



SNAP 1504-2 CASE MANAGEMENT Under-Issuance

Supersedes: FS 1504-2 (06/01/2017)

Reference: 7 CFR 273.17; 7 CFR 273.18(b)(2)

Overview: When it is determined that a household received fewer benefits than they were entitled to, the eligibility staff member must take necessary actions to correct the under-issuance. Under-issuances are corrected by either restoring or supplementing benefits.

RESTORATION is an additional benefit issued for a past month.

SUPPLEMENT is an additional benefit issued for the current month.

BENEFITS NOT SUPPLEMENTED OR RESTORED:

Households that fail to report changes timely are not entitled to restored or supplemented benefits. When a household fails to report a change resulting in an under-issuance, the only required actions are to correct the ongoing case, document case notes and send appropriate notices.

If Program Compliance establishes a household-caused under-issuance error, the eligibility staff member does not adjust the review month, but instead updates the case for all months after the review months and documents the Program Compliance review findings in case notes.

NOTE: Due to differing requirements, it cannot be assumed the amount of under-issuance determined by Program Compliance is the amount for restoration. Therefore, eligibility staff must run their own budget to determine the correct restoration amount.

CAUSE OF RESTORATION:

Benefits are restored for an under-issuance if the cause of the under-issuance meets one of the following:

1. The loss was caused by the agency (including agency-caused error).
2. An administrative disqualification for intentional program violation is reversed; or,
3. The federal regulations specifically state that a household is entitled to a restoration for lost benefits.

OFFSETTING CLAIMS:

When the initial allotment is issued untimely, but within 60 days of application, it can't be reduced to offset an existing overpayment.

If an overpayment claim has not yet been established and there is also an under-issuance that needs to be authorized, both actions must be taken. If there is an open overpayment claim for months prior to the underpayment month, the entire restoration (SNAP 1504-2 Under-Issuance) is applied to the oldest outstanding claim up to the total amount needed to satisfy the overpayment claim.

If a household is entitled to a supplement and there is an open overpayment claim for months prior to the under-issuance month, the amount recouped will be \$10.00 or 10% of the supplement, whichever is greater, up to the outstanding overpayment amount. Households determined to have committed an IPV must have an allotment reduction of \$20.00 or 20% whichever is greater.

TIME LIMITS FOR RESTORING:

Benefits must be restored if the loss occurred no more than 12 months from the most recent of the following events:

1. The date the household, another person or agency notifies the OPA of the possible loss to that specific household. Notification to the OPA can be oral or written.
2. The date the OPA is notified or otherwise discovers that a loss to a specific household has occurred.
3. Benefits were found by any judicial action to have been wrongfully withheld. If the judicial action is the first action the recipient took to receive restored benefits, they shall be restored for no more than 12 months from the date the court action was initiated. If the judicial action is a review of an action taken by the OPA, benefits are restored for a period of no more than 12 months from whichever of the following dates **occurred first**:
 - a. The date the OPA receives the request for restoration; or,
 - b. If no request is received, the date the fair hearing action was initiated.

COMPUTING BENEFITS TO BE RESTORED:

A household is entitled to restored benefits even if it is not currently receiving SNAP benefits. Restore benefits only for those months that the household actually received SNAP benefits not to exceed 12 months. **EXCEPTION:** Restored benefits may be issued for months a household was not actually receiving SNAP benefits if the household was incorrectly denied.

If, due to an agency-caused error, an eligible household's application was denied or the eligibility staff member delayed benefits to an eligible household, the month of the application is considered the first month the loss occurred. The eligibility staff member must provide benefits retroactive to the date of application.

If an eligible household made timely application for continued benefits and was not provided an opportunity to participate in the month following the expiration of its certification period, the month following the end of the certification period is considered the first month the loss occurred.

If a household's benefits were erroneously terminated, the first month that benefits were not received as a result of the erroneous action is considered the month the loss initially occurred. After determining

the date the loss initially occurred, the loss is calculated for each month after the initial month until either:

1. The first month the error is corrected.
2. The first month the household is found ineligible; or,
3. The first month the household reapplied.

Occasionally the household composition changes from the time the error occurred and the time the restoration is issued, (e.g., household splits into two different SNAP cases). When this occurs, the under-issuance is calculated using the facts of the household situation and composition at the time the underpayment occurred. Benefits are restored to the SNAP household containing the majority of the original household members at the time the error occurred. **NOTE:** If the household with the majority of members cannot be identified, located, or determined, benefits are restored to the household containing the Primary Information person at the time the error occurred. This would also occur when the number of original household members is unchanged.

If an Intentional Program Violation (IPV) is reversed, the household is entitled to lost benefits during the months the individual was disqualified, not to exceed 12 months before the date of OPA notification. The amount restored is determined by comparing the benefit the household received with the benefit the household would have received had the disqualified member been eligible for each month the individual was disqualified, not to exceed 12-month limit.

HHS QAD CLAIMS must be emailed to delete the claim and put the claim in “no recovery” status. The eligibility staff member restores the benefits and must email HHS QAD CLAIMS when the benefits are restored.

Household participation in an administrative disqualification hearing in which the household contests the OPA's assertion of IPV is considered notification that the household is requesting restored benefits.

CORRECTIONS ACCORDING TO REPORTING REQUIREMENTS:

For both household and agency caused errors, the first month of overpayment/underpayment is determined according to the household's reporting requirements.

If an under-issuance occurs and the household is a change reporter, the correction is made using the actual circumstance that caused the under-issuance.

If an under-issuance occurs and the household is a simplified reporter, the amount of the under-issuance is based on the corrected circumstances that should have been used at certification, simplified report period, recertification, or when a change was reported/discovered that required action.

DISPUTED BENEFITS:

If the household does not agree with the amount or any other action taken by the eligibility staff member to pay lost benefits, the household may request a fair hearing within 90 days of the date they are notified they are entitled to the benefits.

When a fair hearing is requested before or during the period the lost benefits are being issued, the household continues to receive the under issued benefit amount pending the hearing decision. If the fair hearing decision is favorable to the household, the eligibility staff member will restore benefits in accordance with that decision.

The household may request a fair hearing if they believe they have been under issued benefits but the eligibility staff member disagrees. The eligibility staff member should document in case notes requests for under issued benefits, including justification for their decision and decision date. Households must be notified of the eligibility staff member's decision.

Effective Date: August 31, 2023