




STATE OF CONNECTICUT
 DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL


 Claudette J. Beaulieu, Deputy Commissioner

July 1, 2011
 Effective Date

POLICY TRANSMITTAL NO.: UP-11-08

SUBJECT: Treatment of Reductions in Income due to Recovery of Overpayments

This transmits revised policy to provide clarification on how to treat income that is reduced due to recovery of overpayment from the same source of income.

When income is reduced by an amount being withheld to recoup an overpayment from the same income source, the amount of income counted for purposes of eligibility in the Temporary Family Assistance (TFA) and Family Medical Assistance (FMA) programs, is the amount received after the withholding amount has been deducted.

The problems, issues or circumstances that the regulation proposes to address: Previously, the FMA and TFA programs referenced section 8560.10 E. 3, titled "Unavailable Income" and section 5010 B. titled "Inaccessible Income" respectively, to explain the treatment of income from which recoupment was withheld. The proposed revision amends the UPM to provide clarification of this policy as it applies specifically to TFA and FMA.

INSTRUCTIONS FOR UPDATING THE UPM:

Remove and Recycle

5050.66/5050.66 p. 2
 8560.05/8560.10
 8560.10 p. 2/8560.10 p. 3
 8560.10 p. 4/8560.10 p. 5
 8560.10 p. 6/8560.10 p. 7

Insert

5050.66/5050.66 p. 2
 8560.05/8560.10
 8560.10 p. 2/8560.10 p. 3
 8560.10 p. 4/8560.10 p. 5
 8560.10 p. 6/8560.10 p. 7
 8560.10 p. 8

DISPOSITION: This policy transmittal may be recycled once the UPM has been updated.

DISTRIBUTION: UPM list

RESPONSIBLE UNIT: Family Services Unit – Telephone (860) 424-5540

Date Issued: 8-19-11

WH

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date: 7-1-11

Transmittal: UP-11-08

5050.66

Section:

Treatment of Income

Type:

POLICY

Chapter:

Treatment of Specific Types

Program:

SNAP

AABD

MAABD

FMA

Subject:

Recoupment Withholdings, Reductions in Income due to Recovery of Overpayments and Benefit Reductions

5050.66 A. Recoupment Withholdings - Supplemental Nutrition Assistance Program

Money withheld from TFA, AABD, General Assistance, SSI or SSA payments as recoupment of overpayments are either counted or excluded as income for SNAP depending upon the type of overpayment involved:

1. Intentional Program Violation (IPV) Overpayments

Money withheld as recoupment of an overpayment, which occurred due to an IPV, is counted as though it were not withheld.

2. Non-Intentional Program Violation (Non-IPV) and administrative overpayments

Money withheld as recoupment of an overpayment, which occurred due to a Non-IPV situation or administrative error, is excluded as income when calculating SNAP eligibility and benefits.

3. Undetermined Type of Overpayments

The Department also excludes the withheld amount as income when:

- a. the type of overpayment is unclear; or
- b. the alleged IPV has not been adjudicated.

B. Benefit Reductions – Supplemental Nutrition Assistance Program

1. The amount of a decrease in a household's benefits (via reduction, suspension or termination) which has been imposed by another means tested federal, state or local welfare public assistance program is countable income for SNAP under the following conditions:

- a. the benefit is from a means tested federal or state or local welfare or public assistance program; and
- b. the reduction in benefits is imposed as a result of fraud under the means tested federal, state or local welfare or public assistance program.

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date: 7-1-11

Transmittal: UP 11-08

5050.66 page 2

Section:

Treatment of Income

Type:

POLICY

Chapter:

Treatment of Specific Types

Program:

SNAP

AABD

MAABD

FMA

Subject:

Recoupment Withholdings, Reductions in Income due to Recovery of Overpayments and Benefit Reductions

5050.66 B. (continued)

2. The amount of income to be counted is the amount of income the household would receive if no decrease in benefits due to fraud had occurred.

C. Reduction in Income due to Recovery of Overpayments - AABD, MAABD

When money is withheld from an income source to recoup an overpayment, the amount of income to be counted is the amount the household would receive if no withholding had occurred unless:

1. the income was received concurrently with AABD or MAABD assistance at the time the overpayment occurred; and
2. the overpaid amount was included in determining AABD or MAABD eligibility.

D. Reduction in Income due to Recovery of Overpayments – FMA

When money is withheld from an earned or unearned income source to recover an erroneous overpayment from the same source, the amount of income to be counted in determining eligibility is the amount after the recovery is taken.

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date: 7-1-97

Transmittal: UP-98-3

8560.05

Section:
Jobs First

Type:
POLICY

Chapter:
Treatment of Income

Program:
TFA

Subject:
General Principles

- 8560.05
- A. Except as described in this chapter, the gross amount of all income received by each member of the assistance unit or by someone else on behalf of an assistance unit member is aggregated and counted in determining eligibility and calculating benefits of the assistance unit.
 - B. Certain income, as described in this chapter, has special treatment.
 - 1. Some types of income are totally excluded.
 - 2. Some types of income are disregarded up to a specified level.
 - 3. There are also some deductions made from some types of income before the remainder is counted.
 - C. In addition, a portion of the income received by certain people who are not part of the assistance unit, but are considered to be financially responsible for some or all members of the assistance unit, is deemed to the assistance unit.
 - D. After all exclusions, disregards and deductions are made, the remaining applied income is used to determine the income eligibility and to calculate the amount of benefits of the assistance unit.

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL

Date: 7-1-11	Transmittal: UP-11-08	8560.10
Section: Jobs First		Type: POLICY
Chapter: Treatment of Income		Program: TFA
Subject: Special Treatments		

8560.10 A. General Provisions

1. Some income received directly by assistance unit members and income received by others on behalf of assistance unit members receives special treatment.
2. Any income received directly or indirectly by assistance unit members which is not specifically described in this chapter as qualifying for special treatment is counted in its entirety when determining eligibility and calculating benefits.

B. Child Support Payments

The first \$50 per month of current child support income received by the assistance unit is disregarded whether paid through the Department or paid directly to the assistance unit by the absent parent.

C. Disregarded Income

The following income is disregarded to the extent provided by this chapter:

1. Earned Income
 - a. Expenses of self-employment directly related to the cost of doing business are deducted from each assistance unit member's total monthly income earned through self-employment. Depreciation is not allowed as a cost of doing business.
 - b. The assistance unit's total countable gross earned income is disregarded up to the Federal Poverty Level corresponding to the assistance unit's size when determining eligibility if the assistance unit received TFA in at least one of the four months preceding the eligibility determination.
 - c. For assistance units that have not received TFA in one of the four months immediately preceding the eligibility determination, the earned income disregard is \$90.
 - d. Once eligibility is established, the total gross earned income is disregarded up to the Federal Poverty Level corresponding to the assistance unit's size for purposes of calculating benefits.

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL

Date: 7-1-11

Transmittal: UP-11-08

8560.10 page 2

Section:

Jobs First

Type:

POLICY

Chapter:

Treatment of Income

Program:

TFA

Subject:

Special Treatments

8560.10 C. 2. Earned Income Tax Credits

- a. Earned Income Tax Credits (EITC) received as advance payments are treated as earned income as described in subdivision A.2 of this section. Assistance units are required to apply for the advance EITC when appropriate. Cross Reference: 8510.10)
- b. Earned Income Tax Credits paid as a single non-recurring payment are considered lump sums and treated as assets. Cross Reference: 8550.15)

3. Student Earnings

Income earned by dependent children who are attending school is disregarded when determining eligibility and calculating benefits for Temporary Family Assistance.

D. Excluded Income

The income received from the sources listed in this subsection is excluded when determining the eligibility and calculating the benefits of assistance units.

1. Income from Assets Set Aside for Future Educational Expense

- a. Interest or dividend income derived from assets set aside for post secondary education expenses of a dependent child is excluded. Cross Reference: 8550.15)
- b. Money withdrawn from such set-aside accounts is not counted as income.

2. Miscellaneous Payments

The following payments are excluded:

- a. payments made under the Experimental Housing Allowance Program under Annual Contributions Contracts entered into prior to January 1, 1975, under section 23 of the United States Housing Act of 1937, as amended;
- b. the value of Supplemental Nutrition Assistance Program (SNAP) allotments made under SNAP;

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date: 7-1-11

Transmittal: UP-11-08

8560.10 page 3

Section:
Jobs First

Type:
POLICY

Chapter:
Treatment of Income

Program:
TFA

Subject:
Special Treatments

8560.10 D. 2. Miscellaneous Payments (continued)

- c. cash contributions from agencies and organizations for goods and services not considered by the Department in setting its standard of need as described in section 8562.15;
- d. gifts received on an irregular or unpredictable basis, but not more than \$200.00 per calendar quarter;
- e. the value of goods and services given as in-kind income except when provided by General Assistance or SAGA including payments made directly to others on behalf of an assistance unit except when made by General Assistance or SAGA;
- f. settlement payments received by applicants and recipients as members of the nationwide class of present and former tenants covered by the settlement of the *Underwood v. Harris* court case;
- g. payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- h. reimbursements for expenditures which do not represent benefit or gain to the recipients;
- i. money received on behalf of and used for care and support of a person who is not a member of the assistance unit or is not a person who would be a mandatory member of the assistance unit but who has been disqualified or is ineligible;
- j. payments made by the Department for the expenses of day care and essential services unless the assistance unit member is the provider of the services;
- k. payments made to volunteers under Title I, Vista Volunteers, section 404 (g) of Public Law 93-113 except when the Director of Action determines that the payment is equal to or greater than the minimum wage in effect under the Fair Labor Standards Act of 1938 or state minimum wage, whichever is greater;

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date: 7-1-11

Transmittal: UP-11-08

8560.10 page 4

Section:

Jobs First

Type:

POLICY

Chapter:

Treatment of Income

Program:

TFA

Subject:

Special Treatments

8560.10 D. 2. Miscellaneous Payments (continued)

- l. disaster assistance paid under the Disaster Relief Act of 1974, as amended, including the Individual Assistance program, and comparable disaster assistance provided by states, local governments and private organizations, and any interest earned on funds from this source;
- m. payments received as rebates from support collected under the Title IV-D Support Program as provided by the Deficit Reduction Act (DEFRA) of 1984;
- n. payments made by the Department of Labor to meet the cost of pursuing employment;
- o. security deposits paid by the Department and security deposits returned by a landlord to the unit;
- p. payments made under means-tested energy assistance programs and utility subsidies;
- q. rent money returned to a unit by a court;
- r. that portion of military pay which is withheld as funding for the G.I. Bill under Public Laws 94-502 and 99-576;
- s. Agent Orange payments made pursuant to Public Law 101-201 and section 10405 of Public Law 101-239;
- t. Japanese Restitution payments and payments to residents of the Aleut and Pribilof Islands made pursuant to Public Law 100-383;
- u. effective October 15, 1990, Radiation Exposure Compensation payments made pursuant to section 6(h)(2) of Public Law 101-426;
- v. up to \$2,000 in total cash payments per year per individual made pursuant to section 15 of the Alaska Native Claims Settlement Act, Public Law 100-241;
- w. payments made to victims of Nazi persecution pursuant to Public Law 103-286;

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date:7-1711

Transmittal: UP-11-08

8560.10 page 5

Section:

Jobs First

Type:

POLICY

Chapter:

Treatment of Income

Program:

TFA

Subject:

Special Treatments

8560.10 D. 2. Miscellaneous Payments (continued)

- x. reimbursements for moving and relocation expenses made pursuant to section 47-88d of the Connecticut General Statutes to households which do not purchase a dwelling converted to a condominium;
- y. payments made under the Connecticut Uniform Relocation Assistance Act; and
- z. relocation adjustment payments made pursuant to section 114 of the Federal Housing Act of 1949.

3. Payments Made to Children or on Their Behalf

a. Adoption Assistance Payments

- (1) Adoption assistance payments from federal, state[,] and local funds are excluded when the child for whom the payment is made is not a member of the assistance unit.
- (2) Any part of an adoption assistance payment that does not duplicate the standard of need or is paid to supplement TFA benefits which are insufficient to meet the special needs of the child, is excluded.

b. Foster Care Payments

Payments received from federal, state or local funds for the care of foster children placed in the care of the assistance unit are excluded.

c. Supplemental Food Assistance

Supplemental food assistance is excluded when received under the Child Nutrition Act of 1966, as amended, and the special food service program for children under the National School Lunch, Public Law 92-433 and Public Law 93-150, as amended.

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date: 7-1-11	Transmittal: UP-11-08	8560.10 page 6
---------------------	------------------------------	-----------------------

Section: Jobs First	Type: POLICY
--------------------------------------	-------------------------------

Chapter: Treatment of Income	Program: TFA
---	-------------------------------

Subject:
 Special Treatments

8560.10 D. 3. Payments Made to Children or on Their Behalf (continued)

d. Benefits for Children with Spina Bifida

Benefits paid under Public Law 104-204 to children of Vietnam veterans who are born with spina bifida are excluded as income in the determination of eligibility and calculation of benefits.

4. Payments Made to Indian Tribe Members

The following payments to Indian Tribe Members are excluded:

- a. payments from Indian judgment funds, including any interest paid, distributed to or held in trust for members of various Indian Tribes pursuant to Public Law 98-64; and
- b. receipts distributed to members of certain Indian tribes which are referred to in section 5 of Public Law 94-114 that became effective October 17, 1975.

5. Payments Made to Volunteers

Payments made for supportive services or reimbursement of out-of-pocket expenses are excluded when made to individual volunteers serving as foster grandparents, senior health aids or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs pursuant to Titles II and III, section 418 of Public Law 93-113.

6. Payments to Students

- a. Payments made to students, of any age, that reward success in education are excluded as income when determining eligibility and calculating benefits for Temporary Family Assistance.
- b. Income, both earned and unearned, paid to a dependent child from the Job Training Partnership Act of 1982 (JTPA) is excluded when determining eligibility and calculating benefits for Temporary Family Assistance.

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL

Date: 7-1-11	Transmittal: UP-11-08	8560.10 page 7
---------------------	------------------------------	-----------------------

Section: Jobs First	Type: POLICY
--------------------------------------	-------------------------------

Chapter: Treatment of Income	Program: TFA
---	-------------------------------

Subject:
Special Treatments

8560.10 D. 6. Payments to Students (continued)

- c. Grants, loans or work/study earnings paid to any undergraduate student for educational purposes by any federal, state or private source are entirely excluded when determining eligibility and calculating benefits.
- d. Payments made to students enrolled in institutions of post-secondary education who are involved in a program of full time volunteer service under the Service Learning Program (University Year for Action - UYA) authorized under Title I of the Domestic Volunteer Service Act of 1973 are entirely excluded when determining eligibility and calculating benefits.

E. Other Special Treatments

The following income is neither disregarded nor excluded, but is treated differently than other types of income in the determination of eligibility and calculating benefits for assistance units, as described below.

1. Government Rental Subsidies

- a. The Department attributes income to assistance units who reside in government subsidized housing.
- b. For purposes of this provision, government subsidized housing includes the federal Section 8 Housing program, Connecticut's Rental Assistance Program (RAP), Transitional Rental Assistance Program and the federal Low-Income Public Housing program.
- c. The amount of income attributed to the assistance unit is determined as follows:
 - (1) for assistance units subject to the time limit, eight percent of the appropriate payment standard is attributed.
 - (2) for assistance units exempt from the time limit, eight percent of the appropriate standard of need is attributed.

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

Date: 7-1-11

Transmittal: UP-11-08

8560.10 page 8

Section:

Jobs First

Type:

POLICY

Chapter:

Treatment of Income

Program:

TFA

Subject:

Special Treatments

8560.10 E. Other Special Treatments (continued)

2. Interest Income

- a. Interest income paid to an assistance unit as part of a periodic payment or any other cash withdrawal from an IRA, Keogh, 401K plan, pension or annuity is counted as income.
- b. All other interest earned on any asset is not counted as income. Cross Reference: 8550.15)

3. Unavailable Income

- a. Income which is considered by the Department to be unavailable to the assistance unit is not counted.
- b. The Department considers income available both when actually available and when the individual has the legal right, authority or power to make the income available for his or her general or medical support.
- c. Applicants and recipients must pursue any potentially available income to the satisfaction of the Department.
- d. Failure to cooperate in obtaining potentially available income results in ineligibility of the entire assistance unit.

4. Reduction in Income due to Recovery of Overpayments

When money is withheld from an earned or unearned income source to recover an erroneous overpayment from the same source, the amount of income to be counted in determining eligibility is the amount after the recovery is taken.