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| LOCAL COMMISSIONERS MEMORANDUM |  
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DSS-4037EL (Rev. 9/89)

Transmittal No: 97 LCM-14

Date: February 19, 1997

Division: Temporary Assistance

TO: Local District Commissioners

SUBJECT: New SSA IAR Procedures for Large Past-Due SSI Payments and  
Dedicated Accounts

ATTACHMENTS: Draft copy of Form SSA-8125 - IAR Payment Pending Case -  
State Due Payment - Priority Handling (IARPPC-SDP) -  
available on-line

CONTACTS: Region I: 518-473-0332; Region II: 518-474-9344;  
Region III: 518-474-9307; Region IV: 518-474-9300;  
Region V: 518-473-1469; Region VI: 212-383-1658

I. Background

On August 22, 1996, the President signed into law the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, P.L. 104-193. Two of its provisions affect the way social services districts (SSDs) obtain their Interim Assistance Reimbursement (IAR) from the Social Security Administration (SSA) when certain large retroactive Supplemental Security Income (SSI) payments are involved.

These two provisions are outlined as follows:

Installment Payments of Large Past-Due SSI Payment

| Establishes a schedule for paying retroactive SSI benefit amounts that equal or exceed 12 times the monthly Federal Benefit Rate (FBR) plus the monthly State supplement level. Payment would be made at six month intervals.

The first installment would be 12 times the FBR (\$5,640 based on the 1996 rates) plus any federally administered State supplement.

Any remaining retroactive benefits would be paid in a second installment (not to exceed the first payment).

All remaining retroactive benefits would be paid in the third installment.

| Provides that where an underpaid individual has incurred debts to provide for food, clothing or shelter, has expenses for disability related items and services that exceeded the installment limit, or has entered into a contract to purchase a home, the installment payment would be increased by the amount needed to cover these debts, expenses, and obligations.

| Provides that full retroactive payments be paid to an individual who is terminally ill, or if currently ineligible, is likely to remain so for the next 12 months.

This will be effective with respect to past-due benefits payable after the third month following the month of enactment.

Dedicated Accounts

| Requires the establishment of a bank account to maintain retroactive SSI benefits that exceed 6 times the FBR for disabled/blind children (smaller amounts may be placed in such accounts once established).

| Allows funds to be used for:

- education or job skill training;
- personal needs assistance;
- special equipment or housing modifications;
- medical treatment, therapy or rehabilitation; or
- other items or services SSA determines appropriate.

| Requires that expenditures must be related to the impairment of the child.

| Provides that unauthorized expenditures constitute misapplication of benefits and are recoverable from the payee.

| Requires SSA to establish an accountability system to monitor these accounts, and payees are required to report on the use of these funds.

| Provides that accounts are excluded from resource counting and that interest earned is excluded from income.

In order to accommodate these two provisions, SSA has decided to utilize the same special IAR procedures that were used for Drug Addict and Alcoholic (DAA) cases. Consequently, in these installment payments or dedicated account situations, the SSD will have to first inform SSA of the amount of IAR the SSD is due before SSA will release the IAR payment. SSA will be introducing form SSA-8125-IAR Payment Pending Case - State Due Payment - Priority Handling to facilitate this process.

## II. Required Action

1. When an initial or reinstated SSI claim is determined eligible for benefits, SSA will mail the form SSA-8125-IARPPC-SDP, to the SSD at the current address for each Grant Reimbursement (GR) Code. (See attachment for a draft copy of the SSA-IARPPC-SDP.) This is the address at which you currently receive IAR checks and notices. Unlike in the regular IAR process, no SSI check will be sent to the SSD at this time.
2. After the SSD receives the SSA-8125-IARPPC-SDP, the SSD should compute the amount of IAR they are entitled to and complete a DSS-2425 (W-128HH in NYC). The DSS-2425 (W-128HH in NYC) should be kept on file, along with a copy of the completed SSA-8125-IARPPC-SDP, for use at a later date. (See #4 below.)

The SSD will have to be on the look-out for the SSA-8125-IARPPC-SDPs. These special forms will appear with all the regular SSA-8125s, but will not have a check accompanying them. They can also be distinguished by the identifier "IAR - Payment Pending Case" appearing on pages 1 and 3 of the form.

After calculating the amount of IAR a SSD is entitled to, the SSD completes the information on page 3 of the SSA-8125-IARPPC-SDP headed "State's Account of Reimbursement Claimed" and sends the form to the SSA Field Office (FO) listed on page 1 of the SSA-8125-IARPPC-SDP.

NOTE: The SSD that receives the SSA-8125-IARPPC-SDP continues to act on behalf of all SSDs in NYS entitled to IAR for the person for whom they receive the SSA-8125-IARPPC-SDP.

3. When the local SSA Field Office receives the completed SSA-8125-IARPPC-SDP from the SSD, the Field Office will authorize a check to be sent to the SSD in the amount of the IAR listed on the returned SSA-8125-IARPPC-SDP.
4. When the SSD receives the IAR check for the IARPPC-SDP recipient from SSA, the SSD must send the client a copy of the DSS-2425 (W-128HH in NYC) that lists how the IAR was calculated.

The SSD should also attach the SSA-8125-IARPPC-SDP to the other regular SSA-8125s received for other new SSI recipients and send them, with the DSS-3073 as cover, to this Department, as is currently done.

5. If a SSA Field Office does not receive the completed SSA-8125-IARPPC-SDP from a SSD within 15 work days from the date the SSA office generated the SSA-8125-IARPPC-SDP, the Field Office will fax a copy of the SSA-8125-IARPPC-SDP with a standardized cover sheet to a person, unit, or office designated by the Commissioner of each SSD and the New York State Department of Social Services.

The second SSA-8125-IARPPC-SDP is to be processed by the SSD using the same procedures as noted in #2 above. If a SSD has already sent the 8125-IARPPC-SDP to SSA, they should contact the appropriate SSA Field Office to determine if the first copy has been lost and another copy of the form is needed.

6. If the second request for the 8125-IARPPC-SDP is not received by the SSA Field Office within 10 work days, the Field Office will send out a third request and will, also, send a copy of the 8125-IARPPC-SDP to the SSA Regional Office (RO). The SSA RO will contact NYSDSS to try to obtain the completed SSA-8125-IARPPC-SDP.

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Patricia A. Stevens  
Deputy Commissioner  
Division of Temporary Assistance

INTERIM ASSISTANCE PAYMENTS

TN7 10-96

SI 02003.081

Social Security Administration  
Supplemental Security Income  
Notice of Interim Assistance Reimbursement

Date:

Claim Number:

GR CODE:

Action Required By The State

Complete the State's Account of Reimbursement Claimed section by using the information in the "Retroactive Amount Due Summary". Return all but this page within 10 working days to:

IAR-PAYMENT PENDING CASE

Social Security Administration

Things To Remember When Determining Your Amount of Reimbursement

| Federally Reimbursable Interim Assistance (IA) is assistance from State or local funds to an individual for meeting basic needs during the period beginning with the first day for which such individual was eligible for SSI benefits; or beginning with the first day for which the individual was subsequently found to have been eligible for such benefits, and ending with (and including) the month payment is made.

| You may recoup the assistance you paid for any month in a period as defined above for which both SSI and IA payments were made. You may not recoup for any months prior to the month in which you began paying IA in this period. If a month is not listed in the "Retroactive Amount Due Summary" you cannot recoup the assistance you paid for that month. However, if you have prepared and cannot stop delivery of the last assistance payment that you made to an individual when you receive that individual's SSI payment from SSA, you may recoup that assistance payment even though it is not listed in the "Payment Summary".

INTERIM ASSISTANCE PAYMENTS

SI 02003.081 Cont'd.

TN 7 10-96

Page 2

| In cases where SSI payments were prorated, you must prorate the amount you recover for that month. You may only recoup the prorated amount of the full IA payable for that month. A month's amount is prorated if the day is other than the first of the month.

| Assistance payments financed in whole or part from Federal funds (e.g., AFDC) do not come within the meaning of interim assistance.

PAPERWORK/PRIVACY ACT NOTICE

The Social Security Administration (SSA) is authorized to collect this information under 1631 (g) of the Social Security Act. At times, it is required to determine the amount of interim assistance to reimburse the State before it can release the IAR payment to the State because of amendments to the Social Security Act such as the recently enacted large past-due SSI benefits provisions of Public Law 104-193. Failure to provide all or part of the information could prevent an accurate and timely decision on the amount of reimbursement. The information you furnish here will not be used for any other purpose.

TIME IT TAKES TO COMPLETE THIS FORM

We estimate that it will take you about 10 minutes to complete this form. This includes the time it will take to read the instructions, gather the necessary facts and fill out the form. If you have comments or suggestions on this estimate, write to the Social Security Administration, ATTN: Reports Clearance Officer, 1-A-21 Operations Bldg., Baltimore, MD 21235. Send only comments relating to our estimate or other aspects of this form to the office listed above. All requests for other information should be sent to your local Social Security office, whose address is listed under Social Security Administration in the U.S. Government section of your telephone directory.

INTERIM ASSISTANCE PAYMENTS

TN 7 10-96

SI 02003.081

Page 3

IAR PAYMENT PENDING CASE  
STATE DUE PAYMENT.....PRIORITY HANDLING

COMPLETE & RETURN WITHIN 10 WORKING DAYS:

\*\*\*\*\*CLAIMANT'S INFORMATION\*\*\*\*\*

Initial Claim \_\_\_\_\_ Post-eligibility Claim \_\_\_\_\_ Other \_\_\_\_\_

Recipient's Name \_\_\_\_\_ SSN \_\_\_\_\_

Representative Payee's Name (if applicable) \_\_\_\_\_

Date of SSI Eligibility \_\_\_\_\_

Amount of SSI Retroactive Benefits Due: \_\_\_\_\_:

Amount and Month of Recurring SSI Payment: \_\_\_\_\_

TO: (Social Security Administration Address)

\*\*\*\*\*STATE'S ACCOUNT OF REIMBURSEMENT CLAIMED\*\*\*\*\*

Date Returned to SSA \_\_\_\_\_ Welfare Telephone # \_\_\_\_\_ GR Code \_\_\_\_\_

AMOUNT

1. Amount of interim assistance paid to the individual

AMOUNT

2. Amount of reimbursement claimed by the State

MONTH/YEAR

3. First month for which State paid IA during the interim period

I certify that the above is an accurate statement of the amount of assistance paid and the amount of reimbursement claimed in accordance with our agreement negotiated pursuant to P.L. 93-368, as amended.

Signature \_\_\_\_\_ Title and Agency \_\_\_\_\_ Date \_\_\_\_\_  
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To Be Completed by SSA:

SSA Telephone Number: \_\_\_\_\_

Amount of reimbursement check released to the State \_\_\_\_\_

Date \_\_\_\_\_ By \_\_\_\_\_

INTERIM ASSISTANCE PAYMENTS

SI 02003.081 Cont'd.

TN 7 10-96

Page 4

\*\*\*\*\*RETROACTIVE AMOUNT DUE SUMMARY\*\*\*\*\*

Recipient's Name \_\_\_\_\_ Recipient's SSN \_\_\_\_\_

FROM	THROUGH	AMOUNT EACH MONTH
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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