

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814



January 2, 1986

ALL-COUNTY LETTER NO. 86-01

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOUR COURT CASES (NORTH COAST COALITION v. WOODS, WOOD v. WOODS, WRIGHT v. WOODS AND ANGUS v. WOODS): RETROACTIVE PROVISION CLARIFICATIONS AND CORRECTED NOTICES OF CLAIM ACTION

REFERENCE: MPP SECTION 50-014  
ALL-COUNTY LETTERS 85-105, DATED OCTOBER 11, 1985 AND 85-115,  
DATED NOVEMBER 13, 1985

This letter contains requested clarification regarding the Four Court Cases retroactive provisions. This letter also transmits revised Notices of Claim Action and instructions. The following clarifications are in response to questions received and are intended to provide uniform application of specific provisions.

QUESTION 1:

MPP SECTION 50-014.225 requires that each county welfare department (CWD) give or mail the claimant notification materials to anyone upon request. Preprinted materials were provided by the State Department of Social Services (SDSS) to assist the CWDs in meeting this requirement. These materials are contained in an envelope. Are there any guidelines regarding the use of SDSS supplied envelopes which CWDs should be aware of?

RESPONSE:

Yes. For CWDs that will be using the envelope to mail the supplied claimant notification materials, it is preferred that the CWD cross out SDSS' return address and replace it with their address as contained in the notification materials. For those individuals who will be given the materials in person, hand out only the notification materials. By not giving the individual the envelope, problems associated with the return of the entire booklet or the claims being sent to SDSS will be minimized.

QUESTION 2:

MPP Sections 50-014.325(a)(3) and (4) specify that the CWD shall report the number of claims granted in full using case record information and those granted in full using the average monthly benefit table. Neither the regulations nor the statistical report forms (TEMP 1635, TEMP 1635A, TEMP 1635B or TEMP 1635C) provide for reporting the number of claims granted in full using a combination of case record information and the average benefit table. How should these claims be reported?

RESPONSE:

In this situation, report the claim under the method used to compute the amount of retroactive benefits in the majority of the claim months. In the circumstance where there is an equal number of months computed by each method, report those claims under MPP 50-014.325(a)(3) (using case record information).

QUESTION 3:

MPP Section 50-014.828 requires that CWDs refund to the designated Angus v. Woods claimants any overpayment recouped by grant adjustment between January 1, 1981 and April 1981 using the current underpayment correction regulations (MPP Section 44-340) as modified by the Edwards v. McMahon court order.

For those situations where the initial overpayment, in which a portion is being refunded in accordance with MPP Section 50-014.828, is still considered collectible under MPP Section 44-350.11, can the amount of the refund be offset against any outstanding balance owed? This appears to be allowable under MPP Section 44-340.42. If not, should the amount being refunded be added back into the outstanding balance owed?

RESPONSE:

MPP Section 50-014.933 establishes the principle that the retroactive payments issued under these regulations can only be used to offset an outstanding overpayment which was discovered on or after January 1, 1981. In keeping with this principle, there should be no attempt to balance or otherwise retrieve the recoupments refunded in accordance with MPP Section 50-014.828 when the initial overpayment was discovered prior to January 1, 1981. In addition, under this circumstance, the amount being refunded must not be added back into the outstanding balance remaining on the books. However, refunds being made in accordance with MPP Section 50-014.828 may be balanced against the outstanding balance owed of an overpayment which was discovered on or after January 1, 1981.

QUESTION 4:

MPP Section 50-014.431(e) requires that an Angus v. Woods claim is not considered complete unless the claimant provides a response to the question regarding the presence of a spouse in the home during the months being claimed. However, the language of the question on the claim form is conditional. It asks "If you lived with a spouse...." Those Angus claimants who were not married during the period being claimed are not responding to the question because it does not apply to them. When the claimant does not provide a response to this question, should the CWDs consider the claim incomplete in all cases?

RESPONSE:

The Angus v. Woods retroactive payments must be split between former eligible spouses claiming the same month as specified in MPP Section 50-014.823. Therefore, it is necessary to determine if there was a spouse in the home at that time. We prefer that this information be obtained through the review of the case record. This approach would avoid sending a request for more information. However, if the case record is not available or does not contain this information for the month(s) being claimed, then a request should be sent.

When a request is used to obtain this information, include on the request a statement instructing the claimant to indicate "not married" on the claim form if he/she was not married during the months claimed. This will provide the CWDs with the information needed to establish that the claim does not require flagging.

Attached are revised "Wright v. Woods - Denial - Received Maximum Aid (21)" and "Wright v. Woods - Computation Page (Actual Underpayment - Monthly) (11)" Notice of Claim Action forms. These forms have been revised to reflect the amount of the \$30 and 1/3 earned income disregard available in the claim month for use in computing the amount of aid to which the claimant was entitled (MPP Section 50-014.725(a)(2)). The Spanish version of these forms will also reflect this revision.

Also attached are revised instructions for completing the approval notices of claim action which were transmitted in All-County Letter No. 85-104, dated October 11, 1985. These instructions have been revised to reflect the correct regulation citations needed in order to complete the Angus v. Woods approval notices. Please replace the instructions received in All-County Letter No. 85-104 with the instructions attached.

If there are any questions regarding this matter, please contact Mr. Joe Carleton at (916) 324-2016 or ATSS 454-2016.



ROBERT A. HOREL  
Deputy Director

Attachments

cc: CWDA

Date of Notice:

Page \_\_\_ of \_\_\_

# “Welfare May Owe You Money” Claim Action - Continued

Case Name :  
Case Number :

After refiguring your AFDC aid, we have determined that you were underpaid for the following month(s) and year(s). We have figured the amount we owe you for the month(s) shown as follows. Our records show:

	/	/	/	/	/
	(Month/Year)	(Month/Year)	(Month/Year)	(Month/Year)	(Month/Year)
Total earned income: .....	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Less the \$30 & 1/3 disregard: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less mandatory deductions: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
(Income Tax, Social Security, Unemployment Insurance, Disability Insurance)					
Less work-related expenses: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less child care expense: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Plus other countable income: .....	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____
Less child support paid: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Total net nonexempt income: .....	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Maximum aid for ___ persons: .....	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Less total net nonexempt income: ..	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less overpayment recoupment: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less \$30 & 1/3 disregard available: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Aid you are entitled to: .....	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
AFDC grant issued: .....	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Plus sup. payment you got: .....	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____
Plus underpayment correction you got: .....	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____
AFDC aid you already got: .....	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
We took what you are entitled to: ..	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Less the AFDC aid you got: .....	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
To get what we owe you: .....	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____

**Regulations.** These rules apply in your case:  
Policy Manual Section 50-014.725(d)

You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of page one tells how.

Date of Notice:

Page 1 of \_\_\_\_\_

# “Welfare May Owe You Money” Claim Action- DENIAL: Received Maximum Aid

*If you have any questions or want more information about this action, please contact your worker.*

Case Name :  
 Case Number:  
 Worker :  
 Phone :

You have claimed back aid “Because your income dropped . . .” (Wright v. Woods).

AFDC aid you already got (B) is the same or higher than what this court ruling would allow you (A). This means that you already got the maximum AFDC aid you were entitled to get. In such a case, you are not eligible for back aid.

We have denied your claim for the months and years shown on the chart below because the

Our Records Show:

	/	/	/	/	/	/
	(Month/Year)	(Month/Year)	(Month/Year)	(Month/Year)	(Month/Year)	(Month/Year)
Total earned income: . . . . .	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Less the \$30 & 1/3 disregard: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less mandatory deductions: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
(Income Tax, Social Security, Unemployment Insurance, Disability Insurance)						
Less work-related expenses: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less child care expense: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Plus other countable income: . . . . .	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____
Less child support paid: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Total net nonexempt income: . . . . .	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Maximum aid for ___ persons: . . . . .	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Less total net nonexempt income: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less overpayment recoupment: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
Less \$30 & 1/3 available: . . . . .	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____	- \$ _____
(A) Aid you are entitled to: . . . . .	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
AFDC grant issued: . . . . .	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____
Plus sup. payment you got: . . . . .	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____
Plus underpayment correction you got: . . . . .	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____	+ \$ _____
(B) AFDC aid you already got: . . . . .	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____	= \$ _____

**Regulations.** These rules apply in your case:  
 Policy Manual Section 50-014.725(d)(1)

You may review them at your welfare office.

Wright v. Woods - Denial - Received Maximum Aid(21)

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

## Instructions for Completing Notices

### 1. General Instructions

- a. Attach to the notice all additional pages as appropriate to provide substantiation for the purpose of the notice. These additional pages may include, but are not limited to the computation pages.
- b. Clearly number all pages.

### 2. Approvals

- a. These notices cannot stand alone. They must have the appropriate computation page(s) attached showing the months approved and, when actual benefits were calculated, how the monthly amount was determined.
- b. Fill in the amount of back aid the claimant is eligible to receive for the specified year. The amount shown for the specified year must correspond to the amount shown on line B., "To get your back aid," of the appropriate month's Approved Computation Page. When a claimant will not be receiving back aid for a specific year, place a zero (0) in the amount column.
- c. Add up the amount indicated for each year to obtain the total amount approved. Place this figure in the line "\$ \_\_\_\_\_ TOTAL."
- d. For Angus v. Woods claims to be awarded in accordance with MPP Section 50-014.924(d), add to the notice:
  - 1) "and .935" to the Policy Manual Section; and,
  - 2) To the left of the "\$ \_\_\_\_\_ TOTAL" line the following:

"You'll get this amount now."

"If you get AFDC aid now, this amount will not be counted as income or property this month or next month when figuring your AFDC aid."
- e. For Angus v. Woods claims to be awarded in accordance with MPP Section 50-014.931 (Amount to be split between each spouse no longer living in the home) add to the notice:

- 1) ".931 and .935" to the Policy Manual Section; and
- 2) "We are sending you half of the back aid we owe you. The other half is being sent to \_\_\_\_\_ (name) because he/she also claimed back aid for the same month(s) and year(s). We are sending each of you \$ \_\_\_\_\_ because you were married to and living with each other during these month(s) and year(s). So you are entitled to half of the back aid."

"If you get AFDC aid now, this amount will not be counted as income or property this month or next month when figuring your AFDC aid."

- 3) In order to complete the above statement, fill in the name of the other spouse and one-half of the amount shown in the line "\$ \_\_\_\_\_ TOTAL" in the spaces provided.

### 3. Approvals with Adjustment

- a. Complete Table A per the instructions contained in number 2 (Approvals) above.
- b. When a claimant's retroactive benefit is being reduced because of an outstanding collectible overpayment, place a check mark next to the statement and complete Table B showing the amount of basic aid the claimant should have received (from Table A), the amount of the overpayment being subtracted and the amount of back aid the claimant will actually receive.
- c. When the claimant will not receive any retroactive benefit because the amount of the outstanding collectible overpayment exceeds the amount of the retroactive benefit, place a check mark next to the statement and complete Table C. informing the claimant of the amount of the outstanding overpayment still owing.
- d. A copy of the Demand Notice or any other Notice of Action showing the amount of the overpayment which is being adjusted must be attached to this approval notice.
- e. For Angus v. Woods claims to be awarded in accordance with MPP Section 50-014.933, add to the notice:
  - 1) "and .935" to the Policy Manual Section;
  - 2) "You'll get this amount now." This statement is to follow the last sentence in Table B; and

- 3) "If you get AFDC aid now, this amount will not be counted as income or property this month or next month when figuring your AFDC aid." This statement is to be placed in the space between Tables B and C.
- f. For Angus v. Woods claims to be awarded in accordance with MPP Section 50-014.931 (amount to be split between each spouse no longer living in the home) add ".931 and .935" to the Policy Manual Section of the Notice. In addition, the following statement must be placed on the "Four Court Case - Continuation Page" and attached as page 2 of the Notice: "We are sending you half of the back aid we owe you. The other half is being sent to \_\_\_\_\_ (name) because he/she also claimed back aid for the same month(s) and year(s). This means you both are entitled to half of the back aid."

"If you get AFDC now, this amount will not be counted as income or property this month or next month when figuring your AFDC aid."

In order to complete this statement, fill in the name of the other spouse and one half of the amount shown in the line "\$ \_\_\_\_\_ TOTAL" in the same spaces provided.