

.02 Methods of CA Overpayment Collection – Recoupment of CA Overpayment

The Office of Accounts Receivable and Collections [OARC Collections Unit](#) implements recoupment procedures, when either of the following occur:

- The decision that collection must be made by recoupment.
- This is the option elected by the household.

CA EXCEPTION

For CA overpayments prior to 08/01/96, recoupment may be made against CA benefits of a household that includes a participant who once belonged to an overpaid household. Recoupment can be made from any number of households at the same time.

Overpayments are not recouped from the following CA benefits:

- [Grant Diversion Payments](#)
- Child only case when the PI is coded OU on SEPA and the KF, KS, or LP Referral Source Code is displayed in the REFERRAL SRC field on RESE.

The decision to use recoupment as a method to reimburse the overpayment is not based on whether the overpayment was caused by either of the following:

- Agency error
- Household error

AZTECS calculates the recoupment amount excluding the following and their income:

- BC (Benefit Capped Child)
- UM (Unwed Minor Parent)

The recoupment amount is 10% of the calculated benefit amount, or greater when agreed by the household.

When the benefit is reduced to below \$10, that benefit amount is recouped.

When a benefit is reduced to zero, the household is still eligible and the CA case remains active.

For TPEP cases, one half of the total recoupment amount is recouped from each semi-monthly benefit. When the amount is uneven, it is rounded up to the next dollar. The greater amount is deducted from the second semi-monthly TPEP benefit.

The recoupment is completed in AZTECS. Recoupments are made on both of the following:

- The daily issuance
- The monthly issuance