



Department of Human Resources  
311 W. Saratoga St.  
Baltimore, MD. 21201-3521

**FIA ACTION TRANSMITTAL**

Issuance Date: SEPTEMBER 30, 1997

Effective Date: UPON RECEIPT

Control Number: FIA/OPR # 98-16.

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS**

**FROM:** *Kevin Mahon for*  
KEVIN MAHON, EXECUTIVE DIRECTOR, FIA  
JOSEPH M. MILLSTONE, DIRECTOR, MCPA/DHMH *JMM*

**RE: TREATMENT OF SUPPLEMENTAL SECURITY INCOME LUMP SUM  
PAYMENTS WHEN DISBURSED IN INSTALLMENTS**

**PROGRAM AFFECTED: FOOD STAMP PROGRAM, TEMPORARY CASH  
ASSISTANCE AND MEDICAL ASSISTANCE**

**ORIGINATING OFFICE: OFFICE OF POLICY AND RESEARCH  
BUREAU OF POLICY AND TRAINING**

**BACKGROUND**

Action Transmittal FIA/OPA 97-75 provided information about a provision of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 that changed the way large Supplemental Security Income (SSI) lump sum payments are made. The provision requires installment payments for retroactive SSI payments that exceed 12 times the monthly Federal Benefit Rate (FBR) plus the monthly State supplement. After distribution of AT 97-75, the Food and Consumer Service provided a different interpretation of how to treat the lump sum installment payments in determining the food stamp benefit. This transmittal provides corrected and additional information about the treatment of SSI lump sum income paid in installments.

Action Transmittal 97-75 said retroactive SSI installments which are made for two or more months are counted as income in the month received because they are recurring payments, and cannot be treated as nonrecurring lump sum payments. This was the policy that changed.

**NEW POLICY**

**FOOD STAMP PROGRAM**

The installment payments, paid under this provision of PRWORA, replace what would have been paid as a single lump sum payment for these households and are excluded from income.

Note: Retroactive SSI payments based on drug addiction and/or alcoholism which are paid in two or more monthly installments are counted as income in the months received. This policy has not changed and is fully explained in Action Transmittal OPA 96-07 issued September 25, 1995.

### **POLICY CLARIFICATION**

#### **TEMPORARY CASH ASSISTANCE (TCA)**

The TCA assistance unit cannot include a person who receives SSI. Do not count SSI income or retroactive benefits in determining the eligibility or benefit level of an assistance unit.

#### **MEDICAL ASSISTANCE (MA)**

An SSI recipient is automatically eligible for MA. If an SSI recipient receives a lump sum benefit, the Social Security Administration will determine the effect of the lump sum on the SSI recipient.

If a non-SSI MA recipient receives a lump sum, it is treated as unearned income and is prorated, beginning with the month of receipt, through the remainder of the period under consideration. Lump sum income that is retained into a subsequent period under consideration is considered a resource.

### **ACTION REQUIRED**

There are no special procedures in either CARES or AIMS.

### **ACTION DUE**

This policy is effective upon receipt.

### **INQUIRIES**

Please direct questions to Kay Finegan at (410) 767-7939.

cc: FIA Management Staff  
Constituent Services  
OIM Help Desk  
CTF