

RESOURCES

LUMP SUM PAYMENTS

Description: Lump sum payments are deferred or delayed payments. They include, but are not limited to benefit awards, bonuses, year-end profit sharing, severance pay, and retroactive pay increases.

Policy: All lump sum payments are reviewed to determine if they are available (see page 388) and countable.

Countable lump sum payments are considered income in the month received. If any or all of the lump sum is retained beyond the month of receipt, it is considered a resource. To determine if a retained lump sum payment is countable as a resource, consult the resource disregard section (LIF page 306, ADC-related page 313, SSI-related page 318, S/CC page 327).

References: SSL Sect. 366.2

ADMs OMM/ADM 97-2
92 ADM-11

Interpretation: Together with other countable resources, the lump sum is compared to the appropriate resource level (see page 339 for rules regarding treatment of excess resources).

When to Verify Status: When the A/R indicates that s/he recently received a benefit award, bonus, year end profit share, retroactive pay increase, or other lump sum.

When the A/R indicates that s/he is anticipating a lump sum payment.

When the record indicates that the A/R has applied for a benefit and may be eligible for a retroactive payment.

**Verification/
Documentation:** Lump sum payments are verified. State computer matches are reviewed to determine the source of income. Documentation is sufficient to establish an audit trail. The amount, date and source of all lump sums is documented. The preferred forms of verification/documentation are checks, check stubs, award letters, or other written statements from the payer of the lump sum.