



PO 1305.1: Income Maintenance Overpayment

PR 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

Circumstances which may result in an overpayment include, but are not limited to:

- new or increased earnings,
- new or increased unearned income,
- a change in persons living in the home, and/or
- acquiring assets.

a. Determining the First Month of the Overpayment

Use the following procedures to determine which fiscal month is the first month of the overpayment. Use the fiscal month that was used to figure the original benefits. The first fiscal month of the overpayment is based on:

- the date of the change in circumstances which resulted in the overpayment, and
- whether the type of change in circumstances was financial or nonfinancial.

(1) Financial Change in Circumstances

A financial change in a fiscal month is:

- receipt of income (unearned and/or earned) or
- receipt of a nonexempt asset.

When a financial change occurs, determine if the case is prospectively eligible for the month of change. Use the change in income or asset when making the prospective determination. A prospective determination means the caseworker determines what effect the change would have had on the case had the worker known of the change at the time the change occurred.

If the case is prospectively ineligible for the month the change occurred, the first month of overpayment is the fiscal month the change occurred.

If the case is prospectively eligible for the fiscal month the change occurred, but prospectively ineligible for the month after the month the change occurred, the first month of overpayment is the month after the month the change occurred.

If the case is prospectively eligible for the fiscal month of change and the next month, the first month of overpayment is the fiscal month after the fiscal month of change.

NOTE: When the change of circumstance in a fiscal month is due to the receipt of nonrecurring lump sum income that results in ineligibility for the case, the first month of overpayment is the fiscal month following the fiscal month of receipt of the nonrecurring lump sum income.

For situations which involve employment, the actual receipt date of the income in the month of the change is used to determine the first month of overpayment, not the date employment began.

(2) Nonfinancial Change in Circumstances

When the change of circumstances in a fiscal month is not a result of income or assets and the change results in ineligibility for the case or an assistance unit member, the first month of the overpayment is the fiscal month **following** the fiscal month the change occurred.

Changes which may result in an overpayment due to ineligibility include but are not limited to:

- death of a client,
- the assistance unit moved out-of-state, or
- a change in the composition of the assistance unit.

When an overpayment occurs on an FCA case, because the case no longer has an eligible child included in the assistance unit, and a TA case is established: the amount of the overpayment is the difference between the FCA Payment Level amount and the TA Payment Level amount.

b. Determining the Amount of the Overpayment

The monthly overpayment amount is the difference between the amount the client received each month and the correct cash benefit amount for the month. To arrive at the total overpayment amount, add the incorrect amount of assistance received for each month of the overpayment period.

For an overpayment that is caused by excess assets, the total amount of the overpayment cannot be greater than the amount that assets exceeded the asset limit.

When an employer provides quarterly or annual wage verification, divide the quarterly or annual amount by the appropriate number of months to determine the monthly income amount.

Consider any allowable income disregards when determining the correct benefit amount. In determining the overpayment amount for TA cases with earned income, allow the 3-month employment deduction if eligible, beginning with the first month of the overpayment.

When determining the overpayment amount for cases with unemployment insurance (UI) benefits, consider the UI check as received by the client 2 days following the paydate of the check.

If you do not have all of the information you need to figure the total amount or period of the overpayment, request the information from the client and other sources, such as an employer.

If you get the information within 90 days of the date the client was notified of the overpayment, refigure the amount of the overpayment. If the information is received more than 90 days after the notice, do not change the overpayment amount.