



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEVPUTTA SANGVAI • Secretary

YVONNE COPELAND • Director, Division of Child and Family Well-Being

Date: December 01, 2025

Dear County Directors of Social Services:

Attention: Work First Family Assistance and Food and Nutrition Services Administrators, Managers, Supervisors and Case Managers

Subject: **2026** Cost-of-Living-Adjustments (COLA) Mass Change in Social Security Administration, Supplemental Security Income and Veterans Affairs Benefit Amounts

Priority: For Information and Action

I. GENERAL INFORMATION

Effective January 1, **2026**, recipients of Social Security (SSA), Supplemental Security Income (SSI), and Veterans Affairs (VA) will receive **a 2.8 percent** Cost-of-Living Assistance (COLA) increase. The purpose of this letter is to outline procedures for implementing the SSA, SSI and VA benefits COLA for Work First (WF) cash assistance cases and Food and Nutrition Services (FNS). The **2026** COLA increase will be automatically applied to cash assistance and FNS cases via North Carolina Families Accessing Services through Technology (NC FAST), automated case management system. **The standard monthly premium for Medicare Part B enrollees will increase to \$202.90 for 2026 from \$185.00 in 2025. These changes may affect January 2026 benefits.**

II. POLICY PROCEDURES

Work First

- A. SSA and VA benefits are countable income and included in budget calculations. **Individuals who receive SSI are not included in the Work First case or budget calculations.**
- B. All programs will be impacted by COLA. As a result, additional case observation and attention is needed.
- C. Work First recipients will not receive a mass notice about the COLA. Notices must be provided to Work First recipients if their benefits change or terminate as a result of the COLA increase. Work First Case Managers are responsible for sending the ten (10) day timely/adequate notice (as appropriate) to affected recipients.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF SOCIAL SERVICES • ECONOMIC AND FAMILY SERVICES

LOCATION: 1915 Health Services Way Raleigh, NC 27607
MAILING ADDRESS: 2420 Mail Service Center, Raleigh, NC 27699-2420
www.ncdhhs.gov • TEL: 919-527-6300 • FAX: 919-334-1265

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

FNS

- A. NC FAST will calculate the new payments for SSA, SSI and VA payment **by 2.8 percent**, the cents will be dropped from SSA, SSI and VA payment amounts. The case will be reassessed for the new allotment amount.
- B. If the SSA, SSI or VA payment amount is \$35.00 or less, the **2.8 percent** will calculate to less than \$1.00. As a result, the case will not receive an increase in the Social Security, SSI or VA payment amount.
- C. Transitional Food and Nutrition Services cases will not be included in the mass change.
- D. Benefit evidence for SNAP cases will be updated to reflect the SSI amount, but the allotment amount will not change.

Note: The attached mass change notice will be sent to households in English and Spanish. These notices meet the federal requirements for mass change. The Notice of Adverse Action is not needed; however, the household is entitled to a fair hearing if they believe benefits were improperly computed.

III. IMPLEMENTATION PROCEDURES

Work First

- A. NC FAST will apply the COLA increase to all Work First cash assistance cases and update the Benefit Evidence. The caseworker must manually reassess impacted cases and review the new eligibility determination identified as the "ON HOLD DECISION". NC FAST will provide a report of the impacted cases and post the report to FAST Help. NC FAST will inform case managers when the report is available.
- B. NC FAST will show both the **2025 and 2026** amounts.
- C. **Actions Taken Prior to January 1, 2026**
For pending applications, the "old" Social Security, SSI and VA payment amounts need to be end dated for **December 31, 2025**, and add new amount with the start date of **January 1, 2026**.

For active cases already processed, NC FAST will run a batch that will end date the "old" amount **December 30, 2025**, and add the new amount with the start date of **December 31, 2025, effective for January 1, 2026**.
- D. **Actions to Take on/or After January 1, 2026**
Complete/key the case information using the appropriate/correct/new amounts for benefits.
- E. **Actions on Ineligible Cases**
Ineligible cases in NC FAST will be updated. If the case was deemed ineligible in error, determine the correct SSA and/or VA benefit(s) payment amount(s). Update the Benefit Evidence for **January 2026** in NC FAST.

FNS

- A. **Actions Taken Prior to January 1, 2026**

For pending applications, the old SSA, SSI and VA payment amounts need to be ended for **December 31, 2025**, and add new amount with the start date of **January 1, 2026**.

For active cases already processed, NC FAST will run a batch that will end date the "old" amount **December 31, 2025**, and add new amount with the start date **January 1, 2026**.

Cases with certification periods that end **December 31, 2025**, or earlier, the caseworker will manually update the SSA, SSI and VA payment amounts prior to recertification or reapplication.

NOTE: If an individual is approved for SSA, SSI and/or VA payment amounts effective **December 2025** or later and the new amount is erroneously entered prior to **January 2026**, issue a supplement to the client if applicable.

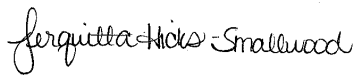
B. Actions on cases deemed ineligible due to COLA Mass change

NC FAST will update the benefit evidence and reassess the case. The case will be closed if determined ineligible due to the changes. If the case was deemed ineligible in error, determine the correct SSA, SSI and/or VA payment amounts. Reopen the case, update the benefit evidence for **January 2026** and reassess the case.

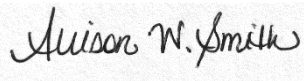
IV. EFFECTIVE DATE

This policy is effective January 1, 2026. If you have any questions, please submit them to the Continuous Quality Improvement Specialist (CQIS) dss.policy.questions@dhhs.nc.gov.

Sincerely,



Jerquitta Hicks-Smallwood Assistant Director
Division of Child and Family Well-Being



Allison W. Smith, Deputy Director
Division of Social Services, Economic and Family Services

JHS/AWS/vb/ar

EFS-FNSEP-23-2025

Attachments (3)

Notice to Food and Nutrition Services Recipients (English)

Notice to Food and Nutrition Services Recipients (Spanish)

North Carolina Department of Health and Human Services Division of Social Services (Multilingual Language Notice) DSS-8567