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Administrative Directive

Section 1

Transmittal:	01 ADM 12
To:	Local District Commissioners
Issuing Division/Office:	Temporary Assistance
Date:	October 2, 2001
Subject:	Temporary Assistance Budgeting: The Treatment of Retroactive SSI and Social Security (RSDI) Corrective Payments
Suggested Distribution:	Temporary Assistance Directors Medical Assistance Directors Child Assistance Program Coordinators Staff Development Coordinators
Contact Person(s):	Policy Questions: Temporary Assistance - Central Region at 1 800-343-8859 ext. 4-9344; Food Stamps - Eastern Region - ext. 3-1469
Attachments:	None
Attachment Available On – Line:	<input type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
		352.32			GIS 01 TA/DC021; 01 TA/DC025

Section 2

I. Purpose

The purpose of this administrative directive is to inform social service districts (ssds) of Food Stamps (FS) and Temporary Assistance (TA) budgeting procedures related to the receipt of retroactive and recurring SSI/RSDI payment adjustments due in the summer of 2001.

II. Background

In the fall of 2000, the federal government discovered that it had made an error in the computation of the Consumer Price Index. By federal law, the Social Security Administration (SSA) uses the CPI to calculate increases in benefit level for Social Security and Supplemental Security Income beneficiaries.

As a result of the CPI error, the December 1999 cost-of-living adjustment (COLA) was one-tenth of one percent below what it would have been had the error not occurred. As a result, the COLA applied to RSDI (Social Security) and SSI payments was 2.4 %, rather than 2.5%.

The federal government is in the process of correcting this mistake and will issue retroactive payments (usually under \$20) to SSI and RSDI beneficiaries in July of 2001. Recurring SSI and RSDI benefits will be corrected as of August 1, 2001.

This Office advised districts of the treatment of these retroactive and increased benefits in GIS 01 TA/DC021 for FS and in GIS 01 TA/DC025 for TA. Those districts that followed the instructions in these two GIS messages are likely to have little or no required action at this time.

III. Program Implications

This section outlines the treatment of the retroactive and increased benefits for TA and Food Stamps.

A. Treatment of Retroactive and Increased RSDI/SSI Benefits for TA Recipients

There are two categories of TA recipients impacted by these changes: congregate care residents and RSDI beneficiaries. The treatment of the federal correction for these two groups is explained below.

1. Congregate Care Residents

Districts must adjust the budget for TA recipients residing in congregate care facilities at the time of next budgetary change, but no later than the next recertification. Upstate, ABEL has been reprogrammed so that any new congregate care budgets stored after July 8, 2001 with a FROM date of at least 8/1/01 will reflect the increased congregate care rates. The impacted upstate shelter codes for congregate care on ABEL are “10 – Congregate Care Level II – Drug/Alcohol Treatment Facility”, “15 – Congregate Care Level I – Family Care”, “16 – Congregate Care Level II – Not Drug/Alcohol Treatment or Apartment-like”, “17 – Congregate Care Level II – Apartment Like”. Downstate (NYC), ABEL has been reprogrammed so that any new congregate care budgets stored after July 21, 2001 with a FROM date of at least 8/1/01 will reflect the increased congregate care rates. The impacted downstate shelter codes for congregate care are “15 – Congregate Care Level I – NYC, Nassau, Suffolk, Westchester”, “16 Congregate Care Level II – State Certified – NYC, Nassau, Suffolk, Westchester”, “17 Congregate Care Level II – State Operated”, “28 Congregate Care Level I – Rest of State”, “29 – Congregate Care Level II – State Certified – Rest of State”, “31 – Residential Treatment Facility – Level II Facility – NYC, Nassau, Suffolk, Westchester”, “32 Residential Treatment Facility – Level II Facility – Rest of State”.

2. RSDI Beneficiaries

Since the retroactive lump sum RSDI payment is minimal and it is unlikely districts will be able to adjust budgets in time to reflect its receipt, districts must not take any budgetary action with respect to

the retroactive payments. It would not be cost effective administratively to calculate and recover overpayments for TA.

Regarding the increase in monthly RSDI benefits due August 1, 2001, ssds must verify the increased ongoing benefits and adjust the ABEL budget to reflect the increased amounts at the time of next budgetary change (but no later than the next recert.) Ssds must not calculate overpayments for those months prior to the budgetary change being made.

A. Treatment of Retroactive and Increased RSDI/SSI Benefits for FS Recipients

Food Stamp treatment of the retroactive and increased RSDI/SSI benefits is as follows:

1. The retroactive payments are lump sums and therefore are excluded as FS income;
2. The increased RSDI or SSI benefits must be verified and budgeted at the next recertification;
3. Individuals who are in receipt of FS benefits in January 2002 will have the corrected January 2000 COLA factored into their January 2002 COLA rebudgeting for future months.

Ssds are reminded that FS claims must not be established for cases based on their monthly RSDI or SSI increase not being budgeted before January 2002.

IV. Required Action

Districts were already advised of the policy and required action regarding the retroactive and increased RSDI/SSI benefits in the GIS 01 TA/DC021 and in GIS 01 TA/DC025 for TA. The retroactive payments must be ignored as income for both TA and FS. If a district has not already done so for TA, the increased monthly RSDI benefits must be verified and budgeted and the shelter rates for recipients residing in congregate care must be adjusted at the time of the next budgetary action. For FS, if a ssd has not already done so, the RSDI or SSI must be verified and budgeted at the time of the next recertification.

V. Systems Implications

None.

VI. Additional Information (Optional)

None.

VII. Effective Date

This release is effective immediately.

Issued By _____

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