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Governor

NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE
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Brian J. Wing
Commissioner

Administrative Directive

Section 1

Transmittal:	01 ADM 11
To:	Local District Commissioners
Issuing Division/Office:	Temporary Assistance
Date:	September 25, 2001
Subject:	Safety Net Assistance Recoupment Rate Change
Suggested Distribution:	Temporary Assistance Staff Staff Development Coordinators Fraud and Recovery Staff Accounting Supervisors
Contact Person(s):	Central Team at 1-800-343-8859, Extension 4-9344
Attachments:	NYC Mass Change Notice-"Notice of Intent to Change Your Benefit-Recoupment Rate Change"
Attachment Available On – Line:	<input checked="" type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
90 ADM-39		352.11 352.31(d)	106.b	PASB xix-c	

Section 2

I. Purpose

This release is to advise social services districts of the change to Department regulations that specify the maximum amount of the recoupment rate for Safety Net Assistance (SNA) cases. The amendments to 18 NYCRR 352.11 and 352.31(d)(2) reduce the maximum recoupment rate from 15% to 10%.

II. Background

The recoupment rate that applied to the recovery of overpayments for Public Assistance programs was the same, a maximum of 10%, until July 19, 1991. With the issuance of 91 ADM-38 (cancelled by 94 ADM-10), the recoupment rate for Home Relief, PG-ADC (HR-PG in NYC) and VA increased to a maximum of 15%. Recipients could request an undue hardship determination and, if eligible, get a reduction in the recoupment rate to a percentage between 15% and 5%.

Although some cases with children were affected, the change mainly affected adults without children. The change created a budgeting inconsistency between Aid to Dependent Children (ADC) program and the Home Relief, PG-ADC (HR-PG) and VA programs.

The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) ended the ADC program and established the Temporary Assistance to Needy Families (TANF) program. New York State's Welfare Reform Act (WRA) of 1997 replaced the ADC program in New York State with the Family Assistance (FA) program and the Home Relief program with the Safety Net Assistance (SNA) program.

The 10% recoupment rate maximum applied to the Family Assistance cases, while the 15% recoupment rate maximum applied to SNA.

III. Program Implications

The changes to 18 NYCRR 352.11 and 352.31(d)(2) reduce the maximum recoupment rate for SNA to 10%. The change provides for greater consistency among the Temporary Assistance (TA) programs. The change will also reduce the likelihood that families moving into the SNA program from FA will request administratively burdensome undue hardship determinations.

IV. Required Action

A. Temporary Assistance

Department regulations 352.11 and 352.31(d)(2) have been amended so that local departments of social services (LDSSs) must now recoup at a maximum rate of 10% for all TA case types, including SNA. The minimum recoupment rate remains at 5% if undue hardship is substantiated.

Clients in receipt of SNA (non-cash SNA-federally participating, case type 12; cash Safety Net Assistance, case type 16; and, non-cash Safety Net Assistance-federally non-participating, case type 17) from whom overpayments are currently being recouped at a rate greater than 10% must be rebudgeted and notified about the effect on their benefits.

The rebudgeting must be done effective December 1, 2001.

Client Notices System (CNS) will support the recoupment rate change. Please see Section V., Systems Implications. In the event that a manual notice will be sent, the appropriate Notice of Intent to Change Benefits or approved local equivalent should state as the reason for the change:

“This change is happening because of a new social services regulation (rule) that tells this agency the amount that must be recouped from your benefit to repay an overpayment of assistance. The percentage amount of your recoupment is being reduced to 10%. This means that less money will be taken from your benefit to repay the debt that you owe to this agency.”

Until such time as the manual client notices can be revised, please revise the recoupment paragraph on the manual notice starting in the third sentence from the end as follows: “...If it is determined that the recoupment will cause an undue hardship, the recoupment may be changed to a reduction between 5 and 10%.” Strike through the rest of the paragraph.

B. Food Stamps

A decrease in a TA recoupment from 15% to 10% may result in a decrease to the household’s Food Stamps (FS) benefit if the recoupment type is one of the following:

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| NYC: | E = Agency Error |
| | X = Contested Reduction |
| | C = Concealment |
| UPSTATE: | 1 = Agency Error |
| | 2 = Client Error |
| | 5 = IV-D Payments |
| | 6 = Applicant Shelter Arrears In Excess of Allowance;
Other Non-Rent Shelter Expenses (PA Only) |

Because the TA recoupment amount for these recoupment types is excluded as FS income, less TA income is counted in the FS budget when determining the amount of the FS benefit. When the recoupment percentage is reduced, the 5% difference becomes countable TA income for FS.

V. Systems Implications

CLIENT NOTICES SYSTEM (CNS):

No special case level reason code has been created for this change. Use the case level code appropriate for the action. For example, use B20 “New Budget Authorized” or B60 “Recertification”. The resulting CNS notice will explain that the case recoupment percentage was reduced and the effect on the TA and FS benefit.

UPSTATE:

An edit will be in place in ABEL by mid-November that will prevent a recoupment rate greater than 10% on all SNA budgets, [case types 12 (non-cash SNA-Federally Participating (FP)); 16 (Safety Net Assistance); and, 17 (non-cash SNA-Federally Non-Participating (FNP))] with a from date of December 1, 2001 or later. If a recoupment percentage of greater than 10% is present, the field will blink. Until the edit is present, workers must remember to reduce the recoupment rate to an amount not to exceed 10% when creating budgets for benefit periods December 1 or later.

Lists will be available to districts outside NYC in late October. The lists will identify all SNA cases with an existing recoupment at a rate higher than 10%.

NYC:

SNA cases with a recoupment rate higher than 10% will have the recoupment percentage reduced by a mass rebudget. The mass rebudget process will include the notice to the household. Attachment 1 is a sample of the English version of the notice. A Spanish version insert will be included with the notice to all rebudgeted households.

Information about the date of the mass rebudget will be available at a later date.

VI. Additional Information (Optional)

Districts that have approved local equivalents of the state mandated notices containing the recoupment paragraph must revise and resubmit the forms for approval. The Recoupment paragraph on the manual notice must be revised starting in the third sentence from the end as follows: "...If it is determined that the recoupment will cause an undue hardship, the recoupment may be changed to a reduction between 5 and 10%." Delete the rest of the paragraph.

VII. Effective Date

The effective date of this directive is December 1, 2001.

Issued By

Name: Patricia A. Stevens

Title: Deputy Commissioner

Division/Office: Division of Temporary Assistance