



1504-2 Underpayments

Supersedes:	FAIM 1504-2 (11/01/00)
References:	ARM 46.18.105
Overview:	<p>GENERAL RULE—When it is determined additional benefits are owed to the household, the worker must take action to locate the household and restore/supplement benefits as appropriate.</p> <p>Restored or supplemented benefits for an under issuance are only issued if the case of the under issuance meets one of the following:</p> <ol style="list-style-type: none"> 1. The loss was caused by the agency (including worker or systems 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 or supplement for lost benefits. <p>Benefits are not restored or supplemented to households for unreported changes. Supplements or Restorations are not counted as income or as a resource in the month paid or the following month.</p> <p>Underpayments are to be promptly corrected (preferably within 30 days) for current participants or those who would be current participants if the error had not occurred. Underpayments are applied in their entirety to existing overpayments.</p>
DEFINITIONS	<p>Supplement—additional benefits issued for the current month to compensate for an under issuance. To determine the amount of a supplement use the best verification available to prospect the circumstances for the current month. If appropriate, average and/or factor.</p> <p>Restoration—additional benefits issued for a past month to compensate for an under issuance. To determine the amount of a restoration, use actual circumstances for the month to be restored. Therefore, verification such as actual income and household composition must be provided before eligibility for a restoration can be determined.</p>
TIME LIMITS FOR RESTORING BENEFITS	<p>Benefits must be restored if the loss occurred no more than 12 months from the most recent of the following events:</p> <ol style="list-style-type: none"> 1. The date the household, another person or agency notifies the county of the possible loss to that specific household. The notification to the county office can be either oral or written. 2. The date the county is notified or otherwise discovers that a loss to a specific household has occurred.

	<p>3. The date the benefits were found by any judicial action to have been wrongfully withheld. If the judicial action is the first action the recipient took to get restoration, benefits will be restored for no more than 12 months from the date the court action was initiated.</p> <p>When the judicial action is a review of county action, benefits will be restored for a period of no more than 12 months from whichever of the following dates occurred first:</p> <ol style="list-style-type: none"> 1. The date the county receives the request for restoration; or 2. If no request is received, the date the fair hearing action was initiated.
<p>CHANGES IN HOUSEHOLD COMPOSITION</p>	<p>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 TANF cases). When this occurs, the under issuance is calculated using the facts of the household situation and composition at the time the underpayment occurred and is issued to the TANF household containing the majority of the original household members at the time the error occurred.</p> <p>NOTE: If the household with the majority of members cannot be identified, located or determined, benefits will be restored to the household containing the Primary Information (PI) person at the time the error occurred. This would also include situations when each new household has the same number of original household members.</p>
<p>Date Revised</p>	<p>January 1, 2007</p>