

JOSH STEIN • Governor

DEVDUTTA SANGVAI • Secretary

CARLA WEST • Division Director, Human Services

December 9, 2025

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

ATTENTION: SPECIAL ASSISTANCE AND ADULT SERVICES SUPERVISORS, PROGRAM ADMINISTRATORS, AND PROGRAM MANAGERS

SUBJECT: Special Assistance (SA) and Special Assistance In-Home (SAIH) Rate Adjustments for 2026, and Upcoming POST-COLA Reports in NC FAST

Priority: Action Required, Time Sensitive

Special Assistance (SA) rates are adjusted yearly using the federally approved Social Security cost-of-living change (if any) effective for the applicable year. **The federally approved Social Security cost-of-living (COLA) adjustment effective for 2026 is 2.8%.** As a result, the following Special Assistance rate changes will occur:

- Effective January 1, 2026, the monthly Basic Rate for Special Assistance shall be \$1,397.00, and the SA Basic Maintenance Amount shall be \$1,467.00.
- Effective January 1, 2026, the monthly **Enhanced Rate** for Special Assistance shall be \$1,792.00, and the SA Enhanced Maintenance Amount shall be \$1,862.00.

Reminder: Both SA and SAIH COLAs will occur at the same time. Please stay informed of all updates provided by NC FAST regarding COLA processing.

This letter outlines the SA COLA automated process to be executed by NC FAST and provides counties procedures for handling SA COLA mass change updates.

SOCIAL SECURITY AND VETERAN'S CHANGES DUE TO COLA ADJUSTMENT

- 1. RSDI/SSI Effective January 1, 2026, recipients of RSDI and/or SSI will receive a 2.8% COLA increase in their monthly benefits.
- 2. SSI Federal Benefit Rate (FBR) Effective January 1, 2026, the SSI FBR for an individual has increased to \$994.00 per month.
- 3. VA Compensation and Benefits Effective January 1, 2026, most recipients of VA compensation and benefits will receive a 2.8% COLA increase in their monthly benefit.

SA MASS CHANGE AUTOMATED OVERVIEW

- NC FAST will create new RSDI/SSI/VA evidence with the start date of January 1, 2026, and update Special Assistance cases to adjust the payment effective January 1, 2026. This will terminate any cases that exceed the income limit effective December 31, 2025. NC FAST recalculates the SA payment by increasing the Social Security payment, SSI payment and/or VA payment amount by 2.8%. The cents are dropped from Social Security, SSI, and VA payments.
- 2. NCF-20031 SA COLA Mass Change Timely Notices have been system generated and sent on all updated SA cases, including exception cases. The NCF-20031 notice meets federal requirements for a mass change. An adequate DSS-8110 may need to be created by the caseworker in some situations, as referenced in the post-COLA report directions below.
- 3. **Post-COLA Reports**: These reports are used for reference or list cases which were not included in the system COLA update by NC Fast and require caseworker manual intervention. These reports will be posted to the Home page of FAST Help (and use the standard NC FAST reports password).
 - **SA/SAIH Exception Report:** This report identifies the exception SA cases that have potentially been impacted by COLA. Caseworkers will need to use this report to review 'On-Hold' changed decisions and take appropriate action (to include sending a manual *Adequate* DSS-8110 with the new payment amount).
 - SA/SAIH Ineligible Report: This report identifies any SA cases that are potentially terminating due to the COLA increase, and for which a DSS-8110 was generated by NC FAST. Cases appearing on this report must be reviewed by the caseworker.

Note: Some cases may be failing the FBR minimum income requirement due to the 'rounding cents' process that occurs between SSA and NC FAST. Please follow the steps below for each case listed on this report that became ineligible due to income falling below the FBR limit:

- **Step 1**: Request online data (OVS) to verify the actual 'Benefit' amount effective January 1st.
- **Step 2**: Edit the 'Benefit' evidence that was created by NC FAST with a January 1st start date. Update the amount in that evidence to the correct amount that was just verified in OVS.
- **Step 3**: Verify the evidence, Apply Changes to 'Benefit' evidence, and review and handle the new decision.
- **Step 4**: For 'eligible' decisions, send an Adequate DSS-8110 notice with the new payment amount effective January 1st. For 'ineligible' decisions, no further action is required, as a DSS-8110 was already generated by NC FAST.

<u>Note</u>: It is possible that some cases may be determined ineligible due to expired/invalid FL-2's. For such cases, caseworkers will need to complete a review and update the Level of Care evidence when appropriate, handle the new decision, and send an Adequate DSS-8110 notice.

- SA/SAIH Processed Report: This report identifies the SA Cases where COLA was
 the only change. These cases have a system accepted changed decision and DSS8110 notices have been generated by NC FAST. No caseworker action should be
 required, aside from:
 - · using this report to review case decisions, and
 - using this report to identify cases that need *rounding corrections* (as detailed further in this letter).
- SA/SA-IH Pending Application Report: This report is an important reference report that lists SA applications pending disposition as of December 1st. Pending Income Support Applications that are not associated with an Income Support Case with an active PDC are not updated by NC FAST. As a result, caseworkers will need to manually update the evidence in these applications to reflect the new RSDI/SSI/VA benefit amount as of January 1st.
 SA applications listed on the report must be reviewed to ensure that the application has 'Benefit' evidence for any needed SA coverage month prior to January 1st, by:
 - entering the appropriate Start Date, and an End Date of December 31st

<u>and</u>

 entering a <u>new</u> 'Benefit' evidence with a start date of January 1st that includes the new verified 'Benefit' amount resulting from the annual COLA increase.

ROUNDING CORRECTIONS

NC FAST drops cents for Social Security, SSI, and VA benefits when executing the automated COLA updates for the mass change. Should an amount be incorrect due to dropping cents for cases automatically updated by NC FAST, the county should manually correct the amounts immediately following the mass change, no later than February 28, 2026. This is applicable for all of the SA/SAIH Post-COLA reports. The start date for corrected evidence is January 1, 2026.

1. When the above rounding corrections are made and the corrected benefit amount results in a payment decrease, send a new DSS-8110 indicating the new SA payment.

Determine if the new DSS-8110 is to be timely or adequate based on the below:

- If the rounding correction is being made in December 2025, then an adequate DSS-8110 may be sent.
- If the month the rounding correction is being made happens to be the 12th month of the current certification period (i.e. the recertification month), and the beneficiary was previously sent an approval notice that indicated the approval was for a specific certification period, then an adequate DSS-8110 may now be sent. (Policy reference: SA-3330 II. C. 1. g.)

If the above situation is applicable, but the beneficiary was <u>not</u> sent an approval notice that indicated the approval was for a specific certification period, then a *timely* DSS-8110 must now be sent.

- In any other circumstance when making the rounding corrections, a *timely* DSS-8110 must be sent.
- 2. Rounding corrections made to increased Social Security, SSI, or VA benefit amounts may create an overpayment in NC FAST. Overpayments created when adding the corrected Benefit and/or Income evidence is a State responsible overpayment charged to the State for January, February, and/or March 2026 (depending upon the month the rounding corrections are made).

Failure to add corrected Benefit and/or Income evidence by February 28, 2026, will result in a county responsible overpayment as of March 1, 2026.

Timeframe of COLA Processing

With the exception of SA rounding corrections referenced in this letter, SA cases not automatically updated by the NC FAST COLA Mass Change (cases requiring caseworker manual update and review) should be completed prior to the December 2025 NC FAST processing deadline.

NC FAST will provide reports related to SA COLA automation soon. Please reference this Letter and the *SA/SA-IH RSDI/SSI COLA* Job Aid (located on the Home Page of FAST Help) for guidance when working post-COLA reports. Guidance must be followed timely and accurately to ensure appropriate actions are taken.

For any questions regarding this letter, please contact the Special Assistance listserv at specialassistance@dhhs.nc.gov.

Sincerely,

Allison W. Smith, Deputy Director Division of Social Services

Economic and Family Services

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AWS/vw

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