

**Legislative Regulation  
Review Committee**

2011-016

Department of Social Services

**CLARIFICATION -TREATMENT OF INCOME  
FOR ELIGIBILITY**

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

---

<b>Date:</b>	<b>Transmittal: UP</b>	<b>5050.66</b>
--------------	------------------------	----------------

---

<b>Section:</b>		<b>Type:</b>
Treatment of Income		POLICY

---

<b>Chapter:</b>		<b>Program:</b>
Treatment of Specific Types		[FS] <u>SNAP</u> AABD

---

<b>Subject:</b>		MAABD <u>FMA</u>
Recoupment Withholdings, <u>Reductions in Income due to Recovery of Overpayments and Benefit Reductions</u>		

---

5050.66 A. Recoupment Withholdings - [Food Stamps] Supplemental Nutrition Assistance Program

Money withheld from [AFDC] TFA, AABD, General Assistance, SSI or SSA payments as recoupment of overpayments are either counted or excluded as income for [the FS] SNAP [program] depending upon the type of overpayment involved:

1. Intentional Program Violation (IPV) Overpayments

Money withheld as recoupment of an overpayment, which occurred due to an IPV, is counted as though it were not withheld.

2. Non-Intentional Program Violation (Non-IPV) and [Administrative Overpayments] administrative overpayments

Money withheld as recoupment of an overpayment, which occurred due to a Non-IPV situation or administrative error, is excluded as income when calculating [FS] SNAP [program] eligibility and benefits.

3. Undetermined Type of Overpayments

The Department also excludes the withheld amount as income when:

- a. the type of overpayment is unclear; or
- b. the alleged IPV has not been adjudicated.

B. Benefit Reductions – [Food Stamps] Supplemental Nutrition Assistance Program

1. The amount of a decrease in a household's benefits (via reduction, suspension or termination) which has been imposed by another means tested [Federal, State,] federal, state or local welfare public assistance program is countable income for [the FS] SNAP [program] under the following conditions:

- a. [The] the benefit is from a means tested [Federal, State] federal or state or local welfare or public assistance program; and[,]
- b. [The] the reduction in benefits is imposed as a result of fraud under the means tested [Federal, State,] federal, state or local welfare or public assistance program.

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

Date: 7-1-01

Transmittal: UP-01-10

5050.66 page 2

Section:

Treatment of Income

Type:

POLICY

Chapter:

Treatment of Specific Types

Program:

[FS] SNAP  
AABD

Subject:

MAABD  
FMA

Recoupment Withholdings, Reductions in Income due to Recovery of Overpayments and Benefit Reductions

5050.66 B. (continued)

2. The amount of income to be counted is the amount of income the household would receive if no decrease in benefits due to fraud had occurred.

C. [Recoupment Withholdings] Reductions in Income due to Recovery of Overpayments-AABD, MAABD

When money is withheld from an earned or unearned income source to [recoup] recover an erroneous overpayment, the amount of income to be counted in determining eligibility is the amount the household would receive if no [withholding] recovery had occurred unless:

1. the income was received concurrently with AABD or MAABD assistance at the time the overpayment occurred; and
2. the overpaid amount was included in determining AABD or MAABD eligibility.

D. Reductions in Income due to Recovery of Overpayments – FMA

When money is withheld from an earned or unearned income source to recover an erroneous overpayment from the same source, the amount of income to be counted in determining eligibility is the amount after the recovery is taken.

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

<b>Date:</b>	<b>Transmittal: UP-</b>	<b>8560.10</b>
<b>Section:</b> Jobs First		<b>Type:</b> POLICY
<b>Chapter:</b> Treatment of Income		<b>Program:</b> TFA
<b>Subject:</b> Special Treatments		

8560.10 A. General Provisions

1. Some income received directly by assistance unit members and income received by others on behalf of assistance unit members receives special treatment.
2. Any income received directly or indirectly by assistance unit members which is not specifically described in this chapter as qualifying for special treatment is counted in its entirety when determining eligibility and calculating benefits.

B. Child Support Payments

The first \$50 per month of current child support income received by the assistance unit is disregarded whether paid through the Department or paid directly to the assistance unit by the absent parent.

C. Disregarded Income

The following income is disregarded to the extent provided by this chapter:

1. Earned Income
  - a. Expenses of self-employment directly related to the cost of doing business are deducted from each assistance unit member's total monthly income earned through self-employment. Depreciation is not allowed as a cost of doing business.
  - b. The assistance unit's total countable gross earned income is disregarded up to the Federal Poverty Level corresponding to the assistance unit's size when determining eligibility if the assistance unit received TFA in at least one of the four months preceding the eligibility determination.
  - c. For assistance units that have not received TFA [or AFDC] in one of the four months immediately preceding the eligibility determination, the earned income disregard is \$90.
  - d. Once eligibility is established, the total gross earned income is disregarded up to the Federal Poverty Level corresponding to the assistance unit's size for purposes of calculating benefits.

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

---

Date:	Transmittal: UP-	8560.10 page 2
Section: Jobs First		Type: POLICY
Chapter: Treatment of Income		Program: TFA
Subject: Special Treatments		

---

8560.10 C. 2. Earned Income Tax Credits

- a. Earned Income Tax Credits (ETIC) received as advance payments are treated as earned income as described in subdivision A.2 [, above] of this section. Assistance units are required to apply for the advance EITC when appropriate. ([cross reference] Cross Reference: 8510.10)
- b. Earned Income Tax Credits paid as a single non-recurring payment are considered lump sums and treated as assets. ([cross reference] Cross Reference: 8550.15)

3. Student Earnings

Income earned by dependent children who are attending school is disregarded when determining eligibility and calculating benefits for Temporary Family Assistance.

D. Excluded Income

The [Income Listed] income received from the sources listed in this subsection [below] is excluded when determining the eligibility and calculating the benefits of assistance units.

1. Income from Assets Set Aside for Future Educational Expense

- a. Interest or dividend income derived from assets set aside for post secondary education expenses of a dependent child is excluded. ([cross reference] Cross Reference: 8550.15)
- b. Money withdrawn from such set-aside accounts is not counted as income.

2. Miscellaneous Payments

The following payments are excluded:

- a. payments made under the Experimental Housing Allowance Program under Annual Contributions Contracts entered into prior to January 1, 1975, under [Section] section 23 of the United States Housing Act of 1937, as amended;
- b. the value of [food stamp] Supplemental Nutrition Assistance Program (SNAP) allotments made under [the Food Stamp] SNAP [program];

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

---

Date:	Transmittal: UP-	8560.10 page 3
Section: Jobs First	Type:	POLICY
Chapter: Treatment of Income	Program:	TFA
Subject: Special Treatments		

---

8560.10 D. 2. Miscellaneous Payments (continued)

- c. cash contributions from agencies and organizations for goods and services not considered by the Department in setting its [Standard of Need] standard of need as described [at] in section 8562.15;
- d. gifts received on an irregular or unpredictable basis, but not more than \$200.00 per calendar quarter;
- e. the value of goods and services given as in-kind income except when provided by General Assistance or SAGA including payments made directly to others on behalf of an assistance unit except when made by General Assistance or SAGA;
- f. settlement payments received by applicants and recipients as members of the nationwide class of present and former tenants covered by the settlement of the [Underwood versus Harris] Underwood v. Harris court case;
- g. payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- h. reimbursements for expenditures which do not represent benefit or gain to the recipients;
- i. money received on behalf of and used for care and support of a person who is not a member of the assistance unit or is not a person who would be a mandatory member of the assistance unit but who has been disqualified or is ineligible;
- j. payments made by the Department for the expenses of day care and essential services unless the assistance unit member is the provider of the services;
- k. payments made to volunteers under Title I, Vista Volunteers, [Section] section 404 (g) of [P.L.] Public Law 93-113 except when the Director of Action determines that the payment is equal to or greater than the minimum wage in effect under the Fair Labor Standards Act of 1938 or [State] state minimum wage, whichever is greater;

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

<b>Date:</b>	<b>Transmittal:</b> UP-	8560.10 page 4
<b>Section:</b> Jobs First		<b>Type:</b> POLICY
<b>Chapter:</b> Treatment of Income		<b>Program:</b> TFA
<b>Subject:</b> Special Treatments		

8560.10 D. 2. Miscellaneous Payments (continued)

- l. disaster assistance paid under the Disaster Relief Act of 1974, as amended, including the [Individual and Family Grant (IFG)] Individual Assistance program, and comparable disaster assistance provided by states, local governments and private organizations, and any interest earned on funds from this source;
- m. payments received as rebates from support collected under the Title IV-D Support Program as provided by the Deficit Reduction Act (DEFRA) of 1984;
- n. payments made by the Department of Labor to meet the cost of pursuing employment;
- o. security deposits paid by the Department and security deposits returned by a landlord to the unit;
- p. payments made under means-tested energy assistance programs and utility subsidies;
- q. rent money returned to a unit by a court;
- r. that portion of military pay which is withheld as funding for the G.I. Bill under Public Laws 94-502 and 99-576;
- s. Agent Orange [Payments] payments made pursuant to Public Law 101-201 and [Section] section 10405 of Public Law 101-239;
- t. Japanese Restitution payments and payments to residents of the Aleut and Pribilof Islands made pursuant to Public Law 100-383;
- u. effective October 15, 1990, Radiation Exposure Compensation payments made pursuant to [Section] section 6(h)(2) of Public Law 101-426;
- v. up to \$2,000 in total cash payments per year per individual made pursuant to [Section] section 15 of the Alaska Native Claims Settlement Act [( ), Public Law 100-241( )];
- w. payments made to victims of Nazi persecution pursuant to Public Law 103-286;

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

<b>Date:</b>	<b>Transmittal:</b> UP-	8560.10 page 5
<b>Section:</b> Jobs First		<b>Type:</b> POLICY
<b>Chapter:</b> Treatment of Income		<b>Program:</b> TFA
<b>Subject:</b> Special Treatments		

8560.10 D. 2. Miscellaneous Payments (continued)

- x. reimbursements for moving and relocation expenses made pursuant to [Section] section 47-88d of the Connecticut General Statutes to households which do not purchase a dwelling converted to a condominium;
- y. payments made under the Connecticut Uniform Relocation Assistance Act; and
- z. relocation adjustment payments made pursuant to [Section] section 114 of the [federal ] Federal Housing Act of 1949.

3. Payments Made to Children or on Their Behalf

a. Adoption Assistance Payments

- (1) Adoption assistance payments from federal, state[,] and local funds are excluded when the child for whom the payment is made is not a member of the assistance unit.
- (2) Any part of an adoption assistance payment that does not duplicate the [Standard of Need] standard of need or is paid to supplement TFA benefits which are insufficient to meet the special needs of the child, is excluded.

b. Foster Care Payments

Payments received from federal, state[,] or local funds for the care of foster children placed in the care of the assistance unit are excluded.

c. Supplemental Food Assistance

Supplemental food assistance is excluded when received under the Child Nutrition Act of 1966, as amended, and the special food service program for children under the National School Lunch , Public Law 92-433 and Public Law 93-150, as amended [(P.L. 92-433 and P.L. 93-150)].

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

---

<b>Date:</b>	<b>Transmittal:</b> UP-	8560.10 page 6
<b>Section:</b> Jobs First		<b>Type:</b> POLICY
<b>Chapter:</b> Treatment of Income		<b>Program:</b> TFA
<b>Subject:</b> Special Treatments		

---

8560.10 D. 3. Payments Made to Children or on Their Behalf (continued)

d. Benefits for Children with Spina Bifida

Benefits paid under Public Law 104-204 to children of Vietnam veterans who are born with spina bifida are excluded as income in the determination of eligibility and calculation of benefits.

4. Payments Made to Indian Tribe Members

The following payments to Indian Tribe Members are excluded:

- a. payments from Indian judgment funds, including any interest paid, distributed to or held in trust for members of various Indian Tribes pursuant to Public Law 98-64; and
- b. receipts distributed to members of certain Indian tribes which are referred to in [Section] section 5 of [P.L.] Public Law 94-114 that became effective October 17, 1975.

5. Payments Made to Volunteers

Payments made for supportive services or reimbursement of out-of-pocket expenses are excluded when made to individual volunteers serving as foster grandparents, senior health aids[,] or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs pursuant to Titles II and III, [Section ] section 418 of [P.L.] Public Law 93-113.

6. Payments to Students

- a. Payments made to students, of any age, that reward success in education are excluded as income when determining eligibility and calculating benefits for Temporary Family Assistance.
- b. Income, both earned and unearned, paid to a dependent child from the Job Training Partnership Act of 1982 (JTPA) is excluded when determining eligibility and calculating benefits for Temporary Family Assistance.

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL

---

<b>Date:</b>	<b>Transmittal: UP-</b>	<b>8560.10 page 7</b>
<b>Section:</b> Jobs First		<b>Type:</b> POLICY
<b>Chapter:</b> Treatment of Income		<b>Program:</b> TFA
<b>Subject:</b> Special Treatments		

---

8560.10 D. 6. Payments to Students (continued)

- c. Grants, loans[,] or work/study earnings paid to any undergraduate student for educational purposes by any federal, state or private source are [totally] entirely excluded when determining eligibility and calculating benefits.
- d. Payments made to students enrolled in institutions of post-secondary education who are involved in a program of full time volunteer service under the Service Learning Program (University Year for Action - UYA) authorized under Title I of the Domestic Volunteer Service Act of 1973 are [totally] entirely excluded when determining eligibility and calculating benefits.

E. Other Special Treatments

The following income is neither disregarded nor excluded, but is treated differently than other types of income in the determination of eligibility and calculating benefits for assistance units, as described below.

1. Government Rental Subsidies

- a. The Department attributes income to assistance units who reside in government subsidized housing.
- b. For purposes of this provision, government subsidized housing includes the federal Section [Eight] 8 Housing program, Connecticut's Rental Assistance [program] Program (RAP), Transitional Rental Assistance Program and the federal Low-Income Public Housing program.
- c. The amount of income attributed to the assistance unit is determined as follows:
  - (1) for assistance units subject to the time limit, eight percent of the appropriate [Payment Standard] payment standard is attributed.
  - (2) for assistance units exempt from the time limit, eight percent of the appropriate [Standard of Need] standard of need is attributed.

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES  
UNIFORM POLICY MANUAL**

---

<b>Date:</b>	<b>Transmittal: UP-</b>	<b>8560.10 page 8</b>
<b>Section:</b> Jobs First		<b>Type:</b> POLICY
<b>Chapter:</b> Treatment of Income		<b>Program:</b> TFA
<b>Subject:</b> Special Treatments		

---

8560.10 E. Other Special Treatments (continued)

2. Interest Income
  - a. Interest income paid to an assistance unit as part of a periodic payment or any other cash withdrawal from an IRA, Keogh, 401K plan, pension or annuity is counted as income.
  - b. All other interest earned on any asset is not counted as income. ([cross reference] Cross Reference: 8550.15)
3. Unavailable Income
  - a. Income which is considered by the Department to be unavailable to the assistance unit is not counted.
  - b. The Department considers income available both when actually available and when the individual has the legal right, authority or power to make the income available for his or her general or medical support.
  - c. Applicants and recipients must pursue any potentially available income to the satisfaction of the Department.
  - d. Failure to cooperate in obtaining [unavailable] potentially available income results in ineligibility of the entire assistance unit.
4. Reduction in Income due to Recovery of Overpayments

When money is withheld from an earned or unearned income source to recover an erroneous overpayment from the same source, the amount of income to be counted in determining eligibility is the amount after the recovery is taken.

STATE OF CONNECTICUT  
**REGULATION**  
OF

*IMPORTANT: Read instructions on bottom of Certification Page before completing this form. Failure to comply with instructions may cause disapproval of proposed Regulations.*

NAME OF AGENCY

Department of Social Services

Concerning

SUBJECT MATTER OF REGULATION

Treatment of Recoupment Withholdings

SECTION \_\_\_\_\_

Statement of Purpose: (A) The purpose of the regulation is to amend sections 5050.66 and 8560.10 of the Uniform Policy Manual (UPM) regarding the treatment of income. Specifically, the proposed amendment adds a new provision to clarify how to treat recoupment income. When income is reduced by an amount being withheld to recover an overpayment from the same income source, the amount of income counted for purposes of eligibility in the Temporary Family Assistance (TFA) and Family Medical Assistance (FMA) programs, is the amount received after the withholding amount has been deducted.

The problems, issues or circumstances that the regulation proposes to address: Previously, the FMA and TFA programs referenced section 8560.10 E. 3, titled "Unavailable Income" and section 5010 B. titled "Inaccessible Income" respectively, to explain the treatment of income from which recoupment was withheld. The proposed revision amends the UPM to provide clarification of this policy as it applies specifically to TFA and FMA.

In addition to other technical corrections, the proposed amendment changes references to the "Food Stamp" (FS) program to the "Supplemental Nutrition Assistance Program" (SNAP) in the UPM to comply with the changes made to the Food Stamp program by the Food, Conservation and Energy Act of 2008. The proposed amendments also change references to the "Aid to Families with Dependent Children" (AFDC) to the "Temporary Family Assistance" (TFA) program in the UPM to comply with the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) Public Law 104-193. PRWORA repealed the Aid to Families with Dependent Children (AFDC) program, and replaced it with the Temporary Assistance for Needy Families (TANF) program. TFA is Connecticut's TANF funded program.

(B) The main provision of the regulation provides that when income is withheld from an assistance unit's income to recover an overpayment from that same income source, the amount counted is the amount received after the recoupment is taken.

(C) The legal effects of the regulation, including all of the ways that the regulation would change existing regulations or other laws: The proposed amendment will clarify the treatment of income in the TFA and FMA programs when income is reduced to recover overpayments.

**CERTIFICATION**

R-39 REV. 1/77

Be it known that the foregoing:

Page 2 of 2 pages

Regulations  Emergency Regulations

Are:

Adopted  Amended as hereinabove stated  Repealed

By the aforesaid agency pursuant to:

Sections 17b-3 of the General Statutes.

Section \_\_\_\_\_ of the General Statutes, as amended by Public Act No. \_\_\_\_\_ of the \_\_\_\_\_ Public Acts.

Public Act No. \_\_\_\_\_ of the Public Acts.

After publication in the Connecticut Law Journal on 11/30/10, of the notice of the proposal to:

Adopt  Amend  Repeal such regulations

(If applicable):  And the holding of an advertised public hearing on \_\_\_\_\_ day of \_\_\_\_\_

WHEREFORE, the foregoing regulations are hereby:

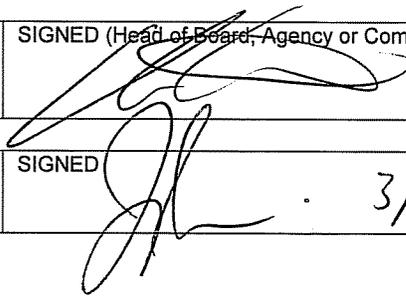
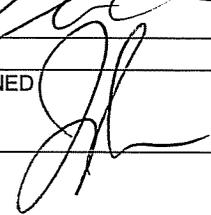
Adopted  Amended as hereinabove stated  Repealed

Effective:

When filed with the Secretary of the State.

(OR)

The \_\_\_\_\_ day of \_\_\_\_\_

In Witness Whereof:	Date	SIGNED (Head of Board, Agency or Commission)	OFFICIAL TITLE, DULY AUTHORIZED
	<u>3/12/11</u>		Commissioner
Approved by the Attorney General as to legal sufficiency in accordance with sec. 4-169, as amended C.G.S.		SIGNED	OFFICIAL TITLE, DULY AUTHORIZED
			ASSOC. ATTY. GENERAL

- Approved
- Disapproved
- Disapproved in part, (Indicate Section Numbers disapproved only)
- Rejected without prejudice

By the Legislative Regulation Review Committee in accordance with Sec. 4-170, as amended, of the General Statutes.	Date	SIGNED (Clerk of the Legislative Regulation Review Committee)

Two certified copies received and filed, and one such copy forwarded to the Commission in Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

DATE	SIGNED (Secretary of the State.)	BY

**INSTRUCTIONS**

- One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.
- Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.
- Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.
- Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.