



PR 1305.1: Income Maintenance Overpayment

PO 1305.1.

a. Determining the First Month of the Overpayment

(1) Financial Change in Circumstances

(2) Nonfinancial Change in Circumstances

b. Determining the Amount of the Overpayment

Case Was and Is Ineligible

Case Was Ineligible and Is Now Eligible

Overpayment Caused by Too Many Assets

Overpayment with No Verifications

a. Determining the First Month of the Overpayment

(1) Financial Change in Circumstances

When the case is ineligible for the month the change occurred, and the change is income or assets, the first month of the overpayment is the fiscal month the change occurred.

Example 1: The April fiscal month is 04/01 to 04/30. The client received the April check on 04/03. On 05/05 the client tells the GA Unit that she began working on 04/03. The actual wages received in April makes her ineligible in April. Cancel the case starting in June. April is the first month of ineligibility.

April - Income began, client income ineligible

May - GA Unit learns of income

June - Case canceled

April is the first overpayment month.

Example 2: The fiscal month is the first through the 30th. On 05/05 the client reported employment beginning in April. The client received one paycheck in April and it was not enough to make them ineligible. The wages for May and June caused ineligibility. The case was canceled starting in July.

April - Eligible based on April income

May - Ineligible based on May income

June - Income reported

July - Case canceled

May is the first overpayment month.

Example 3: The fiscal month for Ms. S, a GA-FCA client, is the first through the 30th. The asset limit for the case is \$3,050. On 04/17 she deposits a \$300 paycheck into her checking account. On 04/30, the account balance is \$3,300. The asset value of the account is \$3,000 (\$3,300 balance - \$300 income). No income is added to the account and \$150 is withdrawn during May leaving a balance of \$3,150. When the GA Unit discovers the account in June the balance is \$2,950.

April - Asset value \$3,000

May - Asset value \$3,150

June - Asset value \$2,950

May is the only month of overpayment.

Example 4: A TA client calls on 05/16 to report she began employment in April. The case is prospectively eligible. She received her first pay on 05/07.

There is no overpayment for the May earnings.

(2) Nonfinancial Change in Circumstances

When a nonfinancial change occurs, the overpayment period starts the fiscal month after the fiscal month of change resulting in ineligibility.

Example 1: The fiscal month is the first through the 30th. On 04/04 the client died. On 07/10 the GA Unit learns of the death and cancels the case for July. May is the first overpayment month.

Example 2: In the March fiscal month the client moves out-of-state. The LO learns of the move in June. April is the first overpayment month.

b. Determining the Amount of the Overpayment

Case Was and Is Ineligible

When a case is currently ineligible and was ineligible for a previous month, it is automatically ineligible for all the months between, even if the reasons for ineligibility were different. Use the cash benefit amount for each ineligible month to figure the total overpayment.

NOTE: Do not figure each month separately.

Example 1: Ms. H began receiving SSA in January. The GA Unit learned of the income in April. The January income makes the client ineligible for January and also ineligible for May. GA is ended effective May.

January - Income began, client ineligible

February - Income continues

March - Income continues

April - GA Unit learns of income, prospective decision for May

May - Case canceled

Overpayment is for January through April.

Example 2: For an FCA case, the client's 2 children left the home in December to go live out-of-state with their grandmother. The GA Unit learned of the change in the family unit in April. The case is canceled effective May.

December - Children leave home

January - Ineligible

February - Ineligible

March - Ineligible

April - GA Unit learns of change

May - Case canceled

Overpayment is for January through April.

Case Was Ineligible and Is Now Eligible

When a case was ineligible but a change occurred that made the case eligible again, ineligibility exists from the first month of the overpayment (either the month of change or the month after the change) through the month the change ended. When income caused ineligibility, the month the income stopped is the last month of the overpayment.

Make a prospective decision of continued eligibility for the month after the last month the change occurred and the following month. Continued eligibility and the cash benefit amount are based on a prospective decision. Allow income disregards, as appropriate, when income continues and was reported timely.

Example 1: The GA Unit learns in May that a client began employment in January. Income received in January caused ineligibility for January. The income ended in March. The ineligible months are January

through March. Make a prospective eligibility decision for April and May to determine eligibility and the cash benefit amount.

January - Earned income began, case ineligible

February - Ineligible

March - Earned income ended - Ineligible

April - Determined prospectively eligible

May - LO learns of employment, determined prospectively eligible.

The months of overpayment are January through March.

Overpayment Caused by Too Many Assets

Use the date the asset was received to decide if the client is eligible. It does not matter if the asset did not exist at the end of the month the change occurred.

When the amount of the asset is more than the asset limit, the overpayment amount is the lesser of:

- the amount of the asset above the asset limit, or
- the cash payment amount for the entire period there were too many assets.

Overpayment with No Verifications

When attempts to get verification has failed, treat the entire cash payment amount as an overpayment.

Example: The GA Unit finds out that a client was self-employed for 5 months and did not report the income. The GA Unit asked the client for information but the client did not provide the information. Treat the entire cash payment amount received for the 5 months as an overpayment.

If the client provides the needed information within 90 days of being notified of the overpayment, refigure the overpayment amount. If the client provides the information after 90 days of being notified of the overpayment, no action is needed.