

### .03 Methods of NA Overpayment Collection – Recoupment of NA Overpayment

FAA may collect payments on all overpayments from the households currently receiving benefits by reducing the NA benefit.

Before reduction in NA, the [Office of Accounts Receivable and Collections](#) (OARC) informs the household of the following:

- The appropriate formula used to determine the amount of benefits to be recovered each month.
- The effect the formula has on the NA allotment.
- The availability of other [methods of NA repayment](#).

When the participant chooses to repay through recoupment, the amount of reduction is as follows:

- For agency and nonfraud household errors, the greater of 10% of the allotment or \$10.
- For [Intentional Program Violation](#) (IPV) errors, the greater of 20% of the entitlement or \$20.

NOTE The entitlement is the amount the household would be eligible for were the participant not disqualified.

When the household is subject to recoupment, OARC completes the following:

- Determines the amount to be recouped based on the type of overpayment (IPV or unintentional error)
- Reduces the allotment until the overpayment is paid.

#### WARNING

The local office must not take any of the following actions:

- Adjust benefits in an effort to recoup benefits.
- Apply recoupment to initial month's benefits.
- Apply recoupment to restored benefits.

NOTE A computer tape from OARC is matched to the AZTECS Benefits Payment file before printing monthly or daily benefits.