

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



November 29, 1995

ALL COUNTY LETTER 95-73

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR TRANSMITTAL

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

SUBJECT: SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

Social Security recipients will receive a 2.6 percent cost-of-living increase in their Social Security benefits effective December 1, 1995, which is payable January 1996. The new Social Security benefit amount can be determined by multiplying the "old" Social Security benefit amount by 1.026. This increase will affect cash assistance grant and Food Stamp allotment amounts and could affect eligibility for Aid to Families with Dependent Children (AFDC), AFDC/Foster Care, Refugee Cash Assistance (RCA), Entrant Cash Assistance (ECA), and Food Stamp (FS) 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

The California Department of Social Service (CDSS) will not be providing additional notification of the Social Security COLA by way of 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 not be subject to the 45-day timeliness requirements of the Income Eligibility Verification System (IEVS).

AFDC, RCA, ECA and FS Monthly Reporting Cases

For continuing cases, the Social Security increase must be reported on the January 1996 CA 7, due in February 1996, and retrospectively budgeted to determine grant and allotment amounts for March 1996. The increase must also be considered prospectively when determining income eligibility for the month of January.

Food Stamp Nonmonthly Reporting Cases

County Welfare Departments (CWDs) are required to adjust automatically 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 1996 Food Stamp allotment.

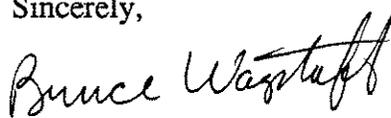
All New Applicants (AFDC, RCA, ECA, and FS)

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.

According to Manual 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 2.6 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 either Gary Scriven or Maureen Paizs of the Fraud Program Management Bureau at (916) 445-1851 or (916) 445-3417, respectively, no later than December 14, 1995. If you have any Food Stamp questions, please contact Chris Waters-Kane of the Food Stamp Program Bureau at (916) 654-1529. For AFDC questions, please contact Julie Lopes of the AFDC Policy Implementation Bureau at (916) 654-1786.

Sincerely,



BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

c: CWDA