

Nebraska Appleseed

Stand Up for Justice

Overpayments & Collections FAQ



An Overpayment

Sometimes when people apply for or receive public benefits like the Supplemental Nutrition Assistance Program (SNAP) or Aid to Dependent Children (ADC), they might make a mistake in the information provided to the Nebraska Department of Health and Human Services (DHHS). Sometimes DHHS can make a mistake figuring out whether people are eligible, or on the amount of benefits a person should receive. When someone receives more benefits than they are actually eligible for, this is called an overpayment.

You can reduce the possibility of an overpayment when you apply by making sure the information on your application is as complete and accurate as possible. You can also help prevent overpayments when you are receiving benefits by promptly informing DHHS of changes in your situation. If DHHS discovers an overpayment, they may ask the person who received the benefits to pay them back--even if DHHS made the mistake that caused the overpayment.

This guide on overpayments and collections explains:

1. How to reduce the chances of an overpayment.
2. DHHS' process to collect an overpayment.
3. Your rights throughout the process.

What changes do I need to tell DHHS about if I receive SNAP?

Depending on which reporting category a person is in, they may need to report certain changes in their situation to DHHS. If you are receiving temporary transitional benefits, you do not need to report any changes during the 5 months you are receiving SNAP. In all other cases, you must report:

- If your monthly income goes over the limit for your family size. The income limit should be included on the last letter from DHHS about SNAP eligibility.
- When an adult who is required to work while receiving benefits begins working fewer than 20 hours/week or 80 hours/month.

These changes must be reported to DHHS within 10 days of the last day of the month in which the change occurred.

What changes do I need to tell DHHS about if I receive ADC?

All of the following changes should be reported to DHHS within 10 days of the change:

- An increase or decrease in income
- A change in work hours from part-time to full-time (or vice versa)
- A change in the number of dependents in the home
- Moving to a different house or apartment
- Getting a new job or losing a job

Even if you are careful about the information you give DHHS, mistakes can happen. If DHHS tells you that you have been overpaid SNAP or ADC, it is important to know what your rights are and how to appeal.

How can I repay DHHS if I have been overpaid?

If you are overpaid SNAP, you can choose:

- Automatic Benefit Reduction: DHHS can automatically reduce monthly SNAP benefits (by 10% or \$10, whichever is greater) if a person is still receiving SNAP--until the amount of the overpayment has been collected.
- Cash Payment: A person can make payments by cash, check, or credit card, either in one lump sum or in smaller payments over time.

If you are overpaid ADC, you can choose:

- To pay the money owed in one lump sum or through a series of smaller payments.
- To get less money or benefits in the future.

If you do not select a repayment option, DHHS may take actions to try and get the money back in a variety of ways.

What if I was overpaid SNAP, but still receive SNAP?

If you were overpaid SNAP and continue to receive SNAP, DHHS may automatically reduce your future benefits. In most cases, DHHS cannot take more than 10% or \$10/month (whichever is greater) unless you agree to pay more.

If the benefits were overpaid because a person was not truthful on their application, DHHS can take up to 20% or \$20/month. DHHS must notify the person by letter at least 10 days before they attempt to collect the money.

How does DHHS collect overpayments?

If you no longer receive benefits and do not select a repayment plan, DHHS may use any and all of the following options to collect an overpayment:

- Taking the person to small claims court
- Taking money out of a person's Unemployment benefits
- Garnishing a person's wages
- Getting the legal right to sell a person's property
- Taking a person's lottery winnings
- Taking money from a person's state tax refund

For all of the above methods of collection, DHHS may also charge for the costs of collecting the overpayment, meaning a person can pay more than they originally owed.

Additionally, if you have not repaid DHHS within 210 days, DHHS may turn the case over to the Treasury Department, and they can take the money owed from your federal income tax refund. DHHS must give notice before turning a case over to the Treasury. Even if DHHS turns a case over to the Treasury, you still have the right to appeal.



In all cases of an overpayment, you have the right to:

- Ask DHHS to settle or compromise (reduce the amount owed)* whether the overpayment was due to your own mistake or due to the error of DHHS.

*You may be eligible to receive free legal help negotiating a reduction or forgiveness of the overpayment. Learn about your options and call Legal Aid of Nebraska at [877.250.2016](tel:877.250.2016).

- Look at your records to see how the overpayment amount was calculated.
- Request an appeal* and a hearing about the overpayment.

*To appeal a SNAP decision, you must ask for a hearing within 90 days. If the request for a hearing is within 10 days of the overpayment notice, you may continue to get the previous amount of monthly SNAP benefits until your hearing. If you lose the appeal, you may have to pay DHHS back for some or all of the SNAP benefits received between the time you requested an appeal and the time you were notified of the hearing officer's decision.

Find more information in our [Administrative Appeals FAQ](#).

Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans.

We take a systemic approach to complex issues and we take our work wherever we believe we can do the most good, whether that's at the courthouse, in the statehouse, or in the community.

We are committed to diversity, inclusion, and equity, and lessening systemic racism that produces inequitable outcomes for communities of color.



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Helping community members find solutions.

Nebraska Appleseed can provide
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402.438.8853 EXT 205



NEAPPLESEED.ORG/GETHELP

RESOURCES FOR LEGAL HELP



LEGAL AID OF NEBRASKA 877.250.2016



UNL CIVIL CLINIC 402.472.3271



**THE CRIEGHTON LEGAL CLINIC FOR
DOUGLAS COUNTY ONLY 402.280.3068**

For additional questions, go to ne.freelegalanswers.org

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