



PR 1305.2: Recoupment of Overpayments

PO 1305.2.

a. Figuring the Monthly Recoupment Amount

► **Example 1:** Ms. A and her child live in a Group II county. Mr. A receives child support of \$100 per month for the child included in the GA family unit. She and her child receive a GA benefit of \$207 (\$307 payment level minus \$100 countable income). She has an outstanding overpayment of \$300.

To determine the amount that can be recouped from her monthly GA benefit:

- Her level of income cannot be reduced below 90% of her Payment Level: $\$307 \times 90\% = \276.30 .
- Her income without the GA benefit = \$100.
- Her GA benefit must bring her level of income to \$276.30; $\$276.30$ minus \$100 = \$176.30.
- The amount that can be recouped = \$207 minus \$176.30 = \$30.70.

Example 2: Mr. B is eligible for \$100 TA benefit before recoupment. He has an outstanding overpayment of \$60. Mr. B claims no other income. 90% of his Payment Level = \$90. The amount that can be recouped = \$10 ($\$100 - \90).

The GA Unit recoups \$10 per month for January through June. In July, the GA Unit discovers that the client was working in March and April. In determining the overpayment amount for March and April, consider \$100 as the cash benefits received, not \$90.

Example 3: A mother, father, and their 2 children receive GA benefits. An overpayment is established against the GA case. The father leaves the home. Recoupment continues as the mother was part of the original overpaid GA case.

Example 4: A mother and her 2 children receive GA. An overpayment is established against the GA case. The mother leaves the home and the 2 children now live with their father. He now receives GA benefits for himself and the 2 children. Recoupment action would not be done against this case as the father was not a member of the original overpaid GA case.

NOTE: When an overpayment occurs on an active case that contains only children, recoup the overpayment from the active RPY case. **For example,** a parent receives Supplementary Security Income (SSI) and is the RPY of a GA case that contains her 2 minor children. An overpayment occurs on the GA case. Recoupment action takes place on the active GA case.

b. Reapplications

At reapplication, start recoupment with the first regular payment month. Do not recoup assistance from the initial prorated entitlement (IPE).

When it is determined that recoupment is reinstated effective the first regular payment month, send the client Notice of Decision on Application, Local (Form 360), or a locally approved form, notifying the client of the benefit amount minus the amount of recoupment.

c. Effect of Bankruptcy Petitions