

EFFECTIVE
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NEBRASKA DEPARTMENT OF
HEALTH AND HUMAN SERVICES

475 NAC 4

TITLE 475 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

CHAPTER 4 BENEFITS

001. CALCULATING BENEFITS. Benefit levels for all households are based on each household's net income and household size.

001.01 INITIAL CERTIFICATION. Benefits are prorated from the application filing date at initial certification. The eligibility determination for a household submitting an initial application is based on circumstances for the entire application month. A household's benefit level for the initial month will be based on the day of the month on which the household files the application. Benefits will be prorated from the application filing date to the end of the month.

001.02 RECERTIFICATION. When the household files a new application prior to the expiration of their certification period, benefits are not prorated. Unless there has been a break in benefits, households are not entitled to expedited services at recertification. When the household files a new application after the expiration of their certification period, benefits are prorated from the application filing date. Migrants and seasonal farm workers' benefits are not prorated unless there has been a break in service of more than one month. The Department determines eligibility and benefit level at the time of recertification by considering the household's circumstances as anticipated for the certification period following the expiration of the current certification period.

001.03 ELIGIBILITY FOLLOWING APPLICATION MONTH. The Department will use the same application to deny a case for the initial month and to approve the case for the following month when both of the following conditions are met and actions are completed at the same time:

- (A) The household is ineligible for the program in the month of application; and
- (B) The household is eligible for the program in the following month.

001.04 RETROACTIVE BENEFITS. Retroactive benefits are issued only when eligibility is determined in the month(s) following application. The Department will issue retroactive benefits to a household for the month of application when all of the following conditions are met:

- (1) The household is eligible for the program in the month of application;
- (2) The household is entitled to benefits in the month of application; and
- (3) The Department makes the determination in a month following the month of application that the two steps above apply to the household.

001.04(A) TIME STANDARDS. The eligibility determination for the month following the month of application will be made within the time standards for application processing.001.05 FLUCTUATING ALLOTMENTS. When there are anticipated changes in the household circumstances, and the household does not choose to use the averaging procedures, the assigned allotment will reflect changes anticipated at the time of certification.

001.05 PRORATED ALLOTMENT. Benefits are prorated for the first month of the initial certification period and for the month following recertification when there has been a break in service and at reinstatement. If the allotment after proration is less than \$10, benefits are not issued for that month.

001.05(A) STANDARD MONTH. As a basis of proration, the automated system uses a 30-day month as a standard for households. Application of households applying on the 31st day of a month will be treated as though the household had applied on the 30th day of the month. In February, households applying on the 28th or 29th day are treated the same as households applying on those dates in any other month.

001.05(B) EXPEDITED PROCESSING. If the household files an initial application on or after the 16th day of the month, the Department issues one combined allotment for the month of application and the following month. The household must provide verification of the identity of the head of the household before receiving benefits but may postpone providing some or all of the other verifications for the first two months. The combined allotment will be issued within seven calendar days of the receipt of the application. All required verifications must be provided before the third month's benefits can be issued.

001.05(C) MIGRANT AND SEASONAL FARMWORKER HOUSEHOLDS. The Department will not prorate benefits for migrant and seasonal farm workers when the household has participated in the Supplemental Nutrition Assistance Program within a month before the date of application or at reinstatement.

001.06 FULL MONTHS ALLOTMENT. A full month's allotment is provided in all months except the initial month, the first month of the recertification period when there has been a break in service, or at reinstatement. Except during a prorated month, all eligible one and two-person households will receive at least the minimum monthly benefit, listed in a guidance document, unless they are eligible for the Expanded Resource Program, in which case the allotment can be less. A full month's allotment for a household of three or more may be less than the minimum monthly benefit. All eligible households with three or more members who are entitled to benefits of \$1, \$3, and \$5 will have the benefits adjusted up to \$2, \$4, and \$6, respectively.

001.07 FAILURE TO COMPLY WITH ANOTHER PROGRAM REQUIREMENT. The Supplemental Nutrition Assistance Program allotment is reduced 25% when:

- (1) The household is receiving Supplemental Nutrition Assistance Program benefits and an Aid to Dependent Children Program or Assistance to the Aged, Blind, or Disabled Program cash payment at the time of noncompliance with the means-tested program; and

- (2) The individual within the Supplemental Nutrition Assistance Program household is being sanctioned through a reduction or termination of cash assistance for failure to comply with an Aid to Dependent Children Program or Assistance to the Aged, Blind, or Disabled Program requirement and there is no corresponding Supplemental Nutrition Assistance Program requirement.

001.07(A) INCLUSION IN THE CASH PAYMENT. The household, unit, or individual must be included in the cash payment at the time of the sanction. If there is a corresponding Supplemental Nutrition Assistance Program guideline for which the individual is being sanctioned in the Aid to Dependent Children Program or Assistance to the Aged, Blind, or Disabled Program cash assistance program, only the Supplemental Nutrition Assistance Program penalty applies.

001.07(B) TIMEFRAME OF SANCTION. The 25% allotment reduction is applied the same month the assistance payment is reduced or terminated. If the household member who caused the sanction leaves the household, the benefit reduction is lifted the month following the report the individual is no longer in the Supplemental Nutrition Assistance Program household.

001.07(B)(i) SANCTION DUE TO GRANT REDUCTION. If the Aid to Dependent Children Program grant is reduced, the Supplemental Nutrition Assistance Program failure to comply penalty continues until the sanction is lifted. If the sanction is still in effect at the end of one year, the Department will review the case to determine if the Failure to Comply should continue.

001.07(B)(ii) SANCTION DUE TO GRANT TERMINATION. If the grant is terminated due to an Aid to Dependent Children Program Employment First sanction, the failure to comply penalty is applied concurrently with the minimum length of the Employment First sanction.

001.07(B)(ii) ENDING SANCTION. If the household is no longer eligible for cash assistance due to a reason other than the sanction, the failure to comply penalty will be lifted.

002. CERTIFICATION PERIODS. The Department will determine a definite period of time for which a household is eligible to receive benefits. At the expiration of the certification period, the household loses its entitlement to Supplemental Nutrition Assistance Program benefits until it is recertified based on a new application, an interview if required, and providing the required verifications. Under no circumstances will the Department continue benefits beyond the end of a certification period without a new determination of eligibility.

002.01 CALENDAR MONTHS. The Department sets the certification period to conform to calendar months. For the initial certification, the Department uses the month of application, if eligible, as the first month in the certification period, even if the household's eligibility is not determined until a later month. For recertification, the certification period will begin the month following the last month of the previous certification period.

002.02 LENGTH OF CERTIFICATION PERIODS. The length of the certification period assigned to a household is determined by the household's reporting category and circumstances. If the household is ineligible for the application month and eligible for the month following the application month, the certification period begins with the first month the household is eligible for Supplemental Nutrition Assistance Program benefits.

002.02(A) CERTIFICATION PERIODS FOR HOUSEHOLDS IN SIMPLIFIED REPORTING. When the Supplemental Nutrition Assistance Program household is assigned to Simplified Reporting at initial determination of eligibility or at recertification and all adult members are elderly or disabled with no earned income, the household will be given a 12 month certification period. All other households assigned to Simplified Reporting at initial determination of eligibility or at recertification will be given a six month certification period.

002.02(B) CERTIFICATION PERIODS FOR HOUSEHOLDS IN TRANSITIONAL BENEFIT REPORTING. The household is assigned to the Transitional Benefit Reporting category during an existing certification period from the Simplified Reporting category. When a Simplified Reporting household is assigned to the Transitional Benefit Reporting category, the end date of the current certification period is extended, if applicable, to give the household five months of benefits in the Transitional Benefit Reporting category. The household cannot be assigned to Transitional Benefit Reporting at initial determination of eligibility or at recertification.

002.02(C) CERTIFICATION PERIODS FOR EXPEDITED SERVICES. A certification period is assigned based on the household's circumstances and reporting category. The household may provide all verifications or postpone verifications other than the identity of the head of the household and authorized representative, if appropriate, for the first two months' issuance. When the household has postponed verifications and provides, at a minimum, verification of the identity of the head of the household and authorized representative, if appropriate:

- (1) The Department issues benefits only for the application month when the household applies before the 16th of the month; or
- (2) The Department issues benefits for the application month and the second month together when the household applies on or after the 16th of the month.

002.02(C)(i) EXPEDITED SERVICES AT INITIAL CERTIFICATION. When an expedited household applies before the 16th of the month and provides the minimum required verification as defined in Chapter two, the Department will, within seven days from the date the application is filed, issue to the household prorated benefits for the month of application.

002.02(C)(i)(1) EXPEDITED VERIFICATION. If the household fails to provide the required postponed verification(s) by the end of the expedited issuance benefit month, the benefits for the second issuance will not be issued. If the household provides the required postponed verification(s) before the end of the second month of the certification period, the benefits will be provided for the second month and for the remainder of the original certification period without a new application. Benefits will not be prorated.

002.02(C)(i)(2) EXPEDITED ELIGIBILITY. There is no limit to the number of times a household can be certified under expedited processes as long as the household has completed the verification requirements or was certified under normal processing standards since the last expedited certification.

002.02(C)(i)(3) AGGREGATE ALLOTMENTS AT INITIAL CERTIFICATION. When an expedited household applies on or after the 16th of the month and provides the minimum required verification as defined in Chapter two, the Department will, within seven days from the date the application is filed, issue to the household an aggregate allotment of the prorated benefits for the month of application and the full second month.

002.02(C)(i)(3)(a) AGGREGATE EXPEDITED VERIFICATION. If the household fails to provide the required postponed verification(s) by the end of the second month of the certification period, the benefits for the third month, which would be the second issuance, will not be issued. If the household provides the required postponed verification(s) before the end of the third month of the certification period, the benefits will be provided for the third month and for the remainder of the original certification period without a new application. Benefits will not be prorated.

002.02(D) REINSTATEMENT DURING THE CERTIFICATION PERIOD. A household in the Simplified Reporting category may be eligible for reinstatement during the remaining months of the certification period if household circumstances change.

002.02(D)(i) REINSTATEMENT ELIGIBILITY. During the initial 30 days following the close effective date, the household may be reinstated if a change in circumstances is reported and verified by the household that re-establishes the household's eligibility, or if the missing verification is provided. The household is not required to file a new application. If eligible, the benefits are prorated from the date of report if verified in ten days or from the date all information to re-establish eligibility is received if more than ten days. If the reason for closure was missing verification, benefits are prorated from the date the verifications are provided.

002.02(D)(ii) REINSTATEMENT AFTER CERTIFICATION PERIOD ENDS. If the certification period has ended a new application must be submitted to continue eligibility.

003. NOTICES. The household will be provided with a notice as soon as a determination of eligibility is made but no later than 30 days after the date the application was filed.

003.01 NOTICE OF ELIGIBILITY. If an application is approved, the household will be provided a notice of eligibility which includes the amount of the allotment, the reporting category, and the beginning and ending dates of the certification period. This eligibility notice will inform the household of:

- (A) Variations in the benefit level based on changes anticipated at the time of certification;
- (B) The initial and following month's benefits if the first issuance contains benefits for the month of application and the following month;

- (C) The initial month's benefits and aggregate benefits, if a combined allotment will be issued to an expedited household;
- (D) The household's right to a fair hearing including information about free legal services available and the telephone number of the Department;
- (E) The reporting requirements for households assigned to Simplified Reporting:
 - (i) The household's total gross monthly income exceeds the maximum gross monthly income limit for the household size; or
 - (ii) A non-exempt Able Bodied Adult Without Dependents household member's work, volunteer, or work program hours decrease to below 20 hours per week or below a total of 80 hours per month;
- (F) The non-reporting requirements for the household in the Transitional Benefit Reporting category;
- (G) The need to reapply for continued participation at the end of the certification period; and
- (H) The need for a household entitled to expedited services to provide any remaining required verification necessary to continue benefits.

003.02 NOTICE OF DENIAL. If an application is denied, the household is provided with a notice of denial. This denial notice informs the household of:

- (A) The reason for the denial;
- (B) The household's right to a fair hearing, including information about free legal services available, and the telephone number of the Department; and
- (C) If the delay was caused by the household's failure to complete the application process, the Department explains:
 - (i) The action the household must take to reopen the application process;
 - (ii) That the case will be reopened without a new application if the household takes the required action within 30 days following the application received date; and
 - (iii) That the household must submit a new application if at least 60 days have passed following the application received date, and the household:
 - (1) Has not provided the required information; and
 - (2) Wishes to participate in the program.

003.03 NOTICE OF PENDING STATUS. If an application is held pending more than 30 days because the Department is unable to complete the application process, the Department provides the household with written notice that the application is still pending.

003.04 TIMELY NOTICE. Before any action can be taken to reduce or terminate a household's benefits within the certification period, the Department sends the household a timely notice. When the Department's mail is returned with no forwarding address, it is not necessary to send a notice to an address known to be incorrect.

003.04(A) EXCEPTION TO TIMELY NOTICE. The Department may send an adequate notice to a household whose mail has been returned with no known forwarding address. A household that did not receive a notice and had benefits reduced or terminated retains the right to a fair hearing and restoration of benefits as if the household had received a notice.

003.04(B) TIMELINESS. The notice of adverse action period includes at least ten days from the date the notice is mailed to the date the action becomes effective. Actions become effective on the first day of the month's allotment cycle. An allotment cycle always begins on the first day of the month. In addition, extra time will be allotted when the last processing day falls on a Friday or when a holiday follows the last processing day since notices will not be generated until the next workday. The ten-day period of advance notice allows the household to contest the Department's action before the action becomes effective. The effective date of the adverse action is the first day of the month following the expiration of the ten-day adverse action period.

003.04(B)(i) FAIR HEARING WHEN NOTICE DATE FALLS ON A HOLIDAY OR WEEKEND. If the period of adverse action ends on a weekend or a holiday and a request for a fair hearing and continuation of benefits is received on the next workday, the Department considers the request as being within the period of adverse action.

003.04(C) ADEQUATE NOTICE. The household is notified in writing no later than the date the household receives or would have received its allotment of a benefit reduction or termination when any of the following conditions exist:

- (i) The household reports the information in writing which results in the reduction or termination and the Department can determine both eligibility and benefit level based on the household's written information;
- (ii) Agency mail to the household has been returned with no forwarding address and the action taken would require a timely notice in normal circumstances; or
- (iii) When an individual is disqualified for intentional program violation, the Department notifies the remaining members of their eligibility and benefit level at the same time the disqualified member is notified of his/her disqualification.

003.04(D) NOTICE EXEMPTIONS. Individual notices of action are not required in cases when the agency action is due to:

- (i) A mass change;
- (ii) The death of all household members;
- (iii) The entire household moves out of the state;
- (iv) The completion of a restoration of benefits period if the household was previously informed in writing when the increased restoration of benefits would terminate;
- (v) Month-to-month variances in the household's allotment provided the household was notified of the exact allotment(s) at the time of certification;
- (vi) Initial receipt of an Aid to Dependent Children Program grant provided the household was notified at the time of certification that Supplemental Nutrition Assistance Program benefits would decrease upon approval of the Aid to Dependent Children Program grant;
- (vii) A household member being disqualified for intentional program violation;
- (viii) Verification being received which would terminate or reduce benefits for an expedited case when a certification period of more than one month was assigned. The household must have been informed at the time of certification that the Department would act on verified information without further notice;
- (ix) The conversion of a household from cash repayment of an intentional program violation claim to benefit reduction as a result of failure to make cash repayment;

- (x) A resident of a chemical dependency treatment center or group home becoming ineligible because of the facility losing its license with the appropriate state agency. Residents of a group home which loses its license or certification may still apply on their own behalf; and
- (xi) The voluntary request of the household that its participation be terminated. If the household does not put the request in writing, the Department will send a letter confirming the request. The written confirmation will allow the household to request a fair hearing but does not have to meet other adverse action requirements.

003.05 NOTICE OF EXPIRATION. The Department notifies the households of the expiration of their certification periods by sending a notice. The automated "Notice of Expiration of Certification Period" will be received by the household between the 15th day of the next to last month and the first day of the last month of the certification period.

003.05(A) TIMELINESS. Regardless of when the Department assigns an interview date, the Department considers the household's application as timely if it is received by the 15th day of the last month of certification. Households provided a notice of expiration have a minimum of 15 days from the date the notice is received to file a timely application for recertification. If the application is mailed in, the household must allow two days mailing time to ensure that the Department receives the application within 15 days.

004. HOUSEHOLD RESPONSIBILITY TO REPORT. An applying household must report all changes relating to its Supplemental Nutrition Assistance Program eligibility and benefit level at the certification interview.

004.01 REPORTING CATEGORIES. The following defines the Supplemental Nutrition Assistance Program reporting categories.

004.01(A) HOUSEHOLDS ASSIGNED TO SIMPLIFIED REPORTING. All households will be assigned to Simplified Reporting unless they are excluded from this reporting category. The household is assigned to the Simplified Reporting category at application or at recertification. When the household is assigned to the Simplified Reporting category, the household remains in this reporting category until the end of the certification period, unless the household becomes eligible to be assigned to the Transitional Benefit Reporting category.

004.01(A)(i) HOUSEHOLDS EXCLUDED FROM SIMPLIFIED REPORTING. Households whose Aid to Dependent Children Program cash grant has ended are excluded from Simplified Reporting and will be assigned to the Transitional Benefit Reporting category.

004.01(A)(ii) DETERMINING TIMEFRAMES FOR SIMPLIFIED REPORTING HOUSEHOLDS. Households assigned to Simplified Reporting at initial determination of eligibility or at recertification in which all adult members are elderly or disabled with no earned income will be given a 12 month certification period. All other households assigned to Simplified Reporting at initial determination of eligibility or at recertification will be given a six month certification period.

004.01(A)(ii)(1) CHANGES TO TIMEFRAME. No changes will be made to shorten or lengthen a correctly determined certification period in Simplified Reporting during an ongoing certification period, unless the household becomes eligible to be assigned to the Transitional Benefit Reporting category.

004.01(A)(iii) SIMPLIFIED REPORTING REQUIREMENTS. Households assigned to the Simplified Reporting category are only required to report when the household's actual total gross monthly income exceeds the maximum gross monthly income limit for the household size, or when the household contains a non-exempt Able Bodied Adult Without Dependents whose hours decrease below 20 hours per week or below a total of 80 hours per month. The household must report information within ten days after the last day of the month in which the change occurred. These are the only changes a household assigned to the Simplified Reporting category must report during the certification period. All other changes are reported at recertification.

004.01(A)(iii)(1) ACTION WHEN AID TO DEPENDENT CHILDREN PROGRAM GRANT ENDS. When the household is currently assigned to the Simplified Reporting category and the Aid to Dependent Children program grant ends due to going over the Aid to Dependent Children program's income limit, the household will be assigned to Transitional Benefit Reporting if they are otherwise eligible for that reporting category. The household will be assigned to the Transitional Benefit Reporting category the month the household receives the Aid to Dependent Children Program Transitional Medical Assistance grant or the month after the Aid to Dependent Children Program grant ends when a Transitional Medical Assistance grant is not authorized.

004.01(A)(iii)(2) ACTION ON INTERFACE CHANGES. The Department will take action on all information received through automated exchanges.

004.01(A)(iii)(3) ACTION ON OTHER CHANGES. Action will be taken on all reported changes even if the household was not required to report the change. Action will also be taken on information reported to the agency by someone outside the Supplemental Nutrition Assistance Program household.

004.01(A)(iii)(4) ACTION WHEN HOUSEHOLD RECEIVED OVERPAYMENT OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS. During the certification period if the household fails to report when the household income exceeded the maximum gross monthly income limit for the household size, the Department will determine if an overpayment occurred. The first month of the overpayment is two months after the actual monthly income exceeded the maximum monthly gross income limit.

004.01(A)(iii)(5) ACTION WHEN HOUSEHOLD RECEIVED UNDERISSUANCE OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS. Supplemental Nutrition Assistance Program benefits are not restored to Simplified Reporting households that fail to report changes at application and/or reapplication.

004.01(B) HOUSEHOLDS ASSIGNED TO TRANSITIONAL BENEFIT REPORTING. All households in which one or more members were receiving an Aid to Dependent Children Program cash grant and the Aid to Dependent Children Program cash grant ends due to going over that programs income limit will be assigned to the Transitional Benefit Reporting category unless the household is ineligible for Transitional Benefit Reporting for one of the following reasons:

- (1) The Aid to Dependent Children Program cash grant is ending because of an Aid to Dependent Children Program sanction;
- (2) The Aid to Dependent Children Program cash grant is ending because of non-cooperation with Employment First ;
- (3) An individual in the Supplemental Nutrition Assistance Program household is disqualified from Supplemental Nutrition Assistance Program; or
- (4) The household failed to comply with Supplemental Nutrition Assistance Program reporting requirements.

004.01(B)(i) DETERMINING TIMEFRAMES FOR TRANSITIONAL BENEFIT REPORTING HOUSEHOLDS. Households placed in Transitional Benefit Reporting will be assigned to this category for five months. The first Transitional Benefit Reporting month is the first month of the Aid to Dependent Children Program transitional grant or the month after the Aid to Dependent Children Program grant ends when an Aid to Dependent Children Program transitional grant is not authorized. The household remains in Transitional Benefit Reporting until the end of the Transitional Benefit Reporting certification period unless the household requests to be recertified in Simplified Reporting.

004.01(B)(ii) BENEFIT LEVELS FOR TRANSITIONAL BENEFIT REPORTING HOUSEHOLDS. To calculate Supplemental Nutrition Assistance Program benefits for a household in Transitional Benefit Reporting, the Department uses the budget from the final month the household receives the Aid to Dependent Children Program grant and calculates a new budget that omits from income the Aid to Dependent Children Program grant amount.

004.01(B)(iii) TRANSITIONAL BENEFIT REPORTING REQUIREMENTS. Households in Transitional Benefit Reporting are not required to report any changes during the time the household is in this reporting category.

004.01(B)(iii)(1) ACTION ON REPORTED CHANGES IN HOUSEHOLD COMPOSITION. Household composition changes which are reported are acted on only to prevent duplicate participation or when the household requests to be recertified in the Simplified Reporting category. If a household member leaves the Transitional Benefit Reporting household, the allotment remains the same unless the individual leaving the Transitional Benefit Reporting household applies for Supplemental Nutrition Assistance Program benefits on the applicant's own behalf or requests to be added to another household. In these cases, the individual(s) leaving the household will be removed from the Transitional Benefit Reporting household to prevent duplicate participation. Additionally, any income, resources, and deductible expenses attributable to the individual(s) being removed from the household will be removed from the budget for the first possible month, allowing

for either timely or adequate notice, whichever is applicable. The original household remains in Transitional Benefit Reporting unless the household requests to be recertified.

004.01(B)(iii)(1)(a) INDIVIDUAL MOVING INTO A TRANSITIONAL HOUSEHOLD. If an individual joins a Transitional Benefit Reporting household, no changes are made unless the household requests to add the new individual to the Supplemental Nutrition Assistance Program household. The household is notified that their case will be closed and that the household must file a new application to receive future benefits and be placed in the proper reporting category.

004.01(B)(iii)(2) ACTION ON OTHER REPORTED CHANGES. Other changes, including verified Interfaces, which are reported or are known to the agency, are not acted on until Transitional Benefit Reporting ends. The information or verification will be placed in the case file to be used at recertification.

004.01(B)(iii)(3) ACTION WHEN TRANSITIONAL BENEFIT REPORTING ENDS. Households which have been in the Transitional Benefit Reporting category for five months will be closed at the end of the five months. To receive Supplemental Nutrition Assistance Program thereafter, a household must reapply and, upon approval, will be assigned to Simplified Reporting category.

004.01(B)(iii)(4) ACTION WHEN HOUSEHOLD RECEIVED OVERPAYMENT OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS. Accounts receivable for established overpayments may be recouped from Transitional Benefit Reporting benefits.

004.01(B)(iii)(5) ACTION WHEN HOUSEHOLD RECEIVED UNDERISSUANCE OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS. If a household received fewer benefits than they were entitled to due to a Department error, the benefits will be restored to the household.

004.01(B)(iv) TRANSITIONAL BENEFIT REPORTING FOR HOUSEHOLDS THAT MOVE TO NEBRASKA. A household that received cash assistance from an Aid to Dependent Children Program, federally referred to as Temporary Assistance to Needy Families, in another state before moving to Nebraska or a household that moved to Nebraska during Transitional Benefit Reporting eligibility in another state may be eligible for Transitional Benefit Reporting. The household must meet Nebraska's Transitional Benefit Reporting eligibility requirements.

004.02 DEPARTMENT'S ACTION ON CHANGES. The following applies to how the Department will act on changes.

004.02(A) UNCLEAR INFORMATION. When unclear information is received by the Department, either from the household or another means, the Department will pursue clarification or verification from the household or collateral sources. If clarification or

verification is requested from the household, the Department provides written notice to the household which:

- (1) Advises the household of the verification it must provide or the actions that must be taken to clarify its situation, either by telephone or written correspondence;
- (2) Allows the household at least ten days to provide the information; and
- (3) Advises the household of the consequences for failure to respond within ten days.

004.02(A)(i) HOUSEHOLD RESPONSE. The following actions are taken dependent on a household's response.

004.02(A)(i)(1) HOUSEHOLD DOES NOT RESPOND. If the household does not respond to the verification request or does respond but refuses to provide sufficient information to clarify its circumstances, the Department:

- (a) Issues a notice of adverse action which terminates the case;
- (b) Explains the reasons for the action; and
- (c) Advises the household of the need to submit a new application.

004.02(A)(i)(2) HOUSEHOLD DOES RESPOND. If the household does respond with sufficient information, the Department will act on the new circumstances:

- (a) When the information provided will result in an increase in benefits, the change is made for the following month;
- (b) When the information provided will result in a decrease in benefits, the change is made for the following month if timely notice can be provided; or
- (c) When the information provided will result in a decrease in benefit and time does not allow for a timely notice, the change is made for the month following the expiration of the timely notice.

004.02(B) HOUSEHOLD COMPOSITION. The following applies to changes regarding household composition.

004.02(B)(i) ADDING MEMBER(S). When a household reports an increase in household membership, the household must provide or apply for a Social Security number for the new household member. The new household member must meet the same eligibility factors as applicant household members. When benefits will increase, the new member is added to the household for the month after the change is reported if the household provides requested verification within ten days of the reported change. If the verification is received too late in the month to make the change for the next issuance month, the Department issues supplemental benefits. When benefits will decrease, the change in the household membership is effective the month following the expiration of the notice of adverse action.

004.02(B)(i)(1) CHANGES MADE TOO LATE FOR TIMELY NOTICE. When a Supplemental Nutrition Assistance Program recipient moves to another Supplemental Nutrition Assistance Program household and the change is reported too late in the month to give timely notice, the change is made the month after the Supplemental Nutrition Assistance Program recipient last received benefits as a member of the prior household.

004.02(B)(ii) REMOVING MEMBER(S). When a household reports the loss of a household member, the Department will not obtain verification before making the change unless the information is questionable. When the benefit increases due to the loss of a household member, the individual is removed from the household beginning the month after the change is reported. When benefits decrease due to the loss of a household member, the individual is removed for the month following the expiration of the timely notice and the Supplemental Nutrition Assistance Program benefit is adjusted for the month after the ten-day notice period has expired. If the timeliness standard is waived by the household, the Supplemental Nutrition Assistance Program benefit is adjusted for the month following the reported change.

004.02(C) RESOURCES. Resource changes which are reported that do not affect the household's eligibility are documented in the case file. The value of vehicles is verified at the time of the report by use of the Kelley Blue Book. Other resource changes which do not affect the household's eligibility are not verified until recertification unless questionable. At recertification, resources are verified if the total amount of countable resources indicated on the application is \$1500 or more.

004.02(C)(i) CHANGES IN RESOURCES. If a change of resources is reported which would put the household over the resource limit, no verification is needed before closing the case. If it is uncertain whether the report of a change regarding resources will put the household over the resource limit, the Department will request verification and close the case if appropriate.

004.02(D) INCOME. A new source of income or an income change that is required to be reported must be reported within ten days after the last day of the month that the household exceeds the maximum gross monthly income limit. The Department will take action on known changes. When a written verification request is required to obtain verification, it will inform the household of:

- (1) Verification needed to determine the new benefit amount;
- (2) Length of time to provide the information; and
- (3) Consequences of not providing the information timely.

004.02(D)(i) ACTION WHEN HOUSEHOLD RESPONDS TIMELY. If the household responds within the ten days, appropriate action is taken to determine the new allotment. The household must be given timely notice when the Supplemental Nutrition Assistance Program benefit decreases.

004.02(D)(ii) ACTION WHEN HOUSEHOLD DOES NOT RESPOND TIMELY. If the household does not respond within the ten days, the Department will close the case for the following month provided the household can be given timely notice.

004.02(D)(iii) INCOME VERIFICATION REQUIREMENTS. All sources and amounts of income will be verified before using the income in the Supplemental Nutrition Assistance Program budget. If a change of income is reported which would put the household over the income limit for the household size, no verification is needed before closing the case.

004.02(E) ASSISTANCE REPORTING REQUIREMENTS. If the household receives benefits from another assistance program provided by the Department, any changes reported to the worker handling the other assistance case are considered to have been reported for Supplemental Nutrition Assistance Program purposes. Department assistance programs may require changes to be reported which are not required to be reported for Supplemental Nutrition Assistance Program.

004.02(E)(i) CHANGES REPORTED TO ASSISTANCE PROGRAM. If a change is reported, the Department also makes the change in the Supplemental Nutrition Assistance Program budget even if it involves a change that need not be reported for Supplemental Nutrition Assistance Program.

004.02(E)(ii) REDUCTION OF AID TO DEPENDENT CHILDREN PROGRAM BENEFITS. If a household's Aid to Dependent Children Program benefits are reduced during a certification period and the Department has sufficient information to determine Supplemental Nutrition Assistance Program eligibility, the Department will take the following action:

- (1) If both the Aid to Dependent Children Program grant and the Supplemental Nutrition Assistance Program benefits are reduced, a single timely notice may be sent to the household for the Aid to Dependent Children Program and Supplemental Nutrition Assistance Program actions;
- (2) If the household requests a fair hearing, the household's Aid to Dependent Children Program and Supplemental Nutrition Assistance Program benefits are continued at the same amount as immediately before the notice was sent;
- (3) If a fair hearing is requested, the hearing will be conducted according to procedures for Supplemental Nutrition Assistance Program;
- (4) If the certification period expires before the completion of the fair hearing process, the household must reapply for benefits; and
- (5) If the Aid to Dependent Children Program benefits are terminated but the household is still eligible for Supplemental Nutrition Assistance Program benefits, the Department will advise household members of the work requirements, if applicable.

004.02(F) DEDUCTION CHANGES. The following guidelines apply in regard to deduction changes:

- (1) Except for shelter and utility, verification is required if the change would increase benefits;
- (2) If verification is:
 - (a) Received within ten days of the reported change, the increase would be effective for the next issuance ten days after the change is reported; or
 - (b) Not received within ten days of the reported change, the increase would be effective by the next issuance ten days after the change was verified;
- (3) Verification is not required before acting on changes which would decrease benefits. This verification would be done at the next recertification. Benefit decreases as a result of deduction decreases are effective in the month following the expiration of the adverse action period unless adequate notice is sufficient.

004.02(F)(i) MEDICAL. Households are not required to report changes in medical expenses during the certification period. However, if a household does provide verified changes during the certification period, the Department acts on these changes. This applies to a change that results in either an increase or a decrease in benefits.

004.02(F)(i)(1) ACTION ON CHANGES. If the Department learns of a change in medical expenses from a source other than the household, such as from the household's Assistance to the Aged, Blind, or Disabled Program case, and the change is considered to be verified, the Department acts on the change. However, the Department will not contact the household for additional information or verification. If the change would require the Department to contact the household, the Department will not act on the change during the certification period.

004.02(F)(i)(2) MEDICAL DEDUCTION CHANGES RESULTING IN BENEFIT DECREASE. If the reported change will decrease benefits, the Department acts on information provided without waiting for verification. If not verified before recertification, the change would be verified at that time.

004.02(F)(ii) DEPENDENT CARE. Households are not required to report changes in dependent care during the certification period. If the household reports that a household member will start paying dependent care costs, the Department will assess the household's eligibility for the deduction and request verification before allowing it. The Department is not required to verify dependent care changes which would reduce the household's benefits before acting on the change. The change would be verified at the time of recertification.

004.02(G) INTERFACE RELATED CHANGES. An information alert through the automated system is considered information known to the agency and will be acted upon.

004.02(H) CHANGES REPORTED AFTER AN AGGREGATE BENEFIT ISSUED. The following applies to cases in which a change is reported after an aggregate benefit is issued.

004.02(H)(i) INCREASE IN BENEFITS. If a household reports a change which would increase benefits after an aggregate budget has been completed, the allotment is adjusted as follows:

- (1) If the change involves a decrease in income of \$50 or more or the addition of a household member, a supplemental benefit may need to be issued after the verification is provided.
- (2) If a change occurs that does not involve a decrease in income of \$50 or more or the addition of a household member, the Department makes the allotment increase effective:
 - (a) For the aggregate month by means of a supplemental benefit when verification is provided before the first day of the aggregate month.
 - (b) For the month following the aggregate month when verification is not provided before the first day of the aggregate month.

004.02(H)(ii) DECREASE IN BENEFITS. If a household reports a change which would decrease benefits after an aggregate budget has been completed, the change is effective for the month following the aggregate month.

004.02(J) OTHER CHANGES. Although the household is not required to report some changes in household circumstances, the Department acts on these changes if information is received which would affect the household's eligibility or benefit level.

004.03 BENEFIT INCREASES. If the household reports a change other than a change in shelter or utility costs that will increase the household's benefits, the household must provide verification of the change before any action will be taken.

004.03(A) CHANGES IN HOUSEHOLD COMPOSITION AND INCOME. When the change is an addition of a new household member who is not a member of another certified household or an income decrease of \$50 or more in the household's gross monthly income, the household must be allowed a minimum of ten days to provide verification:

- (i) When the household provides the verification within ten days of the date the change is reported, the Department makes the change in the month's allotment following the month the change was reported. When the change is reported in the last ten days of the month and verified within ten days of the report, supplemental benefits will be issued; or
- (ii) When the household does not provide the verification within ten days of the date the change is reported but does provide the verification at a later date, the Department will make the change in the month's allotment following the month after verification is received. When the verification is received too late in the month to change the next month's allotment, supplemental benefits will be issued.

004.03(B) CHANGES OTHER THAN HOUSEHOLD COMPOSITION AND INCOME. When the household reports a change that will increase the Supplemental Nutrition Assistance Program benefits other than the addition of a household member or the decrease of \$50 or more in income, the change may be made in the following month. The change will be effective for the allotment issued ten days after the change was reported:

- (i) When the household provides the verification within ten days of the date the change is reported, the Department will make the change no later than the first allotment issued ten days after the change is reported; or
- (ii) When the household does not provide the verification within ten days after the change is reported but does provide the verification at a later date, the Department will make the change no later than the first month's allotment issued ten days after the verification is received.

004.03(C) SUPPLEMENTALS. For households in the Simplified Reporting category supplemental benefits will be issued to households under the following circumstances:

- (i) The household has reported a \$50 or more decrease in household's gross monthly income or an addition of a household member who is not in another certified household;
- (ii) The verification of the change is received too late to make the change for the appropriate benefit cycle; and

(iii) Supplemental benefits will be issued by the tenth day of the following month.

004.04 BENEFIT DECREASES. For households in the Simplified Reporting category, prompt action will be taken on changes. If the Department becomes aware of a change that will terminate or decrease the household's Supplemental Nutrition Assistance Program benefits, a notice of adverse action will be provided within 10 days of the date the change was reported unless adequate notice or notice exemption standards apply:

- (A) When a notice of adverse action is required, the decrease in the benefit level will be made effective no later than the allotment for the month following the month in which the notice of adverse action period expired, provided a fair hearing and continuation of benefits have not been requested; or
- (B) When a notice of adverse action is not required, the decrease will be made effective no later than the month following the change.

004.05 FAILURE TO REPORT. If the household failed to report a change as required and received benefits to which it was not entitled, the Department will file a claim against the household. If the discovery is made within a certification period, the Department will send the household a timely notice if its benefits will be reduced. A household is not liable for a claim because of a change in household circumstances, which it is not required to report. Individuals are not disqualified for failing to report a change unless they are disqualified in accordance with the intentional program violation disqualification procedures.

005. MASS CHANGES. The following rules apply to mass changes.

005.01 FEDERAL AND STATE ADJUSTMENTS. Adjustments to eligibility standards, allotments, deductions, standard utility allowances, and standard shelter allowances will go into effect for all households at a specific point in time. The Department may not send notices for these changes. These mass changes will be publicized through the news media, posters in certification offices, or through general notices provided to the households.

005.02 MASS CHANGES IN STATE GRANTS. When the Department makes an overall adjustment to state grant payments, the Department will handle adjustments to Supplemental Nutrition Assistance Program benefits as a mass change using the following procedures:

- (1) If the Department knows of the change at least 30 days before it is effective, the benefits will be recomputed to be effective in the same month as the grant change; or
- (2) If the Department does not have 30 days notice of the change, the change will be effective no later than the month following the month of the grant change.

005.02(A) NOTICE FOR MASS CHANGE. A timely notice is not required as a result of a mass change in the state grant, however, the household will be informed of the change. If a household requests a fair hearing, benefits will be continued at the former level only if the issue being appealed is the incorrect computation of Supplemental Nutrition Assistance Program eligibility or benefits.

005.03 SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME BENEFITS. The household is not responsible for reporting cost-of-living adjustment increases and other mass changes in Social Security and Supplemental Security Income payments. The Department

automatically adjusts the household's Supplemental Nutrition Assistance Program benefit level to reflect the change.

005.03(A) NOTICE FOR COST OF LIVING ADJUSTMENTS. A timely notice is not required for cost-of-living adjustments and other mass changes in Social Security and Supplemental Security Income; however, the household will be informed of the change. If a household requests a fair hearing, benefits will be continued at the former level only if the issue being appealed is incorrect computation of Supplemental Nutrition Assistance Program eligibility or benefits.

006. RESTORED BENEFITS. Benefits will be restored to households when they do not receive all of the benefits to which they were entitled because:

- (A) The Department made a mistake;
- (B) An intentional program violation disqualification is later reversed;
- (C) It is required by court order; or
- (D) Federal regulations specifically require it.

006.01 RESTORED BENEFIT REQUIREMENTS. Benefits are restored as soon as possible and will be completed no later than 30 days from the date the agency error was discovered. Benefits will be restored even if the household is not currently eligible or participating in the program. The amount restored will be in addition to any current benefit the household is entitled to receive. However, if the household has a prior unpaid accounts receivable, that amount is offset from the restored amount, and the remainder, if any, is restored to the household.

006.02 TIMEFRAME FOR RESTORED BENEFITS. Restored benefits are not calculated for more than 12 months before the month of the date of discovery, unless court ordered. Underpayments caused by agency error will be restored; however, underpayments caused by the household are not restored.

006.03 CHANGES IN HOUSEHOLD COMPOSITION. If the household composition changes before benefits can be restored, benefits will be restored to the household containing the majority of individuals who were household members at the time the underpayment occurred. If the household containing the majority of members cannot be located, benefits will be restored to the individual who was the head of the household at the time the underpayment occurred.

007. COLLECTIONS. This section details the responsibilities and guidelines in regard to:

- (A) Establishing overpayments and accounts receivable; and
- (B) Collections on accounts receivable.

007.01 ESTABLISHING OVERPAYMENTS. Thresholds have been established to determine whether or not to create an accounts receivable against a certified or non-certified household. The thresholds are determined by how the error was determined and whether or not the household is certified at the time the overpayment is discovered. Accounts receivable are established for:

- (1) All overpayments determined by Quality Control;
- (2) Certified households when the cumulative amount of the overpayment is \$25 or more;

- (3) Non-certified households when the cumulative amount of the overpayment is \$125 or more; and
- (4) The amount of the threshold for each type of household is applied at the time the overpayments are calculated.

007.01(A) TYPES OF OVERPAYMENTS. There are three types of overpayments:

- (i) Administrative Error Overpayment: Any overpayment caused by the Department's action or failure to take action;
- (ii) Inadvertent Household Error Overpayment: Any overpayment caused by a household's misunderstanding or unintended error; and
- (iii) Intentional Program Violation Overpayment: Any overpayment caused by an Intentional Program Violation as adjudicated by:
 - (1) A disqualification hearing;
 - (2) A court of appropriate jurisdiction; or
 - (3) A household's signing of a waiver of the individual's right to a disqualification hearing.

007.01(B) CRITERIA FOR ESTABLISHING ADMINISTRATIVE ERROR OVERPAYMENTS. An overpayment will be established against any household that received an overpayment due to an Administrative Error within the last 12 months before the month of discovery. Action may be taken on an overpayment for which more than 12 months have elapsed; however, action cannot be taken on overpayments for which more than six years have elapsed between the month an overpayment occurred and the month the overpayment was discovered. Instances of Administrative Error include, but are not limited to:

- (i) Income, resources, or deductions which were computed incorrectly or otherwise caused an incorrect benefit amount;
- (ii) Action that was not taken timely based on information known to the agency or reported by the household;
- (iii) When incorrect policy or procedure was applied; or
- (iv) When duplicate benefits were issued in error.

007.01(C) CRITERIA FOR ESTABLISHING INADVERTENT HOUSEHOLD ERROR OVERPAYMENTS. An overpayment will be established against any household that received an overpayment due to an Inadvertent Household Error within the last 12 months before the month of discovery. Action may be taken on an overpayment for which more than 12 months have elapsed; however, action cannot be taken on overpayments for which more than six years have elapsed between the month an overpayment occurred and the month the overpayment was discovered. The following are the most common overpayment situations caused by inadvertent household errors:

- (i) Household misunderstanding or an unintended error resulting in the household either reporting incorrect information or failing to report information or changes; or
- (ii) Household receiving continued benefits pending a fair hearing and the agency's decision was upheld.

007.01(D) CRITERIA FOR ESTABLISHING INTENTIONAL PROGRAM VIOLATION OVERPAYMENTS. Potential Intentional Program Violations will be reported to the Special Investigations Unit of the Department. Until a determination of an Intentional Program

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Violation has been made, the Accounts Receivable is processed as an Inadvertent Household Error.

007.01(D)(i) OVERPAYMENT PROCESSING PROCEDURES. In situations where a potential Intentional Program Violation may have occurred, overpayments are calculated back to the month the alleged Intentional Program Violation occurred up to six years from the date of discovery. If the alleged Intentional Program Violation was caused by the household's failure to report information timely, the overpayment will be calculated beginning with the month the change would have been effective if it had been reported in a timely manner. The first month of the overpayment cannot be more than two months after the change occurred.

007.01(E) TRAFFICKED BENEFITS. Overpayment amounts of trafficked benefits will be established based on reports from Food and Nutrition Service , Office of Inspector General or the Department of Health and Human Services Special Investigations Unit. Overpayments based upon trafficking or attempted trafficking of Supplemental Nutrition Assistance Program benefits will be established using the individual's admission, the adjudication, or the evidence of trafficking which may include evidence obtained from social media sites.

007.01(F) SITUATIONS WHEN OVERPAYMENTS ARE NOT ESTABLISHED. An overpayment is not established when:

- (i) The agency failed to ensure that the household signed the application form;
- (ii) A categorically eligible or an Expanded Resource Program eligible household has been overpaid benefits and there has been no change in the net income and/or household size;
- (iii) The household is receiving benefits and the accumulated months of Inadvertent Household Error and/or Administrative Error overpayments total less than \$25 and Quality Control or the Special Investigations Unit did not discover the error; or
- (iv) The household is not receiving benefits and the accumulated months of Inadvertent Household Error and/or Administrative Error overpayments total less than \$125 and Quality Control or the Special Investigations Unit did not discover the error.

007.02 COLLECTING ACCOUNTS RECEIVABLE. The following policies and procedures apply to collection accounts receivables.

007.02(A) CRITERIA FOR INITIATING COLLECTION ACTION ON INADVERTENT HOUSEHOLD AND ADMINISTRATIVE ERROR ACCOUNTS RECEIVABLE. Action will be taken to initiate collection on all types of overpayments. Collection on accounts receivable will be done through recoupment from the household's benefit or by other collection actions.

007.02(B) CRITERIA FOR INITIATING COLLECTION ACTION ON INTENTIONAL PROGRAM VIOLATION ACCOUNTS RECEIVABLE. Intentional program violation overpayments are handled as inadvertent household error accounts receivable for collection purposes until a household member is found to have committed an intentional

program violation through a disqualification hearing, in a court of appropriate jurisdiction or if the individual has signed a waiver to an administrative disqualification hearing.

007.02(C) INITIATING COLLECTIONS OF ACCOUNTS RECEIVABLE. For households currently receiving benefits, recoupment occurs automatically through a monthly benefit reduction beginning the first month possible considering ten day notice of adverse action. Benefits are not recouped from any prorated month. In cases where a household was found guilty of an intentional program violation or has signed a waiver to a disqualification hearing, collection will be initiated the first month possible. Households not currently certified receive monthly billing statements. If the accounts receivable becomes delinquent, repayment is undertaken through other collection actions.

007.02(C)(i) BENEFIT REDUCTION FOR INADVERTENT HOUSEHOLD ERROR OR ADMINISTRATIVE ERROR ACCOUNTS RECEIVABLE. The amount of the inadvertent household error or administrative error benefit reduction is the greater of ten percent of the household's monthly benefit or \$10 unless the household agrees to a higher amount.

007.02(C)(ii) BENEFIT REDUCTION FOR INTENTIONAL PROGRAM VIOLATION ACCOUNTS RECEIVABLE. The amount of the monthly benefit reduction for intentional program violation is the greater of 20% or \$20 unless the household agrees to a higher amount.

007.02(C)(iii) OTHER COLLECTION ACTIONS. In addition to benefit reduction for participating households, the following may also be used to repay overpayments:

- (a) Cash payments either through installment payments or lump sum amounts;
- (b) Treasury Offset Program;
- (c) Offset of restored benefits;
- (d) Public service if authorized by a court;
- (e) State tax refunds;
- (f) Wage garnishments;
- (g) Lottery winnings;
- (h) Property liens;
- (i) Small claims court; or
- (j) Unemployment Compensation Benefits intercept.

007.02(C)(iii)(1) ADDITIONAL COLLECTION METHODS. If the household's benefit is reduced, no other involuntary collection methods will be used unless the source of the payment is irregular and unexpected such as a state tax refund or lottery winnings offset.

007.02(C)(iii)(2) VOLUNTARY PAYMENTS. The household has the option to voluntarily enter into an agreement to repay the accounts receivable through an additional repayment method even though monthly Supplemental Nutrition Assistance Program benefits are being recouped.

007.03 ESTABLISHING DELINQUENCY. An accounts receivable becomes delinquent when:

- (1) There is no active recoupment;

- (2) No collections have been received within 210 days from the date of the initial demand letter or post fair hearing notice;
- (3) The accounts receivable has not been paid by the due date and a satisfactory payment arrangement has not been made:
 - (a) The due date is the date on the initial written notification or demand letter or post fair hearing notice-30 days from the mail date;
 - (b) Accounts receivable remain delinquent until payment is received in full, a satisfactory payment agreement is negotiated or an allotment reduction is invoked; or
- (4) An accounts receivable payment arrangement has been established but a scheduled payment has not been made by the due date. The due date is the date of the missed payment.

007.03(A) ACCOUNTS RECEIVABLE DELINQUENCY. The accounts receivable will remain delinquent until:

- (i) Payment is received in full;
- (ii) An allotment reduction is invoked;
- (iii) The repayment schedule is resumed or renegotiated;
- (iv) A good faith effort is determined; or
- (v) The accounts receivable is compromised due to hardship.

007.03(B) ACCOUNTS RECEIVABLES NOT CONSIDERED DELINQUENT. Accounts receivables will not be considered delinquent in the following situations:

- (i) Another accounts receivable for the same household is currently being paid either through an installment agreement or benefit reduction and collection on the accounts receivable(s) is anticipated to begin once the prior overpayment is settled;
- (ii) Collection is being coordinated through the court system and the Department has limited control over the collection action; or
- (iii) The accounts receivable is awaiting a fair hearing decision.

007.04 ACTION TAKEN ON DELINQUENT ACCOUNTS. All accounts receivables that are legally enforceable and delinquent are submitted to the Treasury Offset Program as well as to other programs or agencies for further collection actions. Debtors will receive notice of impending referral to Treasury Offset Program.

007.04(A) SUSPENDED COLLECTION ON ACCOUNTS RECEIVABLE. An administrative error, inadvertent household error or intentional program violation accounts receivable will be suspended in the following situations:

- (1) The household is nonparticipating;
- (2) Delinquency of the accounts receivable has been established;
- (3) At least one demand letter has been sent; and
- (4) At least three billing statements have been sent to the household.

007.04(A)(i) TREASURY OFFSET PROGRAM ON SUSPENDED ACCOUNTS RECEIVABLES. Suspended accounts receivables will still be subject to Treasury Offset Program collection and automatic recoupment if the responsible party becomes eligible for benefits.

007.04(B) TERMINATED COLLECTION ON ACCOUNTS RECEIVABLES. An administrative error, inadvertent household error or intentional program violation accounts receivable will be terminated and written off in the following situations:

- (i) The accounts receivable has been in suspended status for three or more years with no active collection;
- (ii) All adult household members have died;
- (iii) The accounts receivable balance is \$25.00 or less and there are no accounts receivables existing that would result in an aggregate of accounts receivables to be greater than \$25.00 and the accounts receivable has been delinquent for 90 days or more; or
- (iv) The household cannot be located.

007.04(C) COMPROMISING AN ACCOUNTS RECEIVABLE. An administrative error, inadvertent household error or intentional program violation accounts receivable will be compromised in the following situations:

- (i) The Department will compromise an accounts receivable or a portion of an accounts receivable if it is reasonably determined that a household's economic circumstances dictate that the accounts receivable will not be paid in three years; or
- (ii) The full amount of an accounts receivable, including any compromised amount, will be used to offset benefits.

007.05 CHANGE IN HOUSEHOLD COMPOSITION. Collection action will be taken against any or all of the adult household members at the time the overpayment occurred. If a change in household composition occurs, the accounts receivable may be collected from any household which contains an original adult member of the household which received the overpayment. Offsetting the amount of the accounts receivable may also be done against restored benefits owed to any household which contains an adult member of the original household at the time the overpayment occurred. The amount collected will never exceed the amount of the accounts receivable.

008. ALLOTMENT REDUCTION OR CANCELLATION PROCEDURES. If federal funds for Supplemental Nutrition Assistance Program run out before the end of a fiscal year, it is possible that Supplemental Nutrition Assistance Program benefits would have to be reduced or cancelled. This section details these procedures.

008.01 BENEFIT REDUCTIONS. If a reduction in benefits is necessary, the amounts for each household size will be reduced by the same percentage. All one and two-person households affected by a reduction are guaranteed the minimum monthly benefit unless the action is:

- (A) A cancellation of benefits; or
- (B) A national reduction of 90% or more of the total amount of benefits.

008.02 CANCELLATIONS. If benefits are cancelled, the provision for the minimum benefit for households with only one or two members will be disregarded and households will have their benefits cancelled. Benefits or portions of benefits representing restored or retroactive benefits for a prior unaffected month would not be reduced or cancelled even though they are issued during an affected month.

008.03 RESTORED OR RETROACTIVE BENEFITS. Restored or retroactive benefits for prior months not affected will not be reduced or cancelled, even though they are issued during the time period the statewide benefit reduction is in force. The agency will continue to make benefits available as needed to provide these restored or retroactive benefits. Households whose benefits are reduced or cancelled as a result of a reduction or cancellation are not entitled to restoration of lost benefits at a future date. However, if Food and Nutrition Service determines that restoration can take place as a result of surplus funds from the reduction or cancellation, the agency provides affected households with restored benefits.

008.04 NOTIFICATION AND CERTIFICATION OF ELIGIBLE HOUSEHOLDS. A notice of adverse action is not provided to households affected by reduction or cancellation of benefits. The Department will continue the normal acceptance of applications, processing of applications, and determinations of eligibility during a reduction or cancellation. Expedited processing standards remain in effect during a reduction. If an applicant is found to be eligible for benefits and a reduction is in effect, the issuance will be based on the reduced benefit table. If an applicant is found to be eligible for benefits during a cancellation period, benefits will not be issued. The reduction or cancellation of benefits does not affect the certification periods assigned to households. Recertifications continue for those participating households whose certification periods expire during a reduction or cancellation period.008.05 FAIR HEARING. Any household that has its benefit reduced or cancelled as a result of funding cuts may request a fair hearing if it disagrees with the action, subject to the following conditions:

- (A) The request for a fair hearing must be based on a household's belief that:
 - (i) Its benefit level was computed incorrectly under the rules governing the reduction or cancellation; or
 - (ii) These rules were misapplied or misinterpreted;
- (B) Households do not have the right to continuation of benefits pending fair hearings; and
- (C) The appropriate amount of restored benefits may be issued if it is determined that benefits were decreased by more than the reduction rules required.

008.06 RESUMPTION OF ISSUANCE. The Department will act immediately to resume issuing benefits to certified households after receiving notice that a reduction or cancellation of benefits is over and will resume issuance as soon as possible.