

DEPARTMENT OF HEALTH SERVICES

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September 18, 1996

Letter No.: 96-48

TO: All County Welfare Directors
All County Administrative Offices
All County Medi-Cal Program Specialists/Liaisons

RELOCATION ASSISTANCE PAYMENTS CONSIDERED EXEMPT PROPERTY

The purpose of this letter is to clarify for counties the treatment of federal, state, and local government relocation assistance payments as exempt property. Relocation assistance payments are provided to persons displaced by projects which acquire real property.

BACKGROUND:

Title II of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (Public Law No. 91-646), requires that federal relocation assistance payments are exempt property indefinitely. In addition, Department of Social Services, Eligibility and Assistance Standards Manual, Section 42-213.2(f) which concerns the Aid to Families with Dependent Children program, requires that all relocation assistance payments paid by a public agency are to be excluded in evaluating property. Section 1902(r)(2) of the federal Social Security Act requires that Medi-Cal resource methodologies be "no more restrictive" than the cash assistance programs. Therefore, relocation assistance payments must be considered exempt property.

ACTION:

- **Effective Date For State and Local Government Relocation Assistance Payments**

State and local government relocation assistance payments received shall be exempt property under this provision beginning in May 1991.

- **Effective Date For Federal Relocation Assistance Payments**

Effective January 2, 1971, with the enactment of Title II of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970, federal relocation assistance payments shall be exempt indefinitely.

- **Interest Earned**

Interest earned on unspent federal, state, and local relocation assistance payments is not exempt.

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- Commingled Funds

Federal, State, and local relocation assistance payments are exempt property to the extent the funds are retained and kept separately identifiable. It is the applicant's/beneficiary's responsibility to maintain records or other means of distinguishing the relocation assistance payments, if these funds have been commingled with other funds.

IMPLEMENTATION INSTRUCTIONS:

Counties who have not yet implemented the property exemption for relocation assistance payments shall implement no later than November 1, 1996 at application, redetermination and whenever a county is made aware of a case that involves relocation assistance payments. Counties shall rescind discontinuances and denials and issue retroactive eligibility in accordance with the effective dates where necessary to implement the exemption.

If you have any questions, please contact Sharyl Shanen-Raya at (916) 657-2942 or Kathy Harwell at (916) 657-0146.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci Chief
Medi-Cal Eligibility Branch