

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



November 17, 2003

ALL-COUNTY INFORMATION NOTICE I-82-03

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOOD STAMP COORDINATORS  
ALL CalWORKs PROGRAM SPECIALISTS

<u>REASON FOR THIS TRANSMITTAL</u>
<input type="checkbox"/> State Law Change
<input checked="" type="checkbox"/> Federal Law or Regulation Change
<input type="checkbox"/> Court Order
<input type="checkbox"/> Clarification Requested by One or More Counties
<input type="checkbox"/> Initiated by CDSS

SUBJECT: SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA) – EFFECTIVE DECEMBER 1, 2003

SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

Social Security recipients will receive a 2.1 percent cost-of-living increase in their Social Security benefits effective December 1, 2003, which is payable January 2004. The new benefit amount can be determined by multiplying the former benefit amount by 1.021. This increase will affect California Work Opportunity and Responsibility to Kids (CalWORKs) cash grants and food stamp (FS) allotment amounts. If cash grants 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 072.

Payment Verification System (PVS) Cost-of-Living Adjustment (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 Maureen Paizs of the Fraud Bureau at (916) 263-5715 no later than December 4, 2003.

CalWORKs and FS Monthly Reporting Households

For continuing monthly reporting households, the Social Security increase must be reported on the January 2004 CW 7, due in February 2004, and retrospectively budgeted to determine grant and allotment amounts for March 2004. The

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increase must also be considered prospectively when determining income eligibility for the month of January.

#### Food Stamp Nonmonthly Reporting Households

Pursuant to MPP Section 63-504.46, county welfare departments (CWDs) are required to automatically adjust food stamp allotments to reflect the Social Security COLA no later than the second allotment issued after the month in which the change becomes effective for nonmonthly reporting households.

#### CalWORKs and Food Stamp Quarterly Reporting Households

If the SSA COLA results in the CalWORKs household's income exceeding the IRT, the recipient is required to report this information to the county. The CWD shall then determine if discontinuance is appropriate. If the cash grant is discontinued, the CWD must determine if FS benefits would increase or decrease. If it results in an increase to FS, the CWD must supplement benefits in the current and remaining months of the quarter in accordance with QR increase in benefits rules. If the increased income would decrease FS benefits, the CWD shall take no action to reduce the benefits in the current quarter.

#### All New Applicants (CalWORKs and FS)

For new applicants, the actual amount of the Social Security benefit including the increase shall be used for prospective eligibility and budgeting purposes for the month of January 2004.

In accordance with MPP Section 63-504.462(b) (1) (A), no household shall be held liable for any food stamp overissuance resulting from the CWD's misapplication of the 2.1 percentage increase factor. If an underissuance of food stamp benefits occurs, the household will be entitled to a restoration of lost benefits in accordance with MPP Section 63-802.1.

#### QUALIFYING QUARTERS EARNINGS

The Social Security Administration has provided the amount of earnings needed to be credited with a qualifying quarter for the year 2004 in establishing noncitizen eligibility as referenced in MPP Section 63-405. The required amount is \$900 for each qualifying quarter.

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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>.

CONTACT:

If you have any food stamp questions regarding this letter, please contact Varaniece Hall of the Food Stamp Policy Bureau at (916) 657-3500. For CalWORKs income questions, please contact Cheryl Almquist of the CalWORKs Eligibility Bureau at (916) 653-9546.

Sincerely,

**Original signed by**

RIGHTON YEE, Chief  
Food Stamp Branch

c: CWDA  
CSAC