

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



March 16, 1998

ALL COUNTY LETTER 98-18

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS

## 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: CHANGE IN INSTRUCTIONS RELATING TO THE ELIMINATION OF THE LUMP SUM RULE - OVERPAYMENTS

REFERENCE: PAOLI v. ANDERSON COURT CASE and ALL COUNTY LETTERS 97-59 and 97-63

The purpose of this letter is to clarify instructions in All County Letter (ACL) 97-63 regarding the Paoli court order. County welfare departments (CWDs) must immediately cease all recoupment of overpayments established due to lump sum periods of ineligibility which were imposed on or after November 1, 1996, or which were imposed before that date but continued through that date. The enclosed Notice of Action (NOA) language must be mailed to suspend the current recoupment of an overpayment covered by the Paoli order.

CWDs are to take no other action related to these overpayments at this time, except to flag all affected cases for later payment of corrective underpayments. When the California Department of Social Services has resolved the outstanding issues in this case, instructions regarding the disbursement of the underpayments will be issued in a subsequent ACL.

If you have any questions about this letter or the Paoli v. Anderson lawsuit, please call Mr. Vincent Toolan at (916) 654-1808.

Sincerely,

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Attachment

# NOTICE OF ACTION

COUNTY OF \_\_\_\_\_

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

Notice Date : \_\_\_\_\_  
 Case Name : \_\_\_\_\_  
 Number : \_\_\_\_\_  
 Worker Name : \_\_\_\_\_  
 Number : \_\_\_\_\_  
 Telephone : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(ADDRESSEE)

[  
 ]

Questions? Ask your Worker.

**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of \_\_\_\_\_, the County is change your monthly cash aid from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

Here's why:

An overpayment will no longer be collected from you because of income that was covered by the lump sum rule.

The Paoli court order ended the lump sum rule as of November 1, 1996.

An overpayment may still be collected from you because of that income based on other eligibility and income rules.

You will receive another notice at a later date telling you about whether you have an overpayment.

Your new cash aid is figured on this page.

### Monthly Cash Aid Amount

<b>Section A.</b>	<b>Countable Income, Month of</b>	_____
Total Business Income	.....	\$ _____
Business Expenses:		
a. 40% Standard	.....	- _____
OR		
b. Actual	.....	- _____
Net Earnings from Self-Employment	.....	= _____
Total Disability-Based Unearned Income of (Assistance Unit + Non-Assistance Unit Members)	.....	\$ _____
\$225 Disregard	.....	- _____
Nonexempt Unearned Disability-Based Income	.....	= _____
OR		
Unused Amount of \$225 Disregard	.....	= _____
Total Earned Income	.....	\$ _____
Net Earnings from Self-Employment (from above)	.....	+ _____
Subtotal	.....	= _____
Unused Amount of \$225 Disregard (from above)	.....	- _____
Subtotal	.....	= _____
Earned Income Disregard 50%	.....	- _____
Subtotal	.....	= _____
Nonexempt Unearned Disability-Based Income (from above)	.....	+ _____
Other Nonexempt Income of (Assistance Unit + Non- Assistance Unit Members)	.....	+ _____
		+ _____
<b>Net Countable Income</b>	.....	= _____
<b>Section B.</b>	<b>Your Cash Aid, Month of</b>	_____
1. Maximum Aid _____ Persons (Assistance Unit + Non-Assistance Unit Members)	..	\$ _____
2. Special Needs (Assistance Unit + Non-Assistant Unit Members)	.....	+ _____
3. Net Countable Income from Section A	.....	- _____
4. Subtotal	.....	= <input type="text"/>
5. Maximum Aid _____ Persons (Assistance Unit only) (Excluding Sanctioned Persons)	.....	\$ _____
6. Special Needs (Assistance Unit only)	.....	+ _____
7. Maximum Aid Subtotal	.....	= <input type="text"/>
8. <b>Full Month Aid Subtotal</b> (Lowest Amount on Line 4 or 7)	.....	= _____
9. Line 8 Prorated for Part of Month	.....	= _____
10. Adjustments:		
25% Child Support Sanction	.....	- _____
Overpayment	.....	- _____
Other Sanctions	.....	- _____
Bonus	.....	+ _____
11. <b>Monthly Cash Aid Amount</b> (Line 8 or 9 Adjusted)	.....	= _____

**Medi-Cal:** This Notice of Action does NOT change or stop Medi-Cal benefits. **Keep your plastic Benefits Identification Card(s).**

**Rules:** These rules apply; you may review them at your welfare office: AB 1542, 97-59, 97-63

# YOUR HEARING RIGHTS

## To Ask For a State Hearing

- You only have 90 days to ask for a hearing. The 90 days started the day after we gave or mailed you this notice.
- You have a much shorter time to ask for a hearing if you want to keep your same benefits.

## To Keep Your Same Benefits While You Wait For a Hearing

You must ask for a hearing before the action takes place.

- Your Cash Aid will stay the same until your hearing.
- Your Medi-Cal will stay the same until your hearing.
- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.
- Your CalWORKs Child Care benefits will **NOT** stay the same until your hearing.
- If the hearing decision says we are right, you will owe us for any extra cash aid or food stamps you got.

## To Have Your Benefits Cut Now

If you want your Cash Aid or Food Stamps cut while you wait for a hearing, check one or both boxes.

- Cash Aid     Food Stamps

## To Get Help

You can ask about your hearing rights or free legal aid at the state information number.

Call toll free: 1-800-952-5253

If you are deaf and use TDD, call: 1-800-952-8349

You may get free legal help at your local legal aid office or welfare rights group.

## Other Information

**Child and/or Medical Support:** The District Attorney's office will help you collect support even if you are not on cash aid. There is no cost for this help. If they now collect support for you, they will keep doing so unless you tell them in writing to stop. They will send you any current support money collected. They will keep past due money collected that is owed to the county.

**Family Planning:** Your welfare office will give you information when you ask for it.

**Hearing File:** If you ask for a hearing, the State Hearing Office will set up a file. You have the right to see this file. The State may give your file to the Welfare Department, the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. (W. & I. Code Section 10950).

# HOW TO ASK FOR A STATE HEARING

The best way to ask for a hearing is to fill out this page. Make a copy of the front and back for your records. Then, send or take this page to:

Your worker will get you a copy of this page if you ask. Another way to ask for a hearing is to call 1-800-952-5253. If you are deaf and use TDD, call: 1-800-952-8349.

## HEARING REQUEST

I want a hearing because of an action by the Welfare Department of \_\_\_\_\_ County about my

- Cash Aid     Food Stamps     Medi-Cal     Child Care  
 Other (list) \_\_\_\_\_

Here's why: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Check here and add a page if you need more space.
- I want the person named below to represent me at this hearing. I give my permission for this person to see my records or come to the hearing for me.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

- I need a free interpreter.  
 My language or dialect is: \_\_\_\_\_

My name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

My case number: \_\_\_\_\_

My signature: \_\_\_\_\_

Date: \_\_\_\_\_