Update 2012-10: Common Place
January 2012 SSA COLA and Related Increases

**Background**

The Social Security Administration (SSA) has informed the State of California - Health and Human Services Agency that there will be a cost-of-living increase for calendar year 2012.

**Changes**

The changes are as follows:

**Title II RSDI**

Retirement, Survivors, and Disability Insurance (RSDI) will increase by 3.6% for 2012. The 2012 benefit amount is determined by multiplying the gross benefit amount by 1.036. However, for individuals who pay their Medicare Part B premiums, a round down process must be completed as follows:

- Add the 2011 Medicare part B premiums to the net 2011 Title II benefit check to obtain the 2011 gross benefit amount.
- Multiply this 2011 gross amount by the 2012 cost of living adjustment (1.036) and round down to the next lower $0.10.
- Subtract the 2012 Medicare part B premiums (99.90) from the 2012 gross benefit amount and round down to the next dollar.

**CalWORKs & CalFresh**

The following changes apply to both the CalWORKs and the CalFresh programs:

**Applicants**

The increased Social Security benefit amount must be used for eligibility and budgeting purposes beginning with the month of January 2012.
Example:
A client applies in November. The QR payment quarter is November/December/January, based on the date of application. The SSA COLA increase must be reasonably anticipated for the month of January.

$100 in November,
$100 in December, and
$103.60 in January (with COLA increase).

$303.60 divided by 3 months = $101.20 Quarterly Average

Recipients
For Quarterly Reporting recipients, the COLA increase is considered known to the county and a county initiated mid-quarter action must be taken. Since the COLA is effective December 2011 and payable in January 2012, EWs must take action to decrease CalWORKs and CalFresh benefits effective January 1, 2012 with a 10-day NOA.

CalFresh
Change Reporting Households
For change reporting households, benefits must be adjusted to reflect the COLA increase no later than the second allotment issued after the month in which the change becomes effective (i.e. no later that February 2012).

Medi-Cal
The various Medi-Cal standard amounts affected by the COLA will be updated in the Chart Book.

Disregard the SSA COLA increase for all programs where eligibility is based on the Federal Poverty Level (FPL) until the new FPLs are in effect on April 1, 2012. These programs include:

- Income Disregard program
- 100% FPL
- 133% FPL
- 250% Working Disabled Program
- Aged & Disabled FPL Program
- QMB/SLMB/QI-1
- Bridging Program
- Section 1931(b).

Foster Care
Some Foster Care (FC) children may become ineligible if SSA/SSI benefits exceed the cost of their placement. If this occurs, the FC case is closed and the provider is the payee. If the FC is to remain open, a child sub-payee account will need to be set up by Fiscal, at the request of the SSA/SSI social worker coordinator. A 10-day notice of action is required for any adverse actions:
• For Foster Care, benefits continue uninterrupted. Fiscal will reflect the change on the **Display Abatement Detail** window in CalWIN.
• For KinGap, the change is effective January 1, 2012.

**Reminder:**
Social Security benefits received from an AAP child’s biological parent(s) are not counted; however, it is exempt if it is from the adoptive parent. SSI is exempt for federal and non-federal AAP.

If the child has a sub-payee account, the EW can contact our SSA/SSI Coordinator, Hieu Tran, if they have questions.

---

### General Assistance

The increased Social Security benefit amount must be used for eligibility and budgeting purposes beginning with the month of January 2012.

### CAPI

The CAPI payment standards are based on the Supplemental Security Income/State Supplementary Program (SSI/SSP) payment standards, minus $10.00 for an individual and $20.00 for a couple as required by Welfare and Institutions Code (WIC) §18941.

As a result of the federal COLA for SSI, there will be an increase in the CAPI payment standards effective January 1, 2012.

The federal SSI COLA also affects the following values for the entire calendar year that can impact CAPI eligibility and benefit amounts effective on January 1, 2012:

• Presumed Maximum Value (PMV) of In-Kind Support and Maintenance (ISM)
• Allowance for ineligible children in deeming situations
• Sponsor’s allocation in alien deeming situations, or
• Allowance for parent(s) in parent-to-child deeming situations.

Please Refer to [Update 2011-11: Chart Book] for detailed information on the CAPI COLA effective January 1, 2012.

---

### Implementation

The COLA is effective January 1, 2012.

### Data Systems

The COLA mass update ran December 3, 2011 for all open and pending cases.

### CalWIN

*The RSDI COLA Increased Amount* field on the **Collect Unearned Income Detail** window was updated with the 3.6% increased amount; and a new income record for January 2012 was created in the **Collect Income Received Detail** window. Cases with income types listed below were updated:
• RSDI: Income based on parent, spouse, or child disability
• RSDI: Survivors benefits
• RSDI: Blind
• RSDI: Disability benefits
• RSDI: Widower’s benefits
• RSDI: Retirement benefits.

**Exception:**
Cases for which Eligibility Workers (EWs) have manually entered the new income value for January 2012 were not updated.

The following income types were not part of the COLA:

• Veteran’s Benefits - Disability
• Veteran’s Student Service Program
• Railroad Retirement Total & Permanent Disability Benefits
• Railroad Retirement Occupational Disability Benefit
• Railroad Survivors Benefits
• Railroad Retirement
• Veteran’s Benefits/Pensions.

**Reminder:**
Recipients must provide verification of the increased amount.

---

**Medi-Cal Standard Amounts**

The following reference tables have been updated during November Fiscal Month End with an effective date of January 1, 2012. Intake cases will be evaluated using the new values when EDBC is run.

• SSI/SSP Standard Allocation/Payment Standards
• Federal Benefit Rate (FBR)
• Pickle multiplier and In-Kind Support and Maintenance values
• Substantial Gainful Activity (SGA)

Standard amounts **not** updated are:

• Community Spouse and Family Member Allocation
• Community Spouse Resource Allocation

Eligibility Workers must override these amounts in CalWIN as appropriate.

**Exception:**
The Medicare Part B premium updates are not included in the automated COLA process. EWs will need to manually enter the new amounts of $99.90 in Data Collection.
Client Correspondence
Notices of Action (NOAs) were generated for cases with a change in benefits. These notices were placed in “on-line” mode, reviewed and released by the Program Coordinators prior to December NOA cutoff.

Reports
Reports produced as a result of the mass update are:

- Mass update Detail (MU0002R)
- Mass Update Exception (MU0003R)
- Mass update Summary (MU0005R).

EWs are to review the Exception report (MU0003R) and make the following corrections according to the attached “SSA COLA Report Instructions.”

FPL Programs
For cases with FPL and Section 1931(b) eligibles, the SSA amounts will be updated during the mass COLA run. CalWIN will also populate a “Y” value in the RSDI COLA Revised but FPL Revision Pending field on the Collect Case Summary Detail window to exclude the COLA increase from January through March. An automated process will take place March 3, 2012, to remove the “Y” value and apply the COLA effective April 1, 2012.

Cases with FPL eligibles but with no SSA income were excluded from the COLA run. No EW action is required.

Reminder:
EWs who are manually processing a case may need to enter the new SSA amount and manually set the value to a “Y” to ensure the SSA increase is not applied to FPL cases until April 1, 2012.

Section 1931(b)
The RSDI amount was updated and EDBC run on Section 1931(b) cases with RSDI income. For the Applicant test (which is the 100% FPL test), EDBC ignored the RSDI increase. For cases where eligibility is based on the Recipient test (which is the MBSAC test), EDBC uses the new RSDI amount for January 2012. Section 1931(b) cases with no RSDI income were excluded from the COLA run.

Continuous eligibility for Children (CEC)
For cases with CEC eligibles with RSDI income, the amount was updated during the COLA run. CalWIN has current logic to continue CEC even with the increased amount. If there is no RSDI income, it will be excluded from the COLA run. For either situation, there is no action required for the CEC child only.

Bridging Program
Cases that includes a child on Bridging Aid Code 7X with no RSDI income, were excluded from the COLA run. If there is a child in the case that was granted 7X with an effective month of January (already authorized prior to COLA run), the RSDI amount was updated and the case was included in the COLA EDBC run. If the child still passes the Bridging program for January, a trigger was set for February eligibility in the normal batch run.

Other COLAs

Railroad Retirement benefits, Civil Services Annuities, Veteran’s Benefits, State Teachers Retirement were not part of the COLA. The EW will need to enter the increased income in the Income Received window, run EDBC and authorize the case.

Note:
A list of the affected cases was sent to the District Office SSPMs with instructions on December 14, 2011.

Chart Book

The Chart Book has been updated with the new COLA amounts mentioned above.

EW Supervisors

EW Supervisors must review this Update with their units immediately upon receipt.

UMESH POL, DIRECTOR
CalWIN Division

KATHERINE BUCKOVETZ, DIRECTOR
Department of Employment and Benefit Services

Contact Person(s): Irasema Thompkins, Application and Decision Support Specialist (408) 755-7540.