

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



November 1, 2001

ALL-COUNTY INFORMATION NOTICE I-91-01

TO: ALL COUNTY WELFARE DIRECTORS  
 ALL FOOD STAMP COORDINATORS  
 ALL CalWORKs PROGRAM SPECIALISTS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)–  
 EFFECTIVE DECEMBER 1, 2001

SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

Social Security recipients will receive a 2.6 percent cost-of-living increase in their Social Security benefits effective December 1, 2001, which is payable January 2002. The new benefit amount can be determined by multiplying the former benefit amount by 1.026. This increase will affect cash assistance grants and food stamp (FS) allotment amounts. If CalWORKs grant, or FS allotment amounts are adjusted due to the Social Security COLA benefit increase, the requirements for a timely and adequate Notice of Action shall apply, pursuant to FS Manual of Policies and Procedures (MPP) 63-504.26 and MPP 22-071 and 072.

Payment Verification System (PVS) Cost-of-Living Adjustment (COLA) Notification

The California Department of Social Services (CDSS) will not be providing additional notification of the Social Security COLA by way of the Payment Verification System (PVS). However, upon request, a cost-of-living printout or magnetic tape will be provided to the counties. The COLA printouts will be subject to the 45-day timeliness requirements of the Income Eligibility Verification System (IEVS). If you wish to receive your county's printouts or magnetic tape, please contact either Barbara Cox or Maureen Paizs of the Fraud Bureau at (916) 263-5735 or (916) 263-5715, respectively, no later than December 4, 2001.

CalWORKs and FS Monthly Reporting Cases

For continuing monthly reporting cases, the Social Security increase must be reported on the January 2002 CW 7, due in February 2002, and retrospectively budgeted to

Page Two

determine grant and allotment amounts for March 2002. The increase must also be considered prospectively when determining income eligibility for the month of January.

Food Stamp Nonmonthly Reporting Cases

Pursuant to MPP 63-504.46, county welfare departments (CWDs) are required to automatically adjust food stamp allotments to reflect the Social Security COLA no later than the second allotment issued after the month in which the change becomes effective for nonmonthly reporting households.

All New Applicants (CalWORKs and FS)

For new applicants, the actual amount of the Social Security benefit including the increase shall be used for prospective eligibility and budgeting purposes for the month of January.

In accordance with MPP 63-504.462(b)(1)(A), no household shall be held liable for any food stamp overissuance resulting from the CWD's misapplication of the 2.6 percentage increase factor. If an underissuance of food stamp benefits occurs, the household will be entitled to a restoration of lost benefits in accordance with MPP 63-802.

QUALIFYING QUARTERS EARNINGS

The Social Security Administration has provided the amount of earnings needed to be credited with a qualifying quarter for the year 2002 in establishing noncitizen eligibility as referenced in MPP 63-405. The required amount is \$870.

If you have any food stamp questions, please contact Rosemary Akhidenor of the Food Stamp Bureau at (916) 654-2116. For CalWORKs questions, please contact Eden Marie Eulingbough of the CalWORKs Eligibility Bureau at (916) 653-4992.

Sincerely,

**Original document signed by**

GARY SWANSON, Chief  
Food Stamp Branch

c: CWDA  
CSAC