

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, 95834



April 19, 1990

ALL COUNTY INFORMATION NOTICE NO. I-27-90

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: REPAYMENT OF AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)
OVERPAYMENTS AND FOOD STAMP OVERISSUANCES

REFERENCES: ALL COUNTY LETTERS 90-03 (DATED JANUARY 11, 1990), 89-99 (DATED
NOVEMBER 15, 1989), AND 89-47 (DATED MAY 30, 1989)

The purpose of this letter is to provide clarifying information on the Order and Stipulated Judgement in the Louis v. McMahon court case. Several Counties have voiced concern regarding the application of this Order to Food Stamp overissuances. The court ordered the State Department of Social Services to instruct the Counties that, pursuant to 42 U.S.C. Sections 407(a) and 1383(d)(1), Social Security and/or SSI (including SSP) benefits are exempt from collection against overpaid/overissued public assistance benefits administered by the State, including AFDC and Food Stamps. 42 U.S.C. Section 407(a) reads, in part:

"The right of any person to any future payment under this title shall not be transferable or assignable, at law or in equity, and none of the moneys paid or payable or rights existing under this title shall be subject to execution, levy, attachment, garnishment, or other legal process ••• "

This means that Social Security and/or SSI funds are not subject to collection and that these funds cannot be used to repay either AFDC overpayments or Food Stamp overissuances without the express permission of the client. To comply with this Order the Food Stamp Repayment Notice, DFA 377.7B and Food Stamp Repayment Notice, Final Notice, DFA 377.7B1, have been revised to include the following:

"You do not have to use any Social Security or SSI benefits you get to repay this overpayment."

This message was required effective October 1, 1989 on all overpayment and overissuance and/or collection letters to clients to ensure that individuals are informed of the exempt nature of Social Security and SSI benefits.

If you have any questions, please contact the Overpayment Recovery Bureau at (916) 322-5387 or ATSS 492-5387.

, ffe- ROBERT A. HOREL
Deputy Director

cc: CWDA