

DEPARTMENT OF SOCIAL SERVICES



August 24, 1982

ALL-COUNTY LETTER NO. 82-84

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: CHANGE IN CRITERIA FOR DETERMINING IHSS INCOME ELIGIBILITY:
DISPOSAL OF PROPERTY

REFERENCE: P.L. 96-611

This is to inform you of a federal claims manual revision effective March 1, 1981, regarding disposition of resources for the purpose of establishing Supplemental Security Income (SSI) eligibility.

The Social Security Administration has implemented Public Law 96-611, Section 5, which stipulates that, when an individual or his/her eligible spouse disposes of resources for less than the fair market value for the purpose of establishing SSI/SSP eligibility, the difference between the fair market value and the amount received shall be countable as a resource for a period of 24 months from the date of disposal. It also states that disposal of resources for less than fair market value shall be presumed to be for the purpose of establishing SSI eligibility unless the applicant/recipient can provide convincing evidence that the disposition was for some other purpose (references CM A12595 and A01130.625A).

Because IHSS eligibility standards parallel SSI/SSP eligibility standards, PL 96-611 applies to all persons making application for IHSS as income eligibles. County staff should ask the applicant if he/she has disposed of any resources within the previous 24 months. If the answer is no, the county should process the application as usual. If the answer is yes, determine whether the resource qualifies for exclusion as a countable resource as delineated in MPP 30-473.6. If the resource does not qualify for exclusion, the following steps should be taken (reference A01130.625):

1. Ascertain and document the fair market value of the resource, and the applicant's equity value in the resource.
2. Ascertain and document the amount of compensation received by the individual/couple.

3. Ascertain the uncompensated value. The uncompensated value is the difference between individual's equity value in the resource and the compensation received by the individual upon disposal of the resource where the amount received is less than the fair market value.
4. Add the amount of uncompensated value to the amount of other countable resources to determine total countable resources.
5. Explain to the applicant that the transfer of a resource at less than his equity value in it is presumed to be for the purpose of establishing IHSS eligibility unless he/she can present convincing evidence that the transfer was exclusively for some other purpose.

If the resource was transferred at the fair market value, process the application as usual. If the resource was transferred at less than fair market value and the uncompensated value combined with other countable resources does not exceed the resource limitation of \$1500 for individuals or \$2,250 for a couple, process the application as usual. If the uncompensated value, combined with other countable resources exceeds the resource limit, the applicant is ineligible unless the applicant provides convincing evidence that the disposal of the resource was exclusively for some purpose other than establishing IHSS eligibility. In either case the uncompensated amount shall be counted towards the applicant's resources for 24 months from the date of disposal.

For current recipients of IBSS who applied after February 28, 1981, implement these procedures at the time of the next recipient redetermination of eligibility. For all new applicants, implement these procedures as of the date of this letter.

If there are any questions concerning the above, please contact your consultant in the Adult Services Program Operations Bureau at (916) 445-8724.

Sincerely,

Original Document Signed By:

CLAUDE E. FINN
Deputy Director
Adult & Family Services

cc: CWDA