

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



December 28, 1987

ALL COUNTY LETTER NO. 87-164

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: SOCIAL SECURITY COST-OF-LIVING INCREASES

Social Security recipients will receive a 4.2 percent cost-of-living increase in their Social Security benefits effective December 1, 1987, which is payable January 1988. This increase will affect grant and allotment amounts and could affect eligibility for Aid to Families with Dependent Children (AFDC), including AFDC/Foster Care, Refugee Cash Assistance (RCA), Refugee Demonstration Project (RDP), Entrant Cash Assistance (ECA), and Food Stamp cases. If the grant or allotment amounts are adjusted due to the Social Security benefit increase, the requirements for a timely and adequate Notice of Action shall apply.

Payment Verification System (PVS) COLA Notification

In the past, SDSS has provided additional notification of the SSA cost-of-living increase via the Payment Verification System (PVS). Either a printout or magnetic tape was sent to all CWDs showing their aided recipients that receive SSA benefits. In order to eliminate unnecessary paperwork, this All County Letter will constitute the only notification to CWDs of the SSA cost-of-living increase. SDSS will only provide an additional cost-of-living printout or magnetic tape upon request. The COLA printouts will not be subject to the requirements of the Income Eligibility Verification System (IEVS).

AFDC, RCA, RDP, ECA and Food Stamp Monthly Reporting Cases

For continuing cases, the Social Security increase must be reported on the January 1988 CA 7 due in February 1988, and retrospectively budgeted to determine grant and allotment amounts for March. These increases must also be considered prospectively when determining income eligibility for the month of January. The new Social Security benefit amount can be determined by multiplying the "old" Social Security benefit amount by 1.042.

Food Stamp Nonmonthly Reporting Cases

Food Stamp regulations (RDB #0687-33) to be effective January 1, 1988, will require CWDs to automatically adjust the Food Stamp benefits 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 (Manual Section 63-504.46). Therefore, the increase would have to be reflected no later than the March 1988 food stamp allotment.

Additionally, the new regulations will amend the time frame used by CWDs who assign a certification period for new households which contain at least one member who receives Social Security benefits, so that it will expire "...no later than the second month following the effective date of the Social Security change." (Manual Section 63-504.462(a)).

For those households identified as Social Security recipients through a desk review, the cost-of-living increase will be reflected by multiplying the "old" Social Security benefit amount by 1.042.

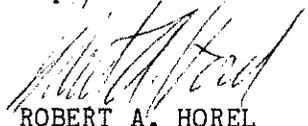
All New Applicants (AFDC, RCA, RDP, ECA and FS)

For new applications, the actual amount of the Social Security benefit shall be used for prospective eligibility and budgeting purposes.

Per Manual Section 63-504.462(b)(1)(A), no household shall be held liable for any food stamp overissuance resulting from the CWD's application of the 4.2 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 Manual Section 63-802.

If you wish to receive your county's printouts or magnetic tape for the COLA, please contact Bill Schmidt of the Fraud Program Management Bureau at (916) 445-2757 by January 10, 1988.

If you have any other questions, please contact the AFDC and Food Stamp Policy Implementation Bureau at (916) 322-5330.


ROBERT A. HOREL
Deputy Director

cc: CWDA