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## **SSI Recipients' Eligibility - Introduction**

This chapter defines "SSI recipient" and addresses the AG eligibility determination process for an individual who is an SSI recipient. An SSI recipient must apply for and meet the same AG non-financial eligibility requirements as a non-SSI recipient and the payment computation procedures are the same for both. The AG financial eligibility process differs for SSI recipients.

AG is a federally mandated program established to supplement the SSI program. As such, the AG program is required to use SSI policy to determine eligibility. Because SSI and AG use basically the same financial eligibility rules, an SSI recipient is deemed financially eligible for AG. Verification that an individual is an SSI recipient establishes that his/her income and resources have been verified and evaluated and that AG financial eligibility exists.

The SSI recipient's total countable income is determined by totaling the **gross** amount of SSI income and the **net** amounts of earned and unearned income counted by SSI and, if appropriate, subtracting the additional exclusions permitted by Virginia law. The result is used to determine the AG payment amount.

The following chapters are used in determining an SSI recipient's AG eligibility and payment amount. The other chapters include "Non-SSI" in the title and apply only to those individuals who do not receive SSI.

Chapter A – Introduction

Chapter B – Application Processing

Chapter C – Non-Financial Requirements

Chapter D – SSI Eligibility

Chapter J – Payment Computation and Issuance

### **1. Definition of SSI Recipient**

An SSI recipient is an individual that has applied for, been approved for, and is receiving a money payment from the Supplemental Security Income.

#### **Clarifications:**

- Individuals whose SSI payments have been suspended are not receiving a money payment and are **not** considered SSI recipients during their suspension period.

- Individuals who are determined to be “presumptively eligible” for SSI receive an SSI payment but are **not** considered SSI recipients for AG purposes.
  - If the "final" SSI decision finds the individual is retroactively eligible for regular SSI, an AG payment must be made for any month during which the individual was eligible for an SSI payment.
- Individuals who are receiving “Conditional SSI Benefits” **are** considered SSI recipients for AG purposes.
- Individuals who have applied for SSI are not SSI recipients until they have been approved for and action is taken to issue them an SSI money payment.
- Individuals who are classified as 1619b by SSI **are** SSI recipients.

### 1.1. Verification

Verify an individual’s SSI status through SVES. If there is a discrepancy between SVES and what is reported by the individual, contact SSI to notify them of the discrepancy and to obtain clarification of the individual’s SSI status.

#### 1.1.1. SSI Eligibility Ends

- **Due To Excess Income**

Determine the individual’s continuing AG eligibility as a non-SSI recipient.

- **Due To Any Other Reason**

The individual is ineligible for AG. Evaluate ongoing Medicaid eligibility based on the Medicaid Manual, Volume XIII.

## 2. **Non-Financial Requirements**

An SSI recipient, that is applying for AG, must be evaluated on and meet the more restrictive AG non-financial eligibility criteria in this manual. See Chapter C.

### **3. Changes**

AG recipients that are SSI recipients are required to report changes in their situation as noted the AG Manual, Chapter B. However, the worker cannot take action on reported income and resource changes until they are reflected in the SSI payment. Actions on other reported changes are to be reflected as required the AG Manual.

Notify SSI of any changes in the individual's situation by completing the "REFERRAL TO SOCIAL SECURITY ADMINISTRATION DSS/SSA-1 Part 2".

<http://localagency.dss.virginia.gov/divisions/bp/files/fs/forms/general/032-03-0099-02-eng.doc>

### **4. Resources**

In determining SSI eligibility, SSI has verified and evaluated the individual's resources. They have determined what is and is not countable and have applied all appropriate exclusions. Based on this, an SSI recipient who has applied for AG is deemed to have met AG resource eligibility and transfer of resources procedures. The individual's resource eligibility will continue until his/her SSI eligibility ends.

#### **4.1. Verification**

Verification that an individual is an SSI recipient, as defined above, establishes the individual's resource eligibility. No further verification of resources is required.

### **5. Income Eligibility**

In determining SSI eligibility, SSI has verified and evaluated the individual's income. They have determined what is and is not countable and have applied all appropriate federal income exclusions. Based on this, an SSI recipient who has applied for AG is deemed to have met AG income eligibility. The individual's income eligibility will continue until his/her SSI eligibility ends.

#### **5.1. Verification**

Verification that an individual is an SSI recipient, as defined above, establishes the individual's income eligibility. No further verification of income is required.

## **6. Countable Income For Grant Computation**

In determining SSI eligibility, SSI has verified and evaluated the individual's income. They have determined what is and is not countable and have applied all appropriate federal income exclusions. Therefore, the worker will use the amounts determined by SSI as the individual's net earned and net unearned income.

The total countable monthly amount is calculated by adding the **gross** SSI payment amount to the **net** earned and **net** unearned income amounts as determined by SSI and subtracting the Virginia income exclusions. The balance is used to determine the individual's AG payment amount.

### **6.1. Verification**

The **gross** amount of SSI and the **net** amounts of earned and unearned income must be verified through SVES. The individual does not have to provide verification of his/her income to the eligibility worker.

**Note:** There is one exception to counting the gross SSI amount, when an amount is being withheld to recover a prior SSI overpayment. See SSI Overpayments Chapter D - 8 below.

#### **6.1.1. *Verification Periods***

##### **6.1.1.1. Stable Income**

To meet the definition of stable income, the SSI payment amount must be the same each month.

The verification period for stable income is the month prior to the month of application/redetermination or the month the income is reported.

The total monthly countable income received in the verification period will be used as the amount projected to be received for each month until the next redetermination or until a change in the SSI amount is reflected in SVES.

##### **6.1.1.2. Fluctuating Income**

To meet the definition of fluctuating income, the SSI payment amount received must vary from month to month. Normally SSI will vary from month to month when an individual receives other fluctuating income.

**Note:** All cases in which earned income is counted in determining the SSI payment will be evaluated as fluctuating income.

The verification period for fluctuating income will be the three months prior to the month of application/redetermination.

**6.1.2. Discrepancies**

If the amount of income reported by the individual differs from that shown in SVES, the amounts in SVES must be used. Advise the individual to report any income changes to SSI. Adjustments to the SSI payments will be reflected as they occur or at the point the AG payments are reconciled. See Reconciling Payments in Chapter J - 7.

**6.2. Projection Of Income**

Actual income received in the verification period is averaged to determine the projected monthly countable income. That figure will be used as the amount projected to be received for each of the next four months.

**Note:** The actual income is **not** converted to a monthly figure based on 4.3 weeks.

**7. Income Exclusions**

When SSI computes the countable income for SSI eligibility, all of the federal income exclusions allowed by SSI policy are deducted. The income exclusions do not have to be recomputed for AG because the **net** amounts of earned and unearned income are used to compute the AG payment. However, four additional state income exclusions are permitted by the AG Manual. If applicable, these exclusions are deducted from the individual's total countable income and the result is used in determining the AG payment amount.

	<b>The State Income Exclusions Must be Applied In The Following Order</b>
<b>Step 1</b>	Deduct the <b>Community Expenses Exclusion</b>
<b>Step 2</b>	Does the individual have a spouse and a minor child or a minor child at home?  <b>Yes</b> - Deduct the <b>Spouse and Child/Child At Home Exclusion</b> . Go to Step 3.  <b>No</b> – If the individual has a spouse but no child at home go to Step 3. If the individual does not have either a spouse or child at home, go to Step 4.
<b>Step 3</b>	Deduct the <b>Spouse At Home Exclusion</b>
<b>Step 4</b>	Deduct the <b>Guardianship Fee Exclusion</b>
<b>Step 5</b>	<b>The result is the total countable income to be used in determining the SSI recipient's AG payment.</b>

### 7.1. Community Expenses Exclusion

When an individual enters an ALF or AFCH and applies for AG in the same month, any income used to pay for expenses incurred prior to entering the ALF/AFCH is excluded from income for the month of entry. To be excluded, the expenses must be for things not related to the ALF or AFCH. This exclusion cannot be applied in subsequent months.

If an expense has been incurred but not paid, assume that the individual will pay the expense unless you have reason to question the situation.

**Note:** The month of entrance into the ALF or AFCH will be the month the home is licensed or approved if the individual was a resident prior to licensure/approval.

#### 7.1.1. Verification

Use bills, receipts, contact with the provider, etc., to verify all community expenses. If none of these are available, the individual's written statement will be accepted.

## 7.2. Child At Home Exclusion

If the applicant/recipient has a spouse **and** minor children or just minor children at home who have applied and are ineligible for TANF for a reason other than resources, a portion of the applicant's/recipient's non-exempted income will be excluded to provide for the spouse and/or child at home.

### 7.2.1. Exclusion Computation

To determine the amount of the exclusion, total the income of the spouse and children and subtract it from the appropriate Medicaid Medically Needy Income level. The resulting amount will be deducted from the AG individual's net countable income as determined by SSI.

The Medically Needy limits are located in the Medicaid manual at M0810.002.

<http://localagency.dss.virginia.gov/divisions/bp/files/me/manual/Manual/s08.pdf>

### 7.2.2. Verification

Verify the spouse and children's income by documents in their possession. Verify the spouse and children's ineligibility for TANF through the *VaCMS* system.

## 7.3. Spouse At Home Exclusion

If the applicant/recipient has a spouse at home who has applied and is ineligible for **SSI** because he or she is not aged, disabled, or blind, a portion of the applicant's/ recipient's non-exempted income will be excluded to provide for the spouse at home.

**Note:** If the spouse is ineligible for SSI due to any other reason, the individual is not entitled to this exclusion.

### 7.3.1. Exclusion Computation

To determine the amount of the exclusion, total the income of the spouse and subtract it from the Medicaid Medically Needy Income Level for one. The resulting amount will be deducted from the AG individual's net countable income.

The Medically Needy limits are located in the Medicaid manual at M0810.002.

<http://localagency.dss.virginia.gov/divisions/bp/files/me/manual/Manual/s08.pdf>

**Note:** If there is a spouse and children at home, the Child At Home Exclusion must be used instead of this one.

#### **7.3.1.1. Verification**

Verify the spouse's income and SSI ineligibility by documents in his/her possession.

### **7.4. Guardianship Fee Exclusion**

When the individual has a guardian or conservator, the fee paid to the guardian or conservator to manage the individual's income may be excluded from the individual's net countable income if the court order stated a fee would be paid.

The court order establishing the guardianship will specify what sources of income will be managed and the fee to be paid for managing those sources of income.

#### **7.4.1. Exclusion Amount**

The amount of the exclusion will equal the amount designated by the court order. The court order may state an exact amount or state the fee will be a percentage of the managed funds. The exclusion amount cannot exceed the amount designated by the court nor include fees for managing income that is not included in the court order.

##### **7.4.1.1. Flat Fee**

If the court order states the fee will be a flat fee, that amount will be the Guardianship Fee Exclusion amount. Deduct the amount from the countable income that remains after applying all other exclusions.

**Example:** Ms. Ash receives \$623 a month SSI. The court order specified Mr. Birch would receive \$10 a month for handling Ms. Ash's SSI. To obtain the net countable income:

\$623	Non-exempted Income
<u>-\$10</u>	Fee
\$613	Net Countable Income

Note: When a flat fee has been set, this procedure is applicable whether the guardian/conservator does/does not handle the AG payment.

**7.4.1.2. Fee Based On Percentage**

If the court order states the fee will be a percentage of the managed funds, the worker will be responsible for computing the exclusion amount.

**7.4.1.2.1. Managed Funds Do Not Include AG Payment**

If the guardian/conservator will not manage the individual's AG, use the following procedure to determine the exclusion amount.

<b>STEPS</b>	<b>Determining Guardianship Fees 1 ACTIONS</b>
<b>Step 1</b>	<p>Determine the gross amount of the individual's income that is managed by the guardian/conservator.</p> <p>Note: Do not include any income that is not addressed in the court order.</p> <p>The result will be considered the amount of income the guardian/conservator is managing.</p>
<b>Step 2</b>	<p>Multiply the total managed income by the percentage specified in the court order.</p> <p>The result will be the total guardianship fee.</p>
<b>Step 3</b>	<p>Compute the individual's AG payment allowing all appropriate exclusions including the Guardianship Fee Exclusion.</p>

**7.4.1.2.2. Managed Funds Include AG Payment**

If the guardian/conservator will manage the individual's AG as well as other income, the guardianship fee must be computed using the following procedure.

<b>STEPS</b>	<b>Determining Guardianship Fees 2 ACTIONS</b>
<b>Step 1</b>	<p>Determine the AG payment amount allowing all appropriate exclusions except the Guardianship Fee Exclusion.</p> <p>The result will be considered the amount of AG income the guardian/conservator is managing.</p>
<b>Step 2</b>	<p>Add the AG amount determined in Step 1 to the gross amount of all other income that is included in the court order.</p> <p>The result will be the total amount of managed income.</p>
<b>Step 3</b>	<p>Multiply the total managed income as determined in Step 2 by the percentage specified in the court order.</p> <p>The result will be the total guardianship fee.</p>
<b>Step 4</b>	<p>Recompute the individual's AG payment allowing all of the appropriate exclusions including the Guardianship Fee Exclusion.</p>

### **7.4.2. Verification**

Obtain a signed and dated statement from the guardian/conservator and a copy of the court order. The guardian's/conservator's statement must include the monthly amount and source of funds managed for the applicant/recipient and whether or not the guardian/conservator will manage the AG payment.

#### **7.4.2.1. Verification Not Provided**

If the proper verification is not provided, the exclusion cannot be allowed.

## **8. Payments Made by a Third Party**

### ***Not Income/Unearned Income***

*A third-party payment is payment of an individual's bills (including supplementary medical insurance under title XVIII or other medical insurance premiums) by a third party with the third party's funds when the payment is made directly to the supplier.*

*A third-party payment also can be a voluntary payment for goods and services beyond those required to be provided for maintenance and care by the auxiliary grant (AG) program on behalf of an AG recipient in an assisted living facility (ALF) or adult foster care home (AFCH). These payments cannot be required, and are strictly voluntary on the part of the third party.*

### **8.1. Income Treatment**

*Payment of an individual's bills by a third party directly to the supplier or to the ALF/AFCH is **not** considered **income**. ALFs and AFCHs may accept payments made by third parties for services provided to an AG recipient, and the payment must not be included as income for the purpose of determining eligibility or calculating the amount of an AG, provided that all of the following conditions are met:*

- 1) The payment must be made directly to the ALF or AFCH by the third party on behalf of a specific AG recipient in the ALF or AFCH;*
- 2) The payment must be made voluntarily by the third party, and not in satisfaction of a condition of admission, stay or provision of proper care and services to the AG recipient, unless the AG recipient's physical needs exceed the services required to be provided by the ALF as a condition of participation in the AG*

*program pursuant to subsection C as defined in §63.2-800 of the Code of Virginia.*

- 3) *The payment must be for goods and services provided to the AG recipient other than food, shelter, or specific goods or services required to be provided by the ALF or AFCH as a condition of participation in the AG program pursuant to § 63.2-800 C.*

### ***Example***

*Joshua Hall, an AG recipient, is unable to pay his phone bill, so his sister pays the phone company with her own money. The payment to the phone company is not income.*

### ***Example***

*Jennifer Henry, an AG recipient, is unable to pay for cable television at the ALF, so her brother pays the ALF for providing cable television to Jennifer voluntarily from his own money. The payment to the ALF is not income because it is a service rendered beyond what is required for maintenance and care by the AG program.*

#### ***8.1.1. Exception - Third-Party Payment To ALF/AFCH***

*Any money paid to the ALF/AFCH home to cover goods and services prior to the services being rendered or if the service and/or goods are already covered by the maintenance and care agreement for the program. This will be counted as income and any carryover funds will be considered a resource. As such, the income is subject to the unearned and general income exclusions.*

*ALFs and AFCHs must provide each AG recipient with a written list of the goods and services covered by the AG pursuant to subsection C of § 63.2-800 of the Code of Virginia, including a clear statement that the facility may not charge an AG recipient, the recipient's family or other interested party additional amounts for goods or services included on such list.*

### ***Example***

*John Smith, an AG resident, resides in a private room in an ALF. His mother pays an additional \$200 per month for his room and board. His monthly ALF rate is \$1,336, which is over the established AG rate of \$1,136. Room and board*

*are a set rate and covered as a service under the maintenance and care agreement for the AG program. This would not be an allowable third-party payment. The \$200 will be counted as income.*

### ***Example***

*Daisy Harris pays the ALF in May for a trip to Kings Dominion for her son that is scheduled for the month of July. She gives the ALF \$75 for the bus trip. The money paid is income for the month of May as the service has not yet been rendered. In the next month (June), it will be considered a resource. If, however, Mrs. Harris pays the ALF in July for a trip to Kings Dominion that will occur in July, it would be an allowable third-party payment as it would not be an advance payment that would have to be considered income.*

## **8.2. Verification**

### **8.2.1. Third Party Payment To ALF/AFCH**

*Use documentation in the individual's possession or contact the source of the payment to verify the type, source, frequency, and amount of payment. Goods and services provided must not include food, shelter or services required by subsection C of § 63.2-800 of the Code of Virginia. See Chapter J- 3.1 of this manual, Covered Services for ALF/AFCH, for more information.*

*ALFs and AFCHs must document all third-party payments received on behalf of an AG recipient, including the source and amount of the payment and the goods and services for which such payments are to be used. Documentation related to the third-party payments shall be provided to the Department of Social Services upon request.*

### **8.2.2. Other Third-Party Payments**

*Verification is not required, unless questionable. If questionable, use documentation in the individual's possession or contact the source of the payment to verify the type and source of payment.*

## 9. SSI Overpayments

When SSI determines an individual was overpaid SSI benefits in a prior period, they will recoup the overpayments from the individual's current benefits. The amount withheld to recoup a prior SSI overpayment may or may not be counted as current SSI income.

It is necessary to determine if the overpayment amount was counted in determining the AG payment for the period in which the overpayment occurred. If the SSI was not counted previously, the gross amount of SSI, the amount prior to deduction of the recoupment, will be counted in determining the current AG grant. If the SSI was counted previously, it will not be counted again. The double counting exception will apply and the net SSI amount, the amount remaining after the recoupment is deducted, will be used in determining the current AG grant.

### 9.1. Double Counting Exception

Double counting (i.e. counting SSI income twice) would result if:

- The individual **received** both AG and SSI at the time the overpayment of the SSI occurred; **and**
- The overpaid amount was included in figuring the AG payment.

**Note:** Do not apply the exception if the individual was AG eligible but no AG payment was issued for the months the overpayment occurred.

#### Procedure:

<b>STEPS</b>	<b>Double Counting Exception Procedures ACTIONS</b>
<b>Step 1</b>	<p>Is any of the SSI being withheld to recover an overpayment?</p> <p><b>Yes</b> - Go to Step 2.</p> <p><b>No</b> - <b>Stop</b>. Count the gross amount of the SSI payment.</p>
<b>Step 2</b>	<p>Review the case history to determine AG benefit payment dates. Did the individual <b>receive</b> AG when the alleged</p>

<b>STEPS</b>	<b>Double Counting Exception Procedures ACTIONS</b>
	<p>overpayment occurred?</p> <p><b>Yes</b> - Go to Step 3.</p> <p><b>No</b> - Include the amount being withheld to recover the overpayment when determining the amount of SSI income. <b>Stop</b></p>
<b>Step 3</b>	<p>Verify when the overpayment occurred, the rate of recovery and the period of time of recovery by using documents in the individual's possession or by contacting the appropriate office or agency. Go to Step 4.</p>
<b>Step 4</b>	<p>Was the overpayment amount counted in determining the AG payment?</p> <p><b>Yes</b> - Count the net SSI payment (exclude the amount being withheld to recover the overpayment when determining the amount of SSI income.)</p> <p><b>No</b> - Count the gross SSI payment (include the amount being withheld to recover the overpayment when determining the amount of SSI income.)</p>

## Examples

### 1. Exception Applies

Joe Jones started receiving SSI benefits and AG benefits in 1/05. In 11/05, Mr. Jones received a notice explaining that he was overpaid \$150 in SSI benefits from 4/05 through 8/05, and \$30 would be withheld from his SSI benefit to recover the overpayment from 1/06 through 5/06.

Since the overpaid amount was already included in determining countable unearned income for the period 4/05 through 8/05, the \$30 a month being withheld is not included in determining the amount of unearned income when

computing Mr. Jones' AG benefit amount for 1/06 through 5/06. Count the net SSI payment.

## **2. Exception Does Not Apply**

Alex Martin started receiving AG benefits and SSI benefits in 5/05. In 6/05 SSI determined Mr. Martin was overpaid a total of \$600 SSI from 8/04 through 12/04.

To recover the SSI overpayment, his SSI benefit is reduced by \$120 a month from 8/05 through 12/05. Since Mr. Martin did not receive AG benefits during the time he was overpaid, the \$120 a month withheld to recover the overpayment is included in determining the amount of Mr. Martin's current SSI income. Count the gross SSI payment.

### **9.2. Unable To Determine If Exception Applies**

If you are unable to determine if the exception applies, do **not** include the amount being withheld to recover an overpayment when determining the amount of unearned income. Count the net SSI payment.

### **9.3. Multiple Overpayments**

When overpayments for two or more prior periods are being recovered at the same time, assume the amount being withheld is being used to repay the earlier overpayment first and subsequent overpayments in chronological order.

#### **Example:**

An individual receiving AG and SSI was overpaid in 2004 and 2005. For purposes of collecting the overpayment, recovery is allocated in chronological order, i.e., the 2004 overpayment is satisfied first and then collection begins for the 2005 overpayment.

#### **9.3.1. Exception**

When the double counting exception applies to some of the overpayment periods but not to all of them, assume the amount being withheld is being withheld first to repay any overpayments **not** subject to the exception. Apply this assumption regardless of the chronological order in which the overpayments occurred.

#### **Example 1:**

An individual receiving SSI was overpaid in 2004 and 2005. For purposes of collecting the overpayment, recovery is normally allocated

in chronological order, i.e., the 2004 overpayment is satisfied first and then collection begins for the 2005 overpayment. However, in this example, the double counting exception applies only to the 2004 overpayment as the individual did not receive AG during the 2005 overpayment period.

The worker will assume the 2005 overpayment is satisfied first, meaning the gross SSI amount will be counted for the months over which the 2005 overpayment is recouped. When the 2005 recoupment ends, the 2004 recoupment will begin and the net amount of the SSI payment will be used in determining the AG payment amount.

**Example 2:**

Mr. Smith was overpaid \$300 in VA benefits in 2004 and \$500 in 2005. VA began withholding \$100 a month in August 2005. The withholding will continue until the full \$800 is recovered, August 2005 through March 2006. Mr. Smith reapplied and was approved for AG in July 2005.

The worker determined that Mr. Smith did not receive AG during the 2005 overpayment period but did receive AG during the 2004 period and that the overpaid amount was used in determining his AG. Therefore, the double counting exception applies to the 2004 overpayment but does not apply to the 2005 overpayment. The worker must consider that the withheld amount is being used to pay the 2005 overpayment first as the double counting exception does not apply to it. This means the \$100 being withheld for the first five months, August through November 2005, will be counted as income in determining the AG payment. The \$100 withheld for December 2005 through March 2006 will not be counted as income.

## **10. SSI Underpayments**

SSI amounts paid to an individual to correct a prior under payment are SSI income in the month received. If the total countable income for the month of receipt reduces the grant amount to zero, no payment will be issued. The individual remains eligible for AG and Medicaid.

## **11. Reconciliation of Payments**

All AG payments that are issued based on projected income must be reconciled periodically. Reconciliation of prior payments is using the actual income received to recalculate the payment amount for each month for which a projected amount of income was used and correcting any over or underpayments that occurred. Reconciliation procedures are found in Chapter J – Grant Computation and Issuance.