# State of Connecticut
# Regulation of
## Department of Social Services
## Concerning
## The State-Administered General Assistance Program

Section 1. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-1 as follows:

**(NEW) Sec. 17b-198-1.** Scope. Effective date.

As authorized by section 17b-198 of the Connecticut General Statutes, sections 17b-198-1 to 17b-198-19, inclusive, of the Regulations of Connecticut State Agencies, in conjunction with sections 8080 and 8080.10 of the Department of Social Services' Uniform Policy Manual, set forth the standards and eligibility guidelines for the state-administered general assistance program. The provisions of said sections shall be effective on and after written certification by the Commissioner of Social Services of the implementation of a computer system that integrates said standards and eligibility guidelines. The commissioner shall post the certification, and a copy of said regulations, on the department's website and the Secretary of the State's eRegulations System prior to implementing the regulations.

Sec. 2. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-2 as follows:

**(NEW) Sec. 17b-198-2.** Definitions.

As used in sections 17b-198-1 to 17b-198-19, inclusive, of the Regulations of Connecticut State Agencies:

(1) "AABD" means the state supplement to the aged, blind or disabled administered pursuant to section 17b-600 of the Connecticut General Statutes;

(2) "Applicant" means the person for whom assistance is requested;

(3) "Application process" means all activity related to the exploration, investigation and disposition of an application beginning with the filing of an application for assistance and ending with disposition of the application;

(4) "Assistance unit," "assistance unit member" or "member of an assistance unit" means an applicant for or recipient of assistance provided pursuant to SAGA;

(5) "Commissioner" means the Commissioner of Social Services;

(6) "Department" means the Department of Social Services;

(7) "DMHAS" means the Department of Mental Health and Addiction Services;

(8) "Eligibility process" means all activity related to the application process, the renewal process, the period transpiring after assistance is granted but prior to termination and the fair hearing process;

(9) "Fair hearing" means an administrative hearing held pursuant to the provisions of sections 17b-60, 17b-61 and 17b-66 of the Connecticut General Statutes;

(10) "Mental health facility" has the same meaning as provided in section 19a-490 of the Connecticut General Statutes;

(11) "Mental illness" means a diagnosable mental, behavioral or emotional disorder that results in functional impairment that substantially interferes with or limits one or more major life activities;

(12) "Notice" means a written statement sent by the department to the assistance unit that informs the assistance unit that the department has taken or intends to take a specific action in the assistance unit's case;

(13) "Rated housing facility" has the same meaning as provided in section 17b-82 of the Connecticut General Statutes;

(14) "RCA" means the refugee cash assistance program administered pursuant to the Refugee Act of 1980, as amended from time to time;

(15) "Residential care home" has the same meaning as provided in section 19a-490 of the Connecticut General Statutes;

(16) "SAGA" means the state-administered general assistance program administered pursuant to section 17b-190 of the Connecticut General Statutes;

(17) "SNAP" means the supplemental nutrition assistance program administered pursuant to the Food and Nutrition Act of 2008, as amended from time to time;

(18) "SSI" means the Supplemental Security Income Program administered pursuant to the Social Security Act;

(19) "SSDI" means Social Security Disability Insurance Program administered pursuant to the Social Security Act;

(20) "Substance abuser" means a person whose dependence on or inability to voluntarily control the use of alcohol or drugs interferes with his or her functioning and productivity;

(21) "TFA" means the temporary family assistance program administered pursuant to section 17b-112 of the Connecticut General Statutes; and

(22) "Verify" means to confirm that a fact, circumstance or condition is more likely than not true through the submission and examination of direct evidence or another form of reliable documentation, or through a contact with a knowledgeable source other than the assistance unit.

Sec. 3. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-3 as follows:

**(NEW) Sec. 17b-198-3.** Beginning the eligibility process.

(a) **Application required.** (1) Except as provided in subsection (b) of this section, any person seeking assistance pursuant to SAGA shall complete and submit to the department an application on a form prescribed by the department. Each application shall be in writing and include, at a minimum: (A) A formal request for assistance; (B) the applicant's full name and address; and (C) the signature of the applicant or person authorized to request assistance on the applicant's behalf. The signature required pursuant to this subdivision may be an electronic signature. The department shall forward application materials to any person who requests a paper application, and shall afford any person who appears in person and requests assistance an opportunity to file an application for assistance pursuant to SAGA or any other pertinent program administered by the department on the day such person appears in person.

(2) Any telephone contact or other request for assistance that is not written, does not contain the minimum information required by subdivision (1) of this subsection or is not made on an application form prescribed by the department shall be considered an inquiry and shall not constitute an application.

(3) In addition to the minimum information required under subdivision (1) of this subsection, an applicant shall complete all pertinent sections of the application form to the satisfaction of the

department prior to being granted assistance. Any applicant who fails to complete all pertinent sections of the application form by a date requested by the department, shall be denied assistance.

(b) **New application not required.** The department shall determine a person's eligibility for assistance pursuant to SAGA without requiring a new application meeting the requirements of subsection (a) of this section when:

(1) Cash assistance requested by or provided to such person pursuant to TFA, AABD or RCA is denied or discontinued;

(2) Such person requests that the department resume assistance not later than thirty days after such person is released from a correctional or mental health facility, provided such person was previously determined eligible for assistance pursuant to SAGA and lost eligibility due to institutionalization in such facility not earlier than twenty-four months prior to the date of such release; or

(3) Such person (A) is discharged from a residential substance abuse treatment facility, and (B) was a recipient of assistance pursuant to SAGA within sixty days of the date of such discharge.

(c) **Where to file.** A completed application may be filed with the department electronically, in person at or by mail to any department regional office or by mail to any other address approved by the department for receipt of applications.

(d) **Date of application.** (1) The date of application shall be the date on which a signed application requesting cash assistance is received by the department. If the department receives a signed application that does not indicate which form of assistance the applicant is requesting, the date of receipt shall remain the date of application if such applicant indicates he or she is requesting cash assistance at the application interview or when contacted by the department for the purpose of determining which form of assistance such applicant is requesting, whichever occurs first.

(2) When the date of application for cash assistance is established pursuant to the provisions of subdivision (1) of this subsection and an applicant subsequently and for the first time requests a different form of assistance, such applicant shall be required to sign and submit a new application concerning such request, and the date of application for such different form of assistance shall be the date such new application is submitted to a department office.

(e) **Persons qualified to participate in the eligibility process.** Any person who requests assistance solely for himself or herself may file an application and complete the eligibility process, unless such person has been declared incompetent by a court of appropriate jurisdiction. Any applicant may choose to be assisted in the eligibility process by another person or persons, and may be accompanied and represented by such chosen person or persons during contact with the department. In the case of a person declared incompetent by a court of appropriate jurisdiction, such person's conservator, guardian or court-appointed fiduciary may file an application and complete the eligibility process on behalf of such person.

(f) **Authorized representatives.** (1) An assistance unit member may appoint a person to act as an authorized representative on his or her behalf, unless such member has been declared incompetent by a court of appropriate jurisdiction, in which case such member's conservator, guardian or court-appointed fiduciary may appoint an authorized representative for such member. Such appointment shall be in writing and include the signature of the assistance unit member, or such member's conservator, guardian or court-appointed fiduciary. The appointment of an authorized representative shall not be effective until received by the department and shall be subject to the department's determination that the person selected as an authorized representative is a responsible individual. For purposes of this subsection, "responsible individual" means a person who: (A) is eighteen years of age or older; (B) is sufficiently familiar with the assistance unit's household circumstances to answer with reasonable accuracy questions concerning the assistance unit's need and eligibility for assistance; (C) understands the responsibilities assumed by virtue of acting as an authorized representative; (D) is able to communicate with members of the assistance unit in order to obtain

information from such members and provide such members with an explanation of their rights and responsibilities; (E) has an interest in the well-being of the assistance unit; and (F) has not been disqualified from receiving assistance pursuant to SAGA.

(2) Unless an assistance unit member's signature is otherwise required by state or federal law, an authorized representative may sign any document, including an application, and otherwise act on behalf of the assistance unit on all matters. The department shall send notice of any case action to the assistance unit and its authorized representative. The department shall not take any action based on information provided by an authorized representative until such authorized representative verifies his or her identity.

(3) The department may appoint an authorized representative for an assistance unit when it determines that there has been financial mismanagement and that a protective payee is necessary, as described in subsection (e) of section 17b-198-12 of the Regulations of Connecticut State Agencies, in which case such protective payee shall act as the assistance unit's authorized representative.

(4) An assistance unit shall have no more than one authorized representative at any given time. An authorized representative may represent multiple assistance units and may terminate his or her representation of an assistance unit at any time by notifying the department of such termination in writing. No department employee involved in the eligibility process or the issuance of benefits may act as an authorized representative without the specific, written approval of the commissioner or the commissioner's designee.

(5) An assistance unit member shall not be relieved of any responsibility imposed by statute or regulation due to the appointment of an authorized representative. An assistance unit member and his or her authorized representative shall be jointly responsible for any assistance improperly obtained from the department due to the actions of the authorized representative.

(6) An assistance unit member may, at any time, revoke the appointment of any authorized representative, provided such revocation is in writing and received by the department. The department may remove an authorized representative if such representative knowingly misrepresents the assistance unit's circumstances and eligibility for assistance.

(g) **Application interviews.** (1) Each applicant requesting assistance pursuant to SAGA, or such applicant's authorized representative, shall be interviewed by the department as a condition of eligibility for such assistance. The department shall conduct such interview for the purpose of reviewing the application form and any other relevant information or documents for accuracy and completeness, and to ascertain pertinent information relating to the current circumstances of the assistance unit. Such interview may be conducted in person or by telephone on the day an application is filed or within a reasonable amount of time thereafter, as determined by the department.

(2) The department shall not schedule a second application interview for a person who misses a scheduled application interview and does not contact the department to reschedule such interview. The department shall schedule a second application interview for any person who misses a scheduled application interview if such person requests that the department reschedule such interview and such person's failure to complete the previously scheduled interview was due to a hardship such as, but not limited to, an accident or a family illness. Any delay in processing an application that results from rescheduling such an interview shall be attributed to the applicant.

(3) If, at any time after the application interview but prior to granting assistance, a change occurs with respect to the information provided by the applicant on the application or at the application interview, and such change could impact the applicant's eligibility for or appropriate level of SAGA assistance, such applicant shall report such change to the department not later than ten days after the date on which such change occurred.

(h) **Date on which documents are considered received during the eligibility process.** Unless specifically provided otherwise by a statute or regulation, during the eligibility process any

application, written verification, report or request, redetermination form, waiver, petition or other document shall be considered received by the department on the day any such item is actually received by the department, except that any such item received on a weekend day, holiday or any day after normal business hours shall be considered received on the next business day.

Sec. 4. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-4 as follows:

**(NEW) Sec. 17b-198-4.** Rules for forming the assistance unit and needs group.

(a) **Assistance unit composition.** Each person requesting or receiving assistance pursuant to SAGA shall be designated a one-member assistance unit, regardless of whether such person lives with a spouse, family member or other person who is requesting and eligible for assistance pursuant to SAGA.

(b) **Needs group composition.** To determine whether an assistance unit meets asset and income requirements for assistance pursuant to SAGA, as described in sections 17b-198-8 and 17b-198-9 of the Regulations of Connecticut State Agencies, and for the purpose of calculating the appropriate level of assistance for an eligible assistance unit, as described in section 17b-198-10 of said regulations, the department shall consider the assets and income of each member of the needs group to which the assistance unit member belongs. The needs group shall consist of the assistance unit member and his or her spouse, except that, whenever an assistance unit member and his or her spouse separate and no longer live together, such spouse shall be excluded from such member's needs group on the first day of the month following the month in which such spouse and member cease living together.

Sec. 5. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-5 as follows:

**(NEW) Sec. 17b-198-5.** Determining eligibility. Threshold considerations.

(a) **Citizenship status.** Only (1) a United States citizen, (2) a qualified alien, as defined in 8 USC 1641, as amended from time to time, who is not eligible for federally funded forms of cash assistance, (3) an immigrant alien who, prior to August 22, 1996, entered the United States and was recognized as permanently residing under color of law, or (4) a lawfully residing immigrant alien shall be eligible for assistance pursuant to SAGA. For purposes of this subsection, "lawfully residing immigrant alien" has the same meaning as "alien who is lawfully present in the United States," as defined by 8 CFR 1.3, as amended from time to time.

(b) **Residency.** (1) Only a person who resides in Connecticut and intends to remain in Connecticut permanently or for the foreseeable future shall be eligible for assistance pursuant to SAGA. Except as provided in subdivision (2) of this subsection, a person who resides in Connecticut and is otherwise eligible for assistance pursuant to SAGA shall not be required to have a permanent dwelling or a fixed address to establish his or her Connecticut residency. A person who is temporarily absent from Connecticut shall remain eligible for assistance pursuant to SAGA, except that a person who is temporarily absent from Connecticut and establishes a legal residence in or is granted any public benefit by another state shall not be considered a resident of Connecticut, regardless of whether such person continues to maintain a residence in Connecticut or intends to return to Connecticut.

(2) A person's temporary absence from Connecticut shall not constitute abandonment of his or her Connecticut residency, provided such person (A) maintains permanent housing or has a fixed address in Connecticut, and (B) intends to return to Connecticut not later than thirty days after leaving the state.

(c) **Institutional status.** No person shall be eligible for assistance pursuant to SAGA while living in any of the following institutions:

(1) A general hospital, except that any person who is receiving assistance pursuant to SAGA shall not become ineligible for assistance upon living in a general hospital if such recipient is expected to return home not later than ninety days after the date of admission to such general hospital;

(2) A long-term care facility;

(3) A residential substance abuse treatment facility;

(4) A correctional facility, unless such person voluntarily lives in such facility; or

(5) A mental health facility.

(d) **Concurrent eligibility for assistance.** No person shall be eligible to receive assistance pursuant to SAGA while also eligible to receive cash assistance pursuant to another state or federal cash assistance program, including, but not limited to, TFA, RCA, AABD, SSI or SSDI.

(e) **Participation in a strike.**

(1) For purposes of this subsection, a person participates in a strike when such person is an employee who (A) chooses not to go to work because he or she is a member of a bargaining unit on strike, (B) acts in concert with other employees to effectuate a work stoppage due to the expiration of a collective bargaining agreement or any other motive directly related to such person's job, or (C) chooses not to go to work due to sympathy with a bargaining unit on strike. A person who does not belong to a collective bargaining unit that is on strike and refuses to cross a picket line established by such collective bargaining unit due to fear of personal injury or death shall not be considered a participant in such strike. A person who previously participated in a strike shall no longer be considered a participant in such strike upon returning to work or after such person's position is permanently filled or eliminated by his or her employer.

(2) Except as provided in subdivision (3) of this subsection, no person participating in a strike or living with a spouse who is participating in a strike shall be eligible for assistance pursuant to SAGA.

(3) The provisions of this subsection shall not apply to an assistance unit already receiving assistance pursuant to SAGA at the time any person described in this subsection begins participation in a strike.

(f) **Improper transfer of assets.** (1) For purposes of this subsection, "legal owner" has the same meaning as provided in subsection (a) of section 17b-198-8 of the Regulations of Connecticut State Agencies, and "undue influence" means acts that cause another party, through misrepresentation, deceit, fraud or any other improper means, to do something that would otherwise not be done.

(2) (A) Except as provided in subparagraph (C) of this subdivision and subdivision (5) of this subsection, an assistance unit member residing in or admitted to a rated housing facility or a licensed residential care home shall be subject to a penalty, as described in subdivision (6) of this subsection, if such member (i) transfers an asset, other than an asset excluded from eligibility determinations under any provision of section 17b-198-8 of the Regulations of Connecticut State Agencies, for the purpose of establishing or maintaining eligibility for assistance pursuant to SAGA, and (ii) such transfer occurred during the twenty-four month period immediately preceding the date of application for assistance, while an application for such assistance was pending or while such member was receiving such assistance. The department shall investigate the circumstances under which an asset was transferred if such asset was transferred during any time period set forth in this subparagraph.

(B) An assistance unit member's placement of an asset into joint ownership with another person, including such member's spouse, shall be considered a transfer within the meaning of this

subdivision if such person subsequently transfers or otherwise liquidates such asset, or if such member subsequently grants full ownership of such asset to such person. The date of transfer in such a situation shall be the date such person transferred or otherwise liquidated such asset, or was granted full ownership of such asset by the assistance unit member, whichever occurs first.

(C) Notwithstanding the provisions of subparagraph (A)(i) of this subdivision, the department shall impose a penalty when an assistance unit member residing in or admitted to a rated housing facility or a licensed residential care home transfers non-home property excluded pursuant to subdivision (8) of subsection (d) of section 17b-198-8 of the Regulations of Connecticut State Agencies for the purpose of establishing or maintaining eligibility for assistance pursuant to SAGA during any period of time described in subparagraph (A)(ii) of this subdivision.

(3) (A) The department shall consider an asset to have been transferred for the purpose of establishing or maintaining eligibility for assistance pursuant to SAGA, as described in subdivision (2) of this subsection, if: (i) Fair market value was not received for such asset; (ii) there is no convincing evidence that the transfer was for another purpose; and (iii) the transferor did not retain funds sufficient to account for the transferor's foreseeable needs.

(B) In determining whether fair market value was received as compensation for a transferred asset, the department shall consider any compensation received at the time of or after the transfer. The department shall consider compensation received prior to the transfer only if such compensation was received in accordance with a legally enforceable agreement, or in the form of services or payment for services that were: (i) Of the type provided by a homemaker or a home health aide; (ii) essential to avoid the transferor's institutionalization; and (iii) either provided by the transferee while sharing the home of the transferor or paid for by the transferee. Any non-monetary compensation received shall be assigned a monetary value for the purpose of determining whether such compensation constituted fair market value for the transferred asset. A monetary value shall be assigned for services of the type normally rendered by a homemaker or home health aide according to the current state minimum hourly wage for such services. For all other services provided as compensation at the time of transfer, after the transfer or in connection with a legally enforceable agreement, a monetary value shall be assigned according to the actual cost of the services. Any compensation received in the form of real or personal property shall be valued according to such property's fair market value. Compensation in the form of a note of indebtedness shall be valued according to the total amount owed on such note. An out-of-pocket payment by the transferee may include payment for alterations to the transferor's home that are necessary to allow the transferor to continue to use such home and avoid institutionalization.

(C) A transferor retains funds sufficient to account for his or her foreseeable needs when, at the time of the transfer, such transferor retains other income and assets sufficient to cover basic living expenses and medical costs as they could have reasonably been expected based on the transferor's health and financial situation at the time of the transfer.

(4) Notwithstanding the provisions of subdivision (3) of this subsection, the department shall not consider an asset's transfer to have been made for the purpose of establishing or maintaining eligibility for assistance pursuant to SAGA if:

(A) There is clear and convincing evidence that objectively establishes that the transferor merely entrusted such asset with the transferee with the intent of retaining all beneficial interest in such asset;

(B) The asset was jointly held by the assistance unit member and the person who received or transferred the asset, and such member demonstrates that such person, rather than such member, was the legal owner of such asset, as described in subsection (e) of section 17b-198-8 of the Regulations of Connecticut State Agencies; or

(C) The assistance unit member transferred the asset to his or her spouse if (i) such member and spouse were separated at the time of the transfer, and (ii) the transfer was made in accordance with a

written agreement executed prior to the transfer that divided the asset into equal shares of distinct property. For purposes of this subparagraph, the department shall consider an assistance unit member and his or her spouse to be separated if such member or spouse has left the home and does not intend to return, or such member and spouse are residing in different rooms in the same rated housing facility or licensed residential care home.

(5) (A) The department shall not impose a penalty pursuant to this subsection if:

(i) The total uncompensated fair market value for all improperly transferred assets, including multiple transfers of one asset, does not exceed the asset limits established pursuant to section 17b-198-8 of the Regulations of Connecticut State Agencies when added to all other assets counted under the provisions of said section;

(ii) Such member has been declared incompetent by a court of appropriate jurisdiction at the time of the transfer; or

(iii) Such transfer was the result of a third party's undue influence on such member, such as, but not limited to, when the asset was jointly held with another person and such person gained sole ownership of or liquidated such asset without the knowledge or consent of such member.

(B) When undue influence is claimed, the assistance unit member, or, if such member has been declared incompetent by a court of appropriate jurisdiction at the time of the department's investigation of the transfer, such member's conservator shall provide the department with detailed information concerning the circumstances that led to the transfer. The department shall review all available information and determine whether it is more likely than not that the transfer resulted from undue influence.

(6) The penalty for transferring an asset under the circumstances described in subdivision (2) of this subsection shall be ineligibility for assistance pursuant to SAGA beginning on the first day of the month such asset was transferred and lasting for a period of time calculated by dividing the uncompensated value of the transferred asset by five hundred dollars, with (A) any resulting whole number equating to the number of months such person shall remain ineligible, and (B) any resulting fraction of a whole number used to prorate the number of days such person shall remain ineligible during the last month of ineligibility.

(7) The department shall notify each applicant for assistance pursuant to SAGA of the potential impact of transferring an asset. Whenever the department intends to deny or discontinue assistance pursuant to SAGA due to a penalty imposed pursuant to this subsection, the department shall, not later than fifteen days prior to taking such intended action, provide the assistance unit member with notice clearly explaining the reason for the decision and that such member has a right to rebut the findings of the department by a date provided in such notice. An assistance unit may, within the time allowed, rebut such findings through objective evidence. For purposes of this subdivision, evidence, whether documentary or nondocumentary, shall be considered objective if a rational person would agree that it is real and valid. If the department, in its discretion, concludes that objective evidence submitted by an assistance unit member rebuts the department's findings, it shall not impose a penalty pursuant to this subsection.

(8) An applicant's decision to withdraw an application shall not interrupt the department's processing of its evaluation of an asset transfer or the imposition of any penalty imposed as a result of such an evaluation. When an applicant withdraws his or her application and the department's evaluation leads to the imposition of a penalty, such penalty shall be applied to any subsequent application filed by such applicant, subject to the recalculation of the penalty period based on any additional information presented at the time of the subsequent application.

(g) **Failure to comply with TFA program requirements.** No person who would be eligible for assistance pursuant to TFA but for the failure of such person or an individual in such person's household to comply with a TFA program requirement shall be eligible for assistance pursuant to

SAGA.

(h) **Fleeing felons disqualified.** Any person who is fleeing prosecution for a crime or attempted crime that constitutes a felony under the laws of the jurisdiction from which such person is fleeing, or who is fleeing to avoid custody or confinement following his or her conviction for such a crime or attempted crime, shall be disqualified from receiving assistance pursuant to SAGA. If any person disqualified pursuant to this subsection is pardoned by the President of the United States, such disqualification shall terminate on the first day of the month following the month in which such pardon is granted.

Sec. 6. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-6 as follows:

**(NEW) Sec. 17b-198-6.** Determining eligibility. Assistance unit obligations.

(a) **Disclosure of Social Security number.** (1) Each assistance unit member shall disclose his or her Social Security number as a condition of eligibility for assistance pursuant to SAGA. An assistance unit member who has been issued multiple Social Security numbers shall disclose each number. Disclosure of a Social Security number pursuant to this subsection may be based upon such member's memory or a written document, including, but not limited to, a wage stub, a Social Security award or denial letter, an income tax return, a Social Security card, a bank book or statement, an insurance policy or any other document such member believes accurately reflects his or her Social Security number. An assistance unit member shall be required to apply for a Social Security number as a condition of such member's eligibility for assistance if such member has not been issued a Social Security number or has been issued such a number but (A) does not recall such number and has no record of it, (B) the department is unable to confirm such number, or (C) a discrepancy exists between the number provided to the department by such member and information from other sources available to the department. Notwithstanding the provisions of subdivision (5) of this subsection, the assistance unit member shall be responsible for ensuring that any application for a Social Security number required by this subsection is filed with the Social Security Administration. An assistance unit member shall remain ineligible for assistance pursuant to SAGA until such member discloses a Social Security number or files an application for such a number, whichever is required under this subsection.

(2) The department shall confirm the validity of each Social Security number disclosed to it pursuant to this subsection, and each such number shall be used by the department only for verifying the identity of an assistance unit member, such member's income and assets and any benefits received by such member.

(3) Any person who is not applying for or eligible to receive assistance pursuant to SAGA for any reason other than failing to disclose or apply for a Social Security number may voluntarily disclose his or her Social Security number to the department or apply for such a number, but such disclosure or application shall not be required as a condition of eligibility for any assistance unit member.

(4) Whenever the department requests that a person disclose or apply for a Social Security number, the department shall inform such person of whether cooperation with such request is mandatory or voluntary, of the statutory or other authority pursuant to which such request is made and how such number will be used by the department when disclosed, including that the Social Security number of any person whose income is considered in determining whether an applicant is financially eligible shall be used to verify such income. The department shall inform any person whose disclosure of a Social Security number is voluntary that his or her failure to disclose such number shall not result in the denial or discontinuance of assistance for any person.

(5) If a member of an assistance unit informs the department that he or she does not recall his or her Social Security number or has not been issued such a number, the department shall offer to assist such member. If such member requests the department's assistance, the department shall:

(A) Assist such member in completing an application for a Social Security number;

(B) Obtain any evidence pertaining to such member's citizenship or alien status, age and identity that is required by the Social Security Administration and necessary to complete such application; and

(C) When appropriate, send such application to the Social Security Administration or, if evidence suggests that a Social Security number was previously issued to such member, request such number from the Social Security Administration.

(6) The department shall not delay an eligibility determination while confirmation or issuance of a Social Security number is pending unless (A) there is a discrepancy between the Social Security number disclosed by an assistance unit member and other information obtained from a source used by the department, and (B) such member fails to cooperate in resolving such discrepancy. The department shall not penalize an assistance unit member for failing to disclose or apply for a Social Security number unless the department first complies with the provisions of subdivision (5) of this subsection.

(b) **Cooperation during the eligibility process generally.** (1) Except as provided in subdivision (3) of this subsection, an assistance unit member shall, as a condition of eligibility for assistance, cooperate during the application and eligibility processes. The cooperation required pursuant to this subsection during the application process includes fully completing the application form, providing the signature of any person who is required to sign such form, responding to any appointment for an interview scheduled by the department and providing and verifying information when requested by the department. The cooperation required pursuant to this subsection during any portion of the eligibility process following the application process includes completing and signing any form as requested by the department, responding to any appointment for an interview scheduled by the department, reporting changes in income and any other conditions that may impact eligibility for assistance pursuant to SAGA and providing and verifying information when requested by the department.

(2) Except as provided in subdivision (3) of this subsection, whenever cooperation required by this subsection is not provided during the application process, the department shall deny the application. Whenever cooperation required by this subsection is not provided during any portion of the eligibility process following the application process, the assistance unit member shall be ineligible for assistance until such member provides such cooperation. If an assistance unit member fails to cooperate with a quality control review conducted by the department and does not cooperate sooner than ninety-five days after the end of the annual quality control review period during which such cooperation was withheld, such member shall be required to file a new application for assistance pursuant to SAGA prior to the renewal of such assistance. The department shall not consider an assistance unit member's prior failure to cooperate while reviewing any such new application for assistance. For purposes of this subsection, "quality control review period" means the period beginning October 1 each year and ending September 30 the following year.

(3) No assistance unit shall be ineligible for assistance for failing to provide the cooperation required by this subsection if there is good cause for the assistance unit's failure to cooperate. For purposes of this subdivision, good cause exists whenever the lack of cooperation resulted from (A) circumstances beyond the assistance unit's control, or (B) the failure of a representative of an incompetent or incapacitated assistance unit member to act in such member's best interest.

(c) **Cooperation in pursuing support.** (1) An assistance unit member shall, as a condition of eligibility for assistance, provide accurate and complete information about any spouse who may be

legally obligated to provide support to such member. A spouse shall be considered legally obligated to provide support to an assistance unit member regardless of whether such spouse lives with such member. Each assistance unit member shall, as a further condition of eligibility for assistance, cooperate in securing support from any such spouse, unless the department determines that circumstances justify such member's refusal to provide such cooperation, as described in subdivision (3) of this subsection. The cooperation required pursuant to this subsection includes (A) identifying and locating such member's spouse, and (B) obtaining support payments, medical or other benefits or any other property when such payments, benefits or property are due to such member. Notwithstanding any other provision of this subsection, an assistance unit shall not be ineligible for assistance for failing to cooperate with the department's request to perform a discrete act needed to obtain spousal support if there is good cause for the assistance unit's failure to cooperate. For purposes of this subsection, good cause has the same meaning as provided in subdivision (3) of subsection (b) of this section.

(2) The cooperation required by subdivision (1) of this subsection is demonstrated by:

(A) Providing to the department known information and documentary evidence that is in the assistance unit member's possession or readily obtainable;

(B) Appearing as a witness in court or in any other proceeding related to obtaining support and providing information or attesting under oath to a lack of information; and

(C) Notifying the department of any direct support payments received while also receiving assistance pursuant to SAGA.

(3) A member of an assistance unit may refuse to provide cooperation required by this subsection if it is anticipated that, by providing such cooperation, the assistance unit member may be subjected to serious physical or emotional harm.

(4) Any assistance unit member who alleges that he or she is justified in refusing to cooperate with the department's efforts to secure support from such member's spouse under the provisions of subdivision (3) of this subsection shall verify the circumstances that allegedly constitute justification for such refusal not later than twenty days after the date on which such circumstances are first alleged. The department may grant an extension of such deadline in exceptional cases in which an assistance unit member's failure to cooperate by providing verification is beyond such member's control. The department shall issue a written decision concerning an assistance unit member's allegation of circumstances justifying his or her refusal to cooperate not later than forty-five days after the date on which such circumstances were first alleged by such member, except that, if such member was granted an extension, the department's deadline for issuing a decision shall be extended by a number of days commensurate with the length of the extension granted to such member. In no event shall the department delay, deny or discontinue assistance pending the resolution of an assistance unit's allegation of circumstances justifying his or her refusal to cooperate under subdivision (3) of this subsection.

(5) Whenever the department decides that an assistance unit member's refusal to cooperate is justified under subdivision (3) of this subsection, the department shall either cease its efforts to secure support, or continue such efforts without the assistance of such member. Whenever the department decides that circumstances justifying an assistance unit member's refusal to cooperate do not exist, such member shall:

(A) Cooperate with the department's efforts to secure support, in which case such member shall continue to be eligible for assistance pursuant to SAGA;

(B) Request that the department discontinue the eligibility process or voluntarily withdraw the application for assistance rather than continue efforts to secure support; or

(C) Be determined ineligible for assistance pursuant to SAGA.

(d) **Cooperation in pursuing potential income.** (1) As a condition of eligibility for assistance, an

assistance unit member shall apply for and actively pursue any benefit to which such member may be eligible, and shall otherwise cooperate with any department request concerning the pursuit of any other form of income rightfully belonging to such member. Such benefits include, but are not limited to, old-age, survivors and disability insurance benefits, veterans' disability compensation or pension benefits, railroad retirement benefits, unemployment compensation benefits, worker's compensation benefits, benefits paid pursuant to a private pension or disability insurance contract and benefits from any other cash assistance program administered by the department.

(2) Any application or cooperation required pursuant to this subsection shall be completed by a date established by the department in each case. An assistance unit member shall be ineligible for assistance if such member fails to comply with the provisions of this subsection in a timely manner, unless there is good cause for such failure. For purposes of this subsection, good cause exists whenever such failure resulted from (A) circumstances beyond such member's control, or (B) the failure of a representative of an incompetent or incapacitated assistance unit member to act in such member's best interest.

(e) **Cooperation in pursuing assets.** (1) An assistance unit member shall pursue potential assets, including, but not limited to, property in probate, jointly owned property, property held in trust, any security deposit held by a landlord that is owed to such member and any asset that such member has verified cannot be converted to cash, and shall cooperate with any department request concerning the pursuit of such assets.

(2) The cooperation required pursuant to this subsection includes: (A) Taking reasonable measures to pursue any potential asset of the assistance unit member or such member's spouse; and (B) complying with any department request for information or action by such member, including, but not limited to, a request to (i) provide details concerning an asset, including names and addresses of persons involved with such asset, (ii) make a petition concerning an asset to the probate court or other court of appropriate jurisdiction, (iii) commence a legal action for compensation equal to the value of such member's interest in an asset, and (iv) send a letter of demand or inquiry to the holder of an asset.

(3) Whenever an assistance unit member fails to cooperate with the provisions of this subsection, the department shall (A) consider the full value of the asset in question as available to the assistance unit, if such value is known, or (B) determine that such member is ineligible for assistance, if such member is eighteen years of age or older and the value of such asset is unknown.

(f) **Assignment of interests.** (1) An assistance unit member shall, as a condition of eligibility for assistance, assign to the department (A) any interest such member has in a decedent's estate, (B) the net proceeds of any monetary damages or settlement received by such member in connection with a cause of action, and (C) any potential retroactive SSI award. Any assignment of a potential retroactive SSI award shall be valid only until such member is denied SSI benefits and fails to file a timely appeal or exhausts all appellate rights, or for one year from the date of such assignment, whichever occurs first. The amount of an assignment of an assistance unit member's interest in a decedent's estate shall be equal to the total amount of SAGA benefits received by such member, or fifty per cent of the assets from the estate that are payable to such member, whichever is less. The amount of an assignment of an assistance unit member's interest in a cause of action shall be equal to the total amount of SAGA benefits received by such member, or fifty per cent of the proceeds received by such member in connection with such cause of action after payment of all expenses connected with the cause of action, whichever is less.

(2) Any assistance unit member who fails to make an assignment required under this subsection shall be ineligible for assistance pursuant to SAGA.

(g) **Treatment for substance abuse.** (1) No person who is a substance abuser shall be eligible for assistance pursuant to SAGA unless such person participates in treatment, including counseling, for

such substance abuse.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, a substance abuser shall be eligible for assistance pursuant to SAGA while waiting for appropriate treatment to become available.

Sec. 7. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-7 as follows:

**(NEW) Sec. 17b-198-7.** Determining eligibility. Employability status.

(a) **Impairment to employability required.** No person shall be eligible for assistance pursuant to SAGA unless such person is unemployable, as described in subsections (b) and (c) of this section, or transitional, as described in subsections (d) and (e) of this section.

(b) **Medical unemployability.** A person shall be considered unemployable due to medical impairment when such person provides the department with current medical and vocational information, including information concerning such person's employment history, verifying that such person:

(1) Has been diagnosed with one or more physical or mental illnesses or conditions and:

(A) One or more of such illnesses or conditions are expected to last not less than six months;

(B) One or more of such illnesses or conditions, individually or collectively, prevent such person from working or participating in education or training; and

(C) One or more of such illnesses or conditions are severe, as determined by the department or the department's designee after consulting a schedule of medical-disability standards maintained and made available to the public by the department;

(2) Meets the disability requirements established by the Social Security Administration; or

(3) Has received an award letter from the Social Security Administration granting SSI or SSDI benefits, but has not yet received such benefits.

(c) **Non-medical unemployability.** A person shall be considered unemployable due to considerations apart from medical impairment when such person provides the department with current information, including, when necessary, information concerning such person's employment history, verifying that such person:

(1) Is sixty-five years of age or older or is under sixteen years of age and emancipated by a court of appropriate jurisdiction or legally married;

(2) Is needed at home to care for an incapacitated spouse or child, or a child under two years of age, provided such person verifies that:

(A) The incapacitated person (i) receives SSI or Social Security benefits based on disability or blindness, or (ii) has a physical or mental illness or impairment, or combination thereof, that is expected to last not less than thirty days and is of such a debilitating nature that, in the case of a spouse, it precludes such spouse from engaging in employment on a predictable basis with reasonable regularity, or, in the case of a child, it requires care by an adult at unpredictable times with reasonable regularity or on a substantially continuous basis; and

(B) No other household member of the spouse or child, as the case may be, can provide such care.

(3) Has been granted but is pending receipt of Social Security income or cash assistance from any program administered by the department other than SAGA;

(4) Is a VISTA volunteer;

(5) Is a full-time student in good standing at a high school or another secondary school offering an equivalent level of vocational or technical training;

(6) Is fifty-five years of age or older and has worked less than six months, cumulatively, during

the five years immediately preceding such person's application for assistance; or

(7) Is (A) unmarried, (B) between the ages of eighteen and twenty-one, (C) living with an active TFA assistance unit, and (D) no longer a member of such TFA assistance unit due to attaining the age of eighteen.

(d) **Long-term transitional persons.** A person shall be considered transitional due to long-term impairment when such person:

(1) Provides the department with current medical and vocational information, including information concerning such person's employment history, verifying that such person has one or more documented, severe physical or mental illnesses or conditions that, individually or collectively, are expected to preclude employment for a period of not less than six months; and

(2) Submits to and cooperates with a medical review for the purpose of determining whether such person's impairments meet any of the criteria for medical unemployability, as described in subsection (b) of this section.

(e) **Short-term transitional persons.** (1) A person shall be considered transitional due to short-term impairment when such person provides the department with current medical and vocational information, including information concerning such person's employment history, verifying that such person:

(A) Has one or more documented physical or mental illnesses or conditions that, individually or collectively, are expected to preclude employment for a period of not less than two months but fewer than six months; and

(B) Has a recent connection to the labor market or:

(i) Was institutionalized as a resident of (I) an acute care or chronic disease hospital, (II) a nursing home, (III) a correctional facility, or (IV) a residential treatment facility, halfway house or group home for not less than forty-five days during each of three of the five calendar quarters immediately preceding the month such person applied for assistance;

(ii) Was receiving cash assistance pursuant to SAGA, SSI, SSDI or AABD for not less than three of the five calendar quarters immediately preceding the month such person applied for assistance;

(iii) Graduated from a full-time secondary school, such as a high school or a vocational or technical school, not earlier than six months prior to the month such person applied for assistance; or

(iv) Was needed in the home to care for his or her child under two years of age for not less than three of the five calendar quarters immediately preceding the month such person applied for assistance.

(2) For purposes of this subsection, "chronic disease hospital" means a facility for the treatment or care of persons with prolonged illnesses, and "recent connection to the labor market" means that a person:

(A) Worked and earned not less than five hundred dollars in each of three of the five calendar quarters immediately preceding the month such person applied for assistance, regardless of the dates on which payment was received for such work;

(B) Collected unemployment compensation at any time during the six months immediately preceding the date such person applied for assistance; or

(C) Had sufficient wage credits to qualify for unemployment compensation at any time during the six months immediately preceding the date such person applied for assistance but was unable to collect such compensation because (i) he or she was unable to work or unavailable for suitable work, or (ii) such compensation was withheld for the purpose of recouping a previous overpayment of unemployment compensation.

(f) **Petition for reconsideration.** (1) Any person previously determined to be transitional pursuant to subsection (d) or (e) of this section may file a petition for reconsideration of the department's determination that such person does not qualify as unemployable. Such petition shall be filed not

later than sixty days after such person's assistance is discontinued due to the expiration of the period of time such person was determined to be transitional, and may be filed while such person is still receiving assistance.

(2) Each petition for reconsideration filed pursuant to subdivision (1) of this subsection shall include the name, date of birth, social security number and the signature of the petitioner, the date on which such petition was signed and a written statement explaining why the petitioner believes he or she is unemployable. Such petition may include any of the following:

(A) Medical or psychiatric reports;

(B) Reports from counselors;

(C) Photographs of the petitioner;

(D) Evidence concerning the petitioner's education, vocational training or work history;

(E) A statement offered by the petitioner's friend or family member, or by another person with knowledge of the petitioner's circumstances, explaining his or her relationship to the petitioner and the specific reasons he or she believes the petitioner is unemployable; and

(F) Any other information relevant to the petitioner's ability to find and maintain employment.

(3) Any petition for reconsideration filed with a regional office shall be forwarded to the department's central office for consideration and the issuance of a decision. Assistance shall not be continued beyond the time the department previously determined the petitioner would be transitional while such a petition is pending, nor shall assistance be reinstated upon the filing of such a petition after assistance was discontinued due to the expiration of such time.

(4) Prior to rendering a decision on such petition, the department may:

(A) Request additional medical or vocational information from the petitioner, including information concerning the petitioner's work history;

(B) Require that the petitioner appear for an in-person interview to discuss his or her employment status; and

(C) Require verification of any information contained in a statement or document submitted to the department that the department has reason to question.

(5) In reaching a decision on a petition for reconsideration, the department may consider the petitioner's mental and physical health, age, educational background, work history and how each such factor relates to the petitioner's ability to work, but may not grant a petition based on the petitioner's inability to find employment due to labor market conditions, lack of transportation or any other factor that is not a criterion used in determining whether a person is unemployable.

(6) The department's central office shall issue a written decision on each petition for reconsideration not later than sixty days after such petition was filed with the department. Such decision shall be forwarded to the regional office of appropriate jurisdiction and notice of such decision shall be provided to the petitioner and any authorized representative of such petitioner. Any favorable decision on such petition shall be implemented by the regional office not later than ten days after the date on which such decision was forwarded to the regional office by (A) granting assistance, if such assistance was previously discontinued, and (B) issuing a corrective assistance payment, if necessary, retroactive to either the first day of the month in which such petition was filed, or the first day of the month during which the department determines the petitioner became unemployable and was not receiving assistance to which he or she was entitled, whichever is earlier. Any adverse decision on such petition shall be final and may not be appealed. Nothing in this subsection shall be construed to interfere with an assistance unit member's right to request a fair hearing on the department's initial determination that such member does not qualify as unemployable, or to appeal a hearing officer's decision following such a fair hearing to the Superior Court.

Sec. 8. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-8 as follows:

**(NEW) Sec. 17b-198-8.** Determining eligibility. Asset restrictions.

(a) **Definitions.** As used in this section, the following terms shall have the following meanings, unless a provision expressly provides otherwise:

(1) "Available asset" or "asset that is available" means any item of value that is actually available to a person or that such person has the legal right, authority or power to obtain or to have applied for such person's general or medical support;

(2) "Beneficiary" means a person who is entitled to receive funds, property or other benefits from an insurance policy, will, trust, contract or settlement;

(3) "Burial plot" means the contractual right to a grave site, opening and closing of a grave site, cremation urn, casket, outer burial container and a headstone or marker;

(4) "Cash surrender value" means the amount of money the owner of a life insurance policy, annuity or similar instrument may obtain by surrendering such instrument;

(5) "Corrective payment" means assistance paid to a person by the department as a refund or an adjustment for a previous underpayment of any cash, medical or other benefit provided by the department;

(6) "Equity value" means an amount calculated by subtracting the amount of all encumbrances on an asset from the fair market value of such asset;

(7) "Essential household item" means all furniture, furnishings and equipment found in or about a home that are used in connection with the operation, maintenance and occupancy of such home, and any other item used in the daily functions and activities of home or family life or for comfort or accommodation, but does not include items purchased as an investment to be sold for a profit in the future, such as, but not limited to, antiques, art or jewelry, other than a wedding or engagement ring;

(8) "Fair market value" means an amount for which an asset would commonly be sold on the open market in the geographic area where such asset is located if the owner of such asset made a reasonable, bona fide effort to gain the highest possible price for such asset in an arm's-length transaction;

(9) "Irrevocable burial fund" means funds held by a licensed funeral director pursuant to a contractual arrangement that authorizes the release of such funds for funeral arrangements only upon the death of the beneficiary of such contract, but that permits the transfer of such funds to another licensed funeral director;

(10) "Legal owner" means the person who is legally entitled to enjoy the benefit and use of an asset and who is therefore treated as the person to whom an asset is considered available;

(11) "Motor vehicle" means any vehicle propelled or drawn by any nonmuscular power that is intended and used for the transportation of persons or goods on public roads;

(12) "Personal effect" means clothing, jewelry or any other item that is used for personal care or education;

(13) "Record owner" means the person who has apparent ownership of an asset as verified by a title, registration or other documentation; and

(14) "Settlor" means the person whose funds are used to establish a trust.

(b) **Asset limits.** No person who belongs to a needs group consisting solely of such person shall be eligible for assistance pursuant to SAGA if the counted assets of such person's needs group exceed two hundred fifty dollars. No person who belongs to a needs group consisting of such person and his or her spouse shall be eligible for assistance pursuant to SAGA if the counted assets of such person's needs group exceed five hundred dollars.

(c) **Counted assets.** Subject to the provisions of subsections (e) to (p), inclusive, of this section,

the equity value of each available asset that is not excluded under subsection (d) of this section shall be included among the counted assets of such person and the needs group to which he or she belongs. An assistance unit member shall, as a condition of eligibility for assistance pursuant to SAGA, cooperate with the department in verifying all counted assets of the needs group to which he or she belongs, the equity value of such assets and any reduction in such assets.

(d) **Excluded assets.** In addition to any other assets excluded pursuant to this section, the following assets shall be excluded from the counted assets of a person and the needs group to which he or she belongs if the circumstances concerning such asset are not in question or are verified by such person:

(1) Any of the following forms of government assistance or payments, if such forms are maintained or can be identified separate from counted assets:

(A) Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended from time to time;

(B) Any federally insured grant, loan or work-study payment intended for books, tuition, or fees that is made to an undergraduate student;

(C) Any payment received as a volunteer under Title I of the Domestic Volunteer Service Act of 1973, Public Law 93-113, as amended from time to time;

(D) Any supplemental food assistance received under the Child Nutrition Act of 1966, Public Law 89-642, as amended by Public Law 92-433, or assistance provided pursuant to the special food service program for children under the National School Lunch Act of 1946, Public Law 79-396, as amended by Public Law 93-150;

(E) Any food received from a donation of a surplus commodity by the United States Department of Agriculture;

(F) Any nutritional assistance provided pursuant to the Older Americans Act of 1965, as amended from time to time;

(G) Any disaster assistance paid under the Disaster Relief Act of 1974, Public Law 93-288, as amended from time to time, including the individual and family grant program administered by the Federal Emergency Management Agency, and comparable disaster assistance provided by states, local governments and private organizations; or

(H) Any payment received pursuant to a federal, state or local law that provides energy assistance;

(2) Any essential household item;

(3) Any personal effect;

(4) Not more than one burial plot;

(5) Irrevocable burial funds;

(6) Real property that such person uses as his or her principal residence, including a house, trailer, camper or mobile home used by such person as a residence or an entire multi-family dwelling if it contains at least one unit occupied by such person as a principal residence, and any surrounding property and buildings or structures on such surrounding property if such principal residence and surrounding property are contiguous and not separated by intervening property owned by another person;

(7) Any real property described in subdivision (6) of this subsection that is not currently used as a principal residence due to employment, training for future employment, illness or uninhabitability caused by a catastrophic event, provided such person intends to return to such real property and use it as his or her principal residence when possible;

(8) Any real property not used by such person as his or her principal residence that, if treated as a counted asset, would result in such person's ineligibility for assistance, provided such property shall be excluded only if such person (A) signs a written agreement with a realtor to dispose of such property, (B) immediately lists such property for sale, (C) makes a bona fide effort to sell such

property, (D) does not reject any offer that is approximately equal to the fair market value of such property, and (E) if such property is situated outside the state, grants the department a security mortgage on such property;

(9) Any tangible business asset, other than land and buildings, including, but not limited to, equipment, supplies, inventory, cash on hand and accounts receivable, provided such business produces income sufficient to justify possession of such business asset;

(10) Any asset, other than a tangible business asset, money, stocks, bonds or other similar liquid asset, that is essential to self-support, including any asset used for the sole purpose of producing items for such person's consumption, any item such person is required to own as a condition of his or her employment, including tools, equipment and uniforms;

(11) Any life insurance policy, including, but not limited to, a term insurance policy, that provides temporary coverage and has no cash surrender value;

(12) Any corrective payment for the month in which such payment is received and the ensuing month;

(13) Any funds deposited into, held in, credited to or withdrawn from an individual development account for a purpose consistent with an approved plan, as defined in section 31-51ww of the Connecticut General Statutes;

(14) Any portion of a lump sum payment that is paid to such person for the purpose of paying outstanding expenses incurred through no fault of such person, such as, but not limited to, settlement of outstanding medical bills or compensation for resources lost due to theft or a catastrophic event, provided such portion is maintained or can be identified separate from other funds;

(15) Any amount received by a person as beneficiary of a life insurance policy if such person intends to and does use such amount to pay for the burial expenses of the deceased insured;

(16) Any rental security deposit while held by a landlord, provided that such deposit shall be treated as a counted asset in the month that it is returned to such person;

(17) Any asset included in a decedent's estate that is in probate court if:

(A) The decedent's estate is undergoing administration;

(B) Such person does not have the legal right to make use of such asset until the probate court completes its administration of the estate;

(C) Such person takes reasonable steps to ensure that the administration of the decedent's estate is not unduly prolonged; and

(D) Such person assigns his or her interest in such asset to the department; and

(18) Any asset such person verifies cannot be converted to cash.

(e) **Determining ownership.** (1) For purposes of applying the provisions of this section, the record owner of an asset shall be treated as its legal owner unless the record owner submits evidence to the department verifying that he or she is not the legal owner. Whenever evidence submitted by the record owner of an asset verifies that he or she is not the legal owner of such asset, and treating such asset as a counted asset would cause such person to be ineligible for assistance pursuant to SAGA, such person shall, as a condition of eligibility for assistance, transfer such asset to the legal owner and provide evidence to the department verifying such transfer.

(2) Except as provided in subdivision (3) of this subsection, whenever an asset, including, but not limited to, a bank account, is jointly owned by two legal owners, one of whom is in a needs group and one of whom is outside such needs group, the full value of such asset shall be treated as a counted asset of such needs group, unless evidence is submitted to the department verifying that such needs group member is merely a record owner of all or a portion of such asset and the transfer provisions of subdivision (1) of this subsection are satisfied, in which case the department shall only include as a counted asset any portion of such asset that is legally owned by such needs group member.

(3) When real property is jointly owned by two or more record owners, at least one of whom is in a needs group and at least one of whom is outside such needs group, and there is no dispute that such record owners are the legal owners of such real property, the department shall consider such real property to be shared equally on a pro-rata basis by such record owners, unless the deed for such real property specifies otherwise.

(4) The insured shall be treated as the owner of any life insurance policy having a cash surrender value, unless such policy provides otherwise or the insurer verifies to the department that (A) a person other than the insured is entitled to cash in such policy and (B) the insured may not cash in such policy.

(f) **Bank accounts.** Money received on a recurring basis that, in the month of receipt, is deposited into a bank account shall be treated as income in the month of receipt. Said money shall be treated as a counted asset, unless excluded pursuant to this section or subsection (d) of section 17b-198-9 of the Regulations of Connecticut State Agencies, each following month if retained, except that any income derived from an income tax refund, an earned income tax credit payment, the transfer or sale of personal or real property or the return of a security deposit or the liquidation of a counted asset shall be treated as a counted asset during the month it is received and deposited.

(g) **Money not deposited into bank account.** Money received on a recurring basis by a person who is a member of a needs group shall be treated as counted income in the month of receipt, and as a counted asset, unless otherwise excluded pursuant to this section, each following month to the extent retained.

(h) **Borrowed money.** Any borrowed money derived from a loan that is received in one lump sum shall be treated as a counted asset of the person receiving such lump sum and the needs group to which he or she belongs. Any borrowed money derived from a loan that is received in regular installments, including money derived from a reverse mortgage, shall be treated as income during the month in which it is received, but shall be treated as a counted asset each following month to the extent retained.

(i) **Stocks and bonds.** The equity value of any share of stock or bond held by a person shall be treated as a counted asset of such person and the needs group to which he or she belongs. The equity value shall be the amount that such person will receive when he or she cashes such bond or would receive if he or she were to sell such stock.

(j) **Lump-sum payments.** Any lump-sum payment shall be treated as a counted asset of the person receiving such payment and the needs group to which he or she belongs. For purposes of this subsection, "lump-sum payment" means a one-time payment of money that is not expected to recur and includes, but is not limited to, any of the following if received as a one-time payment: a settlement from a personal injury or property claim, money received pursuant to a claim under an insurance policy, lottery winnings, an earned income tax credit payment, a tax refund, an arrearage of child support and a retroactive benefit payment from unemployment compensation or the Social Security Administration.

(k) **Mortgage notes, loan documents and installment contracts.** (1) Except as described in subdivision (2) of this subsection, the equity in any mortgage note, loan document, installment contract or similar financial instrument held by a person shall be treated as a counted asset of such person and the needs group to which he or she belongs if such person is entitled to sell or otherwise obtain the entire amount of equity in such instrument.

(2) Whenever a person who holds a financial instrument described in subdivision (1) of this subsection believes that the equity in such instrument does not accurately reflect its fair market value, such person may submit evidence concerning the true fair market value of such instrument. If, in the department's judgment, the evidence submitted more accurately approximates the true value of such instrument, the department shall value such instrument accordingly.

(*l*) **Trusts.** (1) Any trust payment received by or used to benefit the beneficiary of such trust shall be treated as the income of such beneficiary and the needs group to which he or she belongs in the month in which such payment is received or used, and as a counted asset of such beneficiary and needs group in each following month to the extent retained.

(2) The corpus of a trust shall be treated as a counted asset of a person and the needs group to which he or she belongs if the terms of the trust permit such person to revoke the trust and receive the corpus of the trust upon revocation.

(3) (A) With respect to a testamentary trust or an inter vivos trust that (i) was not established or funded by the beneficiary of such a trust or such beneficiary's spouse, and (ii) has terms that expressly entitle such beneficiary to receive distributions from the corpus of the trust for his or her general or medical support, the entire corpus or the maximum amount of the corpus that the trustee has authority or discretion to distribute for such beneficiary's general or medical support, if less than the entire corpus, shall be treated as a counted asset of such beneficiary and the needs group to which he or she belongs, regardless of whether the trustee actually makes the maximum allowable distribution.

(B) If the terms of a trust described in subparagraph (A)(i) of this subdivision do not expressly entitle the beneficiary to receive distributions from the corpus of such trust for his or her general or medical support, the department shall treat the entire corpus or the maximum amount of the corpus that the trustee has authority or discretion to distribute to the beneficiary, if less than the entire corpus, as a counted asset if the department concludes that the trustee's failure to make the maximum allowable distribution constitutes an abuse of discretion. In making this determination, the department shall consider the following factors:

(i) The clarity of the settlor's intention to provide for the general or medical support of such beneficiary;

(ii) The degree of discretion afforded to the trustee under the terms of the trust;

(iii) The value of the trust created, with a large value indicating that the settlor intended to provide for general or medical support for such beneficiary; and

(iv) The history of expenditures from such trust prior to the filing of an application seeking assistance for the beneficiary.

(4) When an assistance unit member residing in or admitted to a rated housing facility or a licensed residential care home, or such member's spouse, transfers assets to an irrevocable trust, such transfer shall be examined by the department to determine whether a penalty should be imposed under the provisions of subsection (f) of section 17b-198-5 of the Regulations of Connecticut State Agencies.

(5) Notwithstanding any other provision of this subsection, whenever the department determines that a beneficiary of a trust is not receiving payments from a trust to which he or she is entitled, the portion of the trust to which he or she is entitled shall be treated as an excluded asset, provided such beneficiary cooperates with the department in attempting to obtain such portion of the trust, as described in subsection (e) of section 17b-198-6 of the Regulations of Connecticut State Agencies.

(6) The provisions of this subsection shall apply to trusts and any other legal instrument similar to a trust, such as, but not limited to, an annuity.

(m) **Life insurance policies.** The cash surrender value of any life insurance policy owned by a person who is a member of a needs group shall be treated as a counted asset of such person and the needs group to which he or she belongs.

(n) **Motor vehicles.** (1) The department shall exclude (A) not more than four thousand five hundred dollars of the equity value of one motor vehicle per needs group, or (B) if such motor vehicle has been modified to enable operation by or transportation of any person with a disability who lives in a needs group member's household, the department shall exclude the entire equity value of such

motor vehicle.

(2) If the members of a needs group own multiple motor vehicles, the department shall apply the provisions of subdivision (1) of this subsection in a manner that provides the greatest exemption allowable.

(3) For purposes of calculating the equity value of a motor vehicle, the fair market value of such vehicle shall be the average trade-in value for such vehicle, as listed in the National Automobile Dealers Association used car guide or, for older motor vehicle models, such association's appraisal guide. The department shall not increase the fair market value of any motor vehicle due to such vehicle being specially equipped with apparatus for persons with disabilities, the low mileage of such vehicle or any other factor. Any needs group member who disagrees with the fair market value adopted by the department may contest such fair market value by submitting to the department documentation from a reliable source that sets forth the actual fair market value of such vehicle. If the department is satisfied that such documentation more accurately approximates the true fair market value of such vehicle, the department shall use such fair market value to compute such vehicle's equity value.

(o) **Liquidation of asset.** Any money received from the liquidation of an asset shall be treated as the counted asset of the person receiving such money and the needs group to which he or she belongs.

(p) **Effect of life use.** (1) As used in this subsection "life use" means an alienable property interest in an asset that is measured by a life in being.

(2) Except as described in subdivisions (3) and (4) of this subsection, any asset to which a person is entitled to life use shall be treated as a counted asset of such person and the needs group to which he or she belongs. Any proceeds received by such person for the sale of such an interest shall be treated as a counted asset of such person and the needs group to which he or she belongs for the month such sale takes place and each ensuing month to the extent such proceeds are retained. Any income collected from renting an asset to which a person is entitled to life use shall be treated as the counted income of such person in the month received and as a counted asset each following month to the extent retained.

(3) If an asset described in subdivision (2) of this subsection is real property that such person (A) uses as his or her principal residence, or (B) is currently unable to use as his or her principal residence due to employment, training for future employment, illness or uninhabitability caused by a catastrophic event, but intends to use as his or her principal residence when possible, then such real property shall be treated as an excluded asset to the same extent that real property is excluded pursuant to subdivisions (6) and (7) of subsection (d) of this section.

(4) If an asset described in subdivision (2) of this subsection is real property that such person previously used, but no longer uses, as his or her principal residence, such property shall be treated as an excluded asset during any month in which such person attempts to sell his or her interest in such property but is unable to sell such interest because he or she cannot find a willing and able buyer.

(5) The department shall determine the equity value of a person's right to life use of an asset by considering:

(A) Whether such person is a sole or joint owner of such interest;

(B) The equity value of the asset; and

(C) Such person's life expectancy based upon his or her age and gender.

(q) **Placement of lien on certain excluded real property.** Whenever real property situated in Connecticut is excluded from the counted assets of a needs group or member thereof, the department shall place a lien on such property on the first day on which an assistance payment is made to any member of such needs group.

(r) **Period of ineligibility.** A person whose application for assistance pursuant to SAGA is pending and who belongs to a needs group that owns assets in excess of the limits established under

subsection (b) of this section shall remain ineligible for assistance until such assets are reduced below such limits. A person receiving assistance pursuant to SAGA who belongs to a needs group that acquires assets in excess of such limits shall become ineligible for assistance on the first day of the month following the month in which such assets are acquired, unless such assets are reduced below such limits prior to such time. No transfer of assets for less than their fair market value shall be considered a reduction in such assets unless the person making such transfer verifies that the transfer was made for a purpose other than establishing eligibility for assistance. The transfer of an asset by a resident of or person admitted to a rated housing facility or a licensed residential care home for less than fair market value for the purpose of establishing eligibility for assistance pursuant to SAGA may result in the imposition of a penalty under the provisions of subsection (f) of section 17b-198-5 of the Regulations of Connecticut State Agencies.

Sec. 9. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-9 as follows:

**(NEW) Sec. 17b-198-9.** Determining eligibility. Income restrictions.

(a) **Definitions.** As used in this section, the following terms shall have the following meanings:

(1) "Applied income" means the portion of the counted income of a person or needs group that remains after subtracting applicable deductions, as described in subsection (e) of this section;

(2) "Earned income" means income that a person receives (A) from a third party in exchange for the performance of duties, or (B) through self-employment, and may be in the form of wages, salary, benefits or proceeds from self-employment, but does not include income derived from renting property;

(3) "Gross income" or "gross counted income" means a person's or needs group's counted income prior to subtracting applicable deductions, as described in subsection (e) of this section;

(4) "Income in kind" means goods, commodities or services, valued according to their fair market value, that are provided to a person or to a third party on such person's behalf in lieu of cash that is owed to such person;

(5) "Personal employment expenses" means costs incident to being employed, including, but not limited to, the cost of transportation, parking, professional licensure and certification, tools and a uniform or other work-appropriate clothing; and

(6) "Unearned income" means income that does not constitute compensation for work, services performed or business conducted and includes returns from capital investments and the rent of property when the person is not actively involved in the production of the income.

(b) **Income limits.** (1) No person who belongs to a needs group consisting of one person shall be eligible for assistance pursuant to SAGA if such needs group has monthly (A) gross income that exceeds three hundred per cent of the maximum SSI benefit for an individual who has no income and lives alone, or (B) applied income that is equal to or exceeds the applicable payment standard for such person, as described in subsection (b) of section 17b-198-10 of the Regulations of Connecticut State Agencies.

(2) No person who belongs to a needs group that includes his or her spouse shall be eligible for assistance pursuant to SAGA if such needs group has monthly (A) gross income that exceeds six hundred percent of the maximum SSI benefit for a married couple, or (B) applied income that is equal to or exceeds the applicable payment standard for such person, as described in subsection (b) of section 17b-198-10 of the Regulations of Connecticut State Agencies.

(c) **Counted income.** (1) Subject to the provisions of subsections (f) to (s), inclusive, of this section, income that is not excluded under subsection (d) of this section shall be included among the

counted income of such person and the needs group to which he or she belongs for purposes of calculating the gross income and applied income of such person and needs group. An assistance unit member shall, as a condition of eligibility for assistance pursuant to SAGA, cooperate with the department in verifying all counted income of such member and the needs group to which he or she belongs. Such cooperation shall be provided at the time of application, during each renewal of eligibility and whenever such income changes.

(2) Counted income shall be treated as such only in the month received and as a counted asset each subsequent month to the extent retained.

(d) **Excluded income.** The following income shall be excluded from the counted income of such person and the needs group to which he or she belongs if the source of the income is verified:

(1) Any federal, state or local adoption assistance payment;

(2) Any federal, state or local assistance payment for the care of a foster child who is placed in the care of such person

(3) Any supplemental food assistance received under the Child Nutrition Act of 1966, Public Law 89-642, as amended by Public Law 92-433, or assistance provided pursuant to the special food service program for children under the National School Lunch Act of 1946, Public Law 79-396, as amended by Public Law 93-150;

(4) The value of allotments made under SNAP;

(5) Not more than thirty dollars per calendar quarter that is received as a gift to commemorate a special occasion or is otherwise distinguishable from income due to its infrequent or irregular receipt;

(6) Income in kind;

(7) Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended from time to time;

(8) Any federal, state or local payment made under a means-tested energy assistance program;

(9) Any money received as a protective payee for another person pursuant to SAGA or a program administered by the Social Security Administration, provided such money is used exclusively for such other person's support;

(10) Any payment made to such person by the department for the expense of day care or essential services unless such person is the provider of such day care or services;

(11) Any payment received as a volunteer under Title I of the Domestic Volunteer Service Act of 1973, Public Law 93-113, as amended from time to time, unless such payment is equal to or greater than the minimum wage in effect under the Fair Labor Standards Act of 1938, as amended from time to time, or the state minimum wage, whichever is greater;

(12) Any disaster assistance paid under the Disaster Relief Act of 1974, Public Law 93-288, as amended from time to time, including the individual and family grant program administered by the Federal Emergency Management Agency, and comparable disaster assistance provided by states, local governments and private organizations;

(13) Any payment made to such person by the Department of Labor to offset the cost of pursuing employment;

(14) Any security deposit returned to such person;

(15) Any portion of a grant, loan, scholarship or work-study payment that is provided to an undergraduate student by the federal government, a state government or any private source and is intended for books, tuition or fees, but not any portion intended for food, shelter, clothing or transportation, provided such student (A) verifies his or her status as a student, (B) verifies that the portion to be excluded is intended for a purpose warranting exclusion, and (C) maintains or is able to identify the portion to be excluded separate from other counted income and counted assets;

(16) Any benefit received from the Puerto Rico nutrition assistance program;

(17) Any payment received as earned or unearned income under the Workforce Investment Act of

1998, Public Law 105-220, as amended from time to time; and

(18) Notwithstanding the provisions of subsection *(l)* of this section, Aid and Attendance pension benefits paid to such person by the United States Department of Veterans Affairs.

(e) **Income deductions.** For purposes of calculating the applied income of a needs group, the department shall make the following deductions from the gross counted income of such needs group if the applicability of such a deduction is verified:

(1) Up to one hundred fifty dollars for personal employment expenses shall be deducted from the gross earned income of each person in such needs group who is employed full or part time, except that no such deduction shall be made in any month during which a person fails to report his or her income within ten days of receipt of such income;

(2) Business expenses, including overhead expenses such as rent, fuel, utilities and equipment, the cost of stock and raw materials and payments to or on behalf of employees, shall be deducted from the gross earned income derived from such business for any person in such needs group who is self-employed;

(3) The following expenses associated with renting real or personal property shall be deducted from gross unearned income derived from renting such property, provided that no such deduction shall be made for any expense associated with a portion of real property occupied by a member of such needs group:

(A) The cost of labor, including wages paid to employees or money paid to independent contractors;

(B) Interest on the principal of a loan used to purchase such property;

(C) Insurance premiums;

(D) Taxes, assessments and the cost of utilities paid for such property;

(E) Service and repair of such property;

(F) Rental of business equipment and property used in connection with such property;

(G) The cost of advertising such property;

(H) The cost of any licenses or permits necessary for such property;

(I) Any legal or other professional fees incurred in connection with the acquisition or rental of such property; and

(J) Business supplies used in connection with the rental of such property;

(4) For income derived from providing a room without board, the costs associated with operating and maintaining the residence shall be deducted from such income after prorating such costs according to the number of bedrooms rented for such purpose;

(5) For income derived from providing room and board, one of the following shall be deducted:

(A) The cost of a Thrifty Food Plan for a SNAP assistance unit of a size that is equal to the number of boarders involved; or

(B) An amount calculated by adding the actual cost of providing a room, as described in subdivision (4) of this subsection, and meals if (i) such amount is greater than the cost permitted as a deduction pursuant to subparagraph (A) of this subdivision, and (ii) such actual costs are separate and identifiable as the costs of providing room and meals to the boarders.

(f) **Intermittent income.** (1) For purposes of this subsection, "intermittent income" means money received on a recurring, sporadic basis in intervals exceeding one month, and includes both earned and unearned income. Such income includes, but is not limited to:

(A) Payment of money earned by a person over a past period that exceeds one calendar month;

(B) Advance payments that are made pursuant to a contract for expected future expenses, provided such payments are made in intervals exceeding one month;

(C) Payments made in intervals exceeding one month due to an agreement between a payor and payee, such as, but not limited to, money paid due to a settlement with an insurer and payment of

dividends and interest or from a pension or annuity; and

(D) Compensation for sporadic, short-term employment.

(2) Each payment of intermittent income shall be divided by the number of months for which such payment is intended to compensate, reimburse or otherwise be applied and the resulting amount shall be treated as counted income for each such month. Intermittent income intended to compensate, reimburse or otherwise be applied during past months shall be treated as counted income in such months retroactively. Whenever treating intermittent income as counted income retroactively results in an assistance unit's ineligibility for assistance pursuant to SAGA for a month during which such assistance was previously paid, such previous payment of assistance shall be treated as an overpayment, as described in section 17b-198-17 of the Regulations of Connecticut State Agencies.

(g) **Lump-sum payments.** Any lump-sum payment shall be treated as a counted asset, rather than as counted income, of the person receiving such payment and the needs group to which he or she belongs. For purposes of this subsection, "lump-sum payment" has the same meaning as provided in subsection (j) of section 17b-198-8 of the Regulations of Connecticut State Agencies.

(h) **Housing subsidies.** (1) For purposes of this subsection, "housing subsidy" means housing assistance provided pursuant to Section 8 of the Housing Act of 1937, as amended from time to time, or the state rental assistance program established pursuant to section 8-345 of the Connecticut General Statutes, or in federal low-income public housing.

(2) Any housing subsidy provided to an assistance unit member shall be treated as the counted unearned income of such member and the needs group to which he or she belongs. Such subsidy shall be valued according to an amount equal to eight per cent of the appropriate payment standard for such member, as determined under the provisions of subsection (b) of section 17b-198-10 of the Regulations of Connecticut State Agencies.

(i) **Alimony and child support.** Any alimony payment received by a person shall be treated as the counted unearned income of such person and the needs group to which he or she belongs. Any arrearage of child support received by a person shall be treated as a lump-sum payment pursuant to subsection (g) of this section if received in a lump sum, and as the counted unearned income of such person if received in routine, periodic installments. The provisions of this subsection concerning child support arrearages shall apply regardless of whether such arrearage is paid directly to the person entitled to such arrearage or to the department's Bureau of Child Support Enforcement.

(j) **Annuities, pensions, trusts, dividends, royalties and interest.** (1) Any payment received by a person from an annuity plan, pension or trust, or as interest, a dividend or a royalty, shall be treated as the counted unearned income of such person and the needs group to which he or she belongs.

(2) When a payment from a trust, annuity or pension is received on a recurring basis less frequently than monthly, each payment received shall be averaged forward over the number of months that transpire between such payments in order to calculate the monthly gross counted income of such member and needs group.

(3) Whenever an interest payment or a payment from a trust, dividend or royalty could be paid to a person but instead is left to accumulate with existing principal or is reinvested, the amount of the payment that could have been made shall be treated as the counted income of such person and the needs group to which he or she belongs in the month first payable, and shall be treated as a counted asset each month thereafter.

(k) **Public assistance from other states.** Any public assistance paid by another state to a person during any month in which the application for assistance pursuant to SAGA is pending shall be treated as the counted unearned income of such person and the needs group to which he or she belongs.

(*l*) **Social Security and veterans' benefits.** Any social security survivor or retirement benefits or veterans' benefits issued by the U.S. Department of Veterans Affairs that are paid to a person shall be

treated as the counted unearned income of such person and the needs group to which he or she belongs.

(m) **Uniformed services pay.** Any money paid to a person as compensation for service in the uniformed services, including, but not limited to, the United States Army, Navy, Air Force, Marine Corps, Coast Guard and Public Health Services, shall be treated as the counted earned income of such person and the needs group to which he or she belongs. The provisions of this subsection shall apply to money paid to a person as a dependent's allotment of compensation earned by another person for service in the uniformed services, but such compensation shall be counted as unearned income.

(n) **Cash contributions.** Any cash contribution paid to a person by a relative, friend, agency or organization shall be treated as the counted unearned income of such person and the needs group to which he or she belongs if such contribution is made regularly and predictably, exceeds thirty dollars in a calendar quarter and is not legally required. Any such cash so received that is subject to a repayment agreement shall be treated as a loan, as described in subsection (p) of this section, rather than a cash contribution.

(o) **Gratuities and special allowances.** (1) If a person's compensation for employment involves receipt of a gratuity and such person is able to distinguish such gratuity from other earned wages, the actual amount of such gratuity shall be treated as the counted earned income of such person and the needs group to which he or she belongs. If such person is unable to distinguish such a gratuity from other earned wages, an amount equal to fifteen per cent of such person's monthly gross wages attributable to the job for which a gratuity was earned shall be treated as the counted earned income of such person and the needs group to which he or she belongs.

(2) If a person's compensation for employment includes a special allowance for items such as, but not limited to, uniform cleaning and meals, and such allowance is provided in addition to basic wages, such special allowance shall be treated as the counted earned income of such person and the needs group to which he or she belongs.

(p) **Loans.** (1) For purposes of this subsection, "loan" means any money paid by a person or organization to another person or organization that is subject to repayment pursuant to a written contract or agreement.

(2) Any loan received by a person in one lump sum shall be treated as a counted asset, rather than the counted income, of such person and the needs group to which he or she belongs. Any loan received by a person in regular installments, including money derived from a reverse mortgage or home equity conversion plan, shall be treated as the counted unearned income of such person and the needs group to which he or she belongs in the month received, but shall be treated as a counted asset each following month to the extent retained.

(3) Any money received by a person as repayment of a loan provided by such person shall be treated as a counted asset of such person and the needs group to which he or she belongs to the extent such money represents a repayment of loan principal. Any money paid to a person who provided a loan that constitutes interest or a penalty on such loan, or that otherwise represents a gain or profit, shall be treated as the counted unearned income of such person and the needs group to which he or she belongs in the month received, and as a counted asset each following month to the extent retained.

(q) **Connecticut Uniform Relocation Assistance Act.** Any payment received by a person pursuant to the Connecticut Uniform Relocation Assistance Act, section 8-266 of the Connecticut General Statutes, et seq., shall be treated as excluded income to the extent that such payment is maintained or can be identified separate from other funds and used for the purposes for which such payment was made, and shall otherwise be treated as a lump sum payment, as described in subsection (g) of this section.

(r) **Cashed-in fringe benefits, unemployment compensation, workers' compensation and**

**severance pay.** Any money received by a person as compensation for use of accrued sick or vacation time or severance pay shall be treated as the counted earned income of such person and the needs group to which he or she belongs. Any unemployment compensation, workers' compensation or reimbursement pursuant to a private insurance policy for lost wages and other expenses due to injury or sickness shall be treated as the counted unearned income of such person and the needs group to which he or she belongs.

(s) **Room and board.** Any money received by a person for providing room or room and board shall be treated as earned income derived from self-employment. The monthly amount of income derived from such self-employment shall be determined by dividing the total amount received on an annual basis by twelve, unless this calculation does not accurately reflect current circumstances or such income is only intended to cover the assistance unit's needs for a portion of the year.

Sec. 10. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-10 as follows:

**(NEW) Sec. 17b-198-10.** Calculation of benefits.

(a) **Method.** (1) For an eligible assistance unit consisting of a married person whose spouse is included in his or her needs group, the monthly benefit payment shall be determined by:

(A) Selecting the appropriate payment standard pursuant to subsection (b) of this section;

(B) Subtracting from the appropriate payment standard the monthly applied income of such assistance unit's needs group;

(C) Multiplying the resulting amount by an amount calculated by dividing the amount that would be applied as a payment standard under subsection (b) of this section if such person were unmarried by the appropriate payment standard for such person; and

(D) Rounding down to the nearest whole dollar.

(2) For all other eligible assistance units, the monthly benefit payment shall be determined by:

(A) Selecting the appropriate payment standard pursuant to subsection (b) of this section;

(B) Subtracting from the appropriate payment standard the monthly applied income of such assistance unit's needs group; and

(C) Rounding down to the nearest whole dollar.

(3) Notwithstanding the provisions of subdivisions (1) and (2) of this subsection:

(A) The department shall prorate the benefit amount calculated pursuant to said subdivisions for the first month assistance is granted if such assistance is granted on a day other than the first day of the month;

(B) In any month in which an assistance unit member leaves the community and begins residing in a rated housing facility or a licensed residential care home on a day other than the first day of the month, the department shall issue a payment to such facility or home prorated according to the number of days such member resided in such facility or home; and

(C) In any month in which an assistance unit member returns to the community from a rated housing facility or a licensed residential care home on a day other than the last day of the month, the department shall issue one payment to such facility or home prorated according to the number of days such member resided in such facility or home, and one payment to such member prorated according to the number of days such member resided in the community.

(4) Any prorating required pursuant to subdivision (3) of this subsection shall be completed prior to the rounding required under subdivisions (1) and (2) of this subsection. In the event that a benefit payment is reduced for the purpose of recouping a past overpayment, as described in section 17b-198-17 of the Regulations of Connecticut State Agencies, such rounding shall not be performed until

after such reduction has been calculated. In no event shall the department issue a benefit payment when, after the prorating required pursuant to subdivision (3) of this subsection, the total benefit amount is less than one dollar.

(b) **Payment standard.** (1) The appropriate payment standard shall be determined as follows:

(A) For an unmarried person between the ages of eighteen and twenty-one who (i) lives with a TFA family assistance unit, and (ii) is no longer a member of such assistance unit due to attaining eighteen years of age, the payment standard shall be an amount calculated by subtracting the TFA payment standard for such family assistance unit from the TFA payment standard that would be applied for such family assistance unit if such person was still a member of such family assistance unit;

(B) For a person residing in a rated housing facility or a licensed residential care home, the payment standard shall be the monthly rate for residential services established for the particular facility or home in which such person resides;

(C) For any person not referred to in subparagraphs (A) and (B) of this subdivision who is unmarried or whose spouse is not included in his or her needs group, the payment standard shall be (i) two hundred nineteen dollars if the department deems such person unemployable, (ii) two hundred nineteen dollars if the department deems such person transitional and such person is obligated to pay shelter costs, and (iii) fifty-five dollars if the department deems such person transitional and such person is not obligated to pay such shelter costs or resides in an emergency shelter;

(D) For any person not referred to in subparagraphs (A) to (C), inclusive, of this subdivision whose needs group includes a spouse who is receiving or is also requesting and eligible for assistance pursuant to SAGA, the payment standard shall be calculated by (i) determining the amount that would be applied as a payment standard for such person pursuant to subparagraph (C) of this subdivision if such person was unmarried, (ii) determining the amount that would be applied as a payment standard for such person's spouse pursuant to subparagraph (C) of this subdivision if such spouse was unmarried, and (iii) adding such amounts together; and

(E) For any married person not referred to in subparagraphs (A) to (C), inclusive, of this subdivision whose needs group includes a spouse who is not requesting or is ineligible for assistance pursuant to SAGA, the payment standard shall be calculated by doubling the amount that would be applied as a payment standard for such person pursuant to subparagraph (C) of this subdivision if such person was unmarried.

(2) The payment standards described in subparagraph (C) of subdivision (1) of this subsection shall be increased annually in accordance with the provisions of section 17b-104 of the Connecticut General Statutes.

(3) For purposes of applying the provisions of subparagraph (B) of subdivision (1) of this subsection, a person shall be considered a resident of a rated housing facility or licensed residential care home if he or she does not maintain a separate residence outside such facility or home. A person who is temporarily absent from such a facility or home where he or she resides shall continue to be considered a resident of such facility or home if such person does not enter into another permanent housing agreement during the period of absence and is expected to return to such facility or home not later than the last day of the month following the month that such person became temporarily absent from such facility or home.

Sec. 11. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-11 as follows:

**(NEW) Sec. 17b-198-11.** Special benefits.

(a) **Generally.** In addition to providing the assistance described in section 17b-198-10 of the

Regulations of Connecticut State Agencies, the department shall, as a component of SAGA, provide special benefit payments, as described in this section.

(b) **Funeral and burial expenses.** (1) As used in this this subsection:

(A) "Available estate" means the portion of the net value of a decedent's assets, including (i) all liquid assets, (ii) any asset or income to which the decedent was entitled at the time of death, (iii) the face value of any life insurance policy issued on the life of the decedent, (iv) the value of any burial reserve account, revocable or irrevocable funeral fund or prepaid funeral contract, and (v) all real and personal property, such as, but not limited to, the decedent's home and motor vehicle, that remains after subtracting the cost or anticipated cost of administering the decedent's estate.

(B) "Covered funeral and burial expenses" means expenses typically associated with providing funeral and burial services for a decedent, including, but not limited to, the cost of (i) transporting the decedent from the place of death to the funeral home and on to the place of burial, (ii) a wake, (iii) church services, (iv) a burial plot, as defined in subsection (a) of section 17b-198-8 of the Regulations of Connecticut State Agencies, (v) opening and closing a grave, and (vi) other cemetery or cremation charges;

(C) "Eligible decedent" means a deceased person, other than a stillborn child, who was a SAGA recipient at the time of his or her death or who:

(i) Left an available estate of less than one thousand four hundred dollars or the actual cost of his or her funeral and burial, whichever is less;

(ii) Has no legally liable relative who is able to pay for the cost of his or her funeral and burial;

(iii) Was not receiving assistance pursuant to TFA, AABD or RCA at the time of his or her death; and

(iv) Was a resident of Connecticut at the time of his or her death, as determined under the rules described in subsection (b) of section 17b-198-5 of the Regulations of Connecticut State Agencies;

(D) "Legally liable relative" means a decedent's spouse or, if the decedent was under eighteen years of age, unmarried and not emancipated by a court of appropriate jurisdiction at the time of death, parents; and

(E) "Vendor" means a funeral home, cemetery or crematory.

(2) Upon receipt of the death certificate of an eligible decedent, a bill for such eligible decedent's covered funeral and burial expenses and any application required pursuant to this subdivision, the department shall provide payment, in an amount determined pursuant to subdivision (3) of this subsection, for such funeral and burial expenses to the vendor providing funeral and burial services for the eligible decedent. An application for such payment shall be required unless, at the time of his or her death, the eligible decedent was receiving benefits pursuant to SAGA or a Medicaid coverage group limited to individuals below a particular asset level. In no event shall the department issue a payment pursuant to this subsection if a request for payment and any application required pursuant to this subdivision are received more than one year after the date of the eligible decedent's death. Such request and application may be made by the vendor providing funeral and burial services for the eligible decedent, any person who has legal custody of the eligible decedent's remains or a relative, friend or conservator of the eligible decedent.

(3) Any payment provided pursuant to this subsection shall be calculated by subtracting the following amounts from either the actual cost of the eligible decedent's funeral and burial, or one thousand four hundred dollars, whichever is less:

(A) The amount in any revocable or irrevocable funeral fund;

(B) The value of any prepaid funeral contract;

(C) The face value of any life insurance policy owned by the eligible decedent; and

(D) The amount in excess of three thousand two hundred dollars that is contributed towards the eligible decedent's funeral and burial expenses by any other source, with the cost of any item that is

purchased and donated or provided in lieu of money, including, but not limited to, a burial plot, as defined in subsection (a) of section 17b-198-8 of the Regulations of Connecticut State Agencies, valued according to its fair market value.

(c) **Transportation out of state.** (1) The department shall pay for the cost of transportation for an assistance unit member who is moving to another state or country if:

(A) Such member has neither the income nor the assets to pay for such transportation;

(B) Such member has either (i) relatives who are able or friends who express willingness to aid in such person's support in such other state or country, or (ii) other private means of support in such other state or country; and

(C) The department determines that such move is in the best interest of such member and the state of Connecticut after considering the following factors:

(i) Whether the majority of such member's family and friends live in Connecticut or the state or country to which he or she intends to move;

(ii) Whether such member has employment history, opportunity for employment or other plans for becoming self-sufficient in Connecticut or the state or country to which he or she intends to move;

(iii) Whether such member wishes to maintain residency in Connecticut or establish permanent residency in the state or country to which he or she intends to move; and

(iv) Any other circumstance relevant to determining whether it is in the best interest of such member and Connecticut for such person to move to such other state or country.

(2) Any payment made by the department pursuant to this subsection shall be for the principal mode of transportation used to move a person out of the state and shall not include (A) the cost of any secondary mode of transportation necessary to access such principal mode of transportation, or (B) the cost of moving or storing such person's home furnishings, furniture or other personal property. Such payment shall be in an amount calculated by subtracting from the most economical rate for air or land transportation, whichever is appropriate, any income or assets such person has to pay for such transportation, including any income such person receives upon selling home furnishings or other personal property prior to the move. Any person for whom a payment is made pursuant to this subsection shall, as a condition of such payment being made on his or her behalf, sell any personal property he or she does not intend to transport to such other state or country.

(d) **Property repairs.** (1) The department shall pay for the cost of repairs to real property on behalf of a person receiving assistance pursuant to SAGA if:

(A) Such person has an equitable interest in such property;

(B) Such person uses such property as his or her home;

(C) Such person cannot continue to safely live in such property unless the repairs for which payment is sought are completed;

(D) Such person will have to rent alternative housing if the repairs for which payment is sought are not completed and the projected cost of renting such alternative housing over a two-year period exceeds the cost of the pertinent repairs and any other costs attributable to continued occupancy of such property over such two-year period;

(E) The department verifies the need for the repairs for which payment is sought;

(F) Such person obtains and submits to the department no fewer than three bids estimating the cost of the repairs for which payment is sought; and

(G) The department concludes that the winning bid is reasonable.

(2) Any payment made by the department pursuant to this subsection shall be in an amount equal to the lowest bid that the department concludes is reasonable, but in no event shall the department pay for any portion of such bid that is not attributable to repairs necessary for the safe habitation of such property. Any payment made pursuant to this subsection shall be made directly to the contractor providing such repairs after the department verifies such repairs have been satisfactorily completed.

(e) **Emergency housing.** (1) The department shall pay for an assistance unit member's emergency housing and not more than three meals per day served by the provider of such emergency housing if such member:

(A) Cannot remain in permanent housing because:

(i) A judgment was entered against such member in a summary process action instituted pursuant to chapter 832 of the Connecticut General Statutes, provided such action was not based on the criminal activity of such member;

(ii) Such member left such permanent housing to escape the threat of domestic violence;

(iii) A judgment was entered against such member in a foreclosure action pursuant to chapter 846 of the Connecticut General Statutes;

(iv) Such member was required to relocate by local health or building officials because (I) a child who is under such member's supervision was found to have a level of lead in the blood equal to or greater than twenty micrograms per deciliter or any other abnormal level of lead, and (II) the local director of health determined that the source of the lead poisoning is such member's permanent housing;

(v) A catastrophic event rendered such permanent housing uninhabitable, as determined by appropriate state or local officials or the department;

(vi) Such member was ordered to vacate such permanent housing by a local building or housing code enforcement official;

(vii) Such permanent housing was a shared living arrangement that such member left because the primary tenant (I) was in the process of being evicted, (II) received a preliminary notice from his or her landlord pursuant to Connecticut General Statutes 47a-15, (III) received a notice to quit due to termination of a rental agreement for lapse of time; or (IV) was engaged in criminal activity; or

(viii) Such member was illegally locked out of such permanent housing by his or her landlord and has filed a complaint with the police concerning such illegal lockout;

(B) Was unable to move into new permanent housing on the day that the previous permanent housing was lost;

(C) Has not received relocation assistance, pursuant to the Connecticut Uniform Relocation Assistance Act, section 8-266 of the Connecticut General Statutes, et seq., in the form of placement by a town welfare agency in temporary or permanent housing despite having made reasonable efforts to obtain such assistance;

(D) Applies for the department to pay for his or her emergency housing not later than forty-five days after the date on which such member's permanent housing was lost;

(E) Agrees to (i) make reasonable efforts to locate new permanent housing, (ii) accept any reasonable alternative permanent housing that is less costly than the previous permanent housing, if requested to do so by the department, and (iii) accept any permanent housing constructed, renovated or rehabilitated with state or federal funding; and

(F) Selects emergency housing that is not a hotel or motel, except that if such member's need for emergency housing was caused by a catastrophic event, as described in subparagraph (A)(v) of this subsection, a hotel or motel may be selected as emergency housing.

(2) Any payment made by the department pursuant to this subsection shall be in an amount equivalent to the actual amount charged for the emergency housing and meals, provided such amount shall not exceed eleven dollars per night for such emergency housing and one dollar per meal served. No assistance unit member shall be eligible for a special benefit payment under this subsection for more than one occurrence during a calendar year or for more than sixty days per occurrence, except that any assistance unit whose need for emergency housing is caused by lead poisoning, as described in subparagraph (A)(iv) of this subsection, may receive such additional assistance for more than one occurrence during a calendar year and for not more than eighty days per calendar year.

(f) **Storage charges.** (1) The department shall pay for the cost of storing an assistance unit member's furnishings and appliances in a commercial facility and preparing such furnishings and appliances for such storage if:

(A) The department has agreed to pay for such member's emergency housing under subsection (e) of this section;

(B) There is no other source of payment for the cost of storing such furnishings and appliances commercially; and

(C) Such member submits to the department two estimates for the cost of preparing and storing such furnishings and appliances.

(2) Any payment made by the department pursuant to this subsection shall be provided in an amount equivalent to the lower of the two estimates submitted by the assistance unit. In no event shall an assistance unit member be eligible for a special benefit payment under this subsection for a period longer than such member is eligible for an emergency housing special benefit payment under subsection (e) of this section.

(g) **Meals-on-wheels program.** (1) The department shall pay for the cost of an assistance unit's participation in a meals-on-wheels program if:

(A) Such member is unable to prepare meals at home due to physical or mental incapacity or a lack of cooking facilities; and

(B) The department completes a casework assessment recommending such member for participation in a meals-on-wheels program.

(2) Any payment made by the department pursuant to this subsection shall be calculated on a per diem basis at the monthly rate of seventy-three dollars and fifty cents if one meal is delivered each day and one hundred forty-seven dollars if two meals are delivered each day. Such payment shall be provided on a recurring basis, but shall be issued only for days on which such meals are delivered.

(h) **Moving expenses.** (1) The department shall pay for the cost of moving an assistance unit's household and personal items during a relocation if such relocation is from one location in the state to another location in the state and is necessary due to:

(A) A need for different living quarters that are more conducive to the health needs and limitations of the assistance unit member due to a chronic illness;

(B) An increase in the cost of shelter, provided the cost of shelter at the new residence does not exceed the cost of shelter at the former residence prior to such increase;

(C) A need for living quarters that are closer to the assistance unit member's place of employment or a new job site;

(D) The occurrence of any event justifying a special benefit payment for emergency housing, as described in subparagraph (A) of subdivision (1) of subsection (e) of this section; or

(E) The assistance unit member living beyond his or her means, provided the cost of the new housing selected is lower than the cost of housing at the previous location.

(2) Any payment made by the department pursuant to this subsection shall be non-recurring and in an amount equivalent to the reasonable cost incurred by the assistance unit member for moving household furnishings and personal belongings and preparing such furnishings and belongings for such move, provided such member submits evidence of such cost to the department. In no event shall such payment exceed an amount that such member's mover would ordinarily charge the general public for similar services or, if such mover does not regularly provide similar services to the general public, an amount that a moving contractor providing similar services to the general public in the assistance unit's area would ordinarily charge.

(i) **Repair or replacement of essential household items.** (1) For purposes of this subsection, "essential household item" means any item listed in subdivision (5) of this subsection, in the quantity considered essential under said subdivision.

(2) The department shall pay for the cost of replacing any essential household item owned by an assistance unit member if:

(A) Such item was damaged or destroyed during a catastrophic event;

(B) Such item is not otherwise available to such member in a furnished apartment or shared living arrangement;

(C) The loss of such item is not covered by an insurance policy;

(D) Such member permits the department to conduct a home visit for the purpose of examining such item;

(E) The needs group obtains an estimate of the cost of repair for any such item that (i) was not totally destroyed or damaged beyond repair, and (ii) is assigned a replacement cost in excess of one hundred dollars under subdivision (5) of this subsection; and

(F) The department determines that the cost of repairing such item would exceed the replacement cost assigned for such item under subdivision (5) of this subsection.

(3) The department shall pay for the cost of repairing any essential household item owned by an assistance unit member if:

(A) The requirements of subparagraphs (A) to (E), inclusive, of subdivision (2) of this subsection are met; and

(B) The department determines that the cost of repairing such item would not exceed the replacement cost assigned for such item under subdivision (5) of this subsection.

(4) Any payment made by the department for the replacement of an essential household item shall be non-recurring and in an amount equal to the replacement cost assigned for such item under subdivision (5) of this subsection. Any payment made by the department for the repair of an essential household item shall be in an amount equal to the estimated cost of repairing such item. Whenever an assistance unit member is required to obtain an estimate of the cost of repairing an essential household item, as described in subdivisions (2) and (3) of this subsection, the department shall reimburse such member for any cost incurred in obtaining such estimate.

(5) The department shall utilize the following table for the purposes of determining whether an item constitutes an essential household item and, if so, the replacement cost of such item:

| Item | Quantity considered essential | Replacement cost |
|---|---|---|
| **Bed** | One bed space per individual, with a twin bed constituting one bed space and a full bed constituting two bed spaces | Thirty-five dollars per twin or full bed for a frame;<br>Fifty-eight dollars per twin bed and seventy-six dollars per full bed for a box spring; and<br>Fifty-eight dollars per twin bed and seventy-six dollars per full bed for a mattress |
| **Dinette set** | One table and one chair per individual | Eighty dollars per table and ten dollars per chair |
| **Chest of drawers** | One chest per individual | Sixty dollars per chest |
| **Lamp** | One lamp per individual | Twenty dollars per lamp |
| **Living room chair** | One per individual | Fifty dollars per living room chair |
| **Sofa** | One sofa | One hundred forty-six dollars per sofa |

| Item | Quantity considered essential | Replacement cost |
|---|---|---|
| **Bathing towels** | Two hand towels and two bath towels per individual | Two dollars per hand towel and seven dollars per bath towel |
| **Bedding supplies** | One pillow and one pillowcase set per individual; two blankets per bed replaced pursuant to this subsection; two sheet sets per bed replaced pursuant to this subsection; and one mattress pad per bed replaced pursuant to this subsection | Ten dollars per pillow;<br>Eight dollars per pillowcase set;<br>Fifteen dollars per blanket for a twin bed and eighteen dollars per blanket for a full bed;<br>Eleven dollars per sheet set for a twin bed and fifteen dollars per sheet set for a full bed; and<br>Ten dollars per mattress pad per twin bed and fourteen dollars per mattress pad per full bed |
| **Cooking utensils** | One set | Thirty dollars per set |
| **Silverware** | One set sufficient to serve eight people | Seventeen dollars per set |
| **Dishes** | One set sufficient to serve eight people | Twenty-six dollars per set |
| **Dish towels** | One set of three dish towels | Four dollars and fifty cents per set |
| **Glassware** | One set sufficient to serve eight people | Ten dollars per set |
| **Ironing board** | One ironing board | Eighteen dollars per ironing board |
| **Window shades** | One window shade per window in the individual's home | Five dollars per window shade |
| **Iron** | One iron | Eighteen dollars per iron |
| **Range** | One range | One hundred fifty dollars per range |
| **Refrigerator** | One refrigerator | One hundred eighty dollars per refrigerator |
| **Washing machine** | One washing machine | One hundred sixty dollars per washing machine |
| **Garbage can** | One garbage can | Five dollars per garbage can |

(j) **Replacement of clothing.** (1) The department shall pay for the cost of replacing an assistance unit member's clothing if:

(A) Such clothing was damaged or destroyed during a catastrophic event; and

(B) The loss of such clothing is not covered by an insurance policy.

(2) Any payment made by the department under this subsection shall be non-recurring and shall not exceed the following amount:

(A) Three hundred sixty-two dollars and sixty cents if such member is male and eighteen years of age or younger;

(B) Three hundred seventy-one dollars and forty cents if such member is female and eighteen years of age or younger;

(C) Three hundred ninety-nine dollars and sixty cents if such member is male and nineteen years of age or older; and

(D) Four hundred fifteen dollars and forty cents if such member is female and nineteen years of age or older.

(k) **Heating services security deposit.** (1) The department shall pay for the cost of a security deposit that is necessary for an assistance unit member to obtain heating services if such services are provided by (A) a municipal utility company or a private fuel supplier, such as, but not limited to, a propane or bottle gas company, and (B) such security deposit is required for the use of such equipment. In no event shall the department make a payment under this subsection if the assistance unit member obtains heating services from a fuel supplier that is a public service company regulated by the Department of Public Utility Control.

(2) Any payment made by the department under this subsection shall be non-recurring and in an amount equal to that required by the heating services provider as a security deposit, provided that such payment shall not exceed two hundred dollars.

(*l*) **Payment of special benefits.** Any special benefit payment authorized pursuant to this section shall be issued as a supplemental payment and, unless another provision of this section provides otherwise, may, at the department's discretion, be paid to the assistance unit member or directly to the vendor, contractor or other person who provides goods or services for such member.

Sec. 12. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-12 as follows:

**(NEW) Sec. 17b-198-12.** Issuance of benefits.

(a) **Definitions.** As used in this section, "electronic benefits transfer account" means an account in a financial institution into which the department may deposit benefit payments that may be accessed by an appropriate payee, as described in subsection (b) of this section, by means of a debit card and personal identification number issued by the department.

(b) **Determining the appropriate payee.** The department shall make payment of any benefit issued pursuant to SAGA to the assistance unit member in whose name assistance is requested, except that when:

(1) Such member has appointed an authorized representative and has notified the department that such authorized representative should receive such payment on his or her behalf, payment shall be made to such authorized representative;

(2) Such member is an unmarried person between the ages of eighteen and twenty-one who lives with a TFA assistance unit under the circumstances described in subparagraph (A) of subdivision (2) of subsection (b) of section 17b-198-10 of the Regulations of Connecticut State Agencies, payment shall be made to the TFA assistance unit's head of household;

(3) Such member has a legally appointed conservator, guardian or other legal representative, payment shall be made to such conservator, guardian or other legal representative;

(4) Such payment is for a special benefit authorized pursuant to section 17b-198-11 of the Regulations of Connecticut State Agencies, payment shall be made in accordance with subsection *(l)* of said section;

(5) Such member resides in a rated housing facility or a licensed residential care home, payment shall be made to such facility or home and the department shall notify such member that payment in his or her name has been made to such facility or home; or

(6) DMHAS, or its designee, or the department determines that there has been financial mismanagement pursuant to subsection (e) of this section, the department may appoint a protective payee to receive and manage such payments or a portion thereof on behalf of the assistance unit.

(c) **Method of payment.** The department shall issue payment to (1) any assistance unit eligible for assistance pursuant to SAGA by electronically depositing benefits into an appropriate payee's personal banking account held at a financial institution or into an electronic benefits transfer account

that is accessible to an appropriate payee, or, (2) if the appropriate payee is a rated housing facility, licensed residential care home or a vendor, contractor or other person providing goods or services to the assistance unit, such payment may be issued to the appropriate payee in the form of a check or, if possible, by electronic means. The department shall, at the time eligibility for assistance pursuant to SAGA is established, issue a debit card associated with an electronic benefits transfer account to any appropriate payee who elects to receive payment by deposit into such an account. Such debit card shall be accompanied by instructions for selecting a personal identification number by use of an automated telephone system. Any payment deposited into an electronic benefits transfer account may be accessed by an appropriate payee at the financial institution where such payment was deposited or by using such debit card and personal identification number at any location that accepts such debit cards, including an automatic teller machine, a point of banking terminal and any point of sale device, including a point of sale device that is located at a retail or merchant establishment or used by a public housing authority for the payment of bills or monthly rent. The assistance unit shall be responsible for any fees charged by a financial institution in conjunction with the use of a debit card associated with an electronic benefits transfer account.

(d) **Expiration of payments.** Any check issued as payment pursuant to subsection (c) of this section shall expire three calendar months after the day following the date such check is issued and may not be negotiated after such expiration date. Any benefit payment deposited into an electronic benefits transfer account may be accessed by an appropriate payee at any time, except that any benefits deposited in such a manner shall be expunged from such account whenever no withdrawals are made from such account for a period of twelve months.

(e) **Financial mismanagement.** (1) Whenever DMHAS, or its designee, or the department believes and verifies that there has been financial mismanagement of benefits issued to an appropriate payee, the department may appoint a protective payee to receive and manage benefit payments on behalf of and in the best interest of the assistance unit, make such payments to a vendor or other person providing services to or for such assistance unit or issue such payments by virtue of a combination of such methods. In determining which of these methods to use in a particular case, the department shall consider the extent to which the appropriate payee is able or unable to manage such benefit payments, the availability of a person authorized to serve as a protective payee pursuant to subdivision (2) of this subsection and the method of payment that is most conducive to rehabilitating the appropriate payee. The department shall make a finding of financial mismanagement whenever (A) a person who would otherwise be an appropriate payee demonstrates an inability to manage benefit payments because such person has not or is not using such payments in the best interest of the assistance unit, and (B) allowing such person to continue to manage such benefit payments would pose a threat to the health or safety of an assistance unit member. Evidence relied upon by the department to verify a finding of financial mismanagement shall be documented and maintained with the case file. Whenever financial mismanagement is determined to exist, the department shall refer the assistance unit to a social worker for assistance with financial management.

(2) The department shall involve the assistance unit member in the selection of a protective payee to the greatest extent possible, but may select a protective payee based solely on the judgment of the department. The protective payee (A) shall be (i) a relative of the assistance unit member, (ii) a member of the clergy, (iii) a close friend of the assistance unit member, (iv) a volunteer from a community social services agency, or (v) a department employee who is duly delegated to serve as a conservator by the commissioner, and (B) shall (i) have an interest in or concern about the welfare of the assistance unit beyond that which would be expected of a friend or neighbor, (ii) be able to manage funds effectively, (iii) be available to assist the assistance unit with household planning, budgeting and home management problems, (iv) be capable of establishing and maintaining a good working relationship with the assistance unit member, and (v) be responsible and dependable, as

evidenced by positive character references. The department shall verify a person's identity, relationship to the assistance unit member, qualifications and occupation or other means of subsistence prior to such person's appointment as a protective payee. In no event shall a protective payee be a department employee who has not been delegated to serve as a conservator by the commissioner, a landlord, grocer or other vendor of goods or services who has direct dealing with the assistance unit member, or a staff member of a public or private agency or organization that assists in the determination of the assistance unit's financial eligibility for department assistance, performs investigative or resource duties for the department or handles fiscal processes related to the assistance unit.

(3) Whenever the department appoints a protective payee, the department shall develop a written plan to govern the protective payee's responsibilities. Such plan shall be signed by the protective payee and notarized, and copies of such plan shall be provided to the protective payee and the assistance unit. Such plan shall include provisions concerning:

(A) The assistance unit's primary financial obligations and how money paid to the protective payee should be spent;

(B) The primary objectives of such plan;

(C) Methods to increase the ability of the assistance unit member to handle assistance payments in the future;

(D) Reporting requirements to which the protective payee and assistance unit member must adhere;

(E) The rights of the assistance unit member and the need to maintain confidentiality of personal information concerning such member;

(F) Any other provisions the department deems necessary to assure the health and safety of the assistance unit member and the proper use of assistance payments; and

(G) A description of legal penalties that may be imposed on the protective payee for misuse of assistance payments.

(4) Payments to a protective payee shall continue for a period no longer than twenty-four months and shall be discontinued prior to the expiration of such twenty-four month period (A) upon the advice of an appropriate social service agency that is assisting the assistance unit, (B) when the appropriate payee to whom payments were discontinued due to financial mismanagement demonstrates an increased ability to manage funds such that the assistance unit member's health or safety is not threatened by renewed payment to such appropriate payee, or (C) upon the appointment of a guardian or other legal representative for the assistance unit member, in which case payment shall be made to such guardian or other legal representative. The department shall seek judicial appointment of a guardian or other legal representative whenever the need for a protective payee will or is likely to continue beyond a period of twenty-four months or when the physical or mental condition of the appropriate payee is such that appointment of a legal representative is essential immediately.

(5) Notwithstanding the provisions of subdivision (2) of this subsection, when a finding of financial mismanagement is made pursuant to subdivision (1) of this subsection and the assistance unit member is entitled to a special benefit pursuant to section 17b-198-11 of the Regulations of Connecticut State Agencies, the department may issue the special benefit payment directly to the vendor, contractor or other person providing goods or services to such member.

(6) Any case involving a finding of financial mismanagement shall be reviewed as frequently as the department deems necessary due to the circumstances, but in no event shall such review occur less frequently than once every twelve months.

(7) An appropriate payee may request a fair hearing in response to the department's finding of financial mismanagement. The department may initiate or continue to make assistance payments to a

protective payee while a decision stemming from such fair hearing remains pending.

(f) **Payment cycle.** (1) The first payment shall be issued not later than the first business day after the date on which eligibility for assistance pursuant to SAGA is determined and shall include any retroactive payment to which the assistance unit is entitled. The second payment shall be made on the first day of the month following the month in which the first payment was made and subsequent payments shall be issued on a monthly basis.

(2) Notwithstanding the provisions of subdivision (1) of this subsection:

(A) Any payment made to a rated housing facility or a licensed residential care home shall be issued in the month following the month in which the eligible assistance unit member resided in such facility or home, due to the department's need to determine the appropriate payment standard, as described in subsection (b) of section 17b-198-10 of the Regulations of Connecticut State Agencies, on a per diem basis;

(B) Any special benefit payment, as described in section 17b-198-11 of the Regulations of Connecticut State Agencies, shall be made as a supplemental payment to the appropriate payee as soon as possible when eligibility for such special benefit is verified, and shall be made on a recurring or non-recurring basis, as specified in said section; and

(C) Any corrective payment shall be made (i) not later than the next monthly assistance payment after the date on which such corrective benefit payment is approved for any assistance unit whose case remains open, and (ii) as soon as possible for any assistance unit whose case has been closed.

(3) The department shall provide notice to the appropriate payee describing the frequency with which benefit payments shall be made, the period such payments are intended to cover and the amount in which such payments shall be issued.

(g) **Determining the effective date for the start of assistance.** The effective date for the start of assistance shall be:

(1) The date the department received a signed application for assistance if:

(A) The assistance unit complies with all obligations for eligibility set forth in section 17b-198-6 of the Regulations of Connecticut State Agencies during the application process;

(B) All eligibility criteria set forth in sections 17b-198-5 and 17b-198-7 of the Regulations of Connecticut State Agencies are met on the date of application; and

(C) All financial eligibility criteria, as set forth in sections 17b-198-8 and 17b-198-9 of the Regulations of Connecticut State Agencies, are met during the month of application;

(2) The date all eligibility factors are satisfied if:

(A) The assistance unit complies with all obligations for eligibility set forth in 17b-198-6 of the Regulations of Connecticut State Agencies during the application process; and

(B) The assistance unit was ineligible for assistance on the date of application solely due to the assistance unit's failure to satisfy one or more of the eligibility requirements set forth in sections 17b-198-5 and 17b-198-7 of the Regulations of Connecticut State Agencies, but satisfies such requirement or requirements at a later date during the application process; or

(3) The first day of the month following the month of application if:

(A) The assistance unit complies with all obligations for eligibility set forth in 17b-198-6 of the Regulations of Connecticut State Agencies during the application process;

(B) The assistance unit's assets or income exceeded the limits for financial eligibility set forth in sections 17b-198-8 and 17b-198-9 of the Regulations of Connecticut State Agencies in the month of application; and

(C) The assistance unit's assets and income no longer exceed the limits for financial eligibility set forth in sections 17b-198-8 and 17b-198-9 of the Regulations of Connecticut State Agencies in the month following the month of application and all other eligibility criteria are met at such time.

Sec. 13. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-13 as follows:

**(NEW) Sec. 17b-198-13.** Application processing standards.

(a) **Standard processing deadline.** (1) Except as provided in subsections (b) and (c) of this section:

(A) For any application for assistance that requires the department to make a determination concerning whether a person has a physical or mental disability that renders him or her unemployable, as described in section 17b-198-7 of the Regulations of Connecticut State Agencies, the department shall, not later than sixty days after the date such application is received, (i) grant assistance and issue the initial benefit payment if eligibility has been established, (ii) deny assistance and issue a notice of denial to the applicant if eligibility has not been established, or (iii) provide the applicant with notice that a decision has not yet been made on his or her application and that he or she may request a fair hearing; and

(B) For any other application for assistance, the department shall, not later than forty-five days after the date such application is received, (i) grant assistance and issue the initial benefit payment if eligibility has been established, (ii) deny assistance and issue a notice of denial to the applicant, if eligibility has not been established, or (iii) provide the applicant with notice that a decision has not yet been made on his or her application and that he or she may request a fair hearing.

(2) When the department receives all information necessary to determine an applicant's eligibility for assistance, the department shall, not later than ten days after the date on which all such information was received, (A) grant assistance and issue the initial benefit payment if eligibility has not been established, or (B) deny assistance and issue a notice of denial to the applicant if eligibility has not been established.

(3) The department may complete its application determination prior to the expiration of the standard processing deadline whenever the application is withdrawn or the applicant refuses to cooperate with respect to an aspect of the application process that results in ineligibility for assistance.

(4) The department may deny an application on or after the thirtieth day following the date such application was filed if the applicant fails to provide information requested by the department that is necessary to verify his or her eligibility for assistance and the provisions of subdivision (3) of subsection (b) of this section do not apply.

(5) If, after reviewing an application, information necessary to make a determination regarding the applicant's eligibility remains outstanding or unverified, the department shall notify the applicant in writing of the need to provide such information.

(b) **Extensions of the standard processing deadline.** The department may extend the standard processing deadline:

(1) By ten days when information necessary to verify an applicant's eligibility for assistance is not submitted with the application and is requested by the department;

(2) As necessary if the department has assumed responsibility for obtaining information that is required to verify an applicant's eligibility for assistance and is waiting for receipt of such information from a third party or is otherwise unable to obtain such information prior to the standard processing deadline, provided that, (A) upon receipt of such information, the department shall either immediately process the application or grant an additional extension pursuant to this subsection, if applicable, and (B) the applicant may request a fair hearing; and

(3) When information necessary to verify an applicant's eligibility for assistance is currently unavailable for reasons beyond the applicant's control and eligibility cannot be determined in the applicant's favor without such information, in which case a determination shall be delayed until such

information becomes available or the reason for the unavailability of such information is no longer beyond the applicant's control.

(c) **Expedited applications.** The department shall, contingent upon the ability to verify all information necessary to establish an applicant's eligibility for assistance pursuant to SAGA, grant or deny assistance not later than four days after the date an application for assistance pursuant to SAGA is received if such applicant:

(1) Submits his or her application to a department regional office in person; and

(2) Is homeless and unable to stay with a relative or friend or at an emergency housing shelter, or has no food and is unable to obtain food from relatives, friends, soup kitchens, food pantries, community organizations or churches.

(d) **Reopening.** (1) The department shall reopen an application denied on the standard processing deadline due to an applicant's failure to provide requested information that is necessary to verify his or her eligibility for assistance, as described in subdivision (3) of subsection (a) of this section, if, not later than thirty days after the date of such denial, the applicant provides the information previously requested. Whenever an application is reopened and ultimately granted, the date on which the applicant provided information necessary to reopen such application shall be treated as the date of application and the earliest date on which assistance may be effective. If an applicant fails to provide the requested information prior to the expiration of the thirty-day period for reopening, or is denied assistance due to ineligibility after providing such information, such applicant shall be required to file a new application prior to being granted assistance and shall not be entitled to benefits retroactive to the date of the initial application.

(2) The department shall, not later than ten days after the date an application is reopened, grant assistance pursuant to SAGA and issue the initial benefit payment to the appropriate payee, or deny assistance and issue a notice of denial to the applicant if eligibility has not been established, except that the department may grant an extension for any reason described in subsection (b) of this section.

(e) **Notice. Right to fair hearing.** The department shall notify an applicant (1) of any action taken on his or her application, and (2) when it determines that timely action will not be taken on his or her application. If the department does not act on an application prior to the applicable standard processing deadline, the assistance unit has a right to a fair hearing.

Sec. 14. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-14 as follows:

**(NEW) Sec. 17b-198-14.** Continuing eligibility.

(a) **The renewal process.** The department shall periodically determine whether an assistance unit's eligibility for assistance pursuant to SAGA should be renewed and whether such assistance unit is receiving the appropriate level of assistance. The department shall provide notice of its intention to begin the renewal process not later than during the month preceding the month in which such renewal process will occur.

(b) **Renewal frequency.** (1) The department shall begin the renewal process for an assistance unit as necessary based on the likelihood that such assistance unit's eligibility status has changed or will change, provided (A) the first renewal shall occur not later than during the twelfth month after the month in which the assistance unit became eligible for assistance, and (B) each subsequent renewal shall occur not later than the twelfth month after the month in which the previous renewal occurred.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, an eligibility renewal shall occur not later than the third month after the month in which a person became eligible for assistance for any person (A) who was granted assistance without filing a new application after

requesting such assistance not later than thirty days after being released from a correctional or mental health facility, as described in subdivision (2) of subsection (b) of section 17b-198-3 of the Regulations of Connecticut State Agencies, and (B) whose eligibility for assistance would have been subject to the renewal process prior to the expiration of the month in which renewal is required by this subsection, had such person not been institutionalized in such facility.

(c) **Renewal interviews.** As part of the renewal process, the department shall interview the assistance unit by telephone or, at the assistance unit's request, in person. The renewal interview shall be conducted in the same manner as, and pursuant to the same rules that apply to, the application interview, as described in subsection (g) of section 17b-198-3 of the Regulations of Connecticut State Agencies. The department shall include in the notice required pursuant to subsection (a) of this section the date and time by which such interview shall be conducted. An assistance unit shall be responsible for rescheduling any renewal interview that such assistance unit is unable or fails to attend. Any renewal interview that is rescheduled shall be rescheduled to occur by a date that ensures the renewal process is completed in a timely manner, as described in subsection (b) of this section.

(d) **Renewal form required.** The department shall attach to the notice required pursuant to subsection (a) of this section a renewal form. Such form shall be completed by the assistance unit member, such member's authorized representative or, in the case of an incompetent or incapacitated assistance unit member, a court-appointed fiduciary. Such form shall be completed and returned to the department by the date provided in the notice described in subsection (a) of this section. To be considered sufficiently complete for purposes of the timely filing requirements of this subsection, such form must bear a legible name and address and be signed by the assistance unit member or other person authorized to complete such form.

(e) **Renewal verification.** The assistance unit shall provide verification of any information requested by the department as part of the renewal process not later than the fifteenth day of the renewal month or ten days after the date the department sends the assistance unit a request for such verification, whichever is later.

(f) **Renewal processing standards.** (1) For any case in which all necessary verification has been timely received and additional information is not needed, the department shall complete the renewal process not later than the last day of the renewal month and provide notice of its decision to the assistance unit. If eligibility is renewed, the department shall continue to issue benefit payments according to the established payment cycle beginning on the first day of the month following the renewal month, provided that such payments shall reflect any increase in assistance deemed appropriate during the renewal process. If the department determines that an assistance unit is no longer eligible for assistance or that a reduction in assistance is necessary, the department shall, prior to discontinuing or reducing such assistance, comply with the provisions of section 17b-198-15 of the Regulations of Connecticut State Agencies.

(2) If a renewal decision has not been completed by the end of the renewal month, the department shall continue to issue benefit payments according to the established payment cycle if none of the circumstances described in subsection (c) of section 17b-198-15 of the Regulations of Connecticut State Agencies are true and: (A) The department is responsible for not completing the renewal in a timely manner; (B) the assistance unit failed to comply with the requirements of this section in a timely manner, but complied with such requirements not later than the last day of the renewal month; or (C) the assistance unit provides verification demonstrating that there was good cause for failing to timely comply with the requirements of this section. For purposes of this subsection, good cause shall exist when such failure was due to illness, severe weather, a death in the assistance unit member's immediate family or other circumstances beyond the assistance unit's control. Whenever assistance is continued pursuant to this subdivision, the assistance unit shall complete all

requirements of the renewal process not later than the last day of the month following the renewal month, unless the circumstances constituting good cause continue to delay the renewal process. The department shall continue to issue benefit payments to the assistance unit according to the established payment cycle as long as none of the circumstances described in subsection (c) of section 17b-198-15 of the Regulations of Connecticut State Agencies are true and the circumstances constituting good cause continue to delay the renewal process.

(3) Whenever the assistance unit fails to file a renewal form, provide necessary verification or participate in a renewal interview prior to the end of the renewal month, assistance shall be discontinued on the last day of such month. If assistance is discontinued pursuant to this subdivision due to an assistance unit's failure to file a renewal form during the renewal month, any renewal form filed in the month following the renewal month shall be treated as a new application for assistance pursuant to SAGA unless such assistance unit verifies circumstances constituting good cause for such untimely filing. When an assistance unit files a renewal form during the renewal month but is discontinued assistance for failure to complete the renewal interview or provide all necessary verification during the renewal month, such assistance unit's completion of the renewal interview and verification of all necessary information in the month following the renewal month shall result in the renewal form being treated as a new application for assistance pursuant to SAGA unless such assistance unit verifies circumstances constituting good cause for such untimely compliance. If good cause is verified, the department shall process such case as a renewal and make a renewal decision not later than five business days after the date the assistance unit completes all required actions.

(g) **Interim eligibility changes.** Each assistance unit granted assistance pursuant to SAGA shall report any change that could impact eligibility for continued assistance or the appropriate level of assistance not later than ten days after the date of such change. A change is considered reported on the day any department regional office or case worker receives notification of such change. An assistance unit receiving assistance pursuant to multiple programs administered by the department shall not be required to report a change separately for each such program. After reporting a change, the assistance unit shall verify any information concerning such change not later than ten days after the date on which the department sends a request for such verification, and the department shall assist in obtaining any verification that would be difficult for the assistance unit to obtain prior to such deadline. Changes that shall be reported pursuant to this subsection include, but are not limited to:

(1) Changes in the source of income;

(2) Changes in the amount of income or assets, regardless of whether such income or assets are countable;

(3) Changes in the status of excluded income or assets that may become countable;

(4) The acquisition of a motor vehicle;

(5) Changes in the household or needs group composition;

(6) Address changes and any change in the cost of shelter;

(7) Changes in the amount of deductible expenses;

(8) Changes with respect to the status of an authorized representative;

(9) Changes concerning special benefits; and

(10) Any other change impacting eligibility criteria set forth in sections 17b-198-5 to 17b-198-7, inclusive, of the Regulations of Connecticut State Agencies.

(h) **Method for reporting interim changes.** An assistance unit may notify the department of any change that must be reported pursuant to subsection (g) of this section in person, in writing, by telephone or by any other method approved by the department, provided such assistance unit shall subsequently verify such change as required by the department.

(i) **Failure to report or verify an interim change in a timely manner.** Failure to timely report or verify a change, as required pursuant to subsection (g) of this section, may result in the

discontinuance of assistance if eligibility is contingent upon verification of the circumstance that changed. The department shall not discontinue assistance pursuant to this subsection if there was good cause, as defined in subsection (f) of this section, for such assistance unit's failure to timely report or verify such a change. When circumstances constituting good cause are verified, the department may afford the assistance unit additional time to report or verify such change prior to discontinuing assistance, but may take future corrective action to prevent benefit error.

(j) **Processing standards for interim changes.** Any programmatic change affecting continued eligibility or the appropriate level of assistance that is necessary due to a change in state law shall be completed within the time constraints imposed by such law and notice shall be provided to each assistance unit impacted by such programmatic change. For all other interim changes, the department shall determine whether such change affects an assistance unit's eligibility for continued assistance or the appropriate level of assistance within a reasonable amount of time after being notified of such change. The department shall attempt to make such determination not later than thirty days after such notice is received, and shall act promptly to determine the accuracy of any information provided to the department and to require verification of any reported information that appears questionable. Notice shall be sent to an assistance unit whose eligibility or level of assistance is adversely impacted by such determination not later than ten days after the department receives information verifying the need for such adverse action.

(k) **Effective date of benefit and eligibility changes.** (1) When the department becomes aware of a change that renders an assistance unit member ineligible for assistance pursuant to SAGA or reduces such member's benefit level, the effective date of such ineligibility or reduction shall be determined as follows:

(A) For such a change that is timely reported, the effective date shall be:

(i) The first day of the month following the month in which the change was reported if no advance notice is required under the provisions of section 17b-198-15 of the Regulations of Connecticut State Agencies; or

(ii) The first day of the month following the month in which the ten-day adverse action period described in subsection (b) of section 17b-198-15 of the Regulations of Connecticut State Agencies concludes; and

(B) For such a change that was not timely reported, the effective date shall be the first day of the month the change would have been effective under the provisions of subparagraph (A) of this subdivision, had the change been timely reported.

(2) When the department becomes aware of a change that increases an assistance unit member's benefit level, the effective date of such increase shall be determined as follows:

(A) For such a change that is reported and satisfactorily verified in a timely manner, the effective date shall be the day such change occurred;

(B) For a change that is not reported and verified in a timely manner, the effective date shall be:

(i) The first day such change has been both reported and satisfactorily verified; or

(ii) The day the change occurred if there was good cause for such member's failure to timely report and verify such change. For purposes of this subparagraph, "good cause" has the same meaning as provided in subsection (f) of this section.

(3) An overpayment subject to recoupment occurs whenever (i) an assistance unit member fails to timely report a change affecting eligibility and benefits to which such member is not entitled are incorrectly issued by the department as a result, or (ii) an assistance unit timely reports a change adversely affecting eligibility or benefit level, but the department fails to act in a timely manner according to the effective-date provisions of subdivision (1) of this subsection. When a change entitling an assistance unit to an increased level of assistance occurs, the department shall issue a supplemental payment in an amount calculated by taking into consideration the effective-date

provisions of subdivision (2) of this subsection.

Sec. 15. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-15 as follows:

**(NEW) Sec. 17b-198-15.** Adverse action notice.

(a) **Definitions.** For purposes of this section, "adequate notice" means notice concerning a termination, reduction or suspension of assistance pursuant to SAGA, or concerning a change in the manner or form of payment of such assistance, that includes a statement of the department's intended action, the reasons for the intended action, the regulatory or statutory authority supporting such action, an explanation of the assistance unit's right to request a fair hearing to contest the action and the circumstances under which benefits are continued if the assistance unit requests a fair hearing.

(b) **Advance notice required.** Except as provided in subsection (c) of this section, the department shall provide an assistance unit with adequate notice of its intent to terminate, reduce or suspend assistance pursuant to SAGA, or to modify the manner or form of payment of such assistance, not later than ten days prior to the date it implements any such action. For purposes of this subsection, the date on which the department mails or otherwise transmits adequate notice to an assistance unit shall be considered the date such notice was provided.

(c) **Advance notice not required.** The department may take any action described in subsection (b) of this section that is applicable to a particular case without providing the advance notice required pursuant to said subsection, provided adequate notice is provided not later than the date such action is taken, whenever:

(1) The department receives information verifying that the assistance unit member died, moved to another state or has been granted SSI or SSDI benefits or cash assistance pursuant to any other state or public assistance program;

(2) The department receives a clear, written statement signed by the assistance unit member indicating that such member (A) no longer wishes to receive assistance pursuant to SAGA, or (B) is providing information to the department that requires the department to terminate or reduce the level of assistance being provided to such member, and that such member understands that such adverse action must result due to such information;

(3) The department receives information verifying that such member has been committed to an institution that results in his or her ineligibility for continued assistance pursuant to SAGA;

(4) At the time the department granted assistance, it provided written notice to such member informing him or her that such assistance would automatically terminate at the end of a specific period and such period has now ended;

(5) The department determines that an appropriate payee has committed financial mismanagement, as described in subsection (e) of section 17b-198-12 of the Regulations of Connecticut State Agencies; or

(6) The assistance unit member's whereabouts are unknown and the post office returns departmental mail directed to such member, indicating there is no known forwarding address for such member.

(d) **Eligibility pending fair hearing.** (1) When advance notice of an adverse action is required pursuant to subsection (b) of this section and the department receives an assistance unit member's request for a fair hearing prior to the conclusion of the ten-day adverse action period described in said subsection, the department shall not terminate, suspend or reduce such member's assistance prior to the issuance of a decision on such fair hearing, except that:

(A) The department may implement the challenged adverse action prior to such time if the

department provides the assistance unit with notice that it is implementing such action prior to the fair hearing and: (i) The assistance unit member expressly waives his or her right to continued receipt of assistance pending such a decision; or (ii) the department makes a determination at the fair hearing that the sole issue to be resolved is one of federal or state law or departmental policy, as opposed to one concerning administrative processing, such as, but not limited to, the computation of income, assets or benefit amount; and

(B) The department may terminate, suspend or reduce an assistance unit member's assistance if a separate change, including a mass change, that affects such member's eligibility or benefit level occurs while such fair hearing is pending and the assistance unit is issued separate notice pursuant to subsection (b) of this section, but fails to request a fair hearing during the ten-day adverse action period. For purposes of this subparagraph, "mass change" means a change that affects all or a portion of assistance units who share similar circumstances.

(2) When the department erroneously terminates, suspends or reduces an assistance unit member's benefits prior to the expiration of the ten-day advance notice period prescribed under subsection (b) of this subsection, the department shall reinstate such member's benefits pending a fair hearing decision if (i) the department receives a request for a fair hearing from such member not later than ten days after the date the notice required under subsection (b) was sent, (ii) the department determines that the sole issue to be resolved is not one of federal or state law or departmental policy, and (iii) the provisions of subsection (c) of this section do not apply.

(3) When the department maintains an assistance unit member's level of assistance pending a fair hearing, and such hearing is subsequently resolved against such member, any benefits such member received pending such hearing that, based on the results of the hearing, such member was not eligible to receive, shall be treated as an overpayment subject to recoupment, as described in section 17b-198-17 of the Regulations of Connecticut State Agencies. If the department terminates, suspends or reduces an assistance unit member's benefits pending a fair hearing, and such fair hearing is subsequently resolved in such member's favor, any benefits that, based on the results of the hearing, such member was entitled to but did not receive shall be treated as an underpayment and promptly corrected, as described in said section.

(4) Notwithstanding the provisions of subsection (h) of section 17b-198-3 of the Regulations of Connecticut State Agencies, the department shall consider a written request for a fair hearing that is mailed to the department to be received on the date the envelope containing such request is postmarked.

Sec. 16. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-16 as follows:

**(NEW) Sec. 17b-198-16.** Benefit and debit card replacement.

(a) **Definitions.** As used in this section, "electronic benefits transfer account" has the same meaning as provided in subsection (a) of section 17b-198-12 of the Regulations of Connecticut State Agencies.

(b) **Generally.** (1) Subject to the provisions of this section, the department shall replace any benefit payment that is stolen, lost, destroyed or mutilated after issuance in an amount equivalent to the amount initially issued or, if such payment was initially issued in an incorrect amount, in the amount that should have initially been issued, except that the department shall not replace any benefit payment that was previously issued in error. Prior to issuing a benefit replacement payment, the department shall verify all pertinent information concerning the original payment of such benefits, including, but not limited to, the method used to issue such payment, the date such payment was

issued, the address to which such payment, if issued by check, was mailed and whether such payment, if attempted by electronic deposit, was successfully completed.

(2) Subject to the provisions of this section, the department shall replace any debit card associated with an electronic benefits transfer account when such card is lost, stolen, mutilated, destroyed or demagnetized such that it no longer functions properly, or when the appropriate payee changes. The department shall issue a replacement debit card within three business days of the date the department is notified of the occurrence of any event requiring the replacement of such card. An appropriate payee shall immediately notify the department or its designee whenever a debit card is lost or stolen. Upon receipt of such notification, the department or its designee shall, as soon as practicable, deactivate such debit card. The department may charge a fee for the replacement of any debit card that is replaced due to the negligence of the person for whose benefit payments are deposited into such account.

(c) **Persons who may request replacement.** Replacement of a previous benefit payment may be requested by the appropriate payee or, if the appropriate payee is a protective payee accused of misuse, as described in subsection (i) of this section, by the assistance unit member.

(d) **Method for making request.** Any request for replacement of a benefit payment initially issued by check shall be made in writing and, except as provided in subdivision (2) of subsection (j) of this section, accompanied by a notarized affidavit, submitted in triplicate, explaining the circumstances that resulted in the need for such replacement. Any request for replacement of a benefit payment initially issued by electronic deposit into an appropriate payee's personal banking account may be made by telephone. Any request for replacement of a lost benefit payment initially issued by electronic deposit into an electronic benefits transfer account may be made by telephone, unless such benefits were stolen, in which case such request shall be in writing and accompanied by the affidavit required pursuant to subdivision (2) of subsection (h) of this section. Any request for replacement of a lost or stolen debit card used to access such an account shall be made in writing and accompanied by a notarized affidavit explaining the circumstances under which such debit card was stolen.

(e) **Time for making request.** A request for replacement of benefits previously issued by the department:

(1) In the form of a check may be made any time prior to the date on which such check expires, except that, if the reason for the request is that such check was never received, such request shall be made no sooner than the fourth mail delivery day after the date such check was mailed;

(2) By electronic deposit in a personal banking account or an electronic benefits transfer account may be made on the day such benefits were scheduled for deposit if the reason for such request is that such deposit was not successfully completed, but in no event shall such a request be made later than three months after the date on which such benefits were scheduled for deposit; or

(3) By electronic deposit into an electronic benefits transfer account may be made not later than three months after it is reported to the department or its designee that a debit card associated with such account has been lost or stolen, provided such benefits were stolen after the date of such report but before the department or its designee deactivated such debit card.

(f) **Processing standard for payment of replacement benefits.** (1) Except as provided in subdivision (2) of this subsection and subdivision (2) of subsection (i) of this section, any replacement payment authorized pursuant to this section shall be issued by mail, at the appropriate regional office or by electronic deposit, if applicable, not later than the fifth day after a timely and complete request for such payment is received by the department. At the time a replacement payment is authorized, the department shall concomitantly place a stop payment order on the original benefit payment.

(2) The department may delay payment of replacement benefits for a period not to exceed fourteen

days after the date on which a timely and complete request for such payment is made if the department has reason to suspect that such request involves an attempt to perpetrate fraud and anticipates that information that will resolve such suspicion will become available prior to the expiration of such fourteen-day period. The department shall not issue a replacement benefit when fraud is verified. Circumstances suggesting fraud include, but are not limited to, those in which:

(A) A fraudulent request for a replacement payment was made within the past twelve months by the person now requesting a replacement payment; or

(B) A check used to issue the original benefit payment is negotiated after the date on which a request for a replacement payment was made, but prior to the issuance of a replacement payment.

(g) **Replacement of benefits prohibited in certain circumstances.** Except in situations involving misuse of a benefit payment by a protective payee, as described in subsection (i) of this section, the department shall not issue a replacement payment for any benefits that were successfully deposited into an electronic benefits transfer account and withdrawn by a person other than the appropriate payee after the appropriate payee voluntarily provided his or her department-issued debit card and personal identification number to such person.

(h) **Stolen benefits.** (1) Benefits previously issued by the department shall be considered stolen when the appropriate payee does not have access to such benefits and:

(A) In the case of benefits issued by check, the department or appropriate payee knows or has reason to believe such benefits were misappropriated by a person other than the appropriate payee; or

(B) In the case of benefits deposited into an electronic benefits transfer account, such benefits are withdrawn by a person other than the appropriate payee or the member of the assistance unit for whom such benefits were intended during the interval between the time when the department or its designee was notified that the debit card associated with such account was lost or stolen and the time when the department or its designee deactivated such debit card. Benefits shall only be considered stolen pursuant to this subparagraph upon verification by the department that such withdrawal occurred during such interval.

(2) The department shall not grant a request for replacement of stolen benefits or a stolen debit card unless the assistance unit member or appropriate payee, if a person other than such member:

(A) Files a police report concerning the theft of such benefits or debit card and the department receives verification that such a police report has been filed; and

(B) Appears in person at a department regional office and completes an affidavit, submitted in triplicate, certifying that such benefits or debit card were stolen, except that the department may, upon request, waive the requirement of in-person appearance for any elderly or disabled person who is unable to appear in person due to severe incapacity, provided such person shall either complete such affidavit during an in-home visit conducted by the department within three days of such request, or (i) provide an address to which such affidavit may be mailed, (ii) complete and notarize such affidavit upon receipt, and (iii) return such affidavit, in triplicate, to the department. The department shall not be responsible for any delay in issuing replacement benefits when such affidavit is completed by means other than during an in person appearance at a regional office.

(3) The department shall, on a monthly basis, notify the postal authority of any benefit payments issued in the form of a check that were reported stolen after the department mailed such check to, but before it was received by, an appropriate payee. The department shall assist the postal authority in any investigation of the disappearance of such check and make available to the postal authority any documentation concerning the issuance of the initial benefit payment and any replacement benefit payment made by the department, including, but not limited to, the appropriate payee's request for a replacement payment.

(i) **Lost benefits.** (1) Benefits previously issued by the department shall be considered lost when the appropriate payee does not have access to such benefits and:

(A) In the case of benefits issued by check, such check is not received by the appropriate payee and there is no evidence such check was stolen, or such check is misplaced by the appropriate payee after receipt but prior to negotiating the check;

(B) In the case of benefits issued by electronic deposit into the appropriate payee's personal banking account, such benefits were not accepted for deposit into such account;

(C) In the case of benefits issued by electronic deposit into an electronic benefits transfer account, such benefits were not accepted into such account due to department error or a malfunction of the system used by the department to make such electronic transfers of benefits; or

(D) In the case of benefits issued by any means to a protective payee, the department determines that such benefits were misused by the protective payee, as described in subdivisions (2) and (3) of this subsection.

(2) Whenever a member of an assistance unit believes that benefits to which he or she is entitled that have been issued to a protective payee were misused by such protective payee, such member may submit a signed affidavit to the department attesting: (A) To the alleged misuse of such benefits; (B) that such benefits are unavailable to such member; (C) that the protective payee's acts constituting misuse were taken without the approval of such member; and (D) to such member's willingness to cooperate in any legal action taken by the department against such protective payee. An assistance unit member alleging misuse shall provide to the department all documentation that corroborates such misuse that is in his or her possession. The department shall investigate the alleged misuse of any benefit payment made to a protective payee upon receipt of such an affidavit and shall provide the protective payee with an opportunity to refute the allegations contained in such affidavit. Such investigation shall be completed and any replacement payment deemed appropriate shall be issued not later than thirty days after the date on which such affidavit was received by the department.

(3) Upon the conclusion of any investigation conducted pursuant to subdivision (2) of this subsection, the department shall make a finding of misuse only if the evidence gathered during the investigation, when considered with any refutation provided by the protective payee, verifies that: (A) Benefits issued to the protective payee were withheld from the assistance unit for a purpose other than to meet the financial obligations of such assistance unit; (B) such benefits are unavailable to the assistance unit; and (C) the protective payee acted without the knowledge and approval of the assistance unit. Upon a finding of misuse, the department shall either issue a replacement payment to the assistance unit member or appoint a new protective payee and issue such payment to such new protective payee, whichever option is appropriate under the circumstances. Notwithstanding the provisions of subsection (b) of this section, any such replacement payment shall be limited to an amount equal to the portion of the previously issued benefit payment or payments that were misused.

(j) **Destroyed and mutilated benefits.** (1) Benefits previously issued by the department in the form of a check shall be considered destroyed when the check is damaged by a natural or man-made disaster, such as, but not limited to, a fire or flood, and cannot be negotiated by the appropriate payee due to such damage. The department shall not issue replacement benefits pursuant to this subdivision until the department receives verification from a public safety, health or community organization of the occurrence of the alleged disaster.

(2) Benefits previously issued by the department in the form of a check shall be considered mutilated if the check (A) has been improperly manufactured or damaged by an event other than a natural or man-made disaster, (B) cannot be negotiated due to such improper manufacturer or damage, and (C) is still identifiable as a department-issued benefit payment. The department shall not issue a replacement payment of benefits for a mutilated check unless such check is returned to the department for inspection. An assistance unit shall not be required to provide a notarized affidavit pursuant to subsection (d) of this section if a mutilated check identifiable as a benefit payment issued by the department to the person requesting such replacement payment is returned to the department.

Sec. 17. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-17 as follows:

**(NEW) Sec. 17b-198-17.** Benefit payment error and correction. Administrative disqualification hearings.

(a) **Definitions.** As used in this section, the following terms shall have the following meanings:

(1) "Overpayment" means an amount of benefits issued to an assistance unit by the department in excess of the amount of benefits to which such assistance unit was properly entitled; and

(2) "Underpayment" means an amount of benefits to which an assistance unit was properly entitled that the department did not issue to such assistance unit.

(b) **Correcting an underpayment.** (1) The department shall investigate and correct any past underpayment when such underpayment is discovered, regardless of when the underpayment occurred or whether the underpaid assistance unit's case has been closed. The investigation required pursuant to this subsection shall occur prior to the issuance of a corrective payment and shall be for the purpose of determining whether such assistance unit also experienced a past overpayment that has not been recouped. If the investigation reveals such an overpayment, the department shall offset the overpayment against the underpayment and, if the underpayment was larger than the overpayment, issue a corrective payment that is equal to the difference between the underpayment and overpayment. Any corrective payment issued pursuant to this subsection shall be issued to an appropriate payee: (A) Not later than the next benefit issuance date that is part of the normal payment cycle if the assistance unit's case is still open, and (B) as soon as possible if the assistance unit's case is closed. The provisions of this subsection shall apply to underpayments resulting from benefits incorrectly issued during one month or during multiple months.

(2) Any corrective payment issued by the department pursuant to this subsection shall be treated as excluded income in the month received, as an excluded asset to the extent retained in the month after it is received and as a counted asset to the extent retained in any subsequent month.

(c) **Recouping an overpayment.** (1) The department shall investigate and take action in accordance with this subdivision with respect to any past overpayment when such overpayment is discovered, regardless of when the overpayment occurred or whether the overpaid assistance unit's case has been closed. The investigation required pursuant to this subsection shall occur prior to the department taking action with respect to the discovered overpayment and shall be for the purpose of determining whether such assistance unit also experienced a past underpayment that has not been corrected, and whether overpaid benefits were subsequently expunged from the assistance unit's electronic benefits transfer account pursuant to subsection (d) of section 17b-198-12 of the Regulations of Connecticut State Agencies. If the investigation reveals a past underpayment or expungement of benefits, the department shall offset the underpayment or expungement against the overpayment. If there was no underpayment or expungement, or if the overpayment was larger than the underpayment or expungement, the department shall, following consultation with the assistance unit, take one of the following actions not later than the last day of the calendar quarter after the quarter in which the overpayment was discovered:

(A) Execute an agreement for the recoupment of the outstanding balance of the overpayment from the assistance unit in a lump sum, if such assistance unit elects to repay all or a portion of the overpayment by this method and has income and assets that are sufficient to allow such assistance unit to repay such overpayment by this method;

(B) Execute a monthly recoupment agreement with the assistance unit for the gradual recoupment of such overpayment by monthly installment payments if such assistance unit elects to repay the overpayment by this method;

(C) Begin to recoup such overpayment by reducing the monthly benefits issued to such assistance

unit if the assistance unit's case remains open and the assistance unit (i) specifically expresses an unwillingness or inability to repay the overpayment by the methods described in subparagraphs (A) and (B) of this subdivision, (ii) fails to honor an agreement entered into pursuant to subparagraphs (A) and (B) of this subdivision, or (iii) refuses to discuss the overpayment with the department or respond to notice of the overpayment provided by the department;

(D) Initiate an action with the Department of Administrative Services to locate and recoup the overpayment, if the assistance unit's case is closed and the assistance unit refuses to cooperate with alternative methods of recoupment;

(E) Execute an agreement for the recoupment of all or a portion of the outstanding balance of the overpayment from SAGA benefits in the assistance unit's electronic benefits transfer account, or

(F) Pursue recoupment through any combination of methods set forth in this subdivision.

(2) In addition to recouping an overpayment from the assistance unit that received the overpayment, the department shall recoup such overpayment from the spouse of the member of such assistance unit by any method outlined in subdivision (1) of this subsection, provided such spouse lives in the same household as such member and is a member of a separate assistance unit that receives assistance pursuant to SAGA.

(3) If the department recovers money paid as SAGA benefits to or on behalf of an assistance unit for a particular month, as described in section 17b-198-18 of the Regulations of Connecticut State Agencies, and an overpayment is discovered to have occurred in such month, the department shall subtract from the overpayment the amount of money so recovered.

(4) Unless a recoupment rate has been established to the contrary by a court or pursuant to a recoupment agreement, the department shall gradually recoup an overpayment from an assistance unit or spouse of an assistance unit, whether by installment payments or a reduction in benefit payments, on a monthly basis in an amount equal to ten per cent of such assistance unit's or spouse's present monthly assistance payment or, if such assistance unit or spouse is no longer receiving assistance pursuant to SAGA, in an amount equal to ten per cent of such assistance unit's or spouse's last assistance payment that was issued for a full month. The department shall recoup an overpayment of assistance only from that portion of such a monthly assistance payment attributable to SAGA benefits. Unless expressly requested by the assistance unit or spouse from whom recoupment is sought, the department shall not recoup an overpayment when the monthly SAGA benefit payment made to the assistance unit or spouse, as the case may be, is ten dollars or less. The case of an assistance unit whose monthly benefit payment is entirely eliminated pursuant to such an express request shall be considered active and open even while no benefit payments are issued to such assistance unit.

(5) The provisions of this subsection shall apply to overpayments resulting from benefits incorrectly issued during one month or during multiple months.

(d) **Notice of corrective action.** Prior to taking action to correct an underpayment or recoup an overpayment, the department shall provide notice to the assistance unit of its intent to make such correction or recoupment. Such notice shall include, at a minimum, the following information:

(1) The type of error that occurred;

(2) The amount of the overpayment or underpayment;

(3) The specific cause of the error based upon the department's investigation to date;

(4) The time period during which such error occurred;

(5) The amount of any offsetting done to reduce the error;

(6) The department's proposed method for correcting the error;

(7) A statement indicating that the assistance unit has a right to participate in the selection of the method that will be used to correct the error;

(8) A statement indicating that the assistance unit has a right to request a fair hearing to dispute the

department's finding of benefit issuance error, the amount of such error and the selected method for correcting the error; and

(9) A statement indicating that the assistance unit has a right to be represented by legal counsel during any such fair hearing and whether free legal counsel is available.

(e) **Classifying overpayments.** (1) The department shall classify an overpayment of benefits as the result of department error in instances where the department is solely responsible for such overpayment, including, but not limited to, when the department:

(A) Fails to take timely action after an interim change adversely affecting an assistance unit's continued eligibility for assistance or the appropriate level of assistance is reported by such assistance unit;

(B) Incorrectly computes the assistance unit's income or needs;

(C) Fails to ensure that the assistance unit meets all eligibility criteria; or

(D) Makes a data entry or other processing error.

(2) The department shall classify an overpayment of benefits as the result of unintentional recipient error when:

(A) The assistance unit failed to timely report an interim change in circumstances that adversely affected such assistance unit's continued eligibility for assistance or the appropriate level of assistance, but verifies circumstances constituting good cause for such failure, as described in subsection (f) of section 17b-198-14 of the Regulations of Connecticut State Agencies;

(B) Either the department, through the administrative disqualification hearing process, or a court of appropriate jurisdiction determines that the assistance unit member was unaware of the need to report the information that adversely affected such assistance unit member's continued eligibility for assistance or the appropriate level of assistance had to be reported; or

(C) The department elects not to seek a penalty against an assistance unit member, either through a court procedure or the administrative disqualification hearing process, for what would otherwise constitute intentional recipient error pursuant to subdivision (3) of this section.

(3) The department shall classify an overpayment of benefits as the result of intentional recipient error when:

(A) The department makes a preliminary determination that:

(i) The assistance unit member failed, without good cause, as described in subsection (f) of section 17b-198-14 of the Regulations of Connecticut State Agencies, to timely report an interim change adversely affecting continued eligibility for assistance or the appropriate level of assistance;

(ii) The assistance unit member knowingly misinformed the department regarding information that would otherwise adversely affect such member's continued eligibility for assistance or the appropriate level of assistance; or

(iii) The assistance unit member committed an illegal or fraudulent act or omission that resulted in such overpayment, such as, but not limited to, falsely claiming circumstances that resulted in the department issuing a benefit replacement payment while such member maintained access to the initial benefit payment;

(B) A final determination that the overpayment was due to the assistance unit member's intentional act or omission either:

(i) Is made by a court of appropriate jurisdiction or the department through the administrative disqualification hearing process; or

(ii) Results by operation of law due to such member's waiver of his or her right to an administrative disqualification hearing on the department's preliminary determination; and

(C) The department elects to seek a penalty against the assistance unit member, either through a court procedure or the administrative disqualification hearing process.

(f) **Preliminary determination of intentional recipient error.** (1) When the department makes a

preliminary determination of an intentional recipient error that resulted in an overpayment, as described in subdivision (3) of subsection (e) of this section, the department shall, regardless of overpayment size:

(A) Conduct an administrative disqualification hearing or consult with the Division of Criminal Justice to determine whether to refer the case to the Division of State Police within the Department of Emergency Services and Public Protection, the appropriate prosecuting authority for criminal prosecution or the office of the Attorney General for civil recovery; and

(B) Take immediate action to initiate recoupment of the overpayment and continue such recoupment process, regardless of whether the recipient error is ultimately classified as unintentional.

(2) The department shall conduct an administrative disqualification hearing whenever, after consultation with the Division of Criminal Justice, the department decides not to refer a case to the Division of State Police, the appropriate prosecuting authority or the office of the Attorney General, or, after any such referral, the Division of State Police, the appropriate prosecuting authority or the office of the Attorney General notifies the department that it will not take action on the referred case.

(3) The department shall not conduct an administrative disqualification hearing if, after a case is referred to an appropriate prosecuting authority, a legal action is commenced against the assistance unit member in a court of appropriate jurisdiction and such legal action results in any disposition other than a conviction or plea of guilty. The department shall classify the overpayment of benefits in any such case as unintentional recipient error.

(g) **Eligibility pending completion of administrative disqualification hearing process.** Whenever the department makes a preliminary determination that an assistance unit member committed intentional recipient error that, if corrected, would have an adverse impact on such assistance unit's eligibility for or appropriate level of assistance pursuant to SAGA, the department shall promptly provide advance notice of its intent to terminate or reduce such assistance in accordance with the provisions of section 17b-198-15 of the Regulations of Connecticut State Agencies. Any such termination or reduction of assistance shall be considered an interim change, subject to a fair hearing, and shall not be accompanied by a disqualification penalty or recoupment action until such time as a final determination regarding intentional recipient error is made.

(h) **Notice of an administrative disqualification hearing. Right to a pre-hearing interview.** Upon making a preliminary determination that an assistance unit member committed intentional recipient error, the department shall provide notice to such member of the department's intent to hold an administrative disqualification hearing. Such notice shall be sent not later than thirty days prior to the date scheduled by the department for such hearing and shall include, at a minimum:

(1) A statement explaining the assistance unit member's right to participate in, and the date, time and place of, a pre-hearing interview at which such member will have an opportunity to:

(A) Discuss and review the evidence supporting the department's preliminary determination of intentional recipient error;

(B) Receive an explanation of the administrative disqualification hearing process;

(C) Receive a detailed explanation of the assistance unit's right to waive such a hearing and the ramifications of doing so; and

(D) Discuss repayment arrangements, if such member intends to waive his or her right to such a hearing;

(2) The date, time and place of such hearing;

(3) An explanation of the reasons for such hearing;

(4) A warning that a final decision regarding whether the assistance unit member committed intentional recipient error will be based solely upon the information and evidence gathered by the department if such member fails to appear and participate at such hearing;

(5) An explanation of the assistance unit member's legal rights with respect to the administrative

disqualification hearing;

(6) A statement that the administrative disqualification hearing does not preclude additional civil or criminal action against the assistance unit member;

(7) A statement concerning the availability of free legal representation;

(8) Information about the circumstances under which the department will reschedule the administrative disqualification hearing for good cause; and

(9) The department's contact information and a statement that the assistance unit member may contact the department to request additional information.

(i) **Waiver of administrative disqualification hearing.** (1) The notice required pursuant to subsection (h) of this section shall be accompanied by a form that the assistance unit member may use to waive his or her right to an administrative disqualification hearing. An assistance unit member may waive the right to an administrative disqualification hearing by completing, signing and returning such form to the department. Such waiver shall be equivalent to and carry with it all the penalties associated with a finding of intentional recipient error made by a court or by the department following an administrative disqualification hearing, regardless of whether such member admits guilt. An assistance unit member who waives the right to an administrative disqualification hearing may withdraw such waiver in writing not later than ten days after the date on which the waiver form was signed.

(2) The waiver form described in subdivision (1) of this subsection shall include, at a minimum, the following:

(A) The date by which the waiver must be signed by the assistance unit member and received by the department to avoid the administrative disqualification hearing process;

(B) A statement explaining the assistance unit member's right to remain silent and avoid self-incrimination;

(C) A space for the assistance unit member to either admit or deny the allegation of intentional recipient error;

(D) A space for the assistance unit member's signature;

(E) A statement explaining that waiving the right to an administrative disqualification hearing will result in the assistance unit member being disqualified for the applicable period, as set forth in subsection (l) of this section, even if such member does not admit guilt;

(F) A statement explaining that the department will take measures to recoup the overpayment;

(G) A statement explaining that the assistance unit member may withdraw his or her waiver not later than ten days after the date he or she signs the waiver form; and

(H) Contact information for requesting additional information or free legal services, if available.

(j) **Format of the administrative disqualification hearing. Content of decision.** (1) The hearing official assigned to the administrative disqualification hearing shall conduct such hearing in the same manner as a fair hearing and shall fulfill the same duties expected of a hearing official in a fair hearing. The hearing official shall advise the assistance unit member or such member's representative of the right to remain silent and avoid self-incrimination during the administrative disqualification hearing. If the assistance unit member or such member's representative fails to appear at the scheduled administrative disqualification hearing, the hearing official shall conduct such hearing in the absence of such member or representative, and shall base his or her decision on the evidence before him or her. A finding of intentional recipient error shall be supported by clear and convincing evidence.

(2) Following the administrative disqualification hearing, the hearing official shall issue a notice of decision explaining his or her final determination of whether the assistance unit member committed intentional recipient error. Such notice shall:

(A) Specify the reasons for the final determination;

(B) Identify the evidence upon which such determination is based;

(C) Cite any applicable statute or regulation upon which such determination is based;

(D) Respond to any reasoned arguments submitted by the assistance unit member or such member's representative; and

(E) Specify the effective date and length of any period of disqualification of eligibility for assistance pursuant to SAGA, if the assistance unit member is determined to have committed intentional recipient error.

(k) **Processing standards for the administrative disqualification hearing process.** (1) Except as provided in subdivisions (2) and (3) of this subsection, the department shall conduct the administrative disqualification hearing, make a final determination regarding whether the assistance unit member committed intentional recipient error and issue the notice of decision required pursuant to subsection (j) of this section not later than ninety days after the notice required under subsection (h) of this section is sent to the assistance unit.

(2) The assistance unit member or such member's representative may, not later than ten days prior to the date scheduled by the department for the administrative disqualification hearing, request and receive a postponement of such hearing not to exceed thirty days. The department shall grant not more than one postponement. Whenever such a postponement is granted, the deadline for completing the administrative disqualification hearing process set forth in subdivision (1) of this subsection shall be extended by a period equivalent to the duration of the postponement.

(3) If an assistance unit member fails to appear at a scheduled administrative disqualification hearing, such member may, not later than ten days after the date such hearing was scheduled to take place, request a new hearing. Such request shall be accompanied by an explanation of the reasons such member did not attend the scheduled hearing and any evidence such member wishes to submit in support of such request. Such request shall be reviewed by the hearing official assigned to conduct the administrative disqualification hearing and shall be granted only for good cause. For purposes of this subsection, good cause shall exist whenever the hearing official determines that the assistance unit member failed to appear at the administrative disqualification hearing due to: (A) An illness that afflicted such member or a person in his or her immediate family; (B) such member's incarceration; (C) the death of a person in such member's immediate family; (D) a catastrophic fire, flood or other natural or man-made disaster; (E) the unavoidable loss of such member's planned transportation, provided no alternative transportation was immediately available; and (F) any other circumstances beyond such member's control that the hearing official determines justified such member's failure to appear at such hearing. If a request for a new administrative disqualification hearing is timely submitted and the hearing official determines that there was good cause for the assistance unit member's failure to appear at the originally scheduled hearing, any final determination that such member committed intentional recipient error shall be rendered null and void and a new administrative disqualification hearing shall be scheduled. The department may assign the same hearing official to conduct the new administrative disqualification hearing or may assign a different hearing official to conduct such hearing. Whenever a new administrative disqualification hearing is scheduled pursuant to this subdivision, the deadline for completing the administrative disqualification hearing process set forth in subdivision (1) of this subsection shall be extended by a period equivalent to the number of days that elapsed between the originally scheduled hearing and the rescheduled hearing.

(*l*) **Disqualification due to intentional recipient error.** When a final determination of intentional recipient error is rendered by the department or a court, the assistance unit member who is found to have committed such error shall be disqualified from receiving assistance pursuant to SAGA for (1) six months after the first offense, (2) one year after the second offense, and (3) permanently after the third offense, unless such period of disqualification is contrary to a court order. If such member is

presently receiving assistance pursuant to SAGA, such period of disqualification shall begin on the date a court issues an order finding intentional recipient error, if applicable, or the date a notice of decision finding intentional recipient error is provided to such member following an administrative disqualification hearing or such member's waiver of his or her right to such a hearing. If such member is not presently receiving assistance pursuant to SAGA, such period of disqualification shall be deferred until such time as such member requests and becomes eligible for such assistance. Any person found by a court of appropriate jurisdiction to have knowingly assisted an assistance unit member in committing intentional recipient error shall be disqualified from receiving assistance pursuant to SAGA for one year from the date of such court order, unless such order provides otherwise.

(m) **Fair hearing prohibited in cases involving intentional recipient error.Appeal to the Superior Court.** (1) Notwithstanding any regulatory provision to the contrary, an assistance unit member disqualified from receiving assistance pursuant to SAGA following a final determination of intentional recipient error shall not be entitled to a fair hearing to dispute the finding of intentional recipient error or the imposition of such disqualification penalty. The sole remedy for such a member who wishes to contest such matters shall be an appeal to the Superior Court. Any such appeal shall be filed not later than forty-five days after the date the hearing official issues the notice of decision in which such final determination was made, and shall be made in accordance with the procedures applicable to appeals to the Superior Court from decisions rendered following a fair hearing. This subsection shall not be construed to prohibit an assistance unit member from requesting a fair hearing to challenge the department's selected recoupment plan or any reduction or discontinuance of benefits based on error other than intentional recipient error.

(2) If, following an appeal to the Superior Court, said court issues an order reversing the department's finding that an assistance unit member committed intentional recipient error, such member's eligibility for assistance pursuant to SAGA shall be restored. If, based on the factual findings contained in such order and all other evidence available to the department, such member was otherwise eligible for assistance pursuant to SAGA during the assistance unit's period of disqualification, benefits not paid during such period shall be treated as an underpayment and a corrective payment shall be issued to the appropriate payee for such assistance unit.

Sec. 18. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-18 as follows:

**(NEW) Sec. 17b-198-18.** Methods of recovery.

(a) **Recovering from interests assigned to the department.** (1) Subject to the provisions of subdivision (2) of this subsection, the department shall, pursuant to the assignment of interest required under subsection (f) of section 17b-198-6 of the Regulations of Connecticut State Agencies, recover an assistance unit's interest in:

(A) The settlement of a decedent's estate, provided the department shall recover from the assistance unit's interest in such estate an amount not to exceed the amount of SAGA benefits paid to such assistance unit as of the date the assistance unit became entitled to use assets from such estate for his or her benefit, or fifty per cent of the assets from the estate that are payable to such member, whichever is less;

(B) The net proceeds of any monetary damages or settlement received by such assistance unit in connection with a cause of action, provided the department shall recover such proceeds in an amount not to exceed the amount of SAGA benefits paid to such assistance unit as of the date of the award of such proceeds, or fifty per cent of such proceeds after payment of all expenses connected with such

cause of action, whichever is less; and

(C) A retroactive SSI benefits award, provided that the portion of such award recovered by the department shall be prorated by the number of members in such assistance unit's SSI assistance unit and shall not exceed the amount of SAGA benefits paid during the period the retroactive SSI benefits award is intended to cover.

(2) In no event shall the department make a recovery under subdivision (1) of this subsection from a person who is under eighteen years of age. Notwithstanding the provisions of said subdivision, the department shall not recover (A) attorney's fees paid by the department on behalf of an assistance unit in connection with a successful appeal of a Social Security Administration denial of SSI benefits, or (B) any portion of a monetary award or settlement constituting a retroactive rent abatement, refund of a security deposit or relocation assistance following displacement from a condominium conversion.

(b) **Recovery by lien.** (1) The department shall place a lien on any property situated in Connecticut that is owned by the assistance unit member or such member's spouse. The effective date of such lien shall be the date of the initial award of benefits. Such lien shall be in an amount equal to the amount of benefits paid to the assistance unit pursuant to SAGA. If such property is jointly owned by such member or such member's spouse and another person, such lien shall be placed only on the share of the property owned by such member or such member's spouse. In addition, whenever the department pays for repairs to a property pursuant to subsection (d) of section 17b-198-11 of the Regulations of Connecticut State Agencies, the department shall place a lien on such property in an amount equal to the amount paid by the department for such repairs. Except as provided in subdivision (2) of this subsection, if the assistance unit member sells property used as his or her principal residence that is encumbered by a lien authorized pursuant to this subsection, the department shall collect an amount not to exceed the amount secured by such lien from the proceeds of such sale and release such lien. The department shall determine whether the assistance unit member remains eligible for assistance pursuant to SAGA following the sale of any such property.

(2) If an assistance unit member (A) sells property used as his or her principal residence that is encumbered by a lien authorized pursuant to this subsection, (B) intends to use the proceeds of such sale to purchase a different property to be used as his or her new principal residence, and (C) remains eligible for assistance pursuant to SAGA following such sale and purchase, the department shall release such lien, postpone collection of the amount secured by such lien and immediately place a separate lien on the newly purchased property in an amount calculated by adding to the amount of the former lien the amount of any additional benefits paid to or on behalf of such assistance unit pursuant to SAGA.

(c) **Voluntary recovery. Legal action.** The department may require an assistance unit member who (1) loses an exclusion for a previously excluded asset or form of income, (2) receives a lump-sum payment, such as, but not limited to, lottery winnings, or (3) converts a previously excluded asset to cash, to voluntarily repay the department in an amount not to exceed the total amount of SAGA benefits previously issued to or on behalf of such assistance unit if such asset, income or payment has not been assigned to the department or secured by a lien, as described in subsections (a) and (b) of this section. If such a member refuses to voluntarily repay the department, the department may, in conjunction with the Office of the Attorney General, initiate a legal action to recover from any such asset, income or payment an amount not to exceed the total amount of SAGA benefits previously issued to or on behalf of such member. In lieu of pursuing recovery pursuant to this subsection, the department may establish a period of ineligibility for such member.

(d) **Recovery from former spouses obligated to provide alimony or support.** If an assistance unit member's former spouse fails or refuses to make alimony or support payments to such member as required by a court order, the department shall recover from such former spouse an amount not to

exceed (1) the amount of SAGA benefits paid to such member, or (2) the amount of alimony or support owed by such former spouse to such member, if less than the amount of SAGA benefits paid to such member. Whenever the department determines that, based on the financial information before it, a former spouse is able to contribute more to the assistance unit member than required by court order, the department shall assist such member in pursuing a modification of such order increasing the amount of alimony or support owed.

(e) **Recovery from a beneficiary's estate.** (1) Except as provided in subdivision (2) of this subsection, upon the death of any person who received assistance pursuant to SAGA, the department shall recover from the estate of such person an amount not to exceed the total amount of benefits paid to such person. The department shall pursue recovery from such person's estate by filing a claim in probate court against such estate. The department's claim against any such estate shall have priority over all claims except:

(A) Expenses of last sickness not to exceed an amount established by state law;

(B) Funeral and burial expenses not to exceed an amount established by state law, provided such amount shall be reduced by the amount of any revocable or irrevocable burial fund held by such person;

(C) Administrative expenses, including, but not limited to, probate fees and taxes, and fiduciary fees, in an amount not to exceed that permitted by state law; and

(D) Any other claim given priority by state or federal law in an amount not to exceed that permitted by applicable state or federal law.

(2) In no event shall the department make a recovery from a decedent's estate under subdivision (1) of this subsection:

(A) Of benefits paid to or on behalf of the decedent while he or she was under eighteen years of age;

(B) Of benefits previously issued to or on behalf of the decedent that were recovered by any other means during such decedent's lifetime;

(C) Of attorney's fees paid by the department on behalf of the decedent in connection with a successful appeal of a Social Security Administration denial of SSI benefits; and

(D) Of benefits paid to or on behalf of the decedent if the probate court administering such estate rules that the amount that would otherwise be recovered from the estate is necessary for the support of the decedent's dependent child who is under twenty-one years of age, surviving spouse or parent.

(f) **Recovery of benefits obtained by fraud or improper transfer of assets.** Whenever the department discovers that an assistance unit obtained SAGA benefits through fraud, the department shall act in conjunction with the Office of the Chief State's Attorney to initiate a legal action to recover the full amount of such benefits. Whenever the department discovers that an assistance unit transferred an asset in order to establish eligibility for assistance pursuant to SAGA, as described in subsection (f) of section 17b-198-5 of the Regulations of Connecticut State Agencies, and the transferee refuses to return such asset to the assistance unit, the department, in conjunction with the Office of the Attorney General, shall initiate a legal action against such transferee seeking either to recover an amount not to exceed the amount of benefits paid on behalf of the assistance unit or to void the transfer of such asset.

Sec. 19. The Regulations of Connecticut State Agencies are amended by adding section 17b-198-19 as follows:

**(NEW) Sec. 17b-198-19.** Certain benefit levels maintained.

Notwithstanding the provisions of sections 17b-198-9 and 17b-198-10 of the Regulations of Connecticut State Agencies, any married person receiving SAGA benefits at the time said sections

become effective whose benefits would be reduced or terminated due to the implementation of subsections (a) and (b) of section 17b-198-10 of the Regulations of Connecticut State Agencies, shall continue to receive the same amount of SAGA benefits such person was receiving prior to the effective date of said sections, provided other circumstances affecting such person's eligibility and appropriate level of assistance do not change.

Sec. 20. Sections 8080 and 8080.10 of the Department of Social Services' Uniform Policy Manual are amended on and after the effective date of sections 17b-198-1 to 17b-198-19, inclusive, of the Regulations of Connecticut State Agencies to read as indicated in the attached document titled "Updated Uniform Policy Manual Amendment."

Sec. 21. Sections 8080.01 and 8080.15 to 8080.96, inclusive, of the Department of Social Services' Uniform Policy Manual are repealed on and after the effective date of sections 17b-198-1 to 17b-198-19, inclusive, of the Regulations of Connecticut State Agencies.

## Statement of Purpose

To reorganize, restructure and restyle provisions from the Department of Social Services' (DSS') Uniform Policy Manual that pertain to the State-Administered General Assistance program (SAGA) in order to create a comprehensive regulation that conforms to the Legislative Commissioners' Office's Manual for Drafting Regulations; to remove outdated regulatory provisions concerning SAGA that have been superseded by statute; to align SAGA regulations with those pertaining to other cash-assistance programs administered by DSS; to ensure DSS regulations concerning SAGA do not conflict with provisions of the General Statutes that govern such program or controlling judicial precedent; to provide for application-processing standards in SAGA that conform to those prescribed by Connecticut General Statutes § 17b-80; to subject married and unmarried applicants and recipients to the same rules concerning (1) income thresholds used to determine eligibility, and (2) the amount of benefits available pursuant to SAGA; and to otherwise update DSS regulations concerning SAGA to reflect current agency practices and procedures.

8080 **[**A. Overview**]**

The State-Administered General Assistance Program (SAGA) provides cash assistance **[**(SCA)**]** to needy individuals who cannot work because of short-term or long-term medical impairments and certain other non-medical reasons. Except for policies concerning the rights and responsibilities of assistance units and the department, which are described in section 8080.10 of the UPM, all policies governing SAGA are described in sections 17b-198-1 to 17b-198-19, inclusive, of the Regulations of Connecticut State Agencies. [, and to needy families who do not meet certain categorical requirements for other Department programs. Individuals and families can also receive SAGA medical assistance (SMA) if they have insufficient income and assets to meet their basic essential needs and do not meet categorical requirements for the Medicaid program.

B. General Principles

This chapter describes the Department's policy and procedures for the implementation of the SAGA Program. Except for the provisions in this chapter, the eligibility requirements of SCA and SMA are identical to the AFDC Program.**]**

8080.10 A. General Provisions

In the SAGA program, the assistance unit has the right to apply for assistance from the Department. The unit has other rights, such as the right to be treated without discrimination by the Department. Additional departmental policies concerning the rights and responsibilities of applicants and recipients of the SAGA program are described in section 1000, et seq.

An assistance unit also has certain responsibilities, such as supplying information the Department needs to determine the unit's eligibility, reporting changes in circumstances, and meeting certain procedural requirements.

The Department also has certain responsibilities in its relationship with the assistance unit. The Department is responsible for determining the unit's eligibility objectively and in a timely manner, and, as part of this determination, may conduct a Fraud Early Detection investigation whenever circumstances indicating an error prone case, as described in section 1505.40 of the UPM, pertain to a particular application **[**. It must**]** The Department shall base its decision on state law and regulations and afford applicants and recipients all fair hearing rights that apply in the AFDC program, as described in sections 1570.05, 1570.15, 1570.25 and 1570.30.

B. Disclosure of Information

The Department is authorized to disclose confidential information provided said disclosure is directly connected to the administration of the Department's programs, pursuant to C.G.S. 17b-90.

The Department's policies and procedures regarding the safeguarding of information are also the same as in the AFDC program (Cross Reference: 1020).

C. Release of Information to Law Enforcement Officials

The Department is authorized to disclose the current address of an applicant or recipient of SAGA benefits upon the request of a federal, state or local law enforcement officer if the following conditions are met:

1. The officer provides the Department with the name of the individual; and

2. The officer notifies the Department that:

    a. the individual is fleeing to avoid prosecution, custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony or high misdemeanor under the laws of the place from which the individual flees; or

    b. the individual is violating a condition of probation or parole imposed under federal or state law as a result of the commission of such a felony or high misdemeanor; or

    c. the individual has information necessary for such officer to conduct official duties in relation to a crime committed, or an attempt to commit a crime, which is a felony or high misdemeanor in the state in which the crime is committed or attempted; and

3. The location or apprehension of the individual is within the official duties of such officer.