

## **Compromise of Overpayment Claims**

In accordance with 7 CFR 273.18(e)(7), the Department of Health and Social Services, Division of Public Assistance will compromise the portion of a claim for Food Stamp Benefits (also known as Supplemental Nutrition Assistance Program (SNAP) benefits) improperly disbursed that the department determines can not reasonably be expected to be recovered in 36 months due to the household's economic circumstances.

To compromise a portion of a SNAP claim the household must:

1. Request a compromise with a description of why the repayment would be a hardship,  
AND
2. Currently meet one or more of the following conditions:
  - a. Be receiving a means tested government benefit such as: Food Stamps, Temporary Assistance for Needy Families, Medicaid, Adult Public Assistance, Supplemental Security Income, Low-Income Home Energy Assistance, Alaska Affordable Heating, Special Supplemental Food Program for Women, Infants and Children (WIC), subsidized rental housing, or Child Care Assistance,
  - b. Contain a Special Category (SPECAT) individual or an individual that was considered SPECAT when the household was receiving Food Stamps,
  - c. Have no income besides Unemployment Insurance Benefits (UIB), or UIB has expired and the household member remains unemployed,
  - d. Have an overpayment that resulted from the agency incorrectly determining the household's income or composition for a spouse on active duty in the military,
  - e. Currently be repaying another government agency for an agency caused overpayment,
  - f. No longer be receiving the income that was responsible for causing the overpayment (such as child support), and has no income to replace it.
  - g. Have experienced an unanticipated circumstance that has negatively impacted the household's income after the overpayment was determined, such as: sudden job loss; disability; domestic violence; prolonged incarceration of the primary wage earner; death of a household member; extensive property damage or loss due to fire, flood, earthquake, or other natural disaster.
  - h. Have shelter and dependent care expenses that exceed household income.

### **Amount Compromised**

The Division will ask the client what amount they can pay and will accept a compromise for the portion of the claim that exceeds the amount that will be paid in three years based upon the following formula.

- Client or Agency Caused Errors, open cases: Compromise the amount exceeding \$360 (\$10 per month times 36 months).
- Client or Agency Caused Errors, closed cases: Compromise the amount exceeding \$720 (\$20 per month times 36 months).

### **Claim Payments**

Upon client request, the Division will work with the household to establish mutually agreed upon regular monthly payment amounts less than \$10 (open case) or \$20 (closed case) per month to repay the non-compromised claim balance.

The Division may reinstate any compromised portion of a claim if the claim becomes more than 30 days past due.