

Policy Clarification

SNAP

PFS-18335-550

Submitted: 7/26/18

Agency: CAOs

Subject: Treatment of Overpaid Wages by Employer

Question: SNAP HB 550.517 states that we can exclude payments used to either voluntarily or involuntarily repay an overpayment from the same source. We can find no similar policy for MA, MAGI or non-MAGI. Client was overpaid by her employer due to a clerical error. When it was discovered by the employer, it was determined that she had an overpayment of \$5410. Her employer will be deducting \$216.36 biweekly from her gross pay.

During the period, the client received the overpaid wages from her employer, she was receiving SNAP and MA benefits. The increase in income was not reported or adjusted to her open benefits. Can we deduct the \$216.36 biweekly payment from her gross income for SNAP while her employer is recovering their overpayment?

If so, what is the appropriate way in e-CIS to adjust the actual total gross wages for MA and the reduced gross after the \$216.36 for SNAP? When received, the additional income would have made the household totally ineligible for SNAP benefits and MAGI for the duration of the employer's clerical error. Since the income was received erroneously and she is repaying the amount received, would the HH be responsible for an overpayment?

Response By: Division of Family Assistance

Date: 07/26/2018

1. Yes, a deduction can be adjusted for SNAP & MA. (MAH 312.6 & SNAPH 550.517)
2. See e-Cistance under case processing and Using CIS Chapter 6 for direction.
3. Yes. If the individual used and received assistance he/she was not eligible to receive, the CAO should establish an overpayment. (SH 910.2)

Make sure to narrate clearly all changes in the case record.