

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



June 18, 1991

ALL COUNTY LETTER NO. 91-50

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF COURT ORDER IN JOHNSON VS CARLSON -
LUMP SUM INCOME IN AFDC

REFERENCE: MPP 44-207.432(a)

The purpose of this letter is to inform County Welfare Departments (CWDs) of a court order signed April 24, 1991 in the Johnson case. The court order eliminates the "anticipated lump sum rule" contained in MPP 44-207.432(a).

The letter also addresses certain aspects of informing and application processing regarding treatment of lump sum income. These issues are addressed in ATTACHMENT 1.

Court Order

There are no provisions for retroactive benefits under the Johnson court order. A copy of the order is attached. Under the terms of the order:

- oe The Department of Social Services (DSS) and CWDs must cease applying the "anticipated lump sum" rule.e

This must be done as soon as administratively possible after the date the CWD receives this letter, but not later than 30e calendar days after receipt.e

- oe DSS must repeal regulations regarding the "anticipated lump sum" rule. This process is underway.e
- oe Under the court order, the "anticipated lump sum" rule may not be used at all. This includes review of past case actions, establishment of overpayments and review of current or future circumstances. Should a Filing Unit in a period of ineligibility (POI) resulting from application of the "anticipated lump sum" rule apply for AFDC, the members of the Filing Unit must not be considered ineligible based on the POI.e

EXAMPLE: A CWD has ceased applying the "anticipated lump sum" rule as of July 1. The CWD has a situation where it appears that the rule should have been applied in a past month but was not, an open case where the recipient has reported enough information to apply the rule, and a restoration request by a Filing Unit currently in a POI due to application of the rule.

The CWD cannot apply the rule in any of these situations. The CWD must process the restoration request without regard to the POI.

If you have questions or need further information regarding this letter, please contact Jim Lucas of the Welfare Policy Implementation Bureau at (916) 324-2725 or ATSS 454-2725.



ROBERT A. HOREL

Deputy Director

Attachments

cc: CWDA