

STATE OF IOWA DEPARTMENT OF

**Health** AND **Human**

SERVICES

Employees' Manual

Title 6, Chapter H

January 13, 2023

# Rent Reimbursement

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## **Overview**

This chapter details the overall administrative requirements of Iowa's Rent Reimbursement program, including a list of definitions used in the program. The chapter explains the Department's administrative responsibilities, issuance of Rent Reimbursement by warrant, and the rights and responsibilities of Rent Reimbursement Claimants.

The policies and procedures in this chapter are based on Iowa Code Sections 425.16-40. Department rules in 441 Iowa Administrative Code Chapter 62 implement the Rent Reimbursement program.

### **Purpose of the Program**

Legal reference: Iowa Code Sections 425.16 – 40; 441 IAC 62.

Low-income elderly and disabled homeowners are given a property tax credit on their homes. Low-income elderly and disabled individuals who rent do not have this opportunity. The Rent Reimbursement program provides a payment to low-income elderly and disabled individuals who rent because part of their rent is used by the landlord to pay property taxes on the apartment building.

### **Definitions**

Legal reference: Iowa Code Section 425.17; 441 IAC 62

**“Base year”** means the calendar year for which reimbursement is requested, either one or two calendar years before the claim is filed.

**“Claimant”** means a person who has filed a claim for Rent Reimbursement.

**“Common Law Marriage”** means two people who have an intent and agreement to be married, who have continuously cohabitated, and who have made a public declaration that they are married.

**“Homestead”** means the dwelling rented by and actually used as a home by the Claimant during the base year. A manufactured or mobile home may be a Homestead. A Homestead must be subject to property tax. A Homestead must be located in Iowa.

**“Household”** means a Claimant and the Claimant's spouse if living with the Claimant at any time during the Base Year. “Living with” does not include a temporary visit.

**“Household income”** means all income of the Claimant and the Claimant's spouse in a Household and any money received from any other person living with the Claimant during the Base Year. This includes children's income where the Claimant or the Claimant's spouse receive the money, unless otherwise noted. If the Claimant's spouse lived with the Claimant for a portion of the Base Year, only count the portion of the Claimant's spouse's income that was earned while the Claimant's spouse resided with the Claimant at the Homestead.

“**Income**” means Iowa net income as calculated on the Iowa income tax return, plus all of the following if they are not already included in Iowa net income:

- Capital gains
- Alimony
- Child support
- Rent-related vendor payments from government-related sources includes:
  - HUD or Section 8 rent assistance
  - LIHEAP utility assistance
  - Iowa Finance Authority (IFA) rent assistance
  - Twenty percent of what Medicaid pays to a nursing home or long-term care facility. To obtain the Medicaid payment amount, contact the designated Medicaid representative. The entire amount of the Medicaid payment provided should be entered into WISE. The system calculates the twenty percent automatically.
  - USDA rental assistance
- Means-tested cash assistance received from a governmental agency
  - FIP
  - Supplemental Security Income (SSI)
- Money received from roommates or others living in the Homestead
- Self-employment
- Income from the Senior Community Service Employment Program (SCSEP), including training dollars
- Annuity, disability, pension, or retirement, including but not limited to:
  - Railroad retirement benefits
  - Social Security **received by Claimant or spouse, except children’s SSI**
  - Military retirement and veterans’ disability pensions
  - Interest received from the state or federal government or any of its instrumentalities
  - Workers’ compensation
  - Disability income or “loss of time” insurance

For any given source, always use net income if it is available. Otherwise use gross income.

“**Income**” does not include:

- Child Social Security insurance benefits (e.g., RSDI or children’s SSI) **received by a member of the Claimant’s Household**
- Gifts or loans from nongovernmental sources (i.e., financial help from family or friends who do not live in the Household)
- Surplus foods or other relief in kind supplied by a governmental agency

- Net operating losses
- Net capital losses
- State or federal income tax withheld

**“Previous year”** means the year before the Base Year.

**“Totally disabled”** means the inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or is reasonably expected to last for a continuous period of not less than twelve months. For Rent Reimbursement, total disability must be determined by the Social Security Administration, Railroad Retirement Board, or being paid or rated at 100% disability from the United States Department of Veterans Affairs.

## **Eligibility**

Legal reference: Iowa Code Section 425.17; 441 IAC 62.1(425); IAC 62.20

To be eligible for Rent Reimbursement, a Claimant must be age 65 or older as of December 31 of the base year or be Totally Disabled as of December 31 of the Base Year. In addition, Claimants must:

- Have lived in Iowa for all or a portion of the Base Year;
- Live in Iowa at the time they submit the claim;
- Live in a property that is subject to property tax; and
- Not exceed the income threshold for the Base Year.

In the case of a deceased claimant who otherwise met all the eligibility criteria, a claim may be filed on their behalf by the person’s spouse, attorney, or guardian, or the executor or administrator of the person’s estate.

## **Filing Period**

Legal reference: Iowa Code Section 425.20; 441 IAC 62.13(425)

Claimants may submit claims for reimbursement for the Base Year and the Previous Year. Anything older than that is outside the allowed timeframe.

For calendar year 2023, Claimants can submit claims for rent paid in **2023** and **2022**. Claims for two years must be submitted separately. Each year has a different income threshold for determining eligibility.

- For rent paid in 2022, Claimants should use form [470-5736](#).
- For rent paid in 2023, Claimants should use form [470-5735](#).

## **Income Threshold**

Legal reference: Iowa Code Section 425.23(4); 441 IAC 62.1(1)(c)

The income thresholds are updated each year by the Iowa Department of Revenue (IDR).

For **Base Year 2023**, the maximum income a Claimant can have to qualify for Rent Reimbursement is **\$25,327.99**.

For **Base Year 2022**, the maximum income a Claimant can have to qualify for Rent Reimbursement is **\$25,327.99**.

### **Household Composition**

Legal reference: Iowa Code Section 425.17; 441 IAC 62.1(2)(425)

Income is based upon the Household. Married spouses living together constitute one Household. When the spouses lived together for:

- The full 12 months of the Base Year, only one claim would be processed, and the income of both spouses is used to determine eligibility.
- Only a portion of the Base year, only the portion of the income earned by the spouse while living with the Claimant should be counted.

See the definition of Household Income on page I. This includes individuals who are common law married.

The spouse who meets all the qualifications should be the one who files the claim.

Mrs. Potter is 37 and Totally Disabled. She is married to Mr. Potter who is 40 and not disabled. They were married and lived together for all of the Base Year. Mrs. Potter may file a Rent Reimbursement claim, but she must count both her income and Mr. Potter's income as Household Income.

Mr. Goff is 66. In June of the Base Year, he married Mrs. Goff and she moved into the Household. When Mr. Goff files a Rent Reimbursement claim, he should only include the income Mrs. Goff earned from June to December as Household Income.

If married spouses both qualify but live in separate locations, both are eligible to submit a claim based on their respective income and rent paid.

Mr. and Mrs. Nickle are married and both are disabled. Although they are married, they live in separate apartments. In this case, they have separate households, so they may each file their own claim and report the rent they pay and their income. They do not need to report their spouse's income because they live in separate households.

For non-married individuals who share a rental, the individual who is on the lease or who is legally responsible to pay the rent is the only one who may make a claim for Rent Reimbursement. If they are both eligible and both on the lease, they may both file separate claims listing only their respective incomes. If they are both eligible but one individual is not on the lease and pays his share of rent to the other, only the eligible individual who is on the lease may file a claim, and he must report the money paid to him by the other individual as income.

1. Mr. Jones, who is disabled, shares an apartment with Mr. Smith, who is also disabled. Both of their names are on the lease. Because they both qualify for Rent Reimbursement, they should file separate claims listing their own income and the amount they individually pay for rent.
2. Ms. Johnson, who is disabled, shares an apartment with Ms. Lopez. Both of their names are on the lease. Their monthly rent is \$1,200, with each of them paying \$600 toward the total cost. Ms. Johnson qualifies for Rent Reimbursement, but Ms. Lopez does not. Ms. Johnson should file her own claim, listing only her income and the \$600 she pays toward the total rent.
3. Mr. Aveci, who is disabled, shares a rental house with Mr. Olsen. Mr. Aveci is the only one on the lease. The total rent is \$1,400 and Mr. Olsen pays his share, \$700, to Mr. Aveci. Mr. Aveci may file a claim for Rent Reimbursement, list his rent as \$700 and list the \$700 paid to him as income.
4. Ms. Jeffries and her son live in a trailer that Ms. Jeffries owns. Ms. Jeffries is the lease holder responsible to pay the lot rent. Ms. Jeffries' son pays rent to her to live in the trailer. Only Ms. Jeffries has a basis of eligibility for Rent Reimbursement. If she files a Rent Reimbursement claim, she must list the amount her son pays her in rent as income. Ms. Jeffries' son is not eligible for Rent Reimbursement.

### **Amount of Rent Reimbursement**

Legal reference: Iowa Code Section 425.24

By law, the amount of rent that is attributable to property taxes paid is equal to twenty-three percent (23%) of gross rent paid. The system applies that calculation to the rent amount, with a maximum cap of \$1,000. The amount of reimbursement paid then ranges from zero to \$1,000 depending upon the Claimant's income level as follows:

<b>Household Income - 2023</b>	<b>Reimbursement Percentage</b>
\$0.00 – \$13,047.99	100%
\$13,048.00 – \$14,582.99	85%
\$14,583.00 – \$16,117.99	70%
\$16,118.00 – \$19,187.99	50%
\$19,188.00 – \$22,257.99	35%
\$22,258.00 – \$25,327.99	25%
\$25,328.00 or greater	Not allowed.

These income levels are adjusted annually. The table above reflects the income limits for claims for Base Year 2023. The table below reflects the income limits for claims for Base Year 2022.

<b>Household Income - 2022</b>	<b>Reimbursement Percentage</b>
\$0.00 – \$13,047.99	100%
\$13,048.00 – \$14,582.99	85%
\$14,583.00 – \$16,117.99	70%
\$16,118.00 – \$19,187.99	50%
\$19,188.00 – \$22,257.99	35%
\$22,258.00 – \$25,327.99	25%
\$25,328.00 or greater	Not allowed.

Ms. Gilman pays \$4,000 in rent annually and has an annual income of \$17,000. To calculate the amount of Rent Reimbursement she is eligible for, the system calculates twenty-three percent (23%) of \$4,000, which equals \$920. Then, the system multiplies \$920 by fifty percent (50%), which equals \$460. The amount of Rent Reimbursement Ms. Gilman is eligible for is \$460.

Ms. Petersen pays \$5,000 in rent annually and has an annual income of \$12,500. To calculate the amount of Rent Reimbursement she is eligible for, the system calculates twenty-three percent (23%) of \$5,000, which equals \$1,150. Since \$1,150 is more than \$1,000, the system takes \$1,000 and multiplies it by 100%, which equals \$1,000. The amount of Rent Reimbursement Ms. Petersen is eligible for is \$1,000.

### **Filing a Claim**

Claimants are strongly encouraged to use the online application to file a claim. The Claimant will access the application via the Department's benefits portal at <https://benefits.stateofiowahhs.org/>. If Claimants need help filing a claim, there are two options:

- Claimants who are 60 years old or older may contact LifeLong Links by calling 1-866-468-7887 or by visiting their [website](https://lifelonglinks.org) at <https://lifelonglinks.org>, which can direct them to the appropriate Area Agency on Aging for assistance.
- Claimants who are under 60 years old can find a Community Action Agency that serves their county by visiting the Community Action Association's website at <https://iowacommunityaction.org>.

If the Claimant does not have access to the internet, you should ask them which county they live in and look up the appropriate agency's contact information for them. The Area Agencies on Aging and the Community Access Agencies also have access to a paper version of the application for Claimants who are unwilling or unable to file online.

### **Confidentiality**

Legal reference: Iowa Code Section 425.28; 441 IAC 62.6

Information contained in a Rent Reimbursement claim is confidential except that the information may be released to an employee of the Department of Inspections, Appeals, and Licensing (DIAL) to assist in the performance of an audit or investigation.

### **Notification**

**Policy:** Adequate notice must be provided whenever assistance is approved, denied, or changed.

**Procedure:** Issue form 470-0486, or 470-0486(S), *Notice of Decision*, when taking action on a case. To be an adequate notice, the notice must include:

- The action taken and the reasons for it.
- The Iowa Administrative Code citation describing the legal reference for the action.
- The right to request a fair hearing.



More than one action may be described on the same notice. The Claimant may request a conference to discuss the situation. A representative, legal counsel, friend, or other person may accompany the Claimant. This person may represent the Claimant when the Claimant cannot attend the conference. At the conference, explain the reasons for the adverse action. Give the Claimant an opportunity to offer any information that may prove that the proposed action is wrong or unnecessary.

### **When Notice Is Required**

**Policy:** Issue a notice when:

- Rent Reimbursement is approved or denied.
- A payment adjustment or corrective payment is authorized.

### **Appeals**

Legal reference: 441 IAC 62.26(425)

**Appeal.** Notice of adverse action taken by HHS shall be issued in accordance with 441—Chapter 16, and the right to appeal shall be given in accordance with 441—Chapter 7.

**Policy:** The applicant or Claimant has a right to appeal any decision and to request an appeal hearing. No one may limit or interfere with this right. Appeals for Rent Reimbursement may be made in writing, by telephone, or in person.

**Procedure:** When a Claimant files an appeal:

- Document the receipt of the appeal. When the appeal is in writing, save the envelopes with the postmark. If the envelope is not available, date-stamp the day the appeal is received.
- Advise the Claimant of legal services available in the community. This may include Legal Aid, the county bar association, etc.
- When you receive a verbal request to appeal, document the conversation on form 470-0487 or 470-0487(S), *Appeal and Request for Hearing*. Complete the:
  - Claimant's name, address, and phone number;
  - Program or programs that are being appealed;
  - Tell us why you are appealing. For the response to this question, the worker should enter, "Per telephone conversation with the appellant on (enter the date)," and the reason that the Claimant is appealing; and
  - Do you want an informal conference with your worker;
  - Do you want a language interpreter for your hearing;
  - Worker information section.

Continue to act on other changes occurring in a Claimant's case while the appeal is pending. Issue a Notice of Decision based on other changes. If the Claimant wants to appeal a subsequent action based on a change, the Claimant must file a separate appeal.

If you determine before the hearing that an error was made in the action that resulted in the Claimant filing an appeal:

- Notify the Claimant of the error.
- Indicate what corrective action you will take.
- If this is acceptable to the Claimant and the Claimant withdraws the appeal, immediately implement the corrective action and send a new Notice of Decision.

The Claimant may voluntarily withdraw an appeal. The Claimant can withdraw the appeal in writing, in person, or over the telephone. A written request can be made on form 470-0492 or 470-0492(S), *Request for Withdrawal of Appeal* or a written statement that the Claimant is aware of the consequences of the action.

The written withdrawal request may be submitted in person, by mail, through submission of an online form, email or by fax.

When the Claimant verbally requests to withdraw the appeal, document the conversation on form 470-0492 or 470-0492(S), *Request for Withdrawal of Appeal*. Fill in the top portion of the document which includes the appellant's name, address, appeal number, and program that was appealed.

In the Added Comments section, enter "Per telephone conversation with the appellant on (enter the date), the appellant verbally withdrew the appeal." Then sign and date the form.

Upload the Request for Withdrawal of Appeal form into the Appeals Information System (AIS) and use the Send Email button feature to notify all parties that the appeal has been withdrawn.

Hold the prehearing conference as soon as possible after the appeal is filed. When applicable, the Claimant's representative may attend and participate in the conference.

The purpose of the pre-hearing conference is to clarify any issues regarding the appeal. During the conference, the Claimant may also examine the contents of the case record and any other documents you plan to use at the hearing. Note that the Claimant need not request a conference to have access to the record or documents.

If the appeal issue is resolved during the conference, the Claimant may wish to withdraw the appeal. If so, the Claimant can withdraw the appeal in writing, in person, or over the telephone. Upload the Request for Withdrawal of Appeal into the Appeals Information System (AIS) and use the Send Email button feature to notify all parties that the appeal has been withdrawn.

Do not use the conference to discourage Claimants from proceeding with their appeals or to interfere with or limit their appeal rights.

**Comment:** Examples of adverse actions that a Claimant may appeal include:

- The denial of Rent Reimbursement.
- The existence and amount of an overpayment.
- The recovery of an overpayment.

Refer to: [I-E, Appeals and Hearings](#), for information on the Department's appeal process, including worker and Claimant responsibilities, time limits, and appeal decisions.

## **Claim Processing**

### **Date of Claim**

**Policy:** A paper Rent Reimbursement claim must be date-stamped when an HHS local office receives it. The date-stamp establishes the claim's "filing date."

**Procedure:** Date-stamp paper claims delivered to an open HHS office with the same date on which a valid application is delivered. Date-stamp paper claims delivered to a closed HHS office with the date of the next HHS full-time office workday. When a claim is left at a less-than-full-time office while it is closed, date-stamp it as received on the first day that is not a weekend or state holiday following the date that office was last open.

An electronic claim is considered delivered to an HHS office when it is received by HHS. All electronic claims received by HHS while full-time offices are open must be date-stamped with the same date on which the claim is received. All electronic claims received by HHS while full-time offices are closed must be date-stamped with the date of the next HHS full-time office workday.

**Comment:** If a Claimant used the wrong paper claim form to apply for Rent Reimbursement, the date that form is date-stamped is the filing date. The Claimant still must complete the correct claim form to get Rent Reimbursement.

1. County A has a less-than-full-time office that is open only on Mondays and Wednesdays. The office was last open Wednesday, April 24. When the office reopens on Monday, April 29, all paper claims left under the door between the close of business April 24 and opening of business April 29 must be date-stamped as received on April 25.
2. HHS receives an electronic claim on Sunday. Monday is a state holiday. When HHS full-time offices open Tuesday, the claim is date-stamped as received Tuesday.

### **Processing Standards**

**Policy:** A decision to approve or deny a claim shall be made as soon as possible, but no later than 90 days after the date the claim is filed. The 90-day period may be extended in unusual circumstances. A written Notice of Decision shall be issued the next working day following the decision to approve or deny.

**Procedure:** Approve or deny each claim unless you need additional information to determine eligibility. See "Verification" on page 11.

**Process claims on the earliest possible date.** Do not use the 90-day limit as a waiting period before approving the claim or as a basis for denial of the claim. Day one of the 90-day processing period is the calendar day after the date of claim. Determine eligibility and issue a written notice of decision by making system entries no later than the 90th day following the date of claim. If the 90th day falls on a weekend or holiday, process the claim by making system entries the next working day.

You can extend the 90-day limit if:

- You and the Claimant have made every reasonable effort to get information that has not arrived.
- Emergencies, such as fire, flood, or other conditions beyond control of the local office, delay action.

If the Claimant fails or refuses to provide requested information within 10 calendar days, deny the claim.

### **Reconsiderations Due to Additional Information**

Claimants can submit additional information to have a claim reconsidered within the Base Year or the Previous Year. If the maximum amount of Rent Reimbursement **the Claimant is eligible for** has already been issued, **do not send another** Notice of Decision. **However, you are encouraged to contact the Claimant to remind them they have received the maximum amount to which they are entitled.**

- **No information provided:** If the information is not provided by the 14th day, no further action is required. Do not issue another notice.
- **Partial information provided:** If part of the information is provided, do not issue a Notice of Decision. However, it is good practice to contact the Claimant to let them know that you still do not have everything you need to reconsider the claim.
- **If new information is reported during grace period:** If the previously requested information is provided within the 14-day period, but the applicant also reports new information that must be verified, make every effort to help the Claimant verify the information within the 14-day period.

### **Verification**

Legal reference: Iowa Code Section 426.26

There are several items that must be verified. The Department will use data matching to attempt to verify automatically, but if it cannot, you must request proof of the following:

- Identity
- Age and Total Disability, if any
- Rent paid
- Changes of homestead
- Household membership
- Household income

The Department may require any additional proof necessary to support a claim.

Unless verification is specifically required, accept Claimants' entries in the app if the information appears to be accurate and consistent with other information.

Give the Claimant specific written instructions when additional information or verification is needed to establish eligibility. Include in the instructions the date the information is due and the consequences for failure to provide the information to the Department by the specified due date.

Allow the Claimant 10 calendar days to provide the information. The 10-day period begins the day after you issue the written request.

The Claimant is responsible for getting the requested information.

Extend the deadline when the Claimant requests an extension because the Claimant is making every reasonable effort to get the information but has been unable to do so. Help the Claimant to get requested verification as needed.

When the due date given a Claimant for reporting information or supplying verification falls on a weekend or legal holiday, extend the due date to the next working day for which there is regular mail service. This applies to the 10-day period for supplying additional information or verification needed to establish eligibility.

**Proof of Income** – the system will attempt to validate income using known information. For most applicants, their only income is disability benefits. If we are unable to validate income, send an RFI requesting proof of income which could include:

- A copy of their latest tax return
- Pay stubs
- Disability benefit statements
- Unemployment compensation statements

**Proof of Total Disability** – the system will attempt to validate disability status using information from other systems. If it cannot, send an RFI requesting proof of Total Disability, which could include:

- Letter from Social Security Administration
- Letter from other agencies (Railroad Retirement Board, Veterans Affairs - NOTE: an individual must be rated or paid by the VA at 100% to qualify as totally disabled.)

The Department will not accept documentation from Vocational Rehabilitation, a Long-Term Disability Insurance policy, or a letter from a doctor as proof of Total Disability.

**Proof of Rent Paid** – the system will attempt to validate rent paid using information from other systems. If it cannot, send an RFI requesting proof of rent paid, which could include:

- Ledger from rental office
- Copy of lease
- Rent receipts from all months rented
- Signed statement from the landlord on letterhead
- Statement of any rental assistance received
- HHS Form 470-5713, *Rent Reimbursement Landlord Verification*

NOTE: Claimants should report rent from the months they rented. Do not take into account early or late payments that span a previous or future year. If they rented the Homestead for 12 months, they should claim 12 months' rent.

Ms. Smithson rented her apartment for 12 months during the Base Year. However, she paid her rent early for January of the current year, in December of the Base Year. For the amount of rent claimed, Ms. Smithson should only count twelve months' rent and should disregard January's rent payment even though it was made during the Base Year.

### **Questionable Information**

Verify all factors of eligibility that are questionable if they affect the Claimant's eligibility and Rent Reimbursement amount. Examples of questionable information are:

- Information that is inconsistent with other information on the claim or previous claims.
- Information that is inconsistent with information received from other sources. When deciding if information is questionable, look at each Claimant's individual circumstances. Do not deny eligibility solely because information is questionable.

For example, if rent exceeds income, do not automatically deny a claim. Give the Claimant the opportunity to explain the situation. If the Claimant cannot provide a reasonable explanation, ask for further verification of how they are paying their bills. If the Claimant does not provide the requested verification, deny Rent Reimbursement.

### **Payments**

**Policy:** A Rent Reimbursement payment is made to a Claimant. Payments may be issued by:

- Direct deposit to the Claimant's own account in a financial institution, or
- Warrant.

**Comment:** The following sections describe policy and procedures for issuing payments:

- Determining the Method of Payment
- Direct Deposit
- Warrants

### **Determining the Method of Payment**

**Policy:** Payments are issued via direct deposit, except when:

- The Claimant requests a paper warrant, or
- The Claimant does not provide complete and accurate bank routing or account number information.

If the Claimant requests direct deposit to the Claimant's own account, follow the steps under Direct Deposit.

## **Direct Deposit**

**Policy:** Claimants have the option to have their benefits deposited directly to their own account at a bank, savings and loan, or credit union. A payee who acts on behalf of a Claimant may also request direct deposit.

**Procedure:** A Claimant will enter their bank routing number and account number on the online application or provide them on the paper application. The payment information will be sent to the Electronic Payment System (EPS), which will initiate the transaction.

Prior to the payment being issued, a “pre-note,” will be sent with a \$0.00 deposit to the Claimant’s bank account to ensure the account is valid. The pre-note may fail if:

1. The numbers entered into the system are incorrect, or
2. The account is closed or does not exist

If the pre-note fails, a warrant will be issued. If the pre-note is successful, the direct deposit will be made to the Claimant’s bank account within 10 days.

## **Procedure for Handling Rejected Direct Deposits**

**Policy:** Payments can be made to an open account at a financial institution. If a direct deposit payment is sent to a closed account, the bank will reject the payment and return the funds to the state.

**Procedure:** If the direct deposit fails, a warrant will be issued once the funds have been returned to the state.

## **Warrants**

**Policy:** Rent Reimbursement payments must be issued by warrant when the payee has not requested direct deposit.

**Procedure:** When Rent Reimbursement is issued by warrant, the warrant is mailed to the Claimant’s current mailing address. Advise the Claimant that the post office may not deliver a warrant unless the Claimant’s name is on the mailbox. If a warrant is incorrectly issued because of a system entry error, determine the cause of the error and correct it. If the error does not stop the Claimant from cashing the warrant, the Claimant may do so. If the error stops the Claimant from cashing the warrant:

- Instruct the Claimant to return the warrant to the Department.
- Complete form 470-0009, *Official Receipt*.
- To issue a new warrant, forward the returned warrant, a copy of the receipt, and a note explaining the problem to:

Bureau of Purchasing, Payments, Receipts and Payroll  
Lucas Building  
321 E 12<sup>th</sup> Street, Des Moines, IA 50319

### **Procedure for Handling Returned Warrants**

**Policy:** When a warrant is undeliverable as addressed, the post office must return the warrant to the Department. Warrants cannot be forwarded. If the Claimant's whereabouts become known, make the returned warrant available to the Claimant.

**Procedure:** If possible, arrange for local post offices to return warrants to your office if they can't be delivered as addressed. This will speed up the delivery of warrants. As an alternative, the post office may agree to retain undelivered warrants until a designated Department employee picks them up. Notify the Bureau of Purchasing, Payments, Receipts and Payroll when these arrangements are complete.

When a post office does not agree to one of these arrangements, warrants are returned to central office. The Claimant may pick up the warrant after showing proper identification and signing.

Alternatively, you can contact the Claimant for a correct address and update it in WISE. This will allow Fiscal to reissue the warrant.

### **Procedure for Handling Outdated Warrants**

**Policy:** A Claimant whose warrant has become outdated is still entitled to receive the Rent Reimbursement. You must verify in OUTS that the payment has not been cashed. See [23-E](#) for steps to issue the replacement warrant.

### **Procedure for Handling Lost or Stolen Warrants**

**Policy:** Please refer to [23-E](#) for steps to handle lost or stolen warrants.

### **Underpayments**

At times, Rent Reimbursement may be underpaid to Claimants.

#### **Underpayment Due to Agency Error**

**Policy:** An underpayment occurs when the payment a Claimant receives is less than the amount for which the Claimant is eligible. A corrective payment is issued whenever a former or current Claimant's underpayment is discovered. Agency error can result from one or more of the following:

- Failure to issue the correct amount of reimbursement when necessary information was available.
- Misfiling or losing forms or documents.
- Typing or copying errors.
- Computer entry errors.
- Mathematical errors.



**Procedure:** Issue a corrective payment, including instances where a claim was denied in error. Make a retroactive corrective payment as long as the underpayment occurred within the Base Year or the Previous Year. The Claimant is responsible to provide all necessary verification that you need to determine the amount of the corrective underpayment. It is not necessary for a Claimant to appeal to receive a corrective payment.

When an appeal is filed, and you discover before a hearing that a Claimant has been underpaid, make the corrective payment without waiting for the appeal hearing. Provide the updated notice to the Appeals Unit and request to have the appeal withdrawn, if applicable.

### **Underpayment Due to Claimant Error**

**Policy:** Claimant error can result from one or more of the following:

- Failure to correctly report information about the Claimant's income, resources, or other circumstances affecting eligibility or the amount of Rent Reimbursement received.
- Failure to report timely changes in income, resources, or other circumstances that may affect eligibility or the amount of Rent Reimbursement received.

**Procedure:** Issue corrective payments for underpayments due to Claimant errors. Enter the previously unknown information in WISE to force the system to recalculate the amount of Rent Reimbursement due and issue the corrective payment. It is not necessary for a Claimant to appeal to receive a corrective payment. When an appeal is filed, and you discover before a hearing that a Claimant has been underpaid, make the corrective payment without waiting for the appeal hearing. You need to provide the updated notice to the Appeals Unit and request to have the appeal withdrawn, if applicable.

### **Overpayments**

Legal reference: 441 IAC 62.21(425)

**Policy:** If HHS discovers an overpayment, it must collect the overpayment, regardless of the cause. Income maintenance workers are responsible for entering overpayments in WOPR.

**Procedure:** Enter the overpayment in WOPR even if the client has already returned the warrant. This ensures proper accounting of the overpayment and repayment.

Clients who choose to voluntarily return a Rent Reimbursement warrant they were entitled to should not be entered into WOPR since this is not repayment of an overpayment.

Make referrals within 90 days of discovery of the debt. Use the WOPR Direct Claim Entry screens to make the referral. The claim section specifies:

- The program
- The debt amount
- The dates of the debt
- The reason for the debt
- The referral source
- The last information on the debtor for identification purposes

WOPR can collect from only one debtor at a time.

DIAL begins the recovery process once a “notice of debt” (demand letter) is issued to the debtor.

### **Creating Debtor and Claim Records**

Debtor records are maintained permanently on the HHS Web-based Overpayment Recovery (WOPR) System. The debtor record includes the following information:

- Debtor name and Debtor ID
- SSN
- State ID
- Address
- Case number
- Fraud worker number

An identifier is used as a key to access the debtor record.

The identifier is based on the state identification number whenever possible. The Debtor ID is a unique identifier in addition to the above identifier.

After the “debtor” record is created, a “claim maintenance record” is created. This claim record contains information about a specific debt. It includes:

- A program code related to the category of assistance that was overpaid
- The primary cause of the debt
- The time frame of the debt
- The amount of the debt
- The referral source
- The date the claim became delinquent (if applicable)
- Active Payment Agreement (if applicable)
- The appeal status
- The fraud status
- The notice of debt record
- The claim status
- Any transaction applied to this debt
- Narrative relating to contacts and actions taken on an account

A debtor can have multiple claim records, since debts can occur for various programs or at different times.

## **Issuing Notice for Repayment**

The repayment process begins with a notice to the debtor that a debt has occurred. A notice of debt is sent whether the case is active or closed. WOPR sends the notice of debt on the last working day of the month after the claim is entered into the system.

The debtor voluntarily completes the repayment agreement section. Failure to return the form may result in further collection action. For Rent Reimbursement debts, the debtor has 20 days to respond to Form 470-5783, *Notice of Rent Reimbursement Overpayment*.

This form informs the debtor that a debt has occurred. It identifies:

- The amount of the debt.
- The causes of the debt.
- The different options the debtor has to repay the debt.
- Due dates.

The notice of debt is sent initially for a new claim and then another notice is sent when changes are made to a claim (like a change in the amount owed).

The investigator may also send form 470-0495, *Agreement to Pay a Debt*, when there has been no response to a notice of debt. This form tells the amount and programs for the debt and gives the debtor a choice of repayment methods.

## **Debtor Appeal Rights**

Legal reference: 441 IAC 62.26

If the debtor wants to contest a notice of debt, the debtor must submit an appeal request to HHS. Notify DIAL if a claim is certified for appeal so recovery actions are suspended until the appeal process is complete.

Forms used to notify the debtor of a debt have appeal rights on the back, if applicable, and constitute notices of adverse action. The Department grants a hearing according to policies and procedures in [I-E. Appeals Procedures](#). Time limits for filing appeals vary by program.

Rent Reimbursement claimants have 30 days from the date the form 470-578, *Notice of Rent Reimbursement Overpayment* is issued, as noted at [Issuing Notice for Repayment](#), to file an appeal on the existence, computation, and amount of a debt issued.

Time limits for appeals on recovery of the debt through recoupment begin with the notice of decision informing the person that a Rent Reimbursement payment will be recouped.

## **Payments**

Making payments towards the debt is the primary repayment method available for Rent Reimbursement.

When a debtor returns an agreement indicating they will make payments, the DIAL investigator reviews the agreement and compares it to the recommended payment guidelines.

Debtors who have made payment agreements to repay their claim receive form 470-0130, *Billing Statement*, each month. WOPR issues these statements on the last working day of the month. Payments are due by the 25<sup>th</sup> of the following month.

Statements may also be sent in other situations like on newer debts or when a debt is paid off.

The *Billing Statement*:

- Tells the debtor the amount of the payment due for the month.
- Lists all payments received **during the current month**. (This billing cycle also determines delinquent accounts.)
- Serves as a receipt.

When the debtor makes a payment by check or money order, instruct the debtor to make the remittance payable to the Iowa Department of Health and Human Services.

Debtors should send payments directly to the Iowa Department of Health and Human Services, 321 E. 12<sup>th</sup> St, Des Moines, IA 50319-1002.

These payments should be accompanied with the first page of the *Billing Statement*. The statement contains identifying numbers so that a payment can be applied to the correct debtor's account. If there is no accompanying document or identifying numbers, the cashier must search the system to find the debtor record.

The Department's Bureau of Purchasing, Payments, and Receipts is responsible for entering the payments into WOPR. See [How Payments Are Applied](#).

## **Recoupment**

Legal reference: 441 IAC 62.26

"Recoupment" is an amount withheld from a future Rent Reimbursement payment. Recoupment is automatic for active cases without a payment agreement. Even with a payment agreement, future Rent Reimbursement payments may be withheld to offset the amount of any remaining overpayment.

A computer interface between WOPR and WISE compares records. When the conditions for recoupment are met, the interface automatically reduces the debtor's Rent Reimbursement payment to pay the debtor's claim.

When a Rent Reimbursement payment is recouped, WISE generates a notice of decision telling the client that benefits are being reduced to recover a debt. WOPR produces form 470-0130, *Billing Statement* monthly to report repayment progress.