

## CHAPTER 4-000 BENEFITS

4-001 Calculating Benefits: Benefit levels for all households are based on each household's net income.

4-001.01 Initial Certification: Benefits are prorated from the application filing date at initial certification. The eligibility determination for a household submitting an initial application must be based on circumstances for the entire application month. A household's benefit level for the initial month will be based on the day of the month on which the household files the application. The application filing date for residents of public institutions who jointly apply for SSI and SNAP benefits is the date of release from the institution. Benefits will be prorated from the application filing date to the end of the month.

4-001.02 Recertification: When the household files a new application prior to the expiration of their certification period, SNAP benefits are not prorated. Unless there has been a break in benefits, households are not entitled to expedited services at recertification. When the household files a new application after the expiration of their certification period, benefits are prorated from the application filing date. Migrants and seasonal farm workers' benefits are not prorated unless there has been a break in service of more than one month.

The local office must determine eligibility and benefit level at the time of recertification by considering the household's circumstances as anticipated for the certification period following the expiration of the current certification period.

4-001.03 Eligibility Following Application Month: The worker must use the same application to deny a case for the initial month and to approve the case for the following month when both of the following conditions are met and actions are completed at the same time:

1. The household is ineligible for the program in the month of application;
2. The household is eligible for the program in the following month.

4-001.04 Retroactive Benefits: Retroactive benefits are issued only when eligibility is determined in the month(s) following application. The local office must issue retroactive benefits to a household for the month of application when all the following conditions are met:

1. The household is eligible for the program in the month of application;
2. The household is entitled to benefits in the month of application; and
3. The worker makes the determination in the month following the month of application that the two steps above apply to the household.

The eligibility determination for the month following the month of application must be made within the time standards for application processing.

4-001.05 Fluctuating Allotments: When there are anticipated changes in the household circumstances, and the household does not choose to use the averaging procedures, the assigned allotment must reflect changes anticipated at the time of certification.

4-001.06 Prorated Allotment: Benefits are prorated for the first month of the initial certification period and for the month following recertification when there has been a break in service and at reinstatement. If the allotment after proration is less than \$10, benefits are not issued for that month. The household's prorated benefit level is based on the date entered as the Proration Date on the automated system. The worker must enter or update this date at initial certification, reinstatement, and at recertification when there has been a break in benefits.

{Effective 11/19/97}

4-001.06A Standard Month: As a basis of proration, the automated system will use a 30-day month as a standard for households. Application of households applying on the 31st day of a month will be treated as though the household had applied on the 30th day of the month. In February, households applying on the 28th or 29th day are treated the same as households applying on those dates in any other month.

4-001.06B Expedited Processing: If the household files an initial application on or after the 16th day of the month, the local office shall issue one combined allotment for the month of application and the following month. The household must provide verification of the identity of the head of the household before receiving benefits but may postpone providing some or all of the other verifications for the first two months. The combined allotment must be issued within seven calendar days of the receipt of the application. All required verifications must be provided before the third month's benefits can be issued.

{Effective 10/28/96}

4-001.06C Migrant and Seasonal Farmworker Households: The worker shall not prorate benefits for migrant and seasonal farm workers when the household has participated in the SNAP Program within a month before the date of application or at reinstatement.

4-001.07 Full Months Allotment: A full month's allotment is provided in all months except the initial month, the first month of the recertification period when there has been a break in service, or at reinstatement. Except during a prorated month, all eligible one and two-person households must receive the minimum monthly benefit listed at 475-000-201 unless they are the Expanded Resource Program (ERP), in which case the allotment can be less. A full month's allotment for a household of three or more may be less than the minimum monthly benefit. All eligible households with three or more members who are entitled to benefits of \$1, \$3, and \$5 will have the benefits adjusted up to \$2, \$4, and \$6 respectively.

4-001.08 Failure to Comply (FTC) with Another Program Requirement: The SNAP allotment is reduced 25 percent when:

1. The household is receiving SNAP benefits and an ADC or AABD cash payment at the time of noncompliance with the means-tested program; and
2. The individual within the SNAP household is being sanctioned through a reduction or termination of cash assistance for failure to comply with an ADC or AABD program requirement and there is no corresponding SNAP requirement.

The household, unit, or individual must be included in the cash payment at the time of the sanction. If there is a corresponding SNAP guideline for which the individual is being sanctioned in the ADC or AABD cash assistance program, only the SNAP penalty applies.

The 25 percent allotment reduction is applied the same month the assistance payment is reduced or terminated. If the household member who caused the sanction leaves the household, the benefit reduction is lifted the month following the report the individual is no longer in the SNAP household.

If the ADC grant is reduced, the SNAP failure to comply (FTC) penalty continues until the sanction is lifted. If the sanction is still in effect at the end of one year, the worker must review the case to determine if the FTC should continue.

If the grant is terminated due to an ADC/Employment First sanction, the FTC penalty is applied concurrently with the minimum length of the Employment First sanction.

If the household is no longer eligible for cash assistance due to a reason other than the sanction, the FTC penalty must be lifted.

{Effective 6/28/11}

4-002 Certification Periods: The worker must determine a definite period of time for which a household is eligible to receive benefits. At the expiration of the certification period, the household loses its entitlement to SNAP benefits until it is recertified based on a new application, an interview, and providing the required verifications. Under no circumstances shall the local office continue benefits beyond the end of a certification period without a new determination of eligibility.

4-002.01 Calendar Months: The worker must set the certification period to conform to calendar months. For the initial certification, the worker must use the month of application, if eligible, as the first month in the certification period, even if the household's eligibility is not determined until a later month. For recertification, the certification period will begin the month following the last month of the previous certification period.

4-002.02 Length of Certification Periods: The length of the certification period assigned to a household is determined by the household's reporting category and circumstances. If the household is ineligible for the application month and eligible for the month following the application month, the certification period begins with the first month the household is eligible for SNAP benefits.

{Effective 6/28/11}

4-002.02A RESERVED

4-002.02B Certification Periods for Households in Simplified Reporting (SR): When the household is assigned to SR at initial application or recertification, the household must be given a six month certification period.

4-002.02C Certification Periods for Households in Transitional Benefit Reporting (TBR): Households in the TBR category must receive five months of benefits in that category. The household cannot be assigned to TBR at initial determination of eligibility or at recertification. The household is assigned to the TBR category during an existing certification period from the SR reporting category. When a SR household is assigned to the TBR reporting category, the end date of the current certification period is extended to give the household five months of SNAP benefits in the TBR reporting category.

4-002.02D Certification Periods for Expedited Services: A certification period is assigned based on the household's circumstances and reporting category. The household may provide all verifications or postpone verifications other than the identity of the head of the household and authorized representative, if appropriate, for the first two months' issuance.

When the household has postponed verifications and provides at initial certification, at a minimum, verification of the identity of the head of the household and authorized representative (if appropriate):

1. The Department issues benefits only for the application month when the household applies before the 16<sup>th</sup> of the month.
2. The Department issues benefits for the application month and the second month when the household applies on or after the 16<sup>th</sup> of the month.

4-002.02D1 Expedited Services at Initial Certification: When the household applies before the 16<sup>th</sup> of the month, is entitled to expedited services, and provides, at a minimum, verification of the identity of the head of the household and the authorized representative (if appropriate), the department must, within seven days from the date the application is filed, issue to the household prorated benefits for the month of application.

The household must provide the required verification(s) to receive additional benefit allotments. If the household fails to provide the required verifications by the end of the expedited issuance benefit month, the household's case must be closed. If the household provides the required verification before the end of the following month, the case may be reopened for the remainder of the original certification period without a new application without prorating benefits.

4-002.02D1a Aggregate Allotments at Initial Certification: When the household applies on or after the 16<sup>th</sup> of the month, is entitled to expedited service, and provides, at a minimum, verification of the identity of the head of the household and the authorized representative if appropriate, the Department must, within seven days from the date the application is filed, issue to the household, combined allotment of the prorated benefits for the month of application and the full second month.

When the household is certified for more than two months and does not provide the required postponed verification(s) by the end of the second month of the certification period, the case is closed. If the household provides the verification before the end of the third month of the certification period, the case may be reopened for the remainder of the certification period without a new application, and benefits will not be prorated.

There is no limit to the number of times a household can be certified under expedited processes as long as the household has completed the verification requirements or was certified under normal processing standards since the last expedited certification.

4-002.02E Reinstatement During the Certification Period: A household in the Simplified Reporting (SR) category may be eligible for reinstatement during the remaining month(s) of the certification period if household circumstances change.

During the initial 30 days following the close effective date, the household may be reinstated if a change in circumstances is reported and verified by the household that re-establishes the household's eligibility. The household is not required to file a new application. A desk review is completed to determine if the household is eligible. If eligible, the SNAP benefits are prorated from the date of report if verified in ten days or from the date all information to re-establish eligibility is received if more than ten days.

If the certification period has ended or would end during the month of report, a new application must be taken.

4-003 Notices: The household must be provided with a notice as soon as a determination of eligibility is made but no later than 30 days after the date the application was filed.

4-003.01 Notice of Eligibility: If an application is approved, the household must be provided a notice of eligibility which includes the amount of the allotment, the reporting category, and the beginning and ending dates of the certification period. This eligibility notice must inform the household of:

1. Variations in the benefit level based on changes anticipated at the time of certification; the initial and following month's benefits if the first issuance contains benefits for the month of application and the following month;
2. The initial and following month's benefits if the first issuance contains benefits for the month of application and the following month;
3. The initial month's benefits and aggregate benefits, if a combined allotment will be issued to an expedited household;
4. The household's right to a fair hearing including information about free legal services available and the telephone number of the local office;
5. The reporting requirements for households assigned to Simplified Reporting (SR):
  - a. The household's total gross monthly income exceeds the maximum gross monthly income limit for the household size; or
  - b. A non-exempt ABAWD household member's work, volunteer, or work program hours decrease to below 20 hours per week or below a total of 80 hours per month;
6. The non-reporting requirements for the household in the Transitional Benefit Reporting (TBR) category;
7. The need to reapply for continued participation at the end of the certification period; and
8. The need for a household entitled to expedited services to provide any remaining required verification necessary to continue benefits.

4-003.02 Notice of Denial: If an application is denied, the household must be provided with a notice of denial. This denial notice must inform the household of:

1. The reason for the denial;
2. The household's right to a fair hearing, including information about free legal services available, and the telephone number of the local office; and
3. If the delay was caused by the household's failure to complete the application process, the worker must explain:
  - a. The action the household must take to reopen the application process;
  - b. That the case will be reopened without a new application if the household takes the required action within 30 days following the application received date; and
  - c. That the household must submit a new application if at least 60 days have passed following the application received date, and the household:
    - (1) Has not provided the required information; and
    - (2) Wishes to participate in the program.

4-003.03 Notice of Pending Status: If an application is held pending more than 30 days because the worker is unable to complete the application process, the local office must provide the household with written notice that the application is still pending.

4-003.04 Timely Notice: Before any action can be taken to reduce or terminate a household's benefits within the certification period, the worker must send the household a timely notice.

When the agency mail has been returned with no forwarding address, it is not necessary to send a notice to an address known to be incorrect. The worker has the option to send an adequate notice to households whose mail has been returned with no known forwarding address. A household that did not receive a notice and had benefits reduced or terminated retains the right to a fair hearing and restoration of benefits as if the household had received a notice.

4-003.04A Timeliness: The notice of adverse action period includes at least ten days from the date the notice is mailed to the date the action becomes effective. Actions become effective on the first day of the month's allotment cycle. An allotment cycle always begins on the first day of the month.

In addition, extra time must be allotted when the last processing day falls on a Friday or when a holiday follows the last processing day since notices will not be generated until the next workday.

The ten-day period of advance notice allows the household to contest the worker's action before the action becomes effective. The effective date of the adverse action is the first day of the month following the expiration of the ten-day adverse action period.

If the period of adverse action ends on a weekend or a holiday and a request for a fair hearing and continuation of benefits is received on the next workday, the worker considers the request as being within the period of adverse action.

{Effective 1/3/2005}

4-003.04B Adequate Notice: The household is notified in writing no later than the date the household receives or would have received its allotment of a benefit reduction or termination when any of the following conditions exist:

1. The household reports the information in writing which results in the reduction or termination and the worker can determine both eligibility and benefit level based on the household's written information;
2. Agency mail to the household has been returned with no forwarding address and the action taken would require a timely notice in normal circumstances; or
3. When an individual is disqualified for intentional program violation (IPV), the worker notifies the remaining members of their eligibility and benefit level at the same time the disqualified member is notified of his/her disqualification.

4-003.04C Notice Exemptions: Individual notices of action are not required in cases when the action is due to:

1. A mass change;
2. The death of all household members;
3. The entire household moves out of the state;
4. The completion of a restoration of benefits period if the household was previously informed in writing when the increased restoration of benefits would terminate;
5. Month-to-month variances in the household's allotment provided the household was notified of the exact allotment(s) at the time of certification;
6. Initial receipt of an ADC grant provided the household was notified at the time of certification that SNAP benefits would decrease upon approval of the ADC grant;
7. A household member being disqualified for intentional program violation;
8. Verification being received which would terminate or reduce benefits for an expedited case when a certification period of more than one month was assigned. The household must have been informed at the time of certification that the local office would act on verified information without further notice;
9. The conversion of a household from cash repayment of an intentional program violation claim to benefit reduction as a result of failure to make cash repayment;
10. A resident of a chemical dependency treatment center or group home becoming ineligible because of the facility losing its license with the appropriate state agency. Residents of a group home which loses its license or certification may still apply on their own behalf; and
11. The voluntary request of the household that its participation be terminated. If the household does not put the request in writing, the worker must send a letter confirming the request. The written confirmation must allow the household to request a fair hearing but does not have to meet other adverse action requirements.

4-003.05 Notice of Expiration: The Department notifies the households of the expiration of their certification periods by sending a notice. The automated "Notice of Expiration of Certification Period" must be received by the household between the 15<sup>th</sup> day of the next to last month and the first day of the last month of the certification period.

4-003.05A Timeliness: Regardless of when the local office assigns an interview date, the worker considers the household's application as timely if it is received by the 15<sup>th</sup> day of the last month of certification.

Households provided a notice of expiration have a minimum of 15 days from the date the notice is received to file a timely application for recertification. If the application is mailed in, the household must allow two days mailing time to ensure that the local office receives the application within 15 days.

4-004 Household Responsibility to Report: An applying household must report all changes relating to its SNAP eligibility and benefit level at the certification interview.

{Effective 6/28/11}

4-004.01 Reporting Categories:

4-004.01A Households Assigned to Simplified Reporting: All SNAP households must be assigned to Simplified Reporting unless they are excluded from this reporting category. The household is assigned to the Simplified Reporting category:

1. At application;
2. At reapplication; or
3. When a household reports a change that requires the household to be assigned to the Simplified Reporting category.

When the household is assigned to the Simplified Reporting category, the household remains in this reporting category until the end of the certification period, unless the household becomes eligible to be assigned to the Transitional Benefit Reporting category.

4-004.01A1 Household Excluded from Simplified Reporting: Households whose ADC cash grant has ended are excluded from Simplified Reporting and must be assigned to the Transitional Benefit Reporting category.

4-004.01A2 Determining Timeframes for Simplified Reporting Households: All households assigned to Simplified Reporting must be assigned to this reporting category for six months. If a household is assigned to this reporting category during an ongoing certification period, the certification period may have to be lengthened or shortened to six months when the household is placed into the Simplified Reporting category.

4-004.01A3 Simplified Reporting Requirements: Households assigned to the SR category are only required to report when the household's actual total gross monthly income exceeds the maximum gross monthly income limit for the household size, or when the household contains a non-exempt ABAWD whose hours decrease below 20 hours per week or below a total of 80 hours per month. The household must report information within ten days after the last day of the month in which the change occurred.

These are the only changes a household assigned to the SR category must report during the certification period.

All other changes are reported at recertification.

4.004.01A3a Action When ADC Grant Ends: When the household is assigned to the Simplified Reporting category and the ADC grant ends, the household must be assigned to Transitional Benefit Reporting if they are eligible for that reporting category. The household must be assigned to the Transitional Benefit Reporting category the month of the ADC Transitional Medical Assistance (TMA) grant or the month after the ADC grant ends when a TMA grant is not authorized.

When the SR household's ADC grant ends because the household has reported a change and has not provided sufficient information or verification to determine continued ADC cash benefits, the household must be assigned to TBR if the household is eligible for that reporting category.

4-004.01A3b Action on Interface Changes: The Department must take action on all information received through automated exchanges.

The following Interface information is considered verified upon receipt and does not require additional client verification before Department action:

1. Retirement Survivors and Disability Insurance (RSDI) information received from the Beneficiary Earnings and Data Exchange (BENDEX);
2. Supplemental Security Income (SSI) information from the State Data Exchange (SDX); and
3. Integrated Unemployment Compensation (IUC) information from the Department of Labor.

The following Interface information is considered a "lead" and requires additional client verification before Department action:

1. Wage information from the Nebraska Department of Labor;
2. Income and Resource information from the Federal Internal Revenue Service;
3. IPV disqualification information from the USDA Electronic Disqualification Recipient System (eDRS); and
4. prisoner match information from the Social Security Administration (SSA).

4-004.01A3c Action on Other Changes: Action must be taken on all reported changes even if the client was not required to report the change. Action must also be taken on information reported to the agency by someone outside the SNAP household.

4-004.01A3d Action When Household Received Overissuance of SNAP Benefits: During the certification period if the household fails to report when the household income exceeded the maximum gross monthly income limit for the household size, the worker must determine if an overissuance occurred. The first month of the overissuance is two months after the actual monthly income exceeded the maximum monthly gross income limit.

4-004.01A3e Action When Household Received Underissuance of SNAP Benefits: SNAP benefits are not restored to Simplified Reporting households that fail to report changes at application and/or reapplication.  
{Effective 6/28/11}

4-004.01B Households Assigned to Transitional Benefit Reporting: All SNAP households where one or more members were receiving an ADC cash grant and the ADC cash grant ends must be assigned to the Transitional Benefit Reporting (TBR) category unless the household is ineligible for TBR for one of the following reasons:

1. The ADC cash grant is ending because of an ADC sanction;
2. The ADC cash grant is ending because of non-cooperation with Employment First (EF);
3. An individual in the SNAP household is disqualified from SNAP; or
4. The household failed to comply with SNAP reporting requirements.

4-004.01B1 Determining Timeframes for Transitional Benefit Reporting Households: Households placed in TBR may be assigned to this category for up to five months. The first TBR month is the first month of the ADC transitional grant or the month after the ADC grant ends when an ADC transitional grant is not authorized. The household remains in TBR until the end of the TBR certification period unless the household requests to be assigned to Simplified Reporting.

4-004.01B2 Benefit Levels for Transitional Benefit Reporting Households: To calculate SNAP benefits for a households in TBR, the Department uses the budget from the final month the household receives the ADC grant and calculates a new budget that omits from income the ADC grant amount.

4-004.01B3 Transitional Benefit Reporting Requirements: Households in TBR are NOT required to report any changes during the time the household is in this reporting category.

4-004.01B3a Action on Reported Changes in Household Composition: Household composition changes which are reported are acted on only to prevent duplicate participation or when the household requests to be recertified. If a household member leaves the TBR household, the SNAP allotment remains the same unless the individual leaving the TBR household applies for SNAP benefits on his/her own behalf or requests to be added to another SNAP household. In these cases, the individual(s) leaving the household must be removed from the TBR household to prevent duplicate participation. The household remains in TBR unless the household requests to be recertified.

If an individual joins a TBR household, no changes are made unless the household requests to add the new individual to the SNAP household. The household is notified that their SNAP case will be closed and that the household must file a new application to receive future benefits and be placed in the proper reporting category.

4-004.01B3b Action on Other Reported Changes: Other changes, including verified Interfaces, which are reported or are known to the agency, are not acted on until TBR ends. The information/verification must be placed in the case file to be used at recertification.

4-004.01B3c Action When Transitional Benefit Reporting Ends: Households which have been in the TBR category for five months must be closed at the end of the five months. To receive SNAP thereafter, a household must reapply and, upon approval, will be assigned to Simplified Reporting

4-004.01B3d Action When Household Received Overissuance of SNAP Benefits: Accounts receivable for established overissuances may be recouped from TBR benefits.

4-004.01B3e Action When Household Received Underissuance of SNAP Benefits: If a household received fewer SNAP benefits than they were entitled to due to a local office error, the benefits must be restored to the household.  
{Effective 6/28/11}

4-004.01B4 Transitional Benefit Reporting for Households That Move to Nebraska: A household that received ADC (TANF) cash assistance in another state before moving to Nebraska and/or a household that moved to Nebraska during TBR eligibility in another state may be eligible for TBR. The household must meet Nebraska's TBR eligibility requirements.

Procedures for determining TBR for households that received ADC (TANF) cash assistance in another state before moving to Nebraska or a household that moved to Nebraska during TBR eligibility in another state are located at 475-000-305.

4-004.02 Local Office Action on Changes

4-004.02A Unclear Information: When unclear information is received by the worker, either from the client or another means, the worker must pursue clarification or verification from the household or collateral sources. If clarification or verification is requested from the household, the department must provide written notice to the household which.

1. Advises the household of the verification it must provide or the actions that must be taken to clarify its situation, either by telephone or written correspondence;
2. Allows the household at least ten days to provide the information; and
3. Advises the household of the consequences for failure to respond within ten days.

4-004.02A1 Household Response:

4-004.02A1a Household Does Not Respond: If the household does not respond to the verification request or does respond but refuses to provide sufficient information to clarify its circumstances, the worker must:

1. Issue a notice of adverse action which terminates the case;
2. Explain the reasons for the action; and
3. Advise the household of the need to submit a new application.

4-004.02A1b Household Does Respond: If the household does respond with sufficient information, the worker must act on the new circumstances.

1. When the information provided will result in an increase in benefits, the change is made for the following month.
2. When the information provided will result in a decrease in benefits, the change is made for the following month if timely notice can be provided.
3. When the information provided will result in a decrease in benefit and time does not allow for a timely notice, the change is made for the month following the expiration of the timely notice.

#### 4-004.02B Household Composition

4-004.02B1 Adding Member(s): When a household reports an increase in household membership, the worker requests the household to provide or apply for an SSN for the new household member.

The new household member must meet the same eligibility factors as applicant household members. When benefits will increase, the new member is added to the household for the month after the change is reported if the household provides requested verification within ten days of the reported change. If the verification is received too late in the month to make the change for the next issuance month, the worker issues supplemental benefits. When benefits will decrease, the change in the household membership is effective the month following the expiration of the notice of adverse action.

When the increase in household membership is reported too late in the month to remove the person from the household s/he has been participating with and give timely notice to the household, the change is made the month after the household member last received benefits with his/her previous household.

4-004.02B2 Removing Member(s): When a household reports the loss of a household member, the worker is not required to obtain verification before making the change unless the information is questionable. When the benefit increases due to the loss of a household member, the individual is removed from the household for the month after the change is reported when the benefit will increase. When benefits decrease due to the loss of a household member, the individual is removed for the month following the expiration of the timely notice and the SNAP benefit is adjusted for the month after the ten-day notice period has expired. If the timeliness standard is waived by the household, the SNAP benefit is adjusted for the month following the reported change.

4-004.02C Resources: Resource changes which are reported that do not affect the household's eligibility are documented in the case file. The value of vehicles is verified at the time of the report by use of the Kelley Blue Book. Other resource changes which do not affect the household's eligibility are not verified until recertification unless questionable. At recertification resources are verified if the total amount of countable resources indicated on the application is \$1500 or more.

If a change of resources is reported which would put the household over the resource limit, no verification is needed before closing the case. If it is uncertain whether the report of a change regarding resources will put the household over the resource limit, the worker requests verification and closes the case if appropriate.

{Effective 6/28/11}

4-004.02D Income: The new source of income or the income change must be reported within ten days of the date of the first payment or the first payment attributable to the change. The household is sent a request for contact in writing. The request for contact must inform the household of:

1. Verification needed to determine the new benefit amount;
2. Length of time to provide the information; and
3. Consequences of not providing the information timely.

If the household responds within the ten days, appropriate action is taken to determine the new allotment. The household must be given timely notice when the SNAP\_benefit decreases.

If the household does not respond within the ten days, the worker closes the case for the following month provided the household can be given timely notice.

All sources and amounts of income must be verified before using the income in the SNAP budget. If a change of income is reported which would put the household over the income limit for the household size, no verification is needed before closing the case.

{Effective 6/28/11}

4-004.02E Assistance Reporting Requirements: If the household receives benefits from another assistance program provided by the Department, any changes reported to the worker handling the other assistance case are considered to have been reported for SNAP purposes. Department assistance programs may require changes to be reported which are not required to be reported for SNAP.

If a change is reported, the worker also makes the change in the SNAP budget even if it involves a change that need not be reported for SNAP.

4-004.02E1 Reduction of ADC Benefits: If a household's ADC benefits are reduced during a certification period and the worker has sufficient information to determine SNAP eligibility, the worker must take the following action:

1. If both the ADC grant and the SNAP benefits are reduced, a single timely notice may be sent to the household for the ADC and SNAP actions.
2. If the household requests a fair hearing, the household's ADC and SNAP benefits are continued at the same amount as immediately before the notice was sent.
3. If a fair hearing is requested, the hearing must be conducted according to procedures for SNAP.
4. If the certification period expires before the completion of the fair hearing process, the household must reapply for benefits.
5. If the ADC benefits are terminated but the household is still eligible for SNAP benefits, the worker must advise household members of the work requirements, if applicable.

4-004.02E2 Termination of ADC Benefits Due to Insufficient Information or Verification: The household's regular ADC grant ended because the household reported a change but did not provide sufficient information or verification to determine continuing ADC benefits. The household would be placed in the Transitional Benefits Reporting category for the month following the month that the last regular ADC grant was used in the SNAP budget. To be placed in this reporting category, the household must be eligible to be assigned to TBR.

4-004.02F Deduction Changes: The following guidelines apply in regard to deduction changes:

1. Except for shelter and utility, verification is required if the change would increase benefits:
  2. If verification is:
    - a. Received within ten days of the reported change, the increase would be effective for the next issuance ten days after the change is reported.
    - b. Not received within ten days of the reported change, the increase would be effective by the next issuance ten days after the change was verified.

3. Verification is not required before acting on changes which would decrease benefits. This verification would be done at the next recertification. Benefit decreases as a result of deduction decreases are effective in the month following the expiration of the adverse action period unless adequate notice is sufficient.

{Effective 6/28/11}

4-004.02F1 Medical: Households are not required to report changes in medical expenses during the certification period. However, if a household does provide verified changes during the certification period, the worker is required to act on these changes. This applies to a change that results in either an increase or a decrease in benefits.

If the eligibility worker learns of a change in medical expenses from a source other than the household (e.g., from the household's AABD case, etc.) and the change is considered to be verified, the worker acts on the change. However, the worker must not contact the household for additional information or verification. If the change would require the worker to contact the household, the worker must not act on the change during the certification period.

If the reported change will decrease benefits, the worker acts on information provided without waiting for verification. If not verified before recertification, the change would be verified at that time.

4-004.02F2 Dependent Care: Households are not required to report changes in dependent care during the certification period.

If the household reports that a household member will start paying dependent care costs, the worker should assess the household's eligibility for the deduction and request verification before allowing it.

The worker is not required to verify dependent care changes which would reduce the household's benefits before acting on the change. The change would be verified at the time of recertification.

4-004.02G Interface Related Changes: An information alert through the automated system is considered information known to the agency and must be acted upon.

4-004.02H Changes Reported After an Aggregate Benefit Issued

4-004.02H1 Increase in Benefits: If a household reports a change which would increase benefits after an aggregate budget has been completed the worker changes the allotment as follows:

1. If the change involves a decrease in income of \$50 or more or the addition of a household member, a supplemental benefit may need to be issued after the verification is provided.
2. If a change occurs that does not involve a decrease in income of \$50 or more or the addition of a household member, the worker makes the allotment increase effective:
  - a. For the aggregate month by means of a supplemental benefit when verification is provided before the first day of the aggregate month.
  - b. For the month following the aggregate month when verification is not provided before the first day of the aggregate month.  
{Effective 1/3/2005}

4-004.02H2 Decrease in Benefits: If a household reports a change which would decrease benefits after an aggregate budget has been completed, the change is effective for the month following the aggregate month.

4-004.02J Other Changes: Although the household is not required to report some changes in household circumstances, the worker acts on these changes if information is received which would affect the household's eligibility or benefit level.  
{Effective 9/4/2002}

4-004.03 Benefit Increases: If the household reports a change other than a change in shelter or utility costs that will increase the household's SNAP benefits, the household must provide verification of the change before any action will be taken.

When the change is an addition of a new household member who is not a member of another certified household or an income decrease of \$50 or more in the household's gross monthly income, the household must be allowed a minimum of ten days to provide verification.

1. When the household provides the verification within ten days of the date the change is reported, the worker must make the change in the month's allotment following the month the change was reported. When the change is reported in the last ten days of the month and verified within ten days of the report, supplemental SNAP benefits must be issued.
2. When the household does not provide the verification within ten days of the date the change is reported but does provide the verification at a later date, the worker must make the change in the month's allotment following the month after verification is received. When the verification is received too late in the month to change the next month's allotment, supplemental SNAP benefits must be issued.

When the household reports a change that will increase the SNAP benefits other than the addition of a household member or the decrease of \$50 or more in income, the change may be made in the following month. The change must be effective for the allotment issued ten days after the change was reported:

1. When the household provides the verification within ten days of the date the change is reported, the worker must make the change no later than the first allotment issued ten days after the change is reported.
2. When the household does not provide the verification within ten days after the change is reported but does provide the verification at a later date, the worker must make the change no later than the first month's allotment issued ten days after the verification is received.

{Effective 6/28/11}

4-004.03A Supplementals: For households in the Simplified Reporting category supplemental benefits must be issued to households under the following circumstances:

1. The household has reported a \$50 or more decrease in household's gross monthly income or an addition of a household member who is not in another certified household;
2. The verification of the change is received too late to make the change for the appropriate benefit cycle; and
3. Supplemental benefits must be issued by the tenth day of the following month.

4-004.06 Failure to Report: If the household failed to report a change as required and received benefits to which it was not entitled, the worker must file a claim against the household. If the discovery is made within a certification period, the worker must send the household a timely notice if its benefits will be reduced.

A household is not liable for a claim because of a change in household circumstances, which it is not required to report. Individuals are not disqualified for failing to report a change unless they are disqualified in accordance with the intentional program violation disqualification procedures.

{Effective 1/3/2005}

4-005 Mass Changes:

4-005.01 Federal and State Adjustments: Adjustments to eligibility standards, allotments, deductions, standard utility allowances, and standard shelter allowances will go into effect for all households at a specific point in time. Local offices will be notified when the changes occur.

The worker does not need to send notices for these changes. These mass changes will be publicized through the news media, posters in certification offices, or through general notices provided to the households.

4-005.02 Mass Changes in State Grants: When the Department makes an overall adjustment to state grant payments, the worker must handle adjustments to SNAP benefits as a mass change using the following procedures:

1. If the worker knows of the change at least 30 days before it is effective, the SNAP benefits must be recomputed to be effective in the same month as the grant change.
2. If the worker does not have 30 days notice of the change, the SNAP change must be effective no later than the month following the month of the grant change.

A timely notice is not required as a result of a mass change in the state grant, however, the household must be informed of the change. If a household requests a fair hearing, benefits must be continued at the former level only if the issue being appealed is the incorrect computation of SNAP eligibility or benefits.

4-005.03 Social Security and SSI Benefits: The household is not responsible for reporting cost-of-living adjustment (COLA) increases and other mass changes in Social Security and SSI payments. The local office is responsible for automatically adjusting the household's SNAP benefit level to reflect the change.

A timely notice is not required for COLA and other mass changes in Social Security and SSI; however, the household must be informed of the change. If a household requests a fair hearing, benefits must be continued at the former level only if the issue being appealed is incorrect computation of SNAP eligibility or benefits.

4-006 Restored Benefits: Benefits must be restored to households when they do not receive all of the benefits to which they were entitled because:

1. The agency made a mistake;
2. An intentional program violation disqualification is later reversed;
3. It is required by court order; or
4. Federal regulations specifically require it.

Benefits are restored as soon as possible and must be completed no later than 30 days from the date the agency error was discovered. Benefits must be restored even if the household is not currently eligible or participating in the SNAP Program. The amount restored will be in addition to any current benefit the household is entitled to receive; however, if the household has a prior unpaid Accounts Receivable, that amount is offset from the restored amount, and the remainder, if any, is restored to the household.

Restored benefits are not calculated for more than 12 months before the month of the date of discovery, unless court ordered. Underpayments caused by agency error will be restored; however, underpayments caused by the household are not restored.

4-006.01 Changes in Household Composition: If the household composition changes before benefits can be restored, benefits must be restored to the household containing the majority of individuals who were household members at the time the underpayment occurred. If the household containing the majority of members cannot be located, benefits must be restored to the individual who was the head of the household at the time the underpayment occurred.

{Effective 6/9/2003}

4-007 Collections: This section details the responsibilities and guidelines in regard to:

1. Establishing Overpayments/Accounts Receivable; and
2. Collections on Accounts Receivable.

{Effective 6/9/2003}

4-007.01 Establishing Overpayments: Thresholds have been established to determine whether or not to create an Accounts Receivable against a certified or non-certified household. The thresholds are determined by how the error was determined and whether or not the household is certified at the time the overpayment is discovered. Accounts Receivable are established for:

1. All overissuances determined by Quality Control;
2. Certified households when the cumulative amount of the overpayment is \$25 or more; or
3. Non-certified households when the cumulative amount of the overpayment is \$125 or more.
4. The amount of the threshold for each type of household is applied at the time the overpayments are calculated.

There are three types of overpayments:

1. Administrative Error Overpayment: Any overpayment caused by the local office's action or failure to take action.
2. Inadvertent Household Error Overpayment: Any overpayment caused by a household's misunderstanding or unintended error.
3. IPV Overpayment: Any overpayment caused by an IPV as adjudicated by:
  - a. A disqualification hearing;
  - b. A court of appropriate jurisdiction; or
  - c. A household's signing of a waiver of the individual's right to a disqualification hearing.

4-007.01A Criteria for Establishing Administrative Error (AE) Overpayments: Overpayments must be established against households who were issued benefits they were not entitled to receive due to an AE for no more than 12 months before the month of initial discovery. Instances of AE include, but are not limited to:

1. Income, resources, or deductions which were computed incorrectly or otherwise caused an incorrect benefit amount;
2. Action that was not taken timely based on information known to the agency or reported by the household;
3. When incorrect policy or procedure was applied; or
4. When duplicate benefits were issued in error.

{Effective 6/9/2003}

4-007.01B Criteria for Establishing Inadvertent Household Error (IHE) Overpayments: An overpayment must be established against any household that received an overissuance due to an IHE within the last 12 months before the month of discovery. Action may be taken on an overpayment for which more than 12 months have elapsed; however, action cannot be taken on overpayments for which more than six years have elapsed between the month an overpayment occurred and the month the overpayment was discovered.

The following are the most common overpayment situations caused by inadvertent household errors:

1. Household misunderstanding or an unintended error resulting in the household either reporting incorrect information or failing to report information or changes;  
or
2. Household receiving continued benefits pending a fair hearing and the agency's decision was upheld.

{Effective 6/9/2003}

#### 4-007.01C RESERVED

4-007.01D Criteria for Establishing Intentional Program Violation (IPV) Overpayments: Potential IPV's must be reported to the Special Investigations Unit (SIU), Central Office. Until a determination of an IPV has been made, the Accounts Receivable is processed as an Inadvertent Household Error.

In situations where a potential IPV may have occurred, overpayments are calculated back to the month the alleged IPV occurred up to six years from the date of discovery. If the alleged IPV was caused by the household's failure to report information timely, the overpayment must be calculated beginning with the month the change would have been effective if it had been reported in a timely manner. The first month of the overpayment cannot be more than two months after the change occurred.

{Effective 6/9/2003}

4-007.01E Trafficked Benefits: Overpayment amounts of trafficked benefits will be established based on reports from Food and Nutrition Service (FNS), Office of Inspector General (OIG) or the H DHSS Special Investigation Unit (SIU). Overpayments based upon trafficking or attempted trafficking of SNAP benefits will be established using the individual's admission, the adjudication, or the evidence of trafficking which may include evidence obtained from social media sites.

4-007.01F Situations When Overpayments Are Not Established: An overpayment is not established when:

1. The agency failed to ensure that the household signed the application form;
2. A categorically eligible or an Expanded Resource Program eligible household has been overpaid benefits and there has been no change in the net income and/or household size;
3. The SNAP household is receiving benefits and the accumulated months of IHE and/or AE overpayments total less than \$25 and Quality Control or the Special Investigative Unit (SIU) did not discover the error; or
4. The SNAP household is not receiving benefits and the accumulated months of IHE and/or AE overpayments total less than \$125 and Quality Control or the Special Investigative Unit (SIU) did not discover the error.

#### 4-007.02 Collecting Accounts Receivable

4-007.02A Criteria for Initiating Collection Action on Inadvertent Household and Administrative Error Accounts Receivable: Action must be taken to initiate collection on all types of overpayments. Collection on Accounts Receivable will be done through recoupment from the household's benefit or by other collection actions.

{Effective 1/3/2005}

4-007.02B Criteria for Initiating Collection Action on Intentional Program Violation (IPV) Accounts Receivable: IPV overpayments are handled as inadvertent household error Accounts Receivable for collection purposes until a household member is found to have committed an IPV through a disqualification hearing, in a court of appropriate jurisdiction or if the individual has signed a waiver to an administrative disqualification hearing.

{Effective 6/9/2003}

4-007.02C Initiating Collections of Accounts Receivable (AR): For households currently receiving benefits, recoupment occurs automatically through a monthly benefit reduction beginning the first month possible considering ten day notice of adverse action. Benefits are not recouped from any prorated month.

In cases where a household was found guilty of an intentional program violation or has signed a waiver to a disqualification hearing, collection must be initiated the first month possible.

Households not currently certified receive monthly billing statements. If the AR becomes delinquent, repayment is undertaken through other collection actions.

{Effective 6/9/2003}

4-007.02C1 Benefit Reduction for IHE or AE Accounts Receivable: The amount of the IHE or AE benefit reduction is the greater of ten percent of the household's SNAP monthly benefit or \$10 unless the household agrees to a higher amount.

{Effective 6/9/2003}

4-007.02C2 Benefit Reduction for IPV Accounts Receivable: The amount of the monthly benefit reduction for IPV is the greater of 20 percent or \$20 unless the household agrees to a higher amount.

{Effective 6/9/2003}

4-007.02C3 Other Collection Actions: In addition to benefit reduction for participating households, the following may also be used to repay overpayments:

1. SNAP benefits;
2. Cash payments either through installment payments or lump sum amounts;
3. Treasury Offset Program (TOP);
4. Offset of restored benefits;
5. Public service if authorized by a court;
6. State tax refunds;
7. Wage garnishments;
8. Lottery winnings;
9. Property liens;
10. Small claims court; and
11. Unemployment Compensation Benefits intercept.

If the household's benefit is reduced, no other involuntary collection methods will be used unless the source of the payment is irregular and unexpected such as a state tax refund or lottery winnings offset.

The household has the option to voluntarily enter into an agreement to repay the AR through an additional repayment method even though monthly SNAP benefits are being recouped.

4-007.03 Establishing Delinquency: An AR becomes delinquent when:

1. There is no active recoupment;
2. No collections have been received within 210 days from the date of the initial demand letter or post fair hearing notice;
3. The AR has not been paid by the due date and a satisfactory payment arrangement has not been made:
  - a. The due date is the date on the initial written notification/demand letter or post fair hearing notice-30 days from the mail date;

- b. ARs remain delinquent until payment is received in full, a satisfactory payment agreement is negotiated or an allotment reduction is invoked;
4. An AR payment arrangement has been established but a scheduled payment has not been made by the due date.

Note: The due date is the date of the missed payment.

The AR will remain delinquent until:

- a. Payment is received in full;
- b. An allotment reduction is invoked;
- c. The repayment schedule is resumed or renegotiated;
- d. A good faith effort is determined; or
- e. The AR is compromised due to hardship.

{Effective 6/9/2003}

4-007.03A ARs Not Considered Delinquent: ARs will not be considered delinquent in the following situations:

1. Another AR for the same household is currently being paid either through an installment agreement or benefit reduction and collection on the AR(s) is anticipated to begin once the prior overpayment is settled;
2. Collection is being coordinated through the court system and the State Agency has limited control over the collection action; or
3. The AR is awaiting a fair hearing decision.

{Effective 6/9/2003}

4-007.04 Action Taken on Delinquent Accounts: All ARs that are legally enforceable and delinquent are submitted to the Treasury Offset Program (TOP) as well as to other programs or agencies for further collection actions. Debtors will receive notice of impending referral to TOP.

{Effective 6/9/2003}

4-007.04A Suspended Collection on AR: An Administrative Error (AE), Inadvertent Household Error (IHE) or Intentional Program Violation (IPV) AR will be suspended in the following situations:

1. The household is nonparticipating;
2. Delinquency of the AR has been established;
3. At least one demand letter has been sent; and
4. At least three billing statements have been sent to the household

Suspended ARs will still be subject to Treasury Offset Program (TOP) collection and automatic recoupment if the responsible party becomes eligible for benefits.

{Effective 6/9/2003}

4-007.04B Terminated Collection on ARs: An Administrative Error, Inadvertent Household Error or Intentional Program Violation AR will be terminated and written off in the following situations:

1. The AR has been in suspended status for three or more years with no active collection;
2. All adult household members have died;
3. The AR balance is \$25.00 or less and there are no ARs existing that would result in an aggregate of ARs to be greater than \$25.00 and the AR has been delinquent for 90 days or more; or
4. The household cannot be located.

4-007.04C Compromising an Accounts Receivable: An Administrative Error, Inadvertent Household Error or Intentional Program Violation AR will be compromised in the following situations:

1. The State Agency will compromise an AR or a portion of an AR if it is reasonably determined that a household's economic circumstances dictate that the AR will not be paid in three years; or
2. The full amount of an AR, including any compromised amount, will be used to offset benefits.

{Effective 6/9/2003}

4-007.05 Change in Household Composition: Collection action must be taken against any or all of the adult household members at the time the overissuance occurred. If a change in household composition occurs, the AR may be collected from any household which contains an original adult member of the household which received the overissuance.

Offsetting the amount of the AR may also be done against restored benefits owed to any household which contains an adult member of the original household at the time the overissuance occurred.

The amount collected must never exceed the amount of the AR.

{Effective 6/9/2003}

4-008 Allotment Reduction or Cancellation Procedures: If federal funds for SNAP run out before the end of a fiscal year, it is possible that SNAP benefits would have to be reduced or cancelled. This section details these procedures.

4-008.01 Benefit Reductions: If a reduction in benefits is necessary, the amounts for each household size will be reduced by the same percentage. All one and two-person households affected by a reduction are guaranteed the minimum monthly benefit unless the action is:

1. A cancellation of benefits; or
2. A national reduction of 90 percent or more of the total amount of benefits.

{Effective 6/28/11}

4-008.02 Cancellations: If benefits are cancelled, the provision for the minimum benefit for households with only one or two members must be disregarded and households must have their benefits cancelled.

Benefits or portions of benefits representing restored or retroactive benefits for a prior unaffected month would not be reduced or cancelled even though they are issued during an affected month.

{Effective 6/9/2003}

4-008.03 Restored or Retroactive Benefits: Restored or retroactive benefits for prior months not affected must not be reduced or cancelled, even though they are issued during the time period the statewide benefit reduction is in force. The agency must continue to make benefits available as needed to provide these restored or retroactive SNAP benefits.

Households whose benefits are reduced or cancelled as a result of a reduction or cancellation are not entitled to restoration of lost benefits at a future date. However, if FNS determines that restoration can take place as a result of surplus funds from the reduction or cancellation, the agency provides affected households with restored benefits.

4-008.04 Notification and Certification of Eligible Households: A notice of adverse action (NOAA) is not provided to households affected by reduction or cancellation of benefits.

Local offices must continue the normal acceptance of applications, processing of applications, and determinations of eligibility during a reduction or cancellation. Expedited processing standards remain in effect during a reduction. If an applicant is found to be eligible for benefits and a reduction is in effect, the issuance will be based on the reduced benefit table. If an applicant is found to be eligible for benefits during a cancellation period, benefits will not be issued.

The reduction or cancellation of benefits does not affect the certification periods assigned to households. Recertifications continue for those participating households whose certification periods expire during a reduction or cancellation period.

4-008.05 Fair Hearing: Any household that has its benefit reduced or cancelled as a result of funding cuts may request a fair hearing if it disagrees with the action, subject to the following conditions:

1. The request for a fair hearing must be based on a household's belief that:
  - a. Its benefit level was computed incorrectly under the rules governing the reduction or cancellation; or
  - b. These rules were misapplied or misinterpreted.
2. Households do not have the right to continuation of benefits pending fair hearings.
3. The appropriate amount of restored benefits may be issued if it is determined that benefits were decreased by more than the reduction rules required.

4-008.06 Resumption of Issuance: The worker must act immediately to resume issuing benefits to certified households after receiving notice that a cancellation of benefits is over and must resume issuance as soon as possible.