

DSS-4357EL

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DIVISION: Health & Long Term Care

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TO: Local Commissioners, MA Directors

FROM: Richard T. Cody, Deputy Commissioner, Division of Health & Long Term Care

SUBJECT: Treatment of Retroactive SSD payments for DA&A Beneficiaries

EFFECTIVE DATE: Immediately

CONTACT PERSON: Dennis Boucher, 473-6111

Information provided to us by the Social Security Administration (SSA) regarding retroactive Social Security Disability (SSD) benefits for individuals who are eligible because of drug addiction or alcoholism (DA&A) indicates that instructions provided in 95 INF-17 were inaccurate.

As previously indicated, individuals eligible for SSD usually receive retroactive payments. These payments are generally given to the individual in a lump sum.

P.L. 103-296 prohibits these initial lump sum payments to be issued to representative payees of DA&A beneficiaries. In cases involving DA&A beneficiaries, retroactive SSD benefits must be paid in installments. The monthly payment to DA&A beneficiaries may not exceed two times the regular Title II amount.

As indicated in new information provided by SSA, when retroactive SSD benefits are paid on a monthly installment basis, the total retroactive SSD amount is considered as income in the month in which the first installment is made (i.e., counted as if a lump sum had been paid in the usual manner). For resource purposes, each installment is excluded from resources for six calendar months following the month in which the installment was received.

If you have any questions relating to this matter, you may contact Wendy Butz or Dennis Boucher at 1-800-343-8859 extension 4-9141, or 3-6111, respectively. In New York City, call 212-383-2512.