

RECOUPMENT

Recoupment for overpayments will be pursued retroactively to the date that eligibility ceased to exist.

Overpayments shall be recovered according to the methods for recoupment in Program Administrative Manual (PAM) item 705. Recovery of overpayments is handled by the Reconciliation and Recoupment Section in DHS central office.

UNDERPAYMENTS

Retroactive payments are issued to correct underpayments caused by administrative error. An underpayment occurs when the guardian is paid less than the amount of assistance they are eligible to receive. Examples of administrative errors are:

- Computer or machine errors.
- Misapplication of policy by DHS staff.
- Failure to process a change in a timely manner.

TAX IMPLICATIONS

Guardians with specific tax questions or requests for information about how guardianship assistance affects their income tax, must be referred to the Internal Revenue Service (www.irs.gov) or the Michigan Department of Treasury (www.michigan.gov/treasury).