

441—45.24(239B) Underpayment. A corrective payment shall be made when the recipient receives a payment in an amount less than that for which the recipient was eligible due to an administrative or client error or the recipient reports the completion of the federal tax return requiring repayment to Internal Revenue Service of excess advance earned income credit payments received in the prior calendar year.

45.24(1) Attribution of underpayments.

a. An underpayment may be attributed to the department as a result of one of the following circumstances:

- (1) Misfiling or loss of forms or documents.
- (2) Errors in typing or copying.
- (3) Computer input errors.
- (4) Mathematical errors.

(5) Failure to certify assistance in the correct amount when all essential information was available to the department.

(6) Failure to make prompt revisions in grants following changes in policies requiring the changes as of a specific date.

b. An underpayment may be attributed to the client as a result of one of the following circumstances:

(1) Information reported in error, oral or written, regarding the client's income, resources, or other circumstances which may affect eligibility or the amount of assistance received.

(2) Failure to timely report changes in income, resources, or other circumstances which may affect eligibility or the amount of assistance received.

(3) Rescinded IAB 12/11/02, effective 2/1/03.

45.24(2) Conditions under which a retroactive corrective payment may be made.

a. Retroactive corrective payments shall be made for all underpayments.

b. Any retroactive corrective payment for which the recipient is eligible shall first be applied to any unpaid overpayment before the balance, if any, is paid to the recipient.

c. Retroactive corrective payments shall be made for underpayments discovered on and after October 1, 1981, regardless of when the underpayment occurred. Recipients and former applicants and recipients are responsible for supplying any information needed to determine the amount of an underpayment.

45.24(3) The amount of the corrective payment to the recipient for repayment to Internal Revenue Service of excess advance earned income credit payments shall be computed on the basis of the earnings considered in determining the family investment program grant for the prior year.

45.24(4) A retroactive corrective payment is:

a. Exempt from consideration as income.

b. Exempt from consideration as a resource in the month received and the following month.