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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 95 INF-19

TO: Commissioners of
 Social Services

DIVISION: Economic
 Security

DATE: June 22, 1995

SUBJECT: Quarterly Reporting System (QRS) Questions and
 Answers

SUGGESTED

DISTRIBUTION: Income Maintenance Directors
 Food Stamp Directors
 Medical Assistance Directors
 CAP Staff
 Staff Development Coordinators

CONTACT PERSON: For public assistance questions, contact Greg Nolan
 at 1-800-343-8839, extension 4-9313, for food stamps
 questions, contact your county representative at 4-
 9225.

ATTACHMENTS: None

FILING REFERENCES

| Previous ADMs/INFs | Releases Cancelled | Dept. Regs. | Soc. Serv. Law & Other Legal Ref. | Manual Ref. | Misc. Ref. |
|-----------------------|-----------------------|-------------|---|-------------|------------|
| 93 ADM-9 | | 351.20 | | PASB | |
| 93 ADM-11 | | 351.21 | | V-E-all | |
| | | 351.22 | | VI-B-2-all | |
| | | 351.24 | | VI-B-3-all | |
| | | 352.17 | | XII-G-all | |
| | | 352.31 | | XIII | |
| | | 358-3.3 | | FSSB | |
| | | 387-17(d) | | VI-B-1.1 | |
| | | | | VI-B-2.1 | |
| | | | | VII-B-4.1 | |
| | | | | XI-B-3.1 | |
| | | | | XII-G-1 | |
| | | | | XIII-A-all | |

PURPOSE

This is to share with social service districts (SSDs) questions and answers on the Quarterly Reporting System.

Table of Contents

| <u>Subject</u> | <u>Page</u> |
|--|-------------|
| Quarterly Reporting | |
| Quarterly Report Form..... | 3 |
| Complete/Incomplete Reports..... | 4 |
| Quarterly Report Process..... | 6 |
| Recertification..... | 8 |
| WMS..... | 9 |
| Prospective Budgeting | |
| Best Estimate Process..... | 10 |
| Significant Changes..... | 12 |
| PA Over/Underpayments and Supplementation..... | 13 |
| Timely Report of Earned Income..... | 16 |
| Child Care..... | 17 |
| Other..... | 18 |

I. Quarterly Reporting

Quarterly Report (QR) Form

1. Q. Why does the quarterly report ask for three month's information when the recipient only needs to submit wage stubs from the last four weeks of the report quarter?
 - A. The other information is requested so that SSD's can determine if there have been any non-income changes (i.e., someone moving in/out, etc.) during the report quarter that would affect the benefits.
2. Q. The box in the upper left corner of the QR allows recipients to request that their PA, MA and FS cases be closed. Must a recipient request all three types of assistance to be terminated at once, or can a recipient separately opt to request that just one category of assistance be terminated?
 - A. Recipients can separately request one category of assistance be terminated. For example, the recipient might want the PA case closed and MA and FS continued. If this occurs, the SSD must contact the recipient to find out why the recipient is requesting that just one case be closed.
3. Q. What are the boxes in the upper right hand corner of the QR? Does the recipient fill these in?
 - A. These boxes are completed from information on WMS. They provide the worker with information about the recipient's case. The recipient does not complete them.
4. Q. When would manual quarterly reports be used?
 - A. These reports are sent out when the recipient should have received a quarterly report, but did not because the correct information was not in WMS at the time of the pull-down. This would normally occur when a recipient has moved or just started a job.
5. Q. Is there a cut-off date for sending manual quarterly reports?
 - A. Yes. If the manual mailer cannot be sent by the last day of the report quarter, the agency must obtain updated income information outside of the QRS process. For PA, this would normally require a letter requesting the necessary information, employer's form, and/or Food Stamp Change Report Form (DSS-3151).

For NPA/FS cases, any change in information would be obtained from the next quarterly report or recertification.

Complete/Incomplete Reports

1. Q. Must a recipient report the last month's income or the last four weeks income of the report quarter on the quarterly report? This can be an issue when the last month of the report quarter has five pay weeks.
A. A QR is considered complete if the recipient has verified the last four weeks' income of the report quarter. In five week months, it is not necessary to verify the first week's income.
2. Q. Can an informational letter asking the recipient to complete the quarterly report rather than a notice of intent be sent when a quarterly report is returned incomplete?
A. No. The agency must send a timely notice of intent (DSS-4015) to discontinue that indicates what is required of the recipient to complete the report. A copy of the incomplete report and a return envelope must also be enclosed. For Client Notices System (CNS) districts, the question that has been incompletely answered is identified. Consult the CNS Manual for procedures.
3. Q. Is there a requirement to send a second notice of intent to discontinue when a household has responded to the first discontinuance notice with another incomplete report?
A. No. The original notice to discontinue is sufficient for closing. However, the agency should attempt to contact the household to explain what is necessary to continue the case.
4. Q. Who must sign the QR for the form to be considered complete?
A. The head of household (case name) must sign the quarterly report for PA. The wage earner does not have to sign the report unless that person also is the head of household. For food stamps, the quarterly report can be signed by any adult household member.
5. Q. If a recipient signs, dates and completes the quarterly report on the next to the last day of the month, is it complete?
A. No. A quarterly report must be signed and dated on or after the last day of the month for it to be considered complete.
6. Q. A recipient indicates that he/she has moved in response to question #2, but does not send in proof of the new address. Is this a complete report?
A. Yes, if otherwise complete. The SSD must contact the recipient separately to obtain the new address information.

7. Q. If a recipient returns a completed quarterly report after timely notice is effective, should the SSD simply reactivate the case?
- A. No. Any request for assistance after the case is closed is considered a new application, even though the application form (DSS-2921) is not required if the former recipient reapplies within thirty days. For food stamps, if the quarterly report is returned as complete after the effective date, but before the end of the process month, the food stamps are continued if the household is otherwise eligible.

Quarterly Report Process

1. Q. Are persons with a recent attachment to the workforce required to report quarterly?
A. No. Only cases with earned income are required to report quarterly.
2. Q. What PA authorization periods must be assigned to QRS cases at opening?
A. The opening authorization period must be the partial month of opening plus three full calendar months. For example, if a case is opened December 12, 1994, the initial authorization would be from December 12, 1994 through March 31, 1995.

If the SSD has a waiver to Department regulation 350.2(a)(1) which allows them to assign an initial six month certification period, the initial authorization must be for the partial month of opening plus six full calendar months.
3. Q. How does the 45 day rule for HR's affect QR?
A. We do not expect many HR applicants to be subject to QR, since even moderate levels of earnings would make them ineligible. However, for any eligible PA/QRS cases, the quarterly report will be sent in the second full month of authorization, if they are assigned an authorization period that is at least five months. This includes HR cases.

In NPA/FS cases which then become PA/FS cases, the certification period for the new PA/FS case overrides the former NPA/FS certification period.
4. Q. How does the 45 day rule apply when a QR case has been closed?
A. The client is a new applicant and is subject to the 45 day rule for the HR application. For food stamps, a new applicant who applies within 30 days of the QR closing would have their FS benefits computed from the 1st of the month following the administrative closing.
5. Q. When is a recipient no longer subject to QR?
A. The recipient is not subject to QRS when he/she no longer has earned income.

6. Q. Is there a cut-off date for the return and processing of quarterly reports?
- A. Quarterly reports are due back by the tenth. Closing notices (DSS-4015) for incomplete/non-returns must be mailed as soon as possible, but no later than ten days before the first day of the next month.
7. Q. Will the Department consider waivers exempting PA recipients from QRS?
- A. Waivers are not being considered or granted for PA at this time.
8. Q. If an SSD cannot process a QR in time for the start of the payment quarter, can it adjust the grant retroactively with adequate notice?
- A. No.
9. Q. If a FS recipient returns a completed quarterly report late in the process month, but before the end of the month, how soon is the district expected to process the report and provide benefits?
- A. For food stamps, the district must process the completed report by the first of the budget month or within 5 days of receipt of the completed report, whichever occurs later.
10. Q. What is the appropriate method for transitioning a non-quarterly reporting household to quarterly reporting as a result of its reported earned income? Must the certification period be adjusted?
- A. Certification periods of recipient households must be evaluated for households with certification periods longer than six months when a reported change causes them to become a quarterly reporter. Certification periods must be shortened to six months for any cases not beyond the initial five months of certification. If the certification period is not in excess of five months, then the household must be given a "continuing your food stamps" DSS-3153, or equivalent CNS notice, to recertify at the end of the six month period (see FSSB VII-B-4.1). This action will insure that earned income households will quarterly report. If the household is already beyond the initial five month period of a certification, it is not necessary to shorten the certification as WMS will send a quarterly report to cases in the eighth month of their certification period.

Recertification

1. Q. Can districts still advance recertifications?
A. Yes, if circumstances warrant a recipient being seen for a face-to-face recertification sooner than originally scheduled, the district may still advance the recertification date. For QRS cases, this will set the recipient up on a new quarterly report cycle.
2. Q. Do the SSD's have to see QRS cases that have just been opened in three months for PA and PA/FS recertification?
A. Yes, unless the district has a waiver to Department regulation 350.2 which allows the district to assign initial six month certification periods.
3. Q. If the SSD shortens a recertification period, must the recipient be given notice?
A. For PA, no. For PA/FS and NPA/FS, yes.
4. Q. At recertification, can the SSD use adequate notice (DSS-4016) for grant changes?
A. For PA, no. There is no legal authority to initiate changes with adequate notice at recertification, unless the client signs a specific statement waiving timely notice. Such a statement is contained in the QR mailer. For FS, yes.
5. Q. At recertification, is it necessary for the district to send a manual quarterly report?
A. No. As part of the recertification interview, the SSD must verify the last four weeks' income. Usually this can be done with an employer's form.
6. Q. At recertification, should the agency run the ABEL budget and recurring payment lines for six months?
A. Yes.
7. Q. In a PA and PA/FS case, what notices must be sent for recertification?
A. Since the PA and FS benefits certification and authorization periods now coincide, both the PA call-in letter (DSS-2114) and the FS "Continuing Your Food Stamps" (DSS-3153) must be sent at the same time.
8. Q. Must the FS authorization and certification period coincide with the PA authorization and certification periods?
A. Yes, the certification and authorization periods must coincide.

WMS

1. Q. Are ADC-U cases with three month authorization periods subject to QR?
A. No. These cases will not be included in QR pull-downs, since the authorization period is less than five months. It is not necessary for a QR to go to these cases, since they are already contacted every three months, unless the SSD has a waiver for these cases.
2. Q. Is there a way to generate a QR when there is no earned income in ABEL? Also, is there a way to stop the generation of a QR when there is earned income in ABEL (e.g., self-employed/annualized income, or seasonal migrants)?
A. Yes. These methods are outlined on pages 15 and 16 of 93 ADM-9. For PA, self-employed and migrant workers are still subject to QR.
3. Q. What codes should be used on ABEL to budget income prospectively?
A. Alpha frequency codes must be used. Numeric frequency codes were eliminated January 1, 1993.
4. Q. Does an "06-Recertification" code have to be used in the transaction type field on the DSS-3209 for a QR to be generated?
A. No.
5. Q. Is the QR pull-down always done on the fourth weekend of the month?
A. Yes.
6. Q. Does WMS examine ABEL dates when the QR pull-down is done?
A. No.
7. Q. How is it determined that a case is in the second full month of an authorization period?
A. This is taken from the authorization period on WMS.
8. Q. Will a QR be generated if a recipient begins employment in the third or fourth month of an authorization period?
A. No. A QR will not be generated until the second month following the next recertification reauthorization. The agency must rebudget the case for the current authorization period without a QR.

II. Prospective Budgeting

Best Estimate Process

1. Q. A recipient has a temporary increase in income that lasts two weeks. Should this be included in the four weeks that are averaged?

A. Originally, the Department's response had been "yes" for public assistance. However, a number of districts objected to this, since it was inconsistent with food stamp policy.

Therefore, the policy has been changed to make public assistance and food stamps consistent. If any of the past four weeks' earnings is higher or lower than the remaining pays because of an unusual circumstance that is not expected to continue, then the unusual pay week is to be discarded and the average based on the remaining weeks.

If a SSD must discard more than two weeks of wages, the estimate must be based on the most current pay information rather than averaging. This requires that the hourly wage rate be multiplied by the number of hours per week and 4.333 weeks per month.

If pay weeks are discarded, the reason must be noted in the case record.

2. Q. How is income estimated for applicants?

A. The same methodology is used as for recipients at recertification. Unless the recipient has just started employment or there has been some other significant change, the SSD must average the four weeks' wages prior to the application interview and multiply by 4 1/3 weeks.

3. Q. A recipient starts working in June and gets a first pay check in early July. Presuming the recipient reports this timely, how would you budget this case?

A. The SSD would start budgeting the projected income beginning August 1 for the current certification period, if timely notice is sent by July 21st. The certification period would determine when the reports would be sent out. It is difficult to say exactly when each case will be budgeted when income is received, because everything depends on when the income is received and how fast it is reported. Also, budgeting will depend on when the SSD processes the case. If the income is first budgeted for August, an overpayment for PA (not FS) must be calculated for July.

For FS, if the recipient of the new job was in a non-QR household at time of entry into the job, the household would be subject to the change reporting rules outlined in FSSB VI-B-1.1. The income would be budgeted in the month following the month of the reported change if timely notice can be issued. If the household was already on QR when the recipient entered the employment, the household would not be required for FS purposes to report the new job until recertification or the next QR mailer, whichever occurred first.

4. Q. When averaging income, are "Christmas" wages used?
 - A. This was addressed under Q.1 above. "Christmas" wages are considered an unusual circumstance that is not expected to continue. Any usual high or low pay week because of Christmas would be discarded before averaging. For PA purposes, a Christmas bonus would be considered a lump sum and Department Regulation 352.29(h) would apply. For FS purposes, a Christmas bonus would be considered a lump sum, not as anticipated income to be received, and therefore would not be budgeted.

5. Q. When a recipient begins employment, the SSD obtains an employer's form that shows the hourly wage and hours per week. Sometimes, however, the recipient submits wage stubs that show more earnings. What would the agency base the best estimate on?
 - A. If there is no reason to believe that the wage stubs reflect only a temporary (less than thirty days) change in pay, then the best estimate must be based on an average of the pay stubs.

6. Q. Can earned income of a period greater than the last four weeks be used to estimate the amount of income which must be counted in the budget?
 - A. No, when computing the grant amount for a payment quarter, the worker must calculate the projected average monthly earned income for the quarter by averaging the last four weeks of pay. Any variations or exceptions to this method (e.g., high/low weeks or significant changes) are covered in 93 ADM-9.

Significant Changes

1. Q. How is a temporary increase in income to be applied when an increase is significant?

A. The terms "temporary" and "significant" have very specific meanings under a prospective budgeting system. "Temporary" means that the change in earnings is expected to last less than 30 days. "Significant" means that the change in earnings is expected to last longer than 30 days.

As it is used in the question, the term "significant" has a different more common meaning, that of a substantial change in pay. In response to this question, temporary increases in pay do not result in adjustments, even if the increase is substantial.

2. Q. How are QR recipients who are expected to work on a temporary basis only budgeted?

A. For PA, if a recipient is going to work less than thirty days, then the actual wages must be budgeted for that month. No averaging is necessary. Most likely, SSDs will not have sufficient time to adjust the budget when the recipient only works two or three weeks, and overpayments must be calculated. No FS overpayments will be calculated in this example.

For NPA/FS, since many recipients may choose to wait to report these temporary jobs after the fact and the income is already terminated, the income will not be budgeted. However, if the household anticipates a future temporary job, the rules for anticipated income apply, i.e., if the date and amount of receipt are known, then the income can be budgeted prospectively for that month. The processing time for this anticipated change is within 10 days of the report and a 10 day timely notice of adverse action must be given.

3. Q. If a recipient has a \$.10 an hour increase in wages, and this is only \$15 to \$20 more a month for full-time work, must the agency adjust the grant as a significant change?

A. Yes. Under prospective budgeting, significant does not involve a specific amount of increase or decrease, only a change that is expected to last longer than thirty days.

PA Over/Underpayments and Supplementation

Note: Since PA supplements are not anticipated as regular recurring income, these PA supplements are not budgeted for FS purposes.

1. Q. Is it true that the only time overpayments must be calculated for PA is when a recipient has a significant change in income?

A. Yes, with one exception. Temporary employment (less than thirty days) requires that an overpayment be calculated if the grant was not adjusted to reflect the actual wages.

This exception is necessary because of the large number of temporary (i.e., migrant, etc.) jobs that are available. Also, the Department does not want to encourage the starting and stopping of employment.

2. Q. When must underpayments be calculated for PA?

A. Underpayments must be calculated whenever there is a significant decrease in income.

In addition, supplements must be provided for temporary reductions in earned income when the criteria specified in 352.31(c) and in 93 ADM-9 are met.

3. Q. Are there any exceptions to the temporary PA supplementation process?

A. Yes. Supplements for temporary changes will not be provided when earned income is prorated over a period of time as required under 352.17(a). Some instances of this would include contractual income, periodic intermittent income, etc.

Example:

John Smith is a painting contractor. John agrees to a contract which nets him \$1200 in January and \$1200 in June when the job is complete.

The agency prorates the income ($\$2,400 \div 6 \text{ months} = \400) and budgets \$400 for each month from January to June.

No supplement will be provided for February through May, even though John does not receive any pay in these months.

4. Q. If a SSD believes that a recipient has experienced a significant change in pay, can it for PA require the client to verify the actual wages so that an overpayment can be calculated?

A. Yes.

5. Q. When there has been a significant change, do we go all the way back to the first month the change occurred to calculate the PA over/underpayment?
- A. Yes.
6. Q. Will actual or average income be used to calculate PA over/underpayments when there has been a significant change in income?
- A. Actual wages will be used. This means that the income received by the recipient in each month the significant change was not adjusted must be applied against that month's need to determine the over/underpayment amount. Average wages (4 1/3 week month) are not to be used in calculating over/underpayments. On ABEL this would require a frequency code of M and entry of the actual monthly income.
7. Q. Are there any timeframes for the processing of PA supplements for temporary loss of income?
- A. Yes. If the recipient has an immediate need, the agency must provide a supplement to meet the emergency need that same day. Otherwise, supplements for loss of earnings will be provided as all other supplements currently are. Workers should make every effort, however, to process these supplements as quickly as possible.
8. Q. What if a recipient does not request a PA supplement for a temporary loss of earnings until the end of the month?
- A. To receive a supplement for a temporary loss of earnings, the recipient must request it no later than ten days after the end of the month for which it is being requested.
9. Q. Can PA supplements for temporary loss of earnings be offset against outstanding overpayments?
- A. No.
10. Q. Will the issue of temporary PA supplements be addressed in the pamphlets on QRS?
- A. Yes.
11. Q. What category are PA supplements claimed under?
- A. Whatever the appropriate case category is. For example, if the case is ADC, the supplement will be claimed with ADC funds, etc.

12. Q. A NPA/FS recipient shows an increase in income in the first month on the quarterly report and did not report this change when it occurred. Now that the change is reported on the quarterly report, should the district calculate an overpayment?
- A. No, FS households may choose to wait and report their changes on the quarterly report.
13. Q. A NPA/FS case has not reported changes that occurred during the past quarter on their quarterly report and the district discovers at a later date that the changes would have reduced the FS benefit amount. Should an overpayment be calculated and if so, when does the overpayment calculation begin?
- A. Yes, the overpayment calculation begins on the budget month following the process month the quarterly report was due.

Timely Report of Earned Income

1. Q. What is a timely report of earned income under QRS?
 - A. For PA and PA/FS, a report of new or increased earnings is timely if made within ten days of the receipt of the new or increased earnings for the initial month and prior to ten days before the start of each successive month. However, if an under/overpayment is calculated because of a not reported PA required change, the under/overpayment is calculated for PA only and not the FS portion of the case. An overpayment would be calculated for Food Stamps if the change was not reported on the QR form.

For NPA/FS subject to QR, the household is only required to report changes including new or increased earnings on the quarterly report or at recertification. The NPA/FS household may report changes as they occur, and, if they so choose, the district will take appropriate action effective on the budget in the month following the month of the reported change.

2. Q. If a client submits a late quarterly report, does the client lose the earned income disregards?
 - A. No. Return of a quarterly report is strictly an eligibility issue. It does not involve a timely report of earned income.

Child Care

1. Q. What if a recipient does not verify child care costs with the quarterly report?

A. The recipient is not eligible to receive the child care PA disregard or supplement or dependent care deduction for FS. The child care fields should be left blank on ABEL and a timely reduction/discontinuance notice sent to the recipient.

If the recipient later verifies the costs, the child care disregard and supplement must be restored for PA beginning with the month verification is provided.

However, for FS in this situation, the dependent care deduction would not be allowed until the month after the child care is verified.

2. Q. Can an SSD wait until the end of the month to provide supplemental child care?

A. Although supplements must be determined prospectively, SSD's remain free to provide them in a variety of ways: cash advances, reimbursements, or voucher. We strongly encourage SSD's to use cash advances since other methods may not assure recipients of access to care, especially for new employees.

3. Q. Can the child care disregard be provided on behalf of a child that is not on PA?

A. No, unless the child is receiving SSI or foster care.

For FS, the dependent care deduction can be allowed if the dependent is a FS household member.

Other

1. Q. If \$30 and 1/3 ends during the middle of a payment quarter, can the SSD store two budgets, one with \$30 and 1/3 and one without \$30 and 1/3?
A. Yes. However, timely notice must still be given when the client loses their eligibility for \$30 and 1/3.
2. Q. Does QRS impact \$30 and 1/3?
A. No.
3. Q. What about a recipient who works "off the books" and the employer refuses to verify the wages?
A. The SSD must base the best estimate on the best information available. If other information absolutely cannot be obtained, a statement from the client of the earnings would be the best information.

This information will be contained in a future Public Assistance Source Book update.

John C. Fredericks
Division of Economic Security