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**Commonwealth of Massachusetts**  
*Executive Office of Health and Human Services*  
**Department of Transitional Assistance**  
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Joseph Gallant  
Secretary  
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Commissioner

**Field Operations Memo 96-31**  
**October 1, 1996**

**To:** Local Office Staff  
**From:** Joyce Sampson, Assistant Commissioner for Field Operations  
**Re:** Food Stamp Program - 10/1/96 Cost-of-Living Increases

**Overview**

State Letter 1100 issues policy revisions implementing the following cost-of-living changes in the Food Stamp Program, effective 10/1/96:

- **Standard Utility Allowances** - The heating standard utility allowance has increased from \$313 to **\$321**. The nonheating standard utility allowance has increased from \$189 to **\$194**. The telephone standard utility allowance has increased from \$22 to **\$23**.
- **Maximum Coupon Allotments** - The maximum coupon allotment levels for all household sizes have increased.
- **Gross, Net, and 165% Income Eligibility Standards** - The Gross, Net, and 165% Income Eligibility Standards have increased.
- **Vehicle Fair Market Value Limit** - The Vehicle Fair Market Value Limit has increased from \$4,600 to \$4,650.

*Note:* The Standard Deduction (\$134); Shelter Deduction (\$247); and the Homeless Household Shelter Standard Estimate (\$143) remain at their current levels.

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**Automatic Update of Active Food Stamp Cases**

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**Date of Automatic Update**

All active food stamp cases on the Recipient Masterfile as of the close of business on 9/25/96 will be automatically reviewed and, if possible, updated for October issuances.

**Report of Updated Cases**

A report, "**FSP-10/96 COLA Updated Cases**," will:

- Be sent to local offices during the week of 9/30/96;
- List all cases that were automatically updated;
- List the household's old and new food stamp benefit amounts (as adjusted by the system);
- List the amount added to the 10/1/96 ATP (benefits owed from 10/1/96 to 10/96 cyclical date); and
- Be used for case reference.

No action by local office staff is necessary.

*Note:* Utility code 5 cases with a pre-COLA utility amount of \$156 (½ of heating SUA) or \$94 (½ of nonheating SUA) will be automatically updated to \$160 or \$97, respectively.

**Recipient Notice**

All households listed on the "**FSP-10/96, COLA Updated Cases**" report will be sent the following notices:

- An English/Spanish notice (see Attachment A);
  - A multilingual notice that states, "Important! Please have this notice translated immediately."; and
  - A name and address card that gives their old and new food stamp benefit amounts and the additional amount owed them (from 10/1/96 to their 10/96 cyclical date).
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**Closed FS  
Cases**

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Food stamp cases that are owed additional benefits for the 10/96 COLA and are closed in October 1996 will be issued ATPs in October 1996. These closed cases will:

- Have ATPs dated and mailed in mid-October 1996;
- Appear on the FSP-026 Issuance Register with a "V-18" code;
- Be listed on a printout entitled, "**FSP-10/96 COLA Closed Cases.**" (This printout will be sent to local offices in mid-October); and
- Be sent the same notification cards as active cases.

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**When to  
Use Old  
Standards**

Cases that are key-entered by the close of business on 9/25/96 will have benefits calculated using the issuance standards and calculation method in place *before* the October 1, 1996 policy change.

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**When to  
Use New  
Standards**

Cases key-entered on 9/26/96 and after will have benefits calculated using the 10/1/96 revised issuance standards.

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**Instructions for Cases Requiring Manual Review/Update**

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**Manual  
Review  
Printout**

Cases that require manual review and/or update will appear on a report, "**FSP-10/96 COLA Cases Requiring Review,**" that will:

- Be produced and sent to local offices during the week of 9/30/96;
  - List cases:
    - \* not updated by PACES due to either missing or inaccurate information; and
    - \* updated by PACES but whose utility code in block 56 is 5; and
  - Identify by error code why a case could not be automatically reviewed and/or updated.
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**Error Codes**

The following error codes *may* appear on the “**FSP-10/96 COLA Cases Requiring Review Report.**” In these situations, check for accuracy of information on file and, if necessary, complete a PACES TD and/or PACES worksheet. Determine and issue retroactive benefits (i.e., prorated benefits), if eligible.

***Code Explanation:***

- 3 Household exceeds maximum allowable gross or net income standards OR household size is greater than 17.
- 5 Household’s SUA is prorated or household is sharing actual utility expenses.
- 6 PACES-calculated benefit does not equal the benefit amount on the Recipient Masterfile.
- 9 Household is an active case but at zero benefits.

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**Manual  
Review of  
Cases**

To restore benefits to food stamp cases which were not included in the 10/96 automatic update, workers must:

- Review each case to correct any errors (PACES will recalculate the food stamp benefits and increase the household’s ATP on the *next* available start cycle using the 10/96 COLA standards) or resolve any SUA proration or shared actual utility issues; and
  - Manually determine and issue benefits owed to the household back to October 1, 1996 using the method provided below.
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**Prorating**

When food stamp benefits are owed to a household back to October 1, 1996, as a result of COLA, the prorated amount is calculated as follows:

- Take the difference between the 9/96 (old) and 10/96 (new) monthly ATP amount and multiply by 12;
- Divide the product by 365;
- Multiply by the number of days from October 1 through the day *before* the October cyclical start date; and
- Drop all cents from the sum of the calculation above. (This amount represents the prorated portion owed from 10/1/96 to the 10/96 cyclical start date.)

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**Issuing Lost Benefits**

To manually determine the total amount owed to the household, add to the prorated amount the difference between the old and new monthly amount for each full month owed before the date the increase is effected.

Issue benefits owed to the household using blocks 60 and 61 on the PACES TD.

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**Questions**

If you have any questions, please have your Hotline designee call the Policy Hotline at (617) 348-8478.

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***Notice of Food Stamp Cost of Living Adjustment***  
***Massachusetts Department of Transitional Assistance***

Food stamp benefits are changing as of October 1, 1996 due to an adjustment in the cost of living. For most households, benefits will be increased.

The enclosed card shows both your old and new monthly benefit amounts as well as any additional benefits owed to you for the period between 10/1/96 and the date of your October 1996 ATP. You do not need to do anything to receive these benefits.

If you are presently receiving food stamps, your new monthly benefit plus any additional benefits owed will be included in your October 1996 ATP. If you are not receiving food stamps, an ATP will be issued to you in October 1996 for the amount owed.

FSP 10/96 COLA box 78

Food Stamp Manual Citation: 106 CMR 366.130.

If you have any questions about your new food stamp amount, call your local office at the number listed on the enclosed name and address card.

It is your right to request a fair hearing at any time if you disagree with the amount of food stamps you receive. To request a fair hearing, you must sign and date the enclosed card which has your name and address on it and mail it to:  
Department of Transitional Assistance, Division of Fair Hearings, P.O. Box 167,  
Boston, MA 02112.