



POLICY CHANGE ALERT #16-032F

TITLE: OFFSETTING OVERPAYMENTS

ISSUE DATE: 07/25/2016

EFFECTIVE DATE: EFFECTIVE IMMEDIATELY

Summary

Programs Impacted: NA and CA

This Policy Change Alert is being issued to inform staff that the policy for offsetting benefits has been clarified. Overpayment amounts may be offset using any of the following:

- Restored NA Benefits
- Supplemental benefits issued for prior months
- Stale account

Revision Details

The FAA Policy Manual will be updated to include the information in this Policy Change Alert during one of the next bimonthly revisions. Until then, an alert will be placed in each revised section with a link to this document as a reminder of the policy change.

POLICY REFERENCE: FAA6.E04 – METHODS OF OVERPAYMENT COLLECTION - OVERVIEW

The [Office of Accounts Receivable and Collections](#) (OARC) initiates collection on all overpayments. Both of the following are jointly and separately liable for the value of any overissuance of benefits to the budgetary unit:

- All [adult\(g\)](#) budgetary unit participants
- [NA representatives](#)

OARC may pursue collection action against any or ALL budgetary units that include the following:

- Participant of the original budgetary unit when the participant was an adult at the time the overpayment occurred.
- NA representatives.

The overpayment may be [offset](#) using any of the following:

- [Restored NA benefits](#)
- [Supplemental benefits](#) issued for prior months
- [Stale accounts](#)

The methods used to collect on an overpayment may differ based on the program related to the overpayment.



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The different methods of collection for the identified programs are as follows:

- [Methods of CA Overpayment Collection](#)
- [Methods of NA Overpayment Collection](#)

POLICY REFERENCE: FAA6.E04B – METHODS OF NA OVERPAYMENT COLLECTION - OVERVIEW

The Office of Accounts Receivable and Collections (OARC) initiates collection on all overpayments including overpayments collected through offsetting of benefits. **This includes offsets to restored and supplemental benefits issued for prior months.** However, collection action is not initiated or may later be suspended or terminated, when any of the following occur:

- The budgetary unit cannot be located.
- The participant is deceased.
- The participant filed for bankruptcy protection.
- The overpayment is an agency error under the [referral limit](#).
- The nonfraud budgetary unit error overpayment is under the referral limit AND the case is closed.

Policy and procedures for repayment of an NA overpayment are outlined as follows:

- [Cash Repayment of NA Overpayments](#)
- [Repayment with NA Benefits](#)
- [Recoupment of NA Overpayments](#)
- [Recoupment of UI Benefits for NA Overpayments](#)
- [Recoupment of Federal Funds for NA Overpayments](#)
- [Collection Notices for Recoupment of NA Overpayments](#)
- [Renegotiation of Repayment of NA Overpayments](#)
- [Interstate Collection of NA Overpayments](#)
- [Collection on Bankruptcy for NA Overpayments](#)
- [Collection of OPs for NA Overpayments](#)
- [Compromising NA Overpayments](#)
- [Suspending Collection of NA Overpayments](#)
- [Offsetting NA Overpayments](#)
- [Stopping Collection of NA Overpayments](#)



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POLICY REFERENCE: FAA6.E04B.13 – METHODS OF NA OVERPAYMENT COLLECTION - OFFSETTING

Overpayments can be offset using any of the following:

- [Restored NA benefits](#)
- [Supplemental benefits](#) issued for prior months
- [Stale benefits](#)

EXCEPTION

ONLY [restored NA benefits](#) or [stale NA benefits](#) are used to offset the following:

- [Suspended NA Overpayments](#)
- [NA Overpayments Determined to be Uncollectible](#)
- [The amount of Compromised NA Overpayments](#)

Please contact the FAA Policy Support Team by phone at (602) 774-5523 or by e-mail at FAAPolicyMgmt@azdes.gov with any questions or concerns regarding this broadcast.

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