STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

July 8, 1988

TO: All County Welfare Directors
All County Administrative Officers

Letter No.: 88- 46

SUBJECT: GERMAN REPARATIONS PAYMENTS

This is to provide you with instructions for immediately excluding German reparations payments as a resource.

Background

German reparations payments are made to certain survivors of the Holocaust under the Federal Republic of Germany's Law for Compensation of National Socialist Persecution (German Restitution Act).

The payments may be made periodically or in a lump sum. Currently, Title 22, California Code of Regulations excludes German reparations payments as income. The Department has initiated regulations to also exclude these payments as a resource.

Instructions

German reparations payments are to be excluded as a resource in the month following receipt of these payments, to the extent that these funds are not spent and kept identifiable. If these excluded funds have been commingled with non-excluded funds, it is the applicant's or beneficiary's responsibility to be able to distinguish which are the excluded commingled funds. The county can make the assumption that withdrawals from an account in which excluded and nonexcluded funds have been commingled, were made from the nonexcluded funds first. However, once German reparations payments have been spent, the exclusion does not carry over to whatever has been purchased. The property acquired shall be included in the property reserve, unless otherwise exempt.

Please note that the interest earned on German reparations payments should not be excluded and must be considered countable unearned income in the month received.

Any questions regarding the treatment of these payments as property are to be directed to Maleah Novak at 323-4129. Any questions regarding income should be directed to Toni Bailey at 916 324-4967.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: June 30, 1989