

**County of San Diego, Health and Human Services Agency (HHSA)
CalWORKs Special Notice**

Overpayments Incurred During the COVID-19 Pandemic Emergency

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21-08**

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Effective Date:

September 1, 2021

Background:

Assembly Bill (AB) 135 was passed in order to implement a new CalWORKs overpayment policy to help lessen the economic impact of the COVID-19 pandemic emergency on CalWORKs families due to overpayments.

Purpose:

The purpose of this material is to provide guidance to staff on new overpayment policies and procedures as a result of AB 135 and to provide an overview of current overpayment policies.

Policy:

AB 135

Effective August 1, 2021, all **nonfraudulent** CalWORKs overpayments established on or after August 1, 2021, for the benefit months of April 2020 through the end of the COVID-19 pandemic emergency or June 30, 2022 (whichever is sooner) must be classified as administrative-error (AE).

Overpayment claims established after August 1, 2021 that include any months during the COVID-19 pandemic emergency period beginning in April 2020, must be classified as AE regardless of case circumstances. For example, an overpayment claim established for the semi-annual payment period starting in November 2019 - April 2020 must be established as AE because the overpayment claim includes the overpaid month of April 2020. An overpayment classified as an AE under this policy cannot be reclassified to client error if it is nonfraudulent.

Definition and Calculation of Overpayments

An overpayment is any amount of any aid payment received by and Assistance Unit (AU) that they were not entitled to receive. An overpayment may be all, or a portion, of the payment. This includes payments issued for regular aid payment, Immediate Need, Homeless Assistance, Aid Paid Pending (APP) for a state hearing, or Employment Services (ES). Human Services Specialists (HSS) need to take all reasonable steps necessary to promptly correct and collect any overpayments that are known to the county including recovery of overpayments due to either client error or AE.

The amount of any CalWORKs grant overpayment is the difference between the grant amount the AU received, and the grant amount the AU would have received under Semi-Annual reporting (SAR), annual reporting/child on (AR/CO), and the prospective budgeting system if no county error had occurred and if the customer had timely, completely, and accurately reported as required by SAR and AR/CO rules.

AE Overpayments and Grant Adjustment

An AE overpayment is an overpayment caused by error on the part of the county staff when all information necessary to make a correct grant determination was in possession of the county. AE overpayments are recouped by reducing the Maximum Aid Payment (MAP) amount for the AU by five percent rounded to the next lower dollar. Grant adjustment recoupments:

- For SAR AUs must only be collected at the beginning of the SAR payment period
- Must be discontinued mid-period when the overpayment debt is paid in full
- Collection of a new overpayments claim may begin mid-period by grant adjustment if the amount of the new collection is less than or equal to the amount previously collected
- AR/CO only: recoupment of new overpayment claims can begin mid-period even when the collected amount results in decreases to the CalWORKs grant mid-period

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Overpayments and Mandatory Mid-Period Reports

CalWORKs customers are required to report verbally, in person, or in writing specific changes during the SAR or AR/CO payment period within 10 days of when the change becomes known to the AU. These mandatory mid-period reports are:

- Fleeing felon status
- Violations of conditions of probation or parole
- Address changes
- Income exceeding the AUs Income Reporting Threshold (IRT)
- AR/CO only: changes in household composition

Note: A discrepancy between the AUs circumstances and the grant amount issued for a given month will not result in an overpayment if the change in circumstance was not required to be reported.

An overpayment cannot be assessed for the month following a change in income over IRT for the first through fifth months of a current SAR payment period if the customer has timely reported the change and the HSS was unable, before the first of the month following the change, to provide a 10-day notice of the termination or reduction of benefits.

For AR/CO cases, an overpayment cannot be assessed for the month following a change in income over the IRT or household composition for an AU that does not include an eligible adult if the customer has reported the change and the county was unable, before the first of the month following the change, to provide 10-day notice of the termination or reduction of benefits.

Unearned income would need to be paired with earned income to be considered over the IRT mid-period. The customer's failure to report an address change will not result in a reduction in aid or termination of benefits. As a result, an overpayment cannot be established when the customer fails to report an address change.

Procedure:

After August 1, 2021, when an HSS is re-evaluating a case in CalWIN which will result in an overpayment, the error type will be entered as "Admin Error" regardless of case circumstances for nonfraudulent cases.

Program Impacts:

Other Programs Affected

The changes to the CalWORKs overpayment process also apply to the Refugee Cash Assistance (RCA), Entrant Cash Assistance (ECA), and Trafficking and Crime Victims Assistance Program (TCVAP) cash assistance programs.

References:

AB 135
ACL 21-85
CalWORKs Program Guide section 44-350

Sunset Date:

This policy will be reviewed for continuance by August 31, 2022.

Approval for Release:

 for:

Rick Wanne, Director
Self-Sufficiency Services