

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



April 4, 2002

ALL COUNTY INFORMATION NOTICE I-25-02

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: FOOD STAMP QUESTIONS AND ANSWERS

The purpose of this All-County Information Notice is to provide counties with answers to questions regarding Food Stamp Program policy. These questions were submitted by the County Welfare Directors Association's Technical Review Team (TRT) and the answers submitted to TRT for review and comments before being finalized by the Food Stamp Bureau. As requested by TRT county representatives, questions and answers (Q&As) are separated and categorized for ease of reference.

If you have any questions regarding the enclosed Q&As, please contact the policy analyst assigned that area of the regulations.

Sincerely,

Original document signed by

GARY SWANSON, Chief
Food Stamp Branch

Attachments

INCOME AVERAGING

QUESTION #1:

In what budgeting situations(s) is it correct to convert a client's income by a 4.3 or 2.15 indicator? Would it ever be appropriate in a retrospectively budgeted case? What about a situation where a disabled individual received an annuity every two weeks? An elderly individual with earned income? A homeless individual who receives Unemployment Insurance Benefits (UIB)?

ANSWER:

The only budgeting situation you would convert a client's income by a 4.3 or 2.15 indicator is for cases specified in Manual of Policies and Procedures (MPP) 63-505.21 (i.e., migrant farm worker households, homeless households, etc.). Also, the regulations do not provide for averaging or converting income in a retrospectively budgeted case. Therefore, the income received by the clients in the examples provided above is converted by a 4.3 or 2.15 indicator or averaged only if these individuals are prospectively budgeted.

INCOME VS. RESOURCES—REGULARLY RECEIVED PAYMENTS

QUESTION #1a:

Are Disability Insurance Benefit (DIB) payments, Unemployment Insurance Benefit payments (UIB), and Workers' Compensation payments all treated the same way?

ANSWER:

Yes. These payments are all treated the same way. They are all generally treated as unearned income in the month received per MPP 63-502.142. However, please see Q&As 1b through 1d for a discussion as to when these payments may be considered retroactive and treated as a resource.

QUESTION #1b

DIB, UIB, and Workers' Compensation payments received in the month they are intended to cover are counted as unearned income (MPP 63-501.142), while payments received for the prior months are treated as a resource (MPP 63-501.111). However, if a payment pattern is clearly established, then that payment would be counted as income in the month received. How are the "initial" payments treated?

- 1) For example, if normal initial payments for DIB cover a 14-day period (the first 7 days are a waiting period and the second 7 days are paid), do they meet the definition of "clearly established payment pattern" and therefore counted as income in the month received?

ANSWER:

Yes, the initial payments meet the definition of "clearly established payment pattern" if the 7-day waiting period is part of the 14-day period; therefore, these initial payments are counted as unearned income in the month received, in accordance with MPP 63-502.142.

- 2) If not, at what point does the payment pattern become "clearly established"?

ANSWER:

See answer to Question #1b(1).

INCOME VS. RESOURCES—REGULARLY RECEIVED PAYMENTS (continued)

QUESTION #1c

In the following situations, which payments or portions of payments are lump-sum payments and counted as a resource and which are counted as income?

- 1) An individual files for DIB on 1/8/02. The claim effective date is 1/6/02 and the waiting period is 1/6/02—1/12/02. The individual is entitled to \$25 per day and receives a check for \$175 (\$25 x 7 days) on 1/25/02 for the 7-day period from 1/13/02—1/19/02. Is it correct to count the \$175 as income received in January because the payment was received in the month for which it was intended?

ANSWER:

Yes. Because the \$175 payment received in January was intended for January, it would count as unearned income in January per MPP 63-502.142.

- 2) An individual files for DIB on 1/22/02. The claim effective date is 1/20/02 and the waiting period is 1/20/02—1/26/02. The individual is entitled to \$25 per day and receives a check for \$175 (\$25 x 7 days) on 2/8/02 for the 7-day period from 1/27/02—2/2/02. As the payment period crosses months, is it correct to count the \$175 as income received in February based on a “clearly established payment pattern,” or must the payment be prorated and only that portion intended for and received in the current month of February (\$25 x 2 days = \$50) be counted as income and the remainder (\$25 x the 5 days in January) counted as a resource?

ANSWER:

Payments that are part of a “clearly established payment pattern” are considered income, even if the payment period crosses months. An initial payment is part of a clearly established payment pattern (see answer to Question #1b). The initial payment discussed above was received in accordance with a normal payment schedule for this type of payment; therefore, the entire amount of the check received on 2/8/02 would count as unearned income in February pursuant to MPP 63-502.142.

INCOME VS. RESOURCES—REGULARLY RECEIVED PAYMENTS (continued)

QUESTION 1d

- 1) Are “regular payment patterns” based on the pattern of the period (e.g. 14 days), the pattern of the date of receipt, or both? In other words, if a payment is for a regular 14-day period but received later than normally expected (and perhaps in a future month), is it still considered received in a “regular payment pattern” and therefore counted in the month received?

Example: If a regular payment (not initial) for a 14-day period at the beginning of March is delayed and not received until mid-April, is the payment considered to be a lump-sum payment (resource) or is it counted as income because it is for a regular 14-day payment pattern?

ANSWER:

“Regular payment patterns” would be based on the established schedule for the payments (i.e. payment every 14 days, payment upon receipt of a doctor’s statement, etc.).

MPP 63-502.142 considers payments (i.e. DIB, UIB, Workers’ Compensation, etc.) as unearned income in the month received for food stamp purposes. This is because these payments reflect the normal way of doing business and the normal way in which individuals receive these payments (i.e. payment every 14 days, payment upon receipt of a doctor’s statement, etc.).

MPP 63-501.1 specifies that a nonrecurring lump-sum payment is a resource in the month received. To be considered a nonrecurring lump-sum payment, a payment must be money owed the household for a period prior to the current month (MPP 63-501.111). [Also refer to ACIN #I-13-01].

In the example, the early March payment appears to not have been received in the month as part of the normal March payments to the household. Therefore, the March payment, which was delayed and not received until mid-April, would be considered money owed to the household for a prior month and would be treated a resource in the month of April per MPP 63-501.111.

- 2) If, because of a delay in processing of an initial claim, an individual receives payments covering three separate 14-day periods, when would the payments be counted? Does it matter if the payment is received in separate checks or in a single check that covers the multiple periods?

INCOME VS. RESOURCES—REGULARLY RECEIVED PAYMENTS (continued)

QUESTION #1d(2) continued:

ANSWER #1d(2):

If a payment pattern is clearly established (i.e., payment every 14 days, payment upon receipt of a doctor's statement, etc.), payments will be counted as unearned income in the month received per MPP 63-502.1. However, payments received for prior months would be counted as a resource in the month received per 63-501.111.

Example: Household received a check covering three separate payment periods as follows:

1st check – period covered 3/1 – 3/15 (\$300), issued 4/29/01, received 5/3/01

2nd check – period covered 3/16 – 4/15(\$560), issued 4/29/01, received 5/3/01

3rd check – period covered 4/16 – 5/10 (\$435), issued 5/20/01, received 5/26/01

In the example, the 1st and 2nd checks, which were received on May 3, 2001, would be treated as a resource in the month received because they cover a prior period. The 3rd check received on May 26 would be counted as unearned income in May because this payment was received in accordance with a normal payment schedule.

Please note that although some of these Q&As refer to DIB payments only, the same provisions apply to UIB and Workers' Compensation payments as well.

In addition, please note that this policy supersedes all prior interpretations on treatment of DIB, UIB, and Workers' Compensation payments for food stamp purposes.

ADDING NEW HOUSEHOLD MEMBER—FAILURE TO PROVIDE INFORMATION

QUESTION #1:

When a household fails to provide information necessary to add a new member to the household, what actions should be taken?

ANSWER:

MPP 63-300.5(a)(2) indicates that during the certification period, the CWD will now be required to issue a “request for information” notice, DFA 387, to recipient households requesting they provide verification or clarification of household circumstances that are unclear. This must be done prior to the CWD issuing a notice of termination. If the CWD receives unclear information from a third party, or the household itself, the CWD must first notify the household. The household must be given at least ten days to respond, either by telephone or in writing. If the household does not respond within the ten-day time frame, or refuses to provide sufficient information to clarify its circumstances, the CWD must send a notice of action to terminate food stamp benefits for failure to provide information.

PAROLEES

QUESTION #1

Does MPP 63-405.117 mean that a parolee must have lived in the United States (U.S.) for one year before he or she is eligible for food stamp benefits?

ANSWER:

No. MPP 63-405.117 does not mean that the parolee has to live in the U.S. for one year before he or she is eligible for food stamp benefits. MPP 63-405.117 does mean that the INS form I-94 must show that the parolee is paroled into the U.S. (parole status is granted) for a period of at least one year. Periods of less than one year cannot be aggregated to meet the one year requirement. For example, two separate paroles of six months each cannot be combined to total one year. Furthermore, meeting the parole provision in MPP 63-405.117 means only that the parolee is a qualified noncitizen. It does not mean that the parolee is automatically eligible for food stamp benefits. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) requires a noncitizen to be a qualified noncitizen (as defined in Section 431 of PRWORA) AND to meet one of the eligibility criteria in Section 402 of PRWORA in order to be eligible for food stamp benefits. This provision was implemented in MPP 63-401.1 which states: "A noncitizen who is a lawful resident of the U.S. and meets any of the following requirements is eligible for participation in the federal Food Stamp Program (FSP):...Section 63-405.11 qualified noncitizen and Section 63-405.13 Indefinite Eligibility." Therefore, in the case of a parolee, the parolee must be a lawful resident of the U.S. paroled under Section 212(d)(5) of the Immigration and Nationality Act (INA) and status is granted for at least one year (this meets MPP 63-405.11 and PRWORA Section 431 requirements). The parolee must also be a veteran of or on active duty in the U.S. armed forces or a spouse or unmarried dependent child of a veteran or person on active duty (this meets MPP 63-405.13 and PRWORA Section 402 requirements). If the parolee meets both of these criteria, he or she would be eligible to participate in the federal FSP provided he or she meets all other eligibility criteria (such as those for income, resources, etc.).