

**NUMBER**

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**DATE**

May 10, 2017

**OF INTEREST TO**

County Directors

Social Services Supervisors and  
Staff

Tribal Directors

Tribal Social Services  
Supervisors and StaffIncome Maintenance  
Supervisors and Staff

Title IV-E Coordinators

**ACTION/DUE DATE**Read information and  
implement**EXPIRATION DATE**

May 10, 2019

## Children eligible for Title IV-E foster care and benefits from Social Security

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### TOPIC

Title IV-E eligible children who receive benefits from the Social Security Administration.

### PURPOSE

Provide guidance regarding children who are eligible for Title IV-E foster care and Social Security benefits.

### CONTACT

For questions regarding Title IV-E foster care policy:  
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### SIGNED

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Assistant Commissioner  
Children and Family Services Administration

### TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

## I. Introduction

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This bulletin provides guidance to agencies for children who receive benefits from the Social Security Administration and Title IV-E foster care benefits concurrently. Options and examples are provided that may help guide local social services agencies (LSSA) or American Indian Child Welfare Initiative tribes when making decisions on becoming a representative payee for a child who receives benefits from the Social Security Administration and/or claiming Title IV-E.

## II. Definitions

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The following terms, when used in this policy, shall have the following meaning, unless the context clearly indicates otherwise:

**Social Security Administration (SSA):** An independent agency of the federal government that administers Social Security, a social insurance program consisting of retirement, disability, survivors' benefits and Supplemental Security Income.

**Supplemental Security Income (SSI):** A federal government program that provides stipends to low-income people who are either aged (65 or older), blind, or disabled.

**Social Security benefits (SSB or SS):** Monetary benefits based on earnings by an individual who has paid into the Social Security system. These benefits can be paid to retired and disabled workers, their survivor spouse or their children.

**Retirement, Survivors and Disability Insurance (RSDI):** RSDI is an acronym for the three types of benefits from the Social Security Administration: Retirement, survivors and disability.

**Representative payee (rep payee):** A person who acts as the receiver of Social Security Disability or SSI for a person who is not fully capable of managing their benefits.

## III. Children in foster care who receive Supplemental Security Income

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A child may be eligible for Supplemental Security Income (SSI) and Title IV-E foster care benefits concurrently, as both are intended to meet a child's maintenance needs. There is nothing to prohibit claiming Title IV-E reimbursement for foster care maintenance payments made on behalf of a child who is receiving SSI benefits. A child, if eligible, may receive benefits from both programs simultaneously.

An Aid to Families with Dependent Children (AFDC) Relatedness determination is an integral part of each Title IV-E determination. When making an AFDC Relatedness determination, if a child is considered an SSI recipient in the eligibility month, they meet the AFDC Relatedness financial need criteria for both income and resources. However, local social services agencies or American Indian Child Welfare Initiative tribes must still establish that a child meets an AFDC deprivation factor for the eligibility month.

When making an AFDC Relatedness determination, certain other individuals who live in the same household of a child are excluded from the family unit because they are not eligible for the AFDC program due to other provisions of the Act. For example, AFDC regulations at 45 C.F.R. §§ 233.20(a)(1)(ii) and 233.20(a)(3)(x) exclude the needs, income and resources of individuals who are eligible to receive benefits under Title XVI of the Act [legislative authority for Supplemental Security Income] in determining the needs of an AFDC assistance unit. These individuals are not considered part of the assistance unit for determining financial need.<sup>1</sup>

The decision on whether to receive SSI and/or Title IV-E foster care benefits for a child should be considered carefully by local social services agencies or American Indian Child Welfare Initiative tribes. To make an informed decision, agencies should exchange information regarding eligibility requirements and benefits with local Social Security Administration district offices. Agency staff should establish procedures for consultation with the Social Security district office, when appropriate. If a county agency chooses to claim Title IV-E, Social Security needs to know the monthly payment amounts issued to foster parents.

Whether a local social services agency or American Indian Child Welfare Initiative tribe decides to receive SSI or Title IV-E, it can still claim administrative and training costs.

Three options should be carefully considered prior to making a decision, including agency:

- Becomes representative payee for SSI and does not claim Title IV-E maintenance reimbursement
- Requests that SSI be suspended (not terminated) and claim Title IV-E maintenance reimbursement
- Claims Title IV-E maintenance reimbursement and becomes representative payee for any remaining SSI after it is reduced dollar for dollar by the amount of foster care payments.

**Note:** The options below are based on Minnesota's federal financial participation rate (FFP), which is 50 percent. The tribal federal Medical Assistance percentage (FMAP) rate varies.

## A. Option 1

When an agency becomes the representative payee for SSI benefits for a Title IV-E eligible child in foster care, and chooses to not utilize Title IV-E foster care maintenance reimbursement, any portion of SSI that exceeds the foster care maintenance payment amount, as determined by the Minnesota Assessment of Parenting for Children and Youth (MAPCY) or Difficulty of Care (for children with legacy status), must be considered a personal needs benefit for a child and is given directly to them. Additional information about the personal needs allowance is in the Social Security Guide for Representative Payees. It is not recommended that a foster parent become the rep payee. An agency can still claim Title IV-E for administrative/training costs for Title IV-E eligible children.

If a child is too young to receive benefits, the amount should be given directly to foster care providers for child's needs. How money is spent on a child's needs is determined on a case-by-case basis with the assistance of the local social services agency or American Indian Child Welfare Initiative tribe's staff, and should be documented in the out-of-home placement plan under the section titled "Additional Needs."

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<sup>1</sup> See Administration for Children and Families, Title IV-E Foster Care Eligibility Review Guide, December 2012, pages 40-41, at [Title IV-E Review Guide](#)

**Example**

Monthly foster care payment = \$650

Monthly SSI benefit= \$735

Title IV-E reimbursement= \$0

SSI benefit	Foster care	Title IV-E reimbursement
\$735	\$650	\$0

In this example, SSI is more than the foster care maintenance payment, therefore, if an agency chooses to receive SSI, a local social services agency or American Indian Child Welfare Initiative tribe would not claim Title IV-E and is required to pay a personal needs allowance to a child or foster care provider.

**B. Option 2**

If the amount of potential Title IV-E reimbursement is greater than the amount of SSI, consider whether it's in a child's best interest for the SSI to be suspended, rather than terminated, with the Social Security Administration while child is in out-of-home placement and is expected to remain in placement for an extended period of time. If a decision is made to suspend SSI and claim Title IV-E, there is no personal needs allowance for a child. A local social services agency or American Indian Child Welfare Initiative tribe would seek Title IV-E reimbursement. The agency can still claim Title IV-E for administrative/training costs for eligible children.

**Example**

Monthly foster care payment = \$2336

Monthly SSI benefit prior to suspension = \$735

Potential monthly Title IV-E reimbursement = \$1168

SSI benefit	Foster care	Title IV-E reimbursement
\$0	\$2336	\$1168

In this example, the Title IV-E reimbursement is more than SSI, therefore, if SSI is suspended, the foster care maintenance payment would be eligible for Title IV-E reimbursement.

**NOTE:** If SSI is suspended and the suspension is longer than 12 consecutive calendar months, SSI eligibility will automatically terminate. Termination is effective in the 13th month and eligibility cannot be reinstated for previous months. In order for a child to receive SSI in the future, the responsible party would need to reapply. If a local social services agency or American Indian Child Welfare Initiative tribe asks that SSI be reinstated prior to the 12 consecutive months, only a review of non-medical factors of eligibility are needed by the SSA.

**C. Option 3**

An agency has the option to become the representative payee for SSI as well as claiming Title IV-E foster care maintenance reimbursement. The SSA district office will need to be informed of foster care maintenance payments, as it will reduce SSI benefits dollar for dollar.

If additional SSI benefits are available after being reduced by the amount of foster care maintenance payments, those funds should be given directly to a child for personal needs. If a child is too young to receive benefits, the amount should be given directly to foster care providers for child's needs. The amount spent on a child's needs is determined on a case-by-case basis, and must be documented in the out-of-home placement plan under section titled "Additional Needs." An agency can still claim Title IV-E for administrative/training costs for eligible children.

**Example**

Monthly foster care payment = \$650

Monthly SSI benefit= \$735

Potential monthly Title IV-E reimbursement = \$ 325

SSI after reduction	Foster care	Title IV-E reimbursement
\$85	\$650	\$325

In this example, a local social services agency or American Indian Child Welfare Initiative tribe became rep payee and claimed Title IV-E.

## IV. Children in foster care who receive Social Security benefits (RSDI, survivors, etc.)

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Social Security benefits do not impact Title IV-E reimbursement. An agency can request to become the rep payee of benefits and also claim Title IV-E if a child is eligible. There is no personal needs allowance for Social Security benefits.

### Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-4670 (voice) (division's general information phone number) or toll free at (800) 627-3529 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.