

7/1/94  
2240 B1

Bulletin No. 94-14

P-

---

P-2240 Lump Sum Benefits (Continued)

B. Applying Remainder of Income at Re-application

If the client reapplies and is granted, do one of the following:

1. Application during the first month after disqualification: consider any remaining income (earned or unearned - depending on the type of lump sum benefit) for that first month.

Step 1: Multiply the total budgeted requirements by the number of months in the disqualification period.

Step 2: Subtract the amount in Step 1 from the total income for the month of receipt of lump sum (lump sum benefits plus net income - unearned and earned, allowing the standard employment expense deduction, dependent case expense and \$30 and 1/3 or \$30 disregard if applicable.)

**25% For Group 2 or 3 members, use the \$150 and disregard and any allowable dependent care deduction.**

Step 3: Use this result as income in calculating first month's benefits.

Example:

A household had \$100 net earned and unearned income; it received \$1850 retroactive worker's compensation benefits on March 8th and reported this on March 19th.

The household's total budgeted requirements in March were \$956.

- A. 1. For March, the household's total income was \$1950 (\$100 + \$1850).
2. The total income is greater than the budgeted requirements, so the grant must be closed.
3.  $\$1950 \div \$956 = 2.04$  months. The disqualification period must be for two months (3/1-4/30).
4. Period of ineligibility: 3/1-4/30. Effective date of closure: 4/1; Period of closure: 4/1-4/30;

Recoupment established for March.

5. Notify the client using the DSW 220C-DLS (Notice of Decision Closure/Denial due to Lump Sum) that receipt of \$1850 in worker's compensation benefits makes the group ineligible for benefits for 3/1-4/30, thus the case is closed for recoupment will be established for 3/1-3/31.

7/1/93  
2240 B2

Bulletin No. 93-42

P-

P-2240 Lump Sum Benefits (Continued)

B. Applying Remainder of Income at Re-application (Continued)

- B. Step 1: \$ 956 total budgeted requirements  
 $\times$  2 number of months in disqualification  
period  
\$1912 total budgeted requirements for number  
of months in disqualification period
- Step 2: \$1950 household's total income  
 $-$  1912 total budgeted requirements for number  
\$ 38 of months of disqualification
- Step 3: Use \$38 as unearned income when figuring  
eligibility for May.

2. Application after the first month after disqualification:  
consider no income from the lump sum source.

Example:

A household had net earned income of \$300/month. Their total budgeted requirements were \$1081/month.

They received \$3300 in retroactive Social Security benefits on 3/22 and reported it on the MRF they filed the first of April. You took the case action on 4/7.

The household reapplies on 8/14.

- A. 1. For March, the household's total income was \$3600 (\$300 + \$3300).
2. The total income is greater than the budgeted requirements, so the grant must be closed.
3.  $3600 \div 1081 = 3.3$  - the disqualification period is for three months.
4. Period of ineligibility: 4/1-6/30 and closure is effective for April as they are a monthly reporter.
5. Notify the client using the DSW 220C-DLS (Notice of Decision Closure/Denial due to Lump Sum) that receipt of \$3300 in Social Security benefits makes

him/her ineligible for benefits through 6/30.

- B. The household reappplies on 8/14. As the household does not reapply until after July 31, no lump sum income is incorporated in the August ANFC grant.

7/1/92  
2240 B3

Bulletin No. 92-33

P-

---

P-2240     Lump Sum Benefits (Continued)

B.     Applying Remainder of Income at Reapplication (Continued)

3.     Household Split During Disqualification Period

If a household splits during the period of disqualification, the period of disqualification must remain the same. Apply the remaining lump sum income to whichever household reapplies first. If, however, both new households reapply in the same month, prorate the remaining lump sum income and apply it to each new household at application.

Example:

A five-person, two-parent household has net unearned income of \$375/ month; their total budgeted requirements are \$1359.

They receive \$4100 in retroactive Social Security benefits on 3/25. The benefits are based on the husband's disability; \$2733 is for him; \$1367 in another check is for his wife and three children.

You take the action on 4/7.

1.     For March, the household's total income was \$4475 (\$375 + \$4100).
2.     The household's income (\$4475) is greater than its budgeted requirements (\$1359), so the grant should be closed.
3.      $\$4475 \div 1359 = 3.3$ .
4.     Period of ineligibility: 3/1-5/31; earliest possible closure date: 5/1; closure period 5/1 - 5/31; initiate recoupment for the overpayment from 3/1 to 4/30.
5.     DSW 220C-DLS is sent to client telling them that receipt of the \$4100 in Social Security benefits makes them ineligible for benefits through 5/31.

In May the parents separate and each come in and reapply. He has one child, she has the other two.

The period of ineligibility is through 5/31; regardless of the change in the household, they are not eligible. Deny

May eligibility, but process them for June eligibility.

Prorate the amount of remaining income because both applications were received in the same month.

7/1/92  
2240 B4

Bulletin No. 92-33

P-

---

P-2240 Lump Sum Benefits (Continued)

B. Applying Remainder of Income at Reapplication (Continued)

Father's household received 74.99%, rounded to 75% of the lump sum

Father received 66.66% of the lump sum  
(2/3 of the lump sum)

One child received 8.33% of the lump sum  
(1/4 of the remaining 1/3)

Mother's household received 24.99% rounded to 25% of the lump sum

Mother received 8.33% of the lump sum  
(1/4 of the remaining 1/3)

Two children received 16.66% of the lump sum  
(1/4 of the remaining 1/3 for each child)

Step 1      \$1359 Total budgeted requirements  
            x 3 Months grant was closed  
            \$4077

Step 2:      \$4475 Household's total income for March  
            -4077 Step 1  
            \$ 398

Step 3:      \$ 398 is the remaining income to be considered.

1st household: \$398 x .75 = \$298.50  
2nd household: \$398 x .25 = \$ 99.50

(Do not round result to nearest dollar.)