULD CAUSE AN OVERPAYMENT OR AN UNDERPAYMENT IN YOUR BENEFITS.

- **WHAT CAN HAPPEN IF YOU DO NOT REPORT:**

IF YOU DO NOT REPORT CHANGES IN INCOME, YOU COULD BE BARRED FROM THE FOOD STAMP PROGRAM OR YOU COULD BE PROSECUTED IN A COURT OF LAW. IF FOUND GUILTY, YOU COULD BE FINED, SENT TO JAIL, OR BOTH.

- **REMINDER: YOU HAVE 10 DAYS FROM WHEN YOU KNOW ABOUT A REPORTABLE CHANGE TO REPORT THAT CHANGE TO YOUR CASE MANAGER.**



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REPORTING CHANGES

Section
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HOUSEHOLD RESPONSIBILITY TO REPORT CHANGES

420.1

Certified households are required to report the following changes in circumstances:

- A. Changes in the amount of unearned income of more than \$25, except changes in the public assistance grant. Since the local department has prior knowledge of all changes in the PA grant, action shall be taken on the agency information.
- B. Changes in the source of income.
- C. Changes in the wage rate.
- D. Changes in hours worked of more than 5 hours a week that are expected to continue for more than a month.
- E. All changes in household composition, such as the addition or loss of a household member.
- F. Changes in residence and the resulting changes in shelter costs.
- G. The acquisition of a licensed vehicle not fully excluded under 201.3.
- H. When cash on hand, stocks, bonds, and money in a bank account or savings institution reach or exceed a total of \$2,000, or \$3,000 for an elderly household.
- I. Changes in the legal obligation to pay child support.

Households shall report changes within 10 days of the date the changes become known to the household.

Changes shall be considered to be reported by the household on the date the report is received by the local department or if mailed, the date the household's report is postmarked.

Local departments may not impose any reporting requirements on households except as provided in 420.1.

420.2

REPORT FORM

The local department shall provide households with a form for reporting the changes required in 420.1 and shall pay postage for the household to mail in the report. The reporting form shall at a minimum, include the following:

- A. A space for the household to report whether the change will continue beyond the report month.

ACTION DUE

This policy is effective July 1, 1997.

INQUIRIES

Please direct policy questions to Kay Finegan at (410) 767-7939.

cc: FIA Management Staff
Constituent Services
OIM Help Desk
CTF