



North Carolina Department of Health and Human Services

Division of Social Services

2408 Mail Service Center•Raleigh, North Carolina 27699-2408

Michael F. Easley, Governor Pheon E. Beal, Director

Carmen Hooker Odom, Secretary (919) 733-3055

**ADMINISTRATIVE LETTER FAMILY SUPPORT AND CHILD
WELFARE SERVICES #06-04 WORK FIRST**

TO: County Directors of Social Services

**SUBJECT: Social Security Cost-of-Living Increase for 2005
(COLA)**

Date: December 15, 2004

EFFECTIVE: January 1, 2005

ATTENTION: Work First Supervisors

Program Integrity Supervisors

I. GENERAL INFORMATION

The purpose of this letter is to outline procedures for implementing the 2004 Social Security cost-of-living increase for Work First cases only. Effective January 1, 2005, recipients of Social Security (RSDI) and Supplemental Security Income (SSI) will receive a 2.7% cost-of-living increase (COLA). In the past, these increases were budgeted in Work First cases via a State implemented mass change. The State will **not** conduct this mass change and has not for the past two years. Therefore, counties will be required to add this increase in income at the household's first change in situation, application, or review on or after January 1, 2005.

II. IMPLEMENTATION PROCEDURES

A. Apply this policy to the next review, application, or change in situation on or after January 1, 2005. Do not key any new SSA/SSI increases prior to

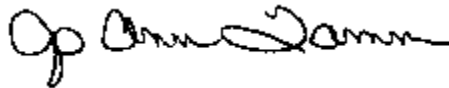
January 1, 2005.

B. Verify the new amount of the household's SSA/SSI payments in SDX/BENDEX.

C. When the increase in SSA/SSI income is added at the household's first change in situation, application or review, no overpayment will exist for the prior months. If the increased income is not included in that first change in situation, application, or review, any overpayment that occurs in the following months is a county responsible overpayment and should not be charged to the household.

If you have any questions regarding this information, please contact your Work First Representative.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo Ann Lamm". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jo Ann Lamm, Section Chief

Family Support and Child Welfare Services

JAL: tms

CC: Pheon Beal

Wilbert Morris

Sherry Bradsher

Sarah Barham

Jane Schwartz

Marjorie Morris

Local Business Liaisons

Family Support and Child Welfare Services Team Leaders

Children's Program Representatives

Work First Representatives

Family Support and Child Welfare Services Monitors