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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 91 INF-7

TO: Commissioners of
 Social Services

DIVISION: Income
 Maintenance

DATE: January 31, 1991

SUBJECT: Monthly Reporting Retrospective Budgeting (MRRB):
 Prospective Budgeting

SUGGESTED

DISTRIBUTION: Public Assistance Staff
 Food Stamps Staff
 Staff Development Coordinators

CONTACT PERSON: Greg Nolan, Bureau of Income Support Programs, at
 1-800-342-3715 extension 4-9313
 Your County Food Stamp Representative, at 1-800-342-
 3715 extension 4-9225

ATTACHMENTS: Attachment A - Prospective Ineligibility for Public
 Assistance and Food Stamps - not
 available on-line
 Attachment B - Public Assistance and Food Stamps
 Benefits Following Ineligibility - not
 available on-line

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
88 INF-69		352.28	SSL 131-t	PASB	
86 ADM-28		387.17(d)		Sections XVI-T-3.1 to XVI-T-3.2 FSSB Sections XIII-B XIII-C	

PURPOSE

This letter reminds districts of the policy in two related areas involving Monthly Reporting and Retrospective Budgeting: prospective eligibility and calculating benefits following a period of ineligibility.

PROSPECTIVE ELIGIBILITY UNDER MRRB

When determining financial eligibility for public assistance and food stamps, it is extremely important that local staff use the proper budgeting method. Under MRRB, eligibility must always be determined prospectively. Retrospective budgeting is never used for eligibility. Rather, retrospective budgeting is used to calculate benefits when a family is prospectively eligible and required to monthly report.

Staff commonly become aware of an increase in earnings in the month after it has occurred. At that time, before determining the benefit amount, the agency must assess the family's continuing eligibility. This requires an ABEL budget to determine prospective eligibility for the month in which the increased earnings were first received. The subsequent action will differ depending on whether there is a budget deficit or surplus.

A. Increased Earnings Resulting in a Deficit

The recipient remains eligible for assistance and the PA and FS benefits are calculated for the payment month using retrospective budgeting.

B. Increased Earnings Resulting in a Surplus

The agency must determine how long the increased income will last.

1. Less Than a Month

If the increase is not expected to last longer than a month (i.e., short term overtime, five week pay month, etc.), the agency must calculate the PA and FS benefit for the payment month using retrospective budgeting and most likely suspend the PA and FS benefit for that month.

2. More Than a Month

If the calculation results in prospective ineligibility for two consecutive months, then the case is ineligible. The ineligibility begins the first month of the surplus.

Often in such cases there is an overpayment for PA since time elapses before the case is closed. Such overpayments must be calculated prior to case closing and the recipient should be advised of the overpayment in the discontinuance notice.

Please note that for cases in which ineligibility results from information on a monthly report, an adequate only notice is sufficient. However, agencies are encouraged whenever possible to use timely notice.

DETERMINING PUBLIC ASSISTANCE AND FOOD STAMP BENEFITS FOLLOWING PROSPECTIVE INELIGIBILITY

Sometimes a PA and FS recipient is prospectively ineligible, but then loses employment or earnings and reapplies for assistance. When this occurs, the agency must use prospective budgeting to determine eligibility and benefits for PA. For food stamp benefits, eligibility is determined prospectively. FS benefits would be determined retrospectively if the case has been closed less than a month. If the case has been closed for a month or more, FS benefits are determined prospectively.

Example:

John Smith, a Home Relief recipient in Albany County, is employed part-time and earns \$75 per week. On August 1, 1990 John began working full time for \$175 per week. John reports this to the agency in his August monthly report which is received by the agency in September.

When the agency computes eligibility for PA for August, John fails the gross income test (see Attachment A). The agency verifies with John's employer that the increase is expected to continue. The agency then computes an overpayment for PA for August and September and sends John adequate notice closing his PA case effective that day. The agency would determine the household prospectively ineligible for October for food stamps (see Attachment A). Adequate notice would be provided closing the FS case effective the end of September.

In the last week of September, John notifies the agency that he has been laid off. Since John's case has been closed less than 30 days, he is not required to submit a new application for PA. For food stamps, the household need not reapply since the effective closing date of 9/30/90 has not been reached. However, the agency requires him to verify the date of his last pay (9/30/90) and reactivates John's case for October 1, 1990.

For PA, prospective budgeting is used to determine John's eligibility and grant for October. Since John is not expected to have any income, he receives a full HR grant for October (see Attachment B). For food stamps, John's eligibility is determined prospectively and his benefit level determined retrospectively. However, John's terminated income would not be budgeted retrospectively for food stamps. Monthly reports are then sent for October and November since these are the recent attachment months.

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Please note that these procedures regarding prospective budgeting apply to all earned income PA and PA/FS cases that are subject to MRRB, including those with unreported earnings.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance