

+-----+  
 | ADMINISTRATIVE DIRECTIVE |  
 +-----+

TRANSMITTAL: 95 ADM-9

TO: Commissioners of  
 Social Services

DIVISION: Economic  
 Security

DATE: May 10, 1995

SUBJECT: PA Budgeting: The Treatment of New York State Disability  
 Benefits

-----

SUGGESTED  
 DISTRIBUTION: Staff Development Coordinator  
 Public Assistance Staff  
 Food Stamps Staff  
 Medical Assistance Staff  
 Child Assistance Program Staff

CONTACT  
 PERSON: Greg Nolan, Bureau of Income Support Programs,  
 1-800-343-8859, ext. 4-9313

ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
91 ADM-27			352.29	FSSB	
82 ADM-15				XII-C-1	

I. PURPOSE

This is to notify districts (SSD's) of a change in policy regarding the treatment of New York State Disability income when determining the public assistance grant amount.

II. BACKGROUND

SSD's have been told to count the net New York State Disability benefits after any taxes or disability deductions have been withheld when calculating the public assistance grant.

The Department has recently been informed by the federal government that the gross income prior to withholding must be counted.

III. PROGRAM IMPLICATIONS

Public Assistance

This will require SSD's to rebudget some PA cases that receive New York State Disability benefits. Only a minimal number of cases are expected to be impacted.

Food Stamps

For food stamp purposes, the gross amount of New York State Disability Benefits are treated as unearned income as specified in FSSB XII-C-1.

Medical Assistance

Chapter 938 of the laws of 1990 eliminated income exemptions for mandatory payroll deductions such as federal, State and local taxes, social security withholding taxes (FICA), and New York State Disability. This change applied to ADC-related and SSI-related applicants/recipients (A/Rs). The income exemptions for HR-related A/Rs continued in accordance with PA requirements. Instructions were provided in 91 ADM-27.

As a result of the change in PA policy, HR-related A/Rs will no longer be allowed deductions from New York State Disability income when determining eligibility for MA.

IV. REQUIRED ACTION

The Department will identify public assistance cases that currently have NY State Disability (ABEL unearned Income Code 33 for Upstate and Code 21 for New York City) in the budget and provide SSD's with lists of impacted cases. SSD's must review these cases and rebudget

them using the gross income. The lists will be sent with a cover letter to each SSD's IM Director in the near future. Upstate ABEL edits, which currently allow entry of an exempt amount will be changed to prohibit entry of an exempt amount with Unearned Income Code 33.

Timely notice must be provided to any recipient who incurs a grant reduction as a result of this change. Recommended notice language follows:

"Rules require us to figure your grant based on your gross income before any deductions. We are redoing your budget and counting (enter new gross amount) against your grant".

The regulation cite for the change is 18 NYCRR 352.29.

SSD's must begin applying this new policy to public assistance applicants with the effective date of this ADM. Also, at the time of next recertification or client contact, whichever is sooner, districts must review and adjust any PA cases that have New York State Disability benefits that are not budgeted correctly on ABEL.

V. EFFECTIVE DATE

This ADM is effective June 1, 1995.

---

John C. Fredericks  
Division of Economic Security