

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	TEMPORARY CASH ASSISTANCE MANUAL	
LUMP SUM 909	COMAR 07.03.03.14	FINANCIAL ELIGIBILITY 900

909.1 DEFINITION OF LUMP SUM

- A. A lump sum is income received by the assistance unit on a nonrecurring basis.
- B. Lumps sums usually come from retroactive payment from sources such as Social Security, an inheritance, lottery winnings, or a court settlement.

909.2 INCOME CALCULATION

- A. Count lump sum income as follows:
 1. Add the total lump sum income to the sum of all other earned and/or unearned income (excluding the TCA grant amount) for the month, after allowable work expenses and other disregards have been applied
 2. Divide the result by an amount equal to the full TCA allowable payment for the size of the assistance unit
 3. The result is the number of months the assistance unit is ineligible. Use only the whole number to determine the number of ineligible months and drop any portion of a month
 4. Any amount that remains after the allowable payment is divided by the number of ineligible months is disregarded
- B. A lump sum amount that is less than the monthly benefit amount is counted as unearned income in the month following the 10-day adverse action (It is counted retro-actively).

Example: Mrs. Jones receives TCA for herself and her 2 children in the amount of \$565. Mrs. Jones' aunt recently died and left her \$500, which she received June 10. She reports receiving the money to the case manager on June 15. The case manager sends 10-day adverse action reducing the July benefit by \$500.

909.3 SHORTENING THE PERIOD OF INELIGIBILITY

- A. The period of ineligibility for TCA can be shortened when the family uses the lump sum for circumstances beyond the family's control such as:
 1. Verified theft of money

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2. Eviction or foreclosure
3. A disaster such as fire, flood, tornado, hurricane, or civil disorder
4. Verified theft or breakdown of an essential appliance
5. Lack of heat, utilities, or insufficient supply
6. Incurred and paid medical expenses
7. Breakdown of essential household furnishings, equipment, or structure necessitating repair or replacement
8. Assistance unit uses the lump sum to:
 - a. Repair a vehicle
 - b. Purchase first vehicle or
 - c. Pay vehicle insurance and
9. Reasons defined by the local department

B. The amount that is unavailable is deducted from the lump sum payment before dividing the lump sum by the TCA grant for the assistance unit size and determining the number of months the unit is ineligible.

Example: Mrs. Jones receives the adverse action notice that her TCA will be reduced for July because of the \$500 she received from her aunt. She calls the case manager and tells her that she no longer has the money because her car broke down and she used \$300 for the repair bill. She stated she also had an electric turn off notice, which she paid. Mrs. Jones has the receipts. The lump sum is not counted because it is not available.

909.4 RETROACTIVE SUPPLEMENTAL SECURITY INCOME (SSI)

- A. Retroactive Supplemental Security Income:
 1. Is not treated as a lump sum payment.
 2. Is not counted when determining the eligibility of the TCA assistance unit.

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- The SSI person is not included in the TCA assistance unit
- B. Disregard the entire amount of any combination of SSI and SSA payments that are received.
- The payment is treated as a total SSI payment and is not counted
- C. Do not apply the lump sum formula if the income was received prior to the application month. A lump sum received prior to the application is only looked at as a potential resource.

EXAMPLES:

Example 1. Mr. and Mrs. Fippit receive monthly TCA benefits of \$722 for themselves and 5 children. He was approved for Social Security disability benefits and received a \$3,500 check covering past payments owed to him.

- \$3500 = Retroactive Social Security lump payment amount
- $\$3500 \div \722 (example TCA payment) = 4.85 ineligible months (drop the .85) The family is ineligible for 4 months.

Since the case will close for 4 months, the household must reapply if they still need assistance.

Do not reopen the case before the 5th month unless you can shorten the ineligible period based on one of the reasons listed in section 909.3 above.

Example 2. Mrs. Baynesville receives monthly TCA benefits of \$328 for herself and one child. She won \$2500 in the Maryland Lottery.

- \$2500 = Gross lottery winnings amount
- $\$2500 \div \328 (example TCA payment) = 7 ineligible months (the .62 is dropped)

Example 3. Mrs. Delphia receives monthly TCA benefits of \$328 for herself and daughter. She received \$1500 for settlement of a lawsuit. Her attorney charged her \$500 for his fees. He deducts his fee from the \$1500 she received.

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- \$1500 = Settlement amount
 - 500 = Attorney fees
- \$1000 = Net settlement amount
- $\$1000 \div \328 (example TCA payment) = 3 ineligible months (the .04 is dropped)

Example 4. Mrs. Wockuss receives monthly TCA benefits of \$328 for herself and her son. Her husband receives SSI benefits and is due to receive retroactive lump sum SSI in 3 installment payments over the next 3 or 4 months.

- The payments are not counted since Mr. Wockuss' lump sum payment is SSI.

Note: When dividing the allowable TCA amount into the total monthly Income, the resulting answer may contain a fraction. Remember to **always drop** the fraction.