

Article 8
Eligibility and Payment Manual

Part III
Adult Assistance Programs

- §1831. Introduction.
§1832. Eligibility Requirements - OAA, AB, APTD.
§1833. Old Age Assistance Program.

§1831. Introduction. The purpose of this manual is to provide instructions on actions to be taken by Bureau of Economic Security (BES) staff in the Administration of Public Assistance Programs under Guam's Public Assistance State Plan. This manual is intended to provide directions for determining eligibility and furnishing assistance in compliance with the requirements of Title I - Old Age Assistance, Title X - Aid to the Blind, and Title XIV - Aid to the Permanently and Totally Disabled, of the Social Security Act, Federal Regulations contained in the code of Federal Regulations (45 CFR), and the Guam State Plan.

(a) **Federal Requirements.** The Federal requirements for Public Assistance Payment Programs are contained in Public Welfare parts 200 to 499, Code of Federal Regulation (45 CFR).

(b) **Guam Laws.** The Government Code of Guam, Title X contains laws relative to the administration of welfare programs in Guam.

(c) **Program Coordinations.** The Bureau of Economic Security (BES) requires close cooperation and coordination with the Bureau of Management Support, Bureau of Health Care Financing, Bureau of Social Services Administration and other related sections within the Department and other agencies in order to assure proper program administration.

§1832. Eligibility Requirements - OAA, AB, APTD.

(a) **Residency Requirement.** To be eligible for assistance, applicants must be living in Guam with the intention of making Guam their home permanently or for an indefinite period or entering Guam with a job commitment or seeking employment.

Clients/Representatives must provide verification of their Guam residency.

Verification: (any of the following is acceptable)

- (1) Rent/Mortgage Receipt
- (2) Landlord Statement
- (3) Guam's Driver's License
- (4) Guam Vehicle Registration
- (5) Proof of Voter Registration in Guam
- (6) Utility Bills/Receipts
- (7) Employer Statement
- (8) Village Mayor's Statement of Residency

(b) **Citizenship Requirements.** An applicant or recipient must be U.S. Citizen or an Alien legally admitted for Permanent Residence to the U.S. in order to be ELIGIBLE for program benefits.

Verification (any of the following is acceptable)

- (1) Birth Certificate (U.S. or its possession)

Vital Records that are Off-Island

The agency shall assist the applicant by:

(i) Providing the applicant with the name and address of the appropriate vital statistics office.

(ii) Informing the applicant of the fee(s) charged to obtain a copy of the birth record.

The name, address and fees for vital statistics offices may be obtained from the "WHERE TO WRITE FOR VITAL RECORDS" handout issued by the Department of Health and Human Services. A copy of this handout is on file with certification case managers and district supervisors.

The agency shall allow the applicant thirty (30) days to obtain a copy of the birth record. After the thirty (30) days and the applicant has not provided the agency with a copy of the birth record, the agency shall take action to deny the applicant's Application for Financial/Medical Assistance.

The applicant shall be responsible for mailing the request and (appropriate fees) to the vital statistics office.

- (2) For CNMI citizens - any of the following documents is acceptable verification:

(i) Certificate of Citizenship (from court with official seal stamped on it)

(ii) Certified copy of Birth Certificate (from CNMI government for individuals born after 1950)

(iii) Certificate of Identity (Blue Card)

(iv) Voting Registration Card (from CNMI)

(v) U.S. Passport

(vi) Naturalization Papers

(vii) Permanent Resident or Resident Alien Card (Green Card)

(c) **Furnishing Social Security Numbers (Enumeration).** Each applicant/recipient must provide proof of a Social Security Number or apply for a Social Security Number in order to be ELIGIBLE for assistance.

Clients who cannot produce a Social Security Card or number must obtain a receipt of an application for a Social Security Number before they can be included in the assistance unit. Clients are required to submit their Social Security card or number as soon as it is received. If a Social Security Number or Card is not submitted within 90 days from the date of application for an SS number, that person without a SS number shall be excluded from the assistance unit, unless there is a good cause.

In cases where the client has a Social Security Number but cannot provide proof, such as a SS card, the ES shall verify the SS number provided by the client by using the BES referral form which is sent to the Social Security Office by the Program Coordinator in the Program Compliance and Coordination Unit (PCCU).

(d) **Cooperation.** Clients are required to cooperate with the Division of Public Welfare, Bureau of Economic Security in securing all information needed to determine initial or continuing eligibility. Failure or refusal to do so will result in denial or termination of the grant.

When assistance is pending termination due to non-cooperation and the client cooperates within the ten (10) day notice period and all eligible factors are met, assistance will be continued. Clients must inform the Division of Public Welfare, Bureau of Economic Security of the following within ten (10) days from date the change occurs.

(i) Change of name

- (ii) Change of address
- (iii) Change in shelter costs
- (iv) Change of household composition - number of people in the home
- (v) Resources
- (vi) Special Needs
- (vii) Any other change in circumstances

(e) **Terminations.** When an eligibility requirement is not met or the client fails to provide information necessary to determine continued eligibility, investigation of other eligibility factors is unnecessary. Complete and mail notice of action to the applicant/recipient a MINIMUM of ten (10) days before the proposed action is effective. After the ten (10) days advance notice period and client fails to provide needed information, the case shall be terminated or denied. The reason for termination or denial shall be entered on the case folder and the case data on the computer shall be updated on-line.

WHEN ASSISTANCE IS PENDING TERMINATION DUE TO NON-COOPERATION AND THE CLIENT COOPERATES WITHIN THE 10-DAY ADVANCE NOTICE PERIOD AND ELIGIBILITY FACTORS ARE MET, ASSISTANCE SHALL BE CONTINUED.

(f) **Adequate Notices - When to use Them.** The Agency dispenses with timely notice (advance notice) but sends adequate notice no later than the date of action in the situation below:

- (1) The agency has factual information confirming the death of a recipient or of the AFDC payee when there is no relative available to serve as new payee.
- (2) The recipient requests reduction or termination in writing.
- (3) The recipient supplies written information which requires termination or reduction. A signed written statement that the client understands the consequences of supplying such information must be included in the case file.
- (4) The recipient has been institutionalized and is no longer eligible for Federal financial participation. (See State Plan - Section 4.1 page 2).

(5) The recipient has been placed in skilled nursing care, intermediate care, or long-term hospitalization.

(6) A recipient's address is unknown and mail to the recipient is returned by the post office. A returned check must be released to the client if a correct address is reported during the month covered by the returned check.

(7) A recipient has been accepted for assistance by another state, and this fact has been verified.

(g) **Income.** Income, generally is any benefit in cash or in-kind which is in fact currently available to the individual or is received by him as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from person, organizations or assistance agencies. To be considered in determining the assistance payment, income must, in fact, be currently available to needy members of the family in meeting their needs during the budget period.

(1) **Earned Income.** Earned income encompasses gross income in cash or in-kind earned by a needy individual through the receipt of wages, salary, commissions, or profit from activities in which he is engaged as a self-employed individual or as an employee prior to the taking of payroll and other deductions.

(A) **Verification of income and Expense from Employment.** The client is responsible for reporting income and providing verifications. The ES will assist if the client cannot obtain information. If the client refuses to cooperate the case will be closed for lack of cooperation.

Good Cause for failing to make a timely report on earned income is:

(i) if report is lost in the mail;

(ii) circumstances beyond the client's control, such as, but not limited to, illness.

VERIFICATIONS (any of the following is acceptable)

(i) Paycheck stubs

(ii) Signed and dated statement from employer

(iii) Copy of ledger sheets or receipts for business income/expenses

(iv) If no other verification of tips is available, the client's statement providing the amount of tips received or reported to Internal Revenue Service is accepted.

(2) Types of Earned Income.

(A) Self-Employed Income and Expenses. Verification of expenses and income will be completed before eligibility can be established. The client is responsible for keeping records of income and expenses. Gross income less all business operating costs.

Payments received for child care expenses under the Child Care and Development Block Grant (CCDBG).

Verification

(i) Copy of business records used for computing withholding tax or FICA.

(ii) Receipts of payments received for child care expenses.

(B) Earned Income in Kind. Work performed by a client in exchange for room, board, or other needs is earned income in-kind. The monetary value verified by the employer is EARNED INCOME.

Verification

A signed and dated statement from the employer giving a money value to the earned income in-kind must be provided.

(C) Earnings from the Sale of Whole Blood or Blood Plasma. Money resulting from the sale of whole blood or blood plasma is to be considered as earned income from self-employment. Accordingly, the income is subject to the deduction of any necessary business expenses and appropriate earned income disregards.

Verifications

A statement or receipt from the business entity purchasing the whole blood or blood

plasma. The statement or receipt must indicate the following:

- (i) Name of person selling his/her blood or blood plasma;
- (ii) The date it was purchased;
- (iii) The amount it was purchased for;
- (iv) The name and title of the purchaser or its representative;
- (v) The name and address of the company purchasing the blood.

(3) **Earned Income Credit (EIC)** Any advanced Earned Income Tax Credit (EITC) deducted from the household's gross income earnings shall be disregarded from the gross income. Any EITC received as a refund of Federal income taxes, shall be totally disregarded as income or resources to the household.

(4) **Unearned Income.** Income which is not earned.

Evaluation of Unearned Income.

All non-excluded unearned income will be verified, documented and applied against the need standard of the applicant or recipient.

When benefit such as Retirement or Survivors and Disability Insurance benefits may be available but the client has not applied, the ES will allow ten (10) working days for making application. Assistance will be denied or terminated if the client refuses to apply for, pursue and accept a claim or fails to provide information essential to establish the claim.

(5) **Types of Unearned Income.**

(A) **Disability Benefits.** Statement from agency or business establishment allowing the disability.

Verification

Copy of award letter.

(B) **Retirement, Survivors, and Disability Insurance (RSDI).**

Verification

- (i) Copy of award certificate
- (ii) Copy of disallowance letter
- (iii) Copy of monthly check
- (iv) SSA 1610

(C) **Veteran's Benefits.** Clients who may be eligible must apply at the Veteran's Administration in Hagåtña.

Verifications (any of the following is acceptable)

- (i) Copy of award letter
- (ii) Copy of disallowance letter
- (iii) Copy of benefit check
- (iv) Written statement from Veteran's Administration Office

(D) **Military Dependents Allotments.** Enlisted servicemen may make a monthly allowance for dependents.

Verifications (any of the following is acceptable)

Copy of allotment check

Written statement from Allotment Branch

(E) **Civil Service Annuities (CSA)** If the client has been a federal government employee or is the widow/widower or dependent child of a deceased federal employee, possible Civil Service retirement or disability benefits must be verified in writing.

Verifications (any of the following is acceptable)

- (i) Copy of award letter
- (ii) Copy of disallowance letter
- (iii) Copy of Civil Service annuity check

(F) **Public Employee's Retirement Benefits.** If the client has been a public employee or is the widow/widower or dependent child of a deceased public employee, possible retirement, survivors, or disability benefits must be verified in writing.

Verifications (any of the following is acceptable)

- (i) Copy of award letter
- (ii) Copy of disallowance letter
- (iii) Copy of state retirement check

(G) **Income From Rental and Lease.** Gross rental income less rental expenses is unearned income to the assistance unit. Rental expenses include interest on mortgage, property taxes, maintenance/repair costs, insurance on structure, advertising and utilities when paid by the landlord. Verification of income and expenses must be completed before eligibility can be established.

Verifications (any of the following is acceptable)

- (i) Copy of receipt book, checks or money orders
- (ii) Tenant's statement of payment
- (iii) Proof of operating expenses

(H) **Contributions.** Any cash contributed to an assistance unit, unless excluded as a cash gift is unearned income.

Verifications (any of the following is acceptable)

- (i) Copy of check or money order
- (ii) Client's written statement
- (iii) Statement from person who made contribution

(I) **Lump Sum Payments.**

(i) Income Tax Refunds are considered a resource for the program, and shall be counted against the \$2,000 resource limit.

However, any portion of a tax refund which represents an earned income payment (EIC) would still be considered as earned income.

(ii) The Agency must disregard from the lump sum payment any amount that is

earmarked and used for the purpose for which it is paid:

Example: Personal injury awards and worker compensation are treated as lump sum income. However, the agency must exclude from consideration, that portion which is paid for medical bills resulting from the injury or funeral costs.

Verifications:

- Court Order
- Medical Bills

(iii) In treatment of lump sum payment/income, ES shall divide the total payment or income by the applicant or recipient's monthly needs standard to determine the months of ineligibility.

(J) **Trust Funds.** Income or interest from trust funds is unearned income.

Verifications (any of the following is acceptable)

- (i) Copy of check
- (ii) Signed and dated statement from the Administrator of trust funds

(K) **Income From Boarders.** One-half the total payment for room and board is unearned income.

Verifications (any of the following must be provided)

- Copy of receipt
- A signed and dated statement from the roomer/boarder

(L) **JTPA Basic Allowance.** Any allowance for JTPA participants based on a paid wages (i.e., Need-Based payment) for full-time students is disregarded for six (6) months per calendar year.

Verifications (any of the following is acceptable)

- Signed and dated statement from the agency issuing payment.

- Copy of check

(M) **Income From Live-in-Mate or Common-Law Husband or Wife.** The contribution from this source is considered unearned income.

Verification

Statement from the live-in-mate

(N) **Funds Obtained Through Personal Loans.** Any personal loan obtained from a lending institution such as a bank or credit union, etc., shall be treated as unearned income in the month it is received if the funds are used for purposes of current living costs, i.e., utility bills, clothing, etc.

Medical, shelter and utility arrears are not to be considered current living costs. Therefore, any portion of the loan amount that was used to pay medical, shelter or utility arrears will not be counted as income.

The recipient shall be required to provide that the loan amount was used for purposes other than current living costs.

Verifications

(i) Receipt of the purchase of travel fare, i.e., airline ticket;

(ii) Receipts of the medical, shelter or utility arrears that were paid;

(iii) Receipt of the amount used as down payment on a vehicle the client purchased;

(iv) Any other receipts proving that the loan amount was not used for current living costs.

EXAMPLE 1:

A recipient obtained a \$1,200 personal loan from the GovGuam Credit Unit. The recipient used \$800 to purchase an airline ticket to bring one of her children home and then used the remaining \$400.00 to purchase clothing.

The \$800.00 is not counted as income to the household; however, the \$400.00 is counted as income because it was used for current living costs.

EXAMPLE 2:

A recipient obtained a \$1,200 personal loan from a Bank and used the entire amount as a down payment for a vehicle she purchased. The loan amount is not counted as a resource.

EXAMPLE 3:

On February 10, 1988, a recipient obtained a \$1,500 personal loan from a Bank and used the entire amount to pay medical bills in arrears since July and August 1987. This amount is not counted as income.

(6) Unearned Income-in-Kind.

(A) **Definition:** Any non-cash benefit, goods, services, facilities from any source, provided at no cost to the client, and which may meet, in whole or in part, a recognized budgetary need.

All unearned income in-kind shall be DISREGARDED at eligibility determination and benefit calculation. A dollar shall NOT be assigned to the unearned in-kind contributions.

The ES should advise the recipient to:

(i) obtain a written statement from the individual who made the contribution. Such statement shall indicate the type of contribution(s), frequency and dates of payment; if possible, the ES shall obtain that individual's home address, mailing address and/or telephone number(s) from the recipient in order to verify such statements.

(ii) report all contributions (cash or in-kind), no matter how small, to the ES.

(h) Resources.

(1) **Resource Reserve Limits.** The resource reserve limit for all Adult programs is **\$2,000** for each individual recipient.

(A) Resources, personal and real properties are counted toward the resource reserve limit, for all persons included in the assistance unit. Properties are evaluated at market value less encumbrances. The following are considered real property: Land, houses, mobile homes, and

immovable property attached to the land; personal property is all assets other than real. When the reserve limits are exceeded, the individual or assistance unit is ineligible.

(B) Client is representative payee or legal guardian for managing someone else's funds.

These funds are NOT included in the client's personal property reserve when they are kept in an account separate and apart from the client's monies **AND** can be identified as being received and designated for someone other than the client.

(2) Types of Personal Property.

(A) Cash on hand

(B) Stocks, bonds, notes, mortgages and deed of trust. Evaluate at current retail market value less encumbrances

Verifications

- Stock report
- Copy of bond or maturity scheduled
- Copies of receipt
- Copy of the note, mortgage or deed

(C) Checking or Savings Account. Any amount in the accounts is considered a resource.

Verifications

- Copy of current bank statement
- Copy of bank passbook/checkbook

(D) Insurance. If the client is the OWNER of a policy, the cash value is applied to the property reserve.

Verifications

- Insurance policy
- Written statement from insurance company

(E) Vehicles. The first \$1,500 of the equity value of one care is exempted from consideration as a resource. (Equity value means fair market value minus legal debts; fair market value means

the price that particular vehicle will sell on the open market in the geographic area involved).

(F) Farm Machinery/Equipment. The wholesale value of machinery and equipment less encumbrances is placed in the property reserve.

Verifications

- Written dealer's estimate
- Written estimate from agricultural agent

(G) Trust Funds. Trust funds are referred to the Attorney General's Office for a decision on accessibility. If the funds are determined to be accessible, it shall be counted as a resource.

(H) Individual and Family Grant (IFG). Funds received through the Individual and Family Grant Program shall be treated as resource and counted towards the resource reserve limit IF a recipient cannot provide proof that the IFG funds were used for the purposes intended, i.e., purchase of building materials, clothing, appliance, etc.

The recipient shall be required to provide a copy of the IFG award document.

Verifications

- A receipt from the retailer describing the item(s) purchased and the amount and date of purchase; or
- A statement from the retailer (building supplier, department store, etc.) indicating that the retailer has received the IFG funds to be held in trust for the purchase of goods at some later date. The statement must also indicate the retailer's name and address, the amount received and the date the funds were received.

(3) **Real Property.** The fair market value, less encumbrances (legal debts), of property will be applied toward the property reserve limit, unless excluded. Cash settlement received from the sale of real or personal property will be considered a resource. See 233.20

Verifications.

- Signed and dated statement from a licensed real estate broker
- Tax Lists
- Copy of mortgage papers
- Copy of deed

(4) **Transfer of Resources.** (Refer to Section 206.5 of the AFDC Manual)

(i) **Exclusions, Deductions and Disregards.**

(1) Assistance from Vocational Rehabilitation agencies.

(2) Assistance from other agencies and organizations when the assistance is for items not included in Need Standard.

(3) Payments from ACTION program including:

Retired Senior Volunteer Program

(D) Incentives Allowances and training relating expenses

(5) CASH GIFTS: Small, non-recurring cash gifts to the assistance unit which do not exceed \$30.00 per person per calendar quarter and which are received for: 1) BIRTHDAYS; 2) CHRISTMAS; and 3) GRADUATION.

(2) **Income Disregards.**

(A) **Standard Deduction - OAA, AB, and APTD.** Disregard some amount up to \$7.50 per month of income from any source, earned and unearned.

(B) **Earned Income Disregards - OAA, and APTD only.** The following amounts shall be disregarded from the earned income of each individual with earnings for eligibility determination:

(1) Deduct \$20.00 from the first \$80.00 of monthly earnings;

(2) Deduct ONE-HALF of the next \$60.00 in excess of \$80.00 of such earned income.

(3) One burial plot and one funeral agreement, not to exceed a maximum equity value of \$1,500 per family member.

(4) Real property is excluded when: The property is a home, including any surrounding land in which a client lives and owns or is buying. Land is contiguous to the home when not separated by property owned by another person.

(5) Additional Real Property is exempted for six months which the family is making a good faith effort to sell, but only if the family agrees in writing to use the proceeds from the sale to repay the PA benefits received had disposal occurred at the beginning of the period. Any remaining proceeds would be considered a resource. If property is not disposed of in 6 months, case is terminated due to resources and payments received is considered as overpayment.

(6) When the Client is a representative payee or legal guardian for managing someone else's funds, these funds are **NOT** included in the client's personal property received when they are kept in an account separate and apart from the client's monies **AND** can be identified as being received and designated for someone other than the client.

(j) Issuance and Replacement Cards.

(1) Request for Replacement. A recipient may come in and request for replacement of his/her welfare check if:

(A) The recipient has not received its benefits within ten (10) days of the date of the check; or

(B) The recipient received its "check" and was destroyed in a disaster, i.e., fire, typhoon, flood, or

(C) The recipient received its check but due to unexpected reasons, the condition of the check made it unnegotiable, i.e., manipulated, torn, burned, etc.

(2) Procedures in the Replacement of a PA Check:
(Refer to Part II, Section 210 of the AFDC Manual)

§1833. Old Age Assistance Program. (a) Eligibility Requirements Specific to OAA, AB and APTD.

(1) **Old Age Assistance (OAA).** To be eligible for Old Age Assistance, an applicant must be 65 years or older.

Verifications:

- (i) Birth Certificates
- (ii) Guam ID Card
- (iii) SPIMA ID Card
- (iv) U.S. Passport
- (v) Permanent Resident Alien Card

(2) **Aid to the Blind (AB).** An applicant must have central visual acuity of 2-/100 or less in the better eye with correcting glasses, or field defect in which the peripheral field has contracted to such extent that the widest diameter of visual fields subtends an angular distance of no greater than 20 degrees.

Blindness must be certified by a Licensed Ophthalmologist and the client must 18 years of age or older.

(3) **Aid to the Permanently and Totally Disabled (APTD).** An applicant must have disability or a combination of disabilities which prevent him/her from engaging in a gainful employment as determined and approved by the Medical Review Board Committee.

"Permanently" is related to the duration of the impairment(s) and "Totally" is related to the degree of disability.

Applicant must be 18 years of age or over.

(4) **Income Limit.** The income of an applicant must not exceed 100% of the needs standard. Should the income exceed the needs standard, the individual is ineligible.

(b) Income Disregards and Deductions.

(1) **Standard Deduction (OAA, AB and APTD).** Disregard \$7.50 per month of income from any source, earned or unearned.

(2) **Earned Income Disregards - OAA AND APTD ONLY.** The following amounts shall be disregarded from the earned income of each individual with earnings for eligibility determination:

(A) Deduct \$20.00 from the first \$80.00 of monthly earnings;

(B) Deduct ONE-HALF of the next \$60.00 in excess of \$80.00 of such earned income.

(C) The balance after disregards is countable earned income. Any unearned income shall be added to the countable earned income. All income, after disregards, shall be considered against the need standard to determine the amount of the grant.

The following is an example:

Step 1	Determine monthly gross earned income	\$ 75.00
	Twice a month	<u>x 2</u>
	Total Monthly Gross	\$150.00
Step 2	Add monthly earned income credit if actually received	+ 6
	Total Monthly Gross	\$150.00
Step 3	LESS Standard Deduction	- \$7.50
		\$142.50
Step 3	Disregard \$20.00 from first \$80.00	- 20.00
		\$122.50
Step 4	Disregard ONE-HALF of the next \$60.00 in excess of \$80.00 (142.50-80=62.50; 1/2 of 60=30) -	<u>\$ 30.00</u>
	Total Countable Earned Income	\$ 92.50

NOTE: If the countable income is greater than the need standard of the applicant/recipient, the individual is **INELIGIBLE** for aid. If the countable income is less, proceed to **STEP 5**.

Step 5	CALCULATION OF BENEFITS	
	Take need standard for one, including rental and utilities	\$139.00
	Subtract Countable Income 92.00	- \$ 92.00
	Monthly PA Grant	\$ 47.00

Regulations requires that amount must be rounded down to the lowest dollar. Therefore, the monthly PA grant would be \$47.00.

(c) Recoupment of Overpayments for Adult Programs.

(1) Treatment of Overpayments Due to Agency Error. ESs shall **NOT RECOUP** any Over payments which was due to an agency error from a recipient

who has NO INCOME OR RESOURCES other than the welfare grant.

CASE EXAMPLE 1:

Mr. Laygo (ES) discovered that six months ago he failed to reduce the rental allowance on Ms. San Nicolas' OAA grant, causing an overpayment since June. Ms. San Nicolas has no income, only welfare. Mr. Laygo must correct the grant amount for the following payment month. However, the recoupment shall not be done because Ms. San Nicolas has no income other than the assistance payment.

If the recipient has income or resources exclusive or apart from the current assistance payment, the ES SHALL RECOUP the overpayment which was due to an agency error. The amount to be recouped shall not exceed the amount of the recipient's non-welfare income or resources.

CASE EXAMPLE 2:

Ms. Rojas (ES) failed to reduce the rental allowance on Mr. Benavente's OAA grant 12 months ago although Mr. Benavente reported the decrease. Mr. Benavente has income of \$50.00 monthly from a part-time job. The ES may recoup the overpaid amount from Mr. Benavente's assistance payment because he has income other than the assistance payment. However, the amount the ES may recoup from the grant may not exceed Mr. Benavente's non-welfare income. In this case, the monthly recoupment amount must be less than \$50.00.

(2) Treatment of Overpayments Due to Household Error. Where Over payments were caused by the recipient's willful withholding of information concerning his income, resources, or other circumstance which may affect the amount of payment, the ES SHALL recoup the Over payments from the current assistance grants irrespective of current income or resources.

EXAMPLE:

The recipient failed to report income which caused an overpayment in his grant. The ES may recoup such overpayment, even if the non-welfare income has been terminated.

(3) **Withholding of Information.** Withholding of information includes the following:

(A) Willful misstatements (either oral or written) made by a recipient in response to oral or written questions from BES concerning the recipient's income, resources, or other circumstances which may affect the amount of payment. Such misstatements may include understatements of amount of income or resources and omission of entire category or resources;

(B) A willful failure by the recipient to report changes in income, resources, or other circumstances which may affect the amount of payment, if the BES has clearly notified the recipient of an obligation to report such changes. The recipient shall be given such notification periodically at times (not less frequently than semi-annually) and by other methods which will bring such reporting requirements to the recipient's attention;

(C) A willful failure by the recipient (i) to report receipt of a payment which the recipient knew represented an erroneous overpayment, or (ii) to notify the Bureau of Economic Security (BES) or receipt of a check which exceeded the prior check by at least the amount which the State agency previously notified the recipient might represent an overpayment and constitute a sum to which the recipient would not be entitled.

(4) **Recoupment Time Frames.** Any recoupment of over payments due to agency error, shall be limited to over payments made during the TWELVE (12) MONTHS preceding the month in which the overpayment was discovered.

EXAMPLE:

In November 1988, the ES discovered an overpayment due to the ES's failure to decrease the rental allowance when the client reported it in July 1986. The ES shall recoup only the amounts overpaid from November 1987 to November 1988. The overpaid amounts from July 1986 to October 1987 may be calculated and documented but not recouped because it exceeded the 12 month limitation.

(5) **Definition of Overpayment.** Overpayment means a cash payment received by or for a public assistance recipient which **EXCEEDS** the amount for which that individual/unit was eligible.

(d) **Correction of Underpayment for Adult Programs.** Retroactive corrective payments (restoration) shall be made only for the TWELVE (12) MONTHS preceding the month in which the underpayment is discovered.

For purposes of determining continued eligibility and amount of assistance, such retroactive corrective payments shall not be considered as income or as a resource in the month paid nor in the following month.

(1) **Essential Person.** Please refer to Section 202.7 (E), Part II AFDC, Chapter II.