

For: State and County Offices

Payment Eligibility Review of Estates Older Than 2 Program Years

Approved by: Deputy Administrator, Farm Programs



1 General Policy

A Background

Following the period of 2 program years after the program year in which a person dies, the deceased person’s estate shall **not** be considered actively engaged in farming unless COC determines, on a case-by-case basis, that the estate is still active or is being kept active for reasons other than for the receipt of program benefits subject to payment limitation (PL).

COC is **required** to annually review each identified estate in existence for more than 2 program years that is requesting program benefits. COC **must** review supporting documentation provided for each identified estate and determine whether the estate is being active for reasons other than for the receipt of program benefits. To assist COC’s with this review, a report that lists all estates that have been active for more than 2 program years and that received 2013 program benefits, subject to PL, has been provided to all State Offices.

B Purpose

This notice provides information and instructions for:

- the annual review of estates older than 2 program years
- using the Active Estates Report provided to all State Offices
- documentation required in support of the completed review
- the deadline for completing the reviews.

Disposal Date	Distribution
December 1, 2014	State Offices; State Offices relay to County Offices
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2 Reviewing Estates Active More Than 2 Years

A Required COC Determinations According to 5-PL, Paragraph 244

For estates remaining open more than 2 program years after the program year in which the individual dies, COC **must** determine the:

- estate has proven it is active for the current year
- administrator or executor is making required reports to the court
- estate is active for the current year for reasons other than obtaining program benefits.

Note: The estate **must** provide information and documentation that establishes a basis for the required determination. For example, a copy of the previous year's IRS Form 1041 will show whether an estate has filed its final return.

B Failure to Meet the Rule

If COC **cannot** determine, or fails to determine, an estate active more than 2 years meets the requirements in subparagraph A and 5-PL, paragraph 244, COC shall complete all of the following actions:

- determine the estate ineligible for 2013 and subsequent years' program benefits subject to PL
- provide written notice of COC's ineligibility determination
- include appeal rights according to 1-APP.

C Documentation of Determination

County Offices shall document COC findings in both COC minutes and on CCC-903.

3 Active Estates Report

A Contents of the Active Estates Report

The Active Estates Report provided to all State Offices:

- represents all active estates older than 2 program years
- includes the total amount of payments received for the 2013 program year subject to PL
- is arranged by State and county.

B Using the Active Estates Report

State Offices shall provide the Active Estates Report to all respective County Offices for use by COC's in completing the annual reviews.

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4 Action

A County Office Action

County Offices shall do the following:

- ensure that all required determinations are made for estates active more than 2 years after the individual's death
- review all estates to ensure compliance with rules for employer identification numbers
- scan, encrypt, and e-mail or FAX all documentation to DD for concurrence.

Documentation shall include the Active Estate Report, letters testamentary dated within 12 months, a letter of explanation from the executor as to why the estate is being held open, the portion of COC minutes about the estate, and a copy of the page from the estate's IRS tax return showing the estate name and the individual signing on behalf of the estate for **all** estates listed on the report that are older than 2 years.

County Offices shall submit the completed report to their DD no later than COB, **September 30, 2014**.

B DD Action

DD's shall submit entire, completed County Office reports for their respective district to the State PL specialist no later than **October 6, 2014**.

C State Office Action

SED or State PL specialist in each State Office shall verify completion of the required reviews and associated actions for estates by e-mail to **james.baxa@wdc.usda.gov**, PECD, by COB, **October 10, 2014**.