



North Carolina Department of Health and Human Services
Division of Social Services

Economic Independence Section • 325 North Salisbury Street
2420 Mail Service Center • Raleigh, North Carolina 27699-2420
Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Buell, Secretary

Pheon E. Beal, Director
(919) 733-3055

July 20, 2001

Re: Social Security Cost of Living Correction

Dear County Director of Social Services:

**Attention: Food Stamp Supervisors
Work First Supervisors**

This letter is to inform all counties that due to an error in calculating the United States Department of Labor's Consumer Price Index several federal agencies underpaid benefits beginning January 2000, including the Social Security Administration (SSA). This underpayment caused the cost of living adjustment to be incorrect. On July 1, 2001, the SSA will be issuing lump-sum payments of between \$18.00 and \$54.00, and payments will increase by \$1.00 to \$3.00 to cover underpayments for the period of January 2000 to June 2001. Beginning August 1, 2001, the SSA will issue correct payments for that month and for future months.

Under Work First and Food Stamp policy non-recurring lump-sum payments are not counted; therefore, based on the increased amount that our recipients will receive, the Division feels as though this increase will likely not affect Work First or Food Stamp benefits. Further, due to the high cost of automating a mass change for such a small amount, the Division will not be conducting a mass change. The SSA will be handling this change, and the Division is instructing counties to adjust the Social Security or SSI amount at the next review, quarterly report, or change in situation.

If you have any questions please call your Work First or Program Integrity Representative.

Sincerely,

A handwritten signature in black ink that reads "Wilbert R. Morris".

Wilbert R. Morris, Chief
Economic Independence Section

WM/kl
EI-14-2001