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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 95 INF-35

TO: Commissioners of
 Social Services

DIVISION: Economic
 Security

DATE: October 18, 1995

SUBJECT: Food Stamps: SSI or SSDI When Disability is Based
 on Drug Addiction or Alcoholism

SUGGESTED

DISTRIBUTION: Food Stamp Director
 IM Director
 CAP Director
 Staff Development Coordinator

CONTACT PERSON: Your Food Stamp Representative at 1-800-343-8859
 Ext. 4-9225

ATTACHMENTS: NONE

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
92 INF-16		387.11 387.14	P.L. 103- 296 273.2(j) 273.9(c)(1) (iv)	FSSB V-B-1.1 XII-G-7 XII-G-10	

Clarification was recently received from USDA that answers questions that have arisen concerning food stamp policy on individuals whose disability is based on Drug Addiction and/or Alcoholism (DAA).

Most applicants for SSI (Title XVI Supplement Security Income) and SSDI (Title II Social Security Disability Insurance) payments must wait several months before they are approved to receive payments. Usually, the first payment includes a lump-sum amount which includes retroactive payments back to the date of application. This retroactive payment is excluded for food stamp purposes as a nonrecurring lump-sum payment.

For DAA cases, the retroactive amounts are paid in installments for two or more months depending on the retroactive amount due the person. If the Social Security Administration (SSA) determines that there is a high risk of homelessness for the DAA individual due to outstanding housing debts incurred while awaiting an eligibility decision, the first installment may be increased by the amount needed to cover the debts.

The DAA individuals must receive payments through a representative payee. The individuals must be suspended from SSI/SSDI if they fail to attend scheduled treatments or fail to make progress in their treatments.

Following are questions that have been asked:

Question 1: For households with a DAA individual, how are the SSI or SSDI installments which are made for two or more months treated for food stamp purposes?

Answer: The SSI or SSDI installments which are made for two or more months are counted as income in the month received. They are recurring payments, so they cannot be treated as nonrecurring lump-sum payments. The household will receive notices from SSA advising the DAA individual whether one or more installments will be issued, when to expect the first installment, the amount of each installment, any changes, and when the last installment will be issued.

Question 2: Will the SSI recipient who is suspended for noncompliance with DAA treatment requirements still be categorically eligible?

Answer: No. A household in which a member is suspended from SSI for noncompliance with DAA treatment requirements would not be categorically eligible to participate in the Food Stamp Program. The household cannot be considered categorically eligible as SSI recipients again until that individual's suspension ends and he starts receiving SSI benefits.

Because these individuals will not receive any retroactive SSI benefits for the period of suspension, they would not be "authorized to receive" SSI benefits as required for categorical eligibility. In order to regain food stamp certification, the household would have to be determined eligible under normal requirements. Their food stamp eligibility determination would be calculated without including an SSI benefit as income for the suspended individual until the suspension period ends and benefits are resumed.

(NOTE: Installments mentioned in Q&A #1 are not paid during the suspension period.)

Question 3: All DAA individuals must receive payment through a representative payee. Qualified organizations may collect fees for providing payee services. How are the monthly fees collected from DAA cases by representative payees treated for food stamp purposes?

Answer: To qualify to collect a fee the organization must be a community-based non-profit social service agency which is bonded or licensed in the state. The amount of the fee, which the representative payee withholds from the funds it receives on behalf of the SSI or SSDI recipient, is not counted as income to the household for food stamp purposes. The monthly fee withheld by the representative payee is legally obligated to the payee rather than to the household and thus is not countable. (This is the same policy as applied to fees which representative payees withhold from the funds received on behalf of non-DAA cases.)

For DAA cases, authorized organizations may collect a monthly fee equal to the lesser of 10% of the monthly benefit payable or \$50 per month. (This is higher than the amount authorized to be collected from non-DAA cases.)

Patricia A. Stevens
Deputy Commissioner
Division of Economic Security