

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



November 9, 2006

ALL COUNTY INFORMATION NOTICE NO. I-80-06

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL FOOD STAMP COORDINATORS
ALL COUNTY REFUGEE COORDINATORS
ALL QUALITY CONTROL SUPERVISORS
ALL COUNTY CONSORTIUM PROJECT MANAGERS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: SOCIAL SECURITY (SSA) COST-OF-LIVING ADJUSTMENT (COLA) –
EFFECTIVE DECEMBER 1, 2006

REFERENCE: ACIN I-72-05

Social Security recipients will receive a 3.3 percent cost-of-living increase in their Social Security benefits effective December 1, 2006, which is payable January 2007. The new Social Security benefit amount can be determined by multiplying the former benefit amount by 1.033. This increase will affect California Work Opportunity and Responsibility to Kids (CalWORKs) cash aid and Food Stamp (FS) allotment amounts. When cash aid or FS allotment amounts are adjusted due to the Social Security COLA benefit increase, the requirements for a timely and adequate Notice of Action shall apply, pursuant to FS Manual of Policies and Procedures (MPP) Section 63-504.26 and CalWORKs MPP Sections 22-071 and 22-072.

NEW APPLICANTS

For new applicants in both the CalWORKs and FS programs, the actual amount of the Social Security benefit, including the increase, shall be used for eligibility and budgeting purposes beginning with the month of January 2007.

Example:

An applicant applies for cash aid/FS in November. The county determines Quarterly Reporting (QR) Payment Quarters based on date of application. The application is

approved for aid and the QR Payment Quarter is designated as November/December/January. When determining benefits, the county will reasonably anticipate the SSA COLA increase for the month of January.

TREATMENT OF THE SSA COLA IN THE CURRENT QUARTER (OCTOBER, NOVEMBER, DECEMBER)

For CalWORKs and Food Stamp households currently in the October, November, December quarter, the County Welfare Department (CWD) will reasonably anticipate the increase in the SSA income in accordance with CalWORKs MPP Section 44-315.3 and FS MPP Section 63-509(a) (2). The amount of the SSA COLA will be considered known to the county, per MPP Section 63-509(h)(3), upon receipt of this ACIN and will be reasonably anticipated to be received by recipients of SSA benefits beginning in January 2007 and thereafter. Therefore, starting with the QR Data Month of November 2006, the SSA COLA will be reasonably anticipated to be received in the QR Payment Quarter of January/February/March 2007.

Example:

A recipient's case which receives SSA benefits is in an October/November/December 2006 QR Payment Quarter. The county receives the QR 7 for November 2006 (QR Data Month) in December 2006. The county will reasonably anticipate the SSA COLA for the months of January, February, and March 2007. Additionally, recipients of SSA benefits are to report the SSA COLA increase on the QR 7 following the effective date of the SSA COLA. CalWORKs recipients are still required to report if the SSA COLA increase results in the Assistance Unit's (AU) income exceeding the Income Reporting Threshold (IRT). Once income exceeding the IRT is reported by the AU, the CWD will determine if cash aid should be discontinued. If cash aid is discontinued, the FS household is continued as a Transitional Food Stamp (TFS) case using TFS rules.

COUNTY INITIATED MID-QUARTER CHANGES FOR ALL OTHER CalWORKs AND FOOD STAMP HOUSEHOLDS

MPP 44-316.33 and 63-509(h) provide that counties shall take mid-quarter actions based on Social Security COLAs. Since the SSA COLA is effective December 2006 and payable in January, counties are to take a mid-quarter county-initiated action to decrease benefits effective January 1, 2007.

FS CHANGE REPORTING HOUSEHOLDS

Pursuant to MPP Section 63-504.46, CWDs are required to automatically adjust FS benefits to reflect the Social Security COLA no later than the second allotment issued after the month in which the change becomes effective for non-quarterly reporting households.

PAYMENT VERIFICATION SYSTEM (PVS) COLA NOTIFICATION

The California Department of Social Services (CDSS) will not be providing additional notification of the Social Security COLA through the Payment Verification System (PVS). However, upon request, a cost-of-living printout or magnetic tape will be provided to the counties. The COLA printouts will be subject to the 45-day timeliness requirements of the Income Eligibility Verification System (IEVS). If you wish to receive your county's printouts or magnetic tape, please contact the Department's Fraud Bureau at (916) 263-5721 no later than December 1, 2006.

ACCESSING INFORMATION ON SSA COLAS

The CWDs may obtain annual updates on SSA COLAs through the following web link:
<http://www.ssa.gov/OACT/COLA>.

CONTACTS

If you have any questions regarding this ACIN, please contact the following CDSS staff:

CalWORKs COLAs	County CalWORKs Program Specialist
Food Stamp Program	Joyce Brewer, (916) 654-3366

Sincerely,

Original Document Signed By:

RIGHTON YEE, Chief
Food Stamp Branch

Original Document Signed By:

KAREN DICKERSON, Chief
CalWORKs Employment and Eligibility Branch