

**County of San Diego, Health and Human Services Agency (HHS)A)
CalWORKs Program Guide/CalFresh Program Guide Special Notice**

Social Security Administration (SSA) Cost of Living Adjustment (COLA) Effective January 1, 2015

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Issue Date:

January 9, 2015

Effective Date:

December 1, 2014, payable January 2015

Background:

SSA COLA adjustments have been in effect since 1975. The SSA COLAs, which are linked to the Consumer Price Index, prevent inflation from eroding benefits. The COLA for SSA benefits and Supplemental Security Income (SSI) payments is 1.7 percent beginning with the December 2014 benefits payable in January 2015.

Annual updates on SSA COLAs may be obtained through the following web link:
<http://www.ssa.gov/oact/cola/>.

Policy:

The amount of the SSA COLA is considered a "Known-to-County" change and is to be reasonably anticipated to be received by recipients of SSA benefits beginning January 2015.

Treatment of SSA COLA for Applicants

For new CalWORKs and CalFresh applicants who receive SSA, the actual amount of the SSA benefit, including the increase, will be used for eligibility and prospective budgeting purposes beginning with the month of January 2015.

If the application was taken in November or December 2014 and the applicant provided the pre-COLA benefit amount, reasonably anticipate the increased benefit amount. Calculate the increased SSA amount by multiplying the pre-COLA benefit amount by 1.017.

Example:

An individual received an SSA Title II benefit amount of \$375.00 in the month of December 2014. To determine the amount the applicant will receive in January 2015:

- Multiply \$375.00 by 1.017 = \$381.38
- Round down to the next lower dollar = \$381.00

New anticipated SSA benefit amount = \$381.00

Treatment of SSA COLA for Ongoing Semi-Annual Reporting (SAR) Recipients

SAR regulations require the County to take mid-period action based on COLAs. The SSA COLA effective December 2014 and payable in January 2015 is considered a mid-period County-Initiated action. As a result, a decrease in CalWORKs and/or CalFresh benefits may occur effective January 1, 2015, with timely and adequate notice.

CalWORKs IRT Requirements

CalWORKs recipients are required to report if the COLA increase, when combined with earned income, results in the Assistance Unit (AU) income exceeding the Income Reporting Threshold (IRT). If income exceeding the IRT is reported by the AU, the worker is required to determine if cash aid

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should be discontinued. If cash aid is discontinued the CalFresh household will continue to receive benefits from a Transitional CalFresh case.

IRT Reminders

- When anyone in the AU has earned income or begins to receive earned income, the AU is required to report when their total combined gross earned and unearned income exceeds the IRT.
- AUs with unearned income only (including disability-based unearned income) are not required to report when that income by itself exceeds the IRT in mid-period.

Treatment of SSA COLA for CalWORKs Annual Reporting/ Child Only (AR/CO) Cases

Upon receipt of this Special Notice, take action on cases with SSA income that were not included in the COLA run.

The only cases where this action will not be considered mid-year are those AR/CO cases with a December 2014 redetermination. For those cases include the updated SSA COLA amount in budgeting for the upcoming AR/CO period.

Treatment of SSA COLA for CalFresh Change Reporting Households

The amount of the SSA COLA is considered a "Known-to-County" change and is to be reasonably anticipated to be received by recipients of SSA benefits beginning January 2015.

Timely and Adequate Notice

As with any adverse action, timely and adequate notice is required to decrease benefits when CalWORKs or CalFresh benefit amounts are decreased due to the SSA COLA benefit increase.

If unable to change January 2015's CalWORKs grant and/or CalFresh allotment amount (as a result of the increased January 2015 SSA payment), take the appropriate action to decrease benefits the first of the following month after timely adequate notice can be provided. Recalculate January 2015 benefits using the new SSA payment amount; and if the calculation results in a decrease, an overpayment/overissuance will need to be established as appropriate.

Payment Verification System (PVS)

The California Department of Social Services (CDSS) will not be providing additional notification of the SSA COLA through the Payment Verification System.

Procedure:

Operational Impact

Review the following lists and take appropriate action:

- **Mass Update COLA Exception Report**
CalWORKs/CalFresh cases that did not convert successfully during the COLA process.

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Due to the selection criteria used for the COLA update, some cases listed may not contain SSA income. For cases listed that contain SSA income, review, resolve any errors, run EDBC, and authorize the correct results. For cases listed that do not contain SSA income review the cases to determine if further action is necessary.

- **List of Correspondence Remaining Online after SSA COLA**

Review all client correspondence remaining online and determine which is required to be released or deleted.

Automation Impact

The COLA Mass Update run on December 6 and 7, 2014 automatically adjusted CalWORKs and CalFresh benefits to reflect the increased SSA COLA effective January 2015. The only cases where the automatic adjustment of the SSA COLA did not occur were on cases where there was a discrepancy or where the application was received after the COLA run.

EDBC was run on discrepant and pending cases in the COLA process however these cases did not go through batch authorization. The primary errors encountered are:

- **Error Encountered in EDBC Process**

Cases that have UEM data conflicts

- **Error Encountered in Authorization Process**

EDBC ran successfully but the case was not authorized

- **Pre-EDBC Exceptions**

Cases in which EDBC did not run in batch (pending cases, case in RRR mode, etc.)

- **Pre-Authorization Exceptions**

Cases in which Authorization did not process in batch (benefit split, failed for future month, error prone, etc.)

Review the **Mass Update COLA Exception Report** and refer to **COLA Adjustment Error Exception List Instructions** for guidelines on processing cases that were not successfully processed during the COLA Mass Update.

Client Correspondence

Review all client correspondence remaining online to release or delete as appropriate. Please refer to **List of CW-CF Correspondence Remaining Online after SSA COLA**.

Impacts:

Medi-Cal

Instructions for Medi-Cal cases will be distributed separately.

Quality Control (QC)

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Effective with January 2015 sample month reviews, QC will cite the appropriate error when regulations are not applied or are applied incorrectly.

References:

[All County Information Notice \(ACIN\) I-69-14](#)

Sunset Date:

This policy will be reviewed for continuance by December 31, 2015.

Approval for Release:



Rick Wanne, Director
Eligibility Operations