

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



December 9, 1997

ALL COUNTY LETTER NO. 97-76

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY AFDC 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: COMPUTING OVERPAYMENTS IN THE AID TO FAMILIES WITH  
DEPENDENT CHILDREN (AFDC) and CALIFORNIA WORK  
OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)  
PROGRAMS

REFERENCE: MANUAL OF POLICIES AND PROCEDURES (MPP) SECTIONS 44-350;  
44-352; 44-207; 44-313; AND 44-315

The purpose of this letter is to clarify the California Department of Social Services' interpretation regarding the computation of an overpayment due to circumstances other than excess property when the county discovers, after the fact, that an assistance unit (AU) has several months of ineligibility mixed with months of eligibility.

Under the Manual of Policies and Procedures (MPP) Section 44-352.12, the overpayment is the difference between the correct grant amount and the amount actually paid less support payments or other money received by the county and credited against the aid payment for an overpayment month. The county must, therefore, reassess each payment month and determine what the grant should have been if everything had been reported and computed correctly. A detailed description of how this regulation applies where months of ineligibility are mixed with months of eligibility is provided in the following attachments:

- o ATTACHMENT I summarizes the applicable regulations.
- o ATTACHMENT II explains how the regulations apply in this situation and gives an example.

The specific application of this interpretation applies to overpayments which occur/occurred before January 1, 1998, as some of the relevant regulations will change at that time. However, the general premise of this interpretation will remain after the implementation of CalWORKs, i.e., determine what the correct grant amount should have been and compare it to what was actually paid when computing the overpayment amount.

If you have questions regarding this letter, please contact the following staff:

SUBJECT	CONTACT PERSON	PHONE
Overpayments	Joelyn Walters	(916)654-1803 or CALNET 464-1803
Budgeting	Dennis Ragasa	(916)654-1063 or CALNET 464-1063
Income	Julie Lopes	(916)654-1786 or CALNET 464-1786

Sincerely,



BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Attachments

Some or all of the following regulations could apply to a particular overpayment situation where the county discovers, after the fact, that the AU had several months of ineligibility mixed with months of eligibility:

- o MPP Section 44-350.15 defines an overpayment as any amount of any aid payment an AU received to which it was not eligible.
- o MPP Section 44-352.121 requires that, when computing an overpayment, the correct grant amount must be determined. When there is total ineligibility for a payment month, the correct grant amount is zero.
- o MPP Section 44-207.2 requires that for any month that the total reported or anticipated gross income received exceeds 185 percent of Maximum Basic Standard of Adequate Care (MBSAC) plus special needs, the AU shall be ineligible for aid.
- o MPP Section 44-207.3 states that an AU is financially eligible in any month in which, on the first of the month, the combined actual and estimated net income is less than the MBSAC plus special needs.
- o MPP Section 44-207.33 provides that an AU which received aid for a month based on a reasonable estimate of net nonexempt income shall not later be considered financially ineligible if actual income exceeds the estimate.
- o MPP Section 44-313.1 requires that prospective budgeting be used to compute the AFDC grant for the first two months following an application or reapplication. The AU must have two consecutive months of prospective budgeting before retrospective budgeting begins.
- o MPP Section 44-313.2 requires that retrospective budgeting be used to compute the AFDC grant for the third and subsequent payment months.
- o MPP Section 44-315.81 provides that aid in a payment month shall be suspended when income or other circumstances in the corresponding budget month appear to make the AU ineligible for only one payment month.
- o MPP Section 44-315.82 provides that, if the family's circumstances have not changed significantly from the corresponding budget period, the aid payment following the month of suspension must be computed using retrospective budgeting.
- o MPP Section 44-315.83 provides that, if the family's circumstances have changed significantly from the corresponding budget period, e.g., loss of a job, aid payments for the first two months following a suspension must be computed using prospective budgeting.

ATTACHMENT II

The county must reassess each payment month and determine what the grant amount should have been if everything had been reported and computed correctly. Any or all of the regulations summarized in ATTACHMENT I could apply to the overpayment calculation based on what should have happened in a particular payment month.

The following example illustrates how the current regulations apply in determining the overpayment when months of ineligibility are mixed with months of eligibility:

An AU of three began receiving aid November 1995. The AU was on aid for 12 months before the county discovered that the AU had income which it failed to report without good cause. After reassessing the AU's actual gross income for each payment month, the overpayment was computed as illustrated in the following chart.

Payment Month	11/95	12/95	1/96	2/96	3/96	4/96	5/96	6/96	7/96	8/96	9/96	10/96
Gross/Net Test	<185% <MBSAC	>185% >MBSAC	<185% <MBSAC	<185% <MBSAC	>185% >MBSAC	<185% <MBSAC	<185% <MBSAC	<185% <MBSAC	<185% <MBSAC	>185% >MBSAC	>185% >MBSAC	<185% <MBSAC
Gross Income	0	1700	200	200	1400	500	300	0	0	1700	1700	0
pro/retro budgeting	pro	ineligible	pro	pro	retro	retro	retro suspense	pro	pro	ineligible	ineligible	pro
Grant Paid	607	607	607	607	607	607	607	594	594	594	594	594
Grant should have been	607	0	530	530	530	530	0	594	594	0	0	594
Over-payment	0	607	77	77	77	77	607	0	0	594	594	0

To determine the overpayment when months of ineligibility are mixed with months of eligibility, the steps outlined below should be followed in their applicable order:

Step I: Use the AU's actual gross and net nonexempt income to determine if the AU is concurrently eligible. That is, determine if the AU passed the gross income and net income tests specified in MPP Sections 44-207.2 and 44-207.3.

Step II: Use prospective budgeting until the AU was eligible for two consecutive months. (MPP Section 44-313.1) After the first two consecutive months of eligibility, if the AU passes the concurrent eligibility tests, begin using retrospective budgeting, using the income from the budget month to compute an overpayment. (MPP Section 44-313.2)

- Step III: If the AU is in prospective budgeting and did not pass the concurrent eligibility tests described in Step I, the overpayment month is the month in which the AU is concurrently ineligible. (MPP Section 44-352.121)
- Step IV: Once the AU is in retrospective budgeting and did not pass the concurrent eligibility tests, it must then be determined whether or not the income continued at a level to cause the AU to be ineligible for aid for more than one month. (MPP Sections 44-207.2 and 44-207.3) If the AU did not pass the concurrent eligibility tests for only one month, continue in retrospective budgeting pursuant to MPP Section 44-313.2. The payment month, corresponding with the budget month that had excess income, is the ineligible, suspense, and overpayment month pursuant to MPP Section 44-315.8.
- Step V: If the income continued and the AU was ineligible for more than one month, a complete overpayment must be computed for each month of concurrent ineligibility. (MPP Sections 44-207.2 and 44-207.3 and 44-315.8)
- Step VI: After two or more consecutive months of ineligibility, the first month in which the AU met the concurrent eligibility tests is considered a "beginning month". The AU's income would be prospectively budgeted pursuant to MPP Section 44-313.1.
- Step VII: In months where the AU was eligible for aid, but was paid more than the AU was eligible to receive, then the correct aid amount should be computed. The overpayment is the difference between the amount of the aid paid and the corrected aid for the payment month, less any support payments or other money received by the county and credited against the aid payment for that payment month pursuant to MPP Sections 44-350.15, 44-352.12, .121, .122, and .123.

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



## E R R A T A

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF THE ORTEGA v. ANDERSON DECISION IN THE CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM

REFERENCE: ALL COUNTY LETTER NO. 97-57 DATED OCTOBER 6, 1997

This Errata transmits corrected copies of the following items that were previously sent with ACL 97-57. The primary correction to each form is changing the date of usage from 9/1/95-12/30/97 to 9/1/95-12/31/97. Other corrections involved minor typographical errors.

TEMP NA 200	Multipurpose - Including Budget
TEMP NA 210	Deny, Discontinue, Suspend - Financial Liability and Lump Sum
NA 274 D	Continuation Page - Overpayment Computation
TEMP NA 275	Continuation Page - Overpayment Adjustment Computation
TEMP NA 277	Continuation Page - Optional Persons Financial Eligibility and Lump Sum
TEMP NA 278	Discontinue/Suspend - Optional Persons Financial Eligibility and Lump Sum
TEMP NA 300	Continuation Page - Financial Eligibility/185% Tests

The following item was inadvertently not included in ACL 97-57. This NA form is used for overpayment computations from 9/1/91 to 8/31/95.

NA 274C	Continuation Page - Overpayment Computation
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We apologize for any inconvenience this has caused.

Enclosure

# 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)

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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.

## Monthly Cash Aid Amount

### Section A. Countable Income, Month of \_\_\_\_\_

Total Earned Income..... \$ \_\_\_\_\_  
Work Expense Disregard..... - \_\_\_\_\_  
\$30 and 1/3 Disregard (Assistance Unit only) ... - \_\_\_\_\_  
Dependent Care Disregard (Assistance Unit only)- \_\_\_\_\_  
Other Countable Income -- (List Sources) \_\_\_\_\_  
\_\_\_\_\_ + \_\_\_\_\_  
\_\_\_\_\_ + \_\_\_\_\_

Court Ordered Child/Spousal Support Paid for  
Persons Not Living in the Home ..... - \_\_\_\_\_  
Support Paid to Other(s) Not Living in the Home  
Claimed as Federal Tax Dependent ..... - \_\_\_\_\_  
(Non-Assistance Unit only)

**Net Countable Income**..... = \_\_\_\_\_

### Section B. Your Cash Aid, Month of \_\_\_\_\_

1. Basic Need, \_\_\_\_\_ Persons ..... \$ \_\_\_\_\_  
2. Special Needs ..... + \_\_\_\_\_  
3. Net Countable Income from Section A ..... - \_\_\_\_\_  
4. Basic Need Subtotal ..... =

5. Maximum Aid, \_\_\_\_\_ Persons ..... \$ \_\_\_\_\_  
6. Special Needs ..... + \_\_\_\_\_  
7. Maximum Aid Subtotal ..... =

**8. Full Month Aid Subtotal**  
(Lowest Amount on Line 4, 7 or 14) ..... = \_\_\_\_\_

9. Line 8 Prorated for Part of Month ..... = \_\_\_\_\_

10. Adjustments: Collect Overpayment ..... - \_\_\_\_\_

10a. Cal-Learn Penalty ..... - \_\_\_\_\_

10b. Cal-Learn Bonus ..... + \_\_\_\_\_

**11. Monthly Cash Aid Amount**  
(Line 8 or 9 Adjusted) ..... = \_\_\_\_\_  
=====

12. Other State's Maximum Aid, \_\_\_\_\_ Persons \$ \_\_\_\_\_

13. Special Needs (California)..... + \_\_\_\_\_

14. Other State Subtotal ..... =

**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: MPP

# 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 Transitional Child Care (TCC) will stay the same until the hearing or the end of your eligibility period, whichever is earlier. **For all other child care programs, your 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: \_\_\_\_\_

# NOTICE OF ACTION

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

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

**DENY, DISCONTINUE, SUSPEND-  
FINANCIAL ELIGIBILITY/LUMP SUM**

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.

Net Countable Income	
Total Earned Income	\$ _____
Work Expense Disregard	- _____
\$30 and 1/3 Disregard (Assistance Unit only)	- _____
Dependent Care Disregard (Assistance Unit only)	- _____
Other Countable Income (List Sources)	_____ + _____
	_____ + _____
	_____ + _____
Child Support Collected by the County, Except for a Child Covered by Maximum Family Grant (for financial eligibility only)	+ _____
Court Ordered Child/Spousal Support Paid for Persons Not Living in the Home	- _____
Support Paid to Other(s) Not Living in the Home Claimed as Federal Tax Dependent (Non-Assistance Unit Only)	- _____
(A) Net Countable Income	= _____

Family Needs	
Basic Need for _____ Persons	\$ _____
Special Needs	+ _____
(B) Family Needs	= _____

Lump Sum Ineligibility  
Your net countable income (A) divided  
by your family needs (B) equals the  
number of ineligible months:  
There is a remainder of \$ \_\_\_\_\_  
It counts against your grant in \_\_\_\_\_  
(MONTH)

You are not financially eligible in \_\_\_\_\_  
(MONTH)

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

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

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: \_\_\_\_\_

# NOTICE OF ACTION

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

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

(Continued)

Overpayment Amount Owed  
(For Overpayments Occurring on or after 9/1/95 - 12/31/97)

Notice Date : \_\_\_\_\_  
Case : \_\_\_\_\_  
Name : \_\_\_\_\_  
Number : \_\_\_\_\_

Overpayment Month and Year: \_\_\_\_\_

**(A) Family Gross Income**

_____	\$	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
<b>Total Gross Income (1)</b>	=	_____	_____	_____	_____
Basic Need for _____ Persons	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
<b>Total Needs</b>	=	_____	_____	_____	_____
	X	1.85	_____	_____	_____
		_____	_____	_____	_____
<b>185% of Needs (2)</b>	=	_____	_____	_____	_____

If (1) is larger than (2), you were not eligible in that month and all the cash aid you got is an overpayment. The amount of your overpayment is figured below.

**(B) Net Countable Income**

Total Earned Income	\$	_____	_____	_____	_____
Work Expense Disregard	-	_____	_____	_____	_____
\$30 and 1/3 Disregard (Assistance Unit only)	-	_____	_____	_____	_____
<b>Subtotal</b>	=	_____	_____	_____	_____
Dependent Care Disregard (Assistance Unit only)	-	_____	_____	_____	_____
Other Countable Income (List Sources)	+	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
Court Ordered Child/Spousal Support Paid for Persons Not Living in the Home	-	_____	_____	_____	_____
Support Paid to Other(s) Not Living in the Home Claimed as Federal Tax Dependent (Non-Assistance Unit Only)	-	_____	_____	_____	_____
<b>Net Countable Income</b>	=	_____	_____	_____	_____

**(C) Correct Cash Aid Payment**

Basic Need Amount (# persons) \$ Amount	( )	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
Net Countable Income	-	_____	_____	_____	_____
<b>Subtotal A</b>	=	_____	_____	_____	_____
Maximum Aid Payment (MAP)	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
<b>Subtotal B</b>	=	_____	_____	_____	_____
Other State's MAP	\$	_____	_____	_____	_____
Special Needs (California)	+	_____	_____	_____	_____
<b>Subtotal C</b>	=	_____	_____	_____	_____
<b>Correct Cash Aid Amount (Lesser of Subtotal A, B or C)</b>	\$	_____	_____	_____	_____

**(D) Overpayment**

Cash Aid Paid to You	\$	_____	_____	_____	_____
Correct Cash Aid Amount	-	_____	_____	_____	_____
<b>Subtotal D</b>	=	_____	_____	_____	_____
Cash Aid Paid to You	\$	_____	_____	_____	_____
Support Payments Collected for You (Except for a Child Covered by Maximum Family Grant)	-	_____	_____	_____	_____
<b>Subtotal E</b>	=	_____	_____	_____	_____
<b>Amount of Overpayment for Each Month (Lesser of Subtotal D or E)</b>	=	_____	_____	_____	_____

**TOTAL OVERPAYMENT (All Months) \$ \_\_\_\_\_**

**Rules:** These rules apply; you may review them at your Welfare Office: MPP 44-352.12  
**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of Page 1 tells how.

# NOTICE OF ACTION

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

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

(Continued)

Notice Date : \_\_\_\_\_  
Case Name : \_\_\_\_\_  
Number : \_\_\_\_\_

**Overpayment Adjustment:**

Amount to be Taken From Monthly Payment

**NOT CAUSED  
BY COUNTY  
ERROR**

**CAUSED BY  
COUNTY  
ERROR**

Cash Aid Subtotal (from Page 1)	\$ _____	\$ _____
Total Earned Income	+ _____	+ _____
Work Expense Disregard	- _____	- _____
Dependent Care Disregard (Assistance Unit only)	- _____	- _____
Other Countable Income	+ _____	+ _____
Court Ordered Child/Spousal Support Paid for Persons Not Living in the Home	- _____	- _____
Support Paid to Other(s) Not Living in the Home Claimed as Federal Tax Dependent (Non-Assistance Unit Only)	- _____	- _____
Liquid Resources (List)	+ _____	+ _____
_____	+ _____	+ _____
_____	+ _____	+ _____
_____	+ _____	+ _____
<b>SUBTOTAL A</b>	<b>= _____</b>	<b>= _____</b>

Maximum Aid Payment (MAP)	\$ _____	\$ _____
Special Needs	+ _____	+ _____
	= _____	= _____
Adjustment Factor	<b>x.90</b>	<b>x.95</b>
<b>SUBTOTAL B</b>	<b>= _____</b>	<b>= _____</b>

**HIGHEST ADJUSTMENT ALLOWED (A minus B)**      \$ \_\_\_\_\_

Your overpayment adjustment amount is:      \$ \_\_\_\_\_  
[This is the highest adjustment allowed, or  
the total overpayment owed, or the cash aid  
Subtotal (from page 1), whichever is less.]

**Overpayment Still Owed**

Beginning Overpayment Balance	\$ _____
Overpayment Adjustment Amount	- _____
Ending Overpayment Balance	\$ _____

**Rules:** These rules apply; you may review them at your Welfare Office: MPP 44-352.41.

**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of page 1 tells how.

# NOTICE OF ACTION

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

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

(Continued)

## Optional Persons Lump Sum/Financial Eligibility

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

Net Countable Income

Total Earned Income	\$	_____
Work Expense Disregard	-	_____
\$30 Disregard (Assistance Unit only)	-	_____
1/3 Disregard (Assistance Unit only)	-	_____
Dependent Care Disregard (Assistance Unit only)	-	_____
Other Countable Income (List Sources)		_____
_____	+	_____
_____	+	_____
_____	+	_____
Child Support Collected by the County, Except for a Child Covered by Maximum Family Grant (for financial eligibility only)	+	_____
Court Ordered Child/Spousal Support Paid for Persons Not Living in the Home	-	_____
Support Paid to Other(s) Not Living in the Home Claimed as Federal Tax Dependent (Non-Assistance Unit Only)	-	_____
<b>(A) Net Countable Income</b>	=	_____

Family Needs

Basic Need for _____ Persons	\$	_____
Special Needs	+	_____
<b>(B) Family Needs</b>	=	_____

Optional Person(s) Needs

Basic Need for _____ Persons	\$	_____
Special Needs	+	_____
<b>(C) Optional Person(s) Needs</b>	=	_____

Differential

Family Needs	\$	_____
Optional Person(s) Needs	-	_____
<b>(D) Differential</b>	=	_____

Lump Sum Ineligibility for Optional Persons  
 Your net countable income (A)  
 minus the differential (D)  
 divided by the optional person(s) needs (C)  
 equals the number of ineligible months:  
 There is a remainder of \$ \_\_\_\_\_  
 It counts against your grant in \_\_\_\_\_ (Month)  
 if you reapply

You are not financially eligible in \_\_\_\_\_ (Month)

**Rules:** These rules apply; you may review them at your Welfare Office:

MPP 44-207.413

**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of page 1 tells how.

# 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.

<b>Net Countable Income</b>	
Total Earned Income	\$ _____
Work Expense Disregard	- _____
\$30 Disregard (Assistance Unit only)	- _____
1/3 Disregard (Assistance Unit only)	- _____
Dependent Care Disregard (Assistance Unit only)	- _____
Other Countable Income	
(List Sources) _____	+ _____
_____	+ _____
_____	+ _____
Child Support Collected by the County, Except for a Child Covered by Maximum Family Grant (for financial eligibility only)	+ _____
Court Ordered Child/Spousal Support Paid for Persons Not Living in the Home	- _____
Support Paid to Other(s) Not Living in the Home Claimed as Federal Tax Dependent (Non-Assistance Unit Only)	- _____
<b>(A) Net Countable Income</b>	= _____
<b>Family Needs</b>	
Basic Need for _____ Persons	\$ _____
Special Needs	+ _____
<b>(B) Family Needs</b>	= _____
<b>Optional Person(s) Needs</b>	
Basic Need for _____ Persons	\$ _____
Special Needs	+ _____
<b>(C) Optional Person(s) Needs</b>	= _____
<b>Differential</b>	
Family Needs	_____
Optional Person(s) Needs	- _____
<b>(D) Differential</b>	= _____
<input type="checkbox"/> Lump Sum Ineligibility for Optional Persons	
Your net countable income (A) minus the differential (D) divided by the optional person(s) needs (C) equals the number of ineligible months:	_____
There is a remainder of	\$ _____
It counts against your grant in	_____
if you reapply	(MONTH)
<input type="checkbox"/> You are not financially eligible in	_____
	(MONTH)

**Rules:** These rules apply; you may review them at your Welfare Office: MPP

# 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 Transitional Child Care (TCC) will stay the same until the hearing or the end of your eligibility period, whichever is earlier. **For all other child care programs, your 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: \_\_\_\_\_

# NOTICE OF ACTION

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

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

(Continued)

## FINANCIAL ELIGIBILITY/185% TESTS

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

You are ineligible because your **Total Gross Income** is more than **185% of Needs**.

Family Gross Income (Assistance Unit & Non-Assistance Unit)

_____	\$	_____
_____	+	_____
_____	+	_____
<b>Total Gross Income</b> .....	=	_____

Family Needs

Basic Need, ____ Persons .....	\$	_____
Special Needs .....	+	_____
<b>Total Needs</b> .....	=	_____
	x	1.85
<b>185% of Needs</b> .....	=	_____

You are ineligible because your **Total Net Countable Income** is more than your **Total Needs**.

Net Countable Income

Total Earned Income .....	\$	_____
Work Expense Disregard .....	-	_____
\$30 and 1/3 Disregard (Assistance Unit only)	-	_____
Dependent Care Disregard (Assistance Unit only)	-	_____
Other Countable Income--(List Sources)		_____
_____	+	_____
_____	+	_____
Court Ordered Child/Spousal Support Paid for Persons Not Living in the Home	-	_____
Support Paid to Other(s) Not Living in the Home Claimed as Federal Tax Dependent (Non-Assistance Only)	-	_____
<b>Total Net Countable Income</b> .....	=	_____

Family Needs

Basic Need, ____ Persons .....	\$	_____
Special Needs .....	+	_____
<b>Total Needs</b> .....	=	_____

**Rules:** These rules apply; you may review them at your welfare office: MPP 44-207.2, 44-207.3

**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of page 1 tells how.

# NOTICE OF ACTION

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

STATE OF CALIFORNIA  
HEALTH AND WELFARE AGENCY  
DEPARTMENT OF SOCIAL SERVICES

Continued)

Overpayment Amount Owed  
For Overpayments Occurring on or after 9-1-91 — 8-31-95)

Notice Date : \_\_\_\_\_  
Case : \_\_\_\_\_  
Name : \_\_\_\_\_  
Number : \_\_\_\_\_

Overpayment Month and Year: \_\_\_\_\_

**A) Family Gross Income**

_____	\$	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
<b>Total Gross Income</b> ①	=	_____	_____	_____	_____
Basic Need for _____ Persons	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
<b>Total Needs</b>	=	_____	_____	_____	_____
	X	1.85	_____	_____	_____
<b>185% of Needs</b> ②	=	_____	_____	_____	_____

If ① is larger than ②, you were not eligible in that month and all the cash aid you got is an overpayment. The amount of your overpayment is figured below.

**B) Net Countable Income**

Total Earned Income	\$	_____	_____	_____	_____
Work Expense Disregard	-	_____	_____	_____	_____
\$30 and 1/3 Disregard	-	_____	_____	_____	_____
<b>Subtotal</b>	=	_____	_____	_____	_____
Dependent Care Disregard	-	_____	_____	_____	_____
Other Countable Income (List Sources)		_____	_____	_____	_____
_____	+	_____	_____	_____	_____
_____	+	_____	_____	_____	_____
Court Ordered Child/Spousal Support Paid	-	_____	_____	_____	_____
Unmet Needs of Ineligible Alien(s)	-	_____	_____	_____	_____
<b>Net Countable Income</b>	=	_____	_____	_____	_____

**C) Correct Cash Aid Payment**

Basic Need Amount (# persons) \$ Amount	( )	( )	( )	( )	( )
_____		_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
Net Countable Income	-	_____	_____	_____	_____
<b>Subtotal A</b>	=	_____	_____	_____	_____
Maximum Aid Payment (MAP)	\$	_____	_____	_____	_____
Special Needs	+	_____	_____	_____	_____
<b>Subtotal B</b>	=	_____	_____	_____	_____
Other State's MAP _____	\$	_____	_____	_____	_____
Special Needs (California)	+	_____	_____	_____	_____
<b>Subtotal C</b>	=	_____	_____	_____	_____

Correct Cash Aid Amount  
(Lesser of Subtotal A, B or C)

<b>D) Overpayment</b>					
Cash Aid Paid to You	\$	_____	_____	_____	_____
Correct Cash Aid Amount	-	_____	_____	_____	_____
<b>Subtotal D</b>	=	_____	_____	_____	_____
Cash Aid Paid to You	\$	_____	_____	_____	_____
Support Payments Collected for You	-	_____	_____	_____	_____
<b>Subtotal E</b>	=	_____	_____	_____	_____
<b>Amount of Overpayment for Each Month</b>	=	_____	_____	_____	_____
(Lesser of Subtotal D or E)					

**TOTAL OVERPAYMENT (All Months) \$ \_\_\_\_\_**

**Rules:** These rules apply; you may review them at your Welfare Office: MPP 44-352.12  
**State Hearing:** If you think this action is wrong, you can ask for a hearing. The back of Page 1 tells how.