

For: Tobacco State and County Offices

Tobacco Transition Payment Program (TTPP) Payments for Contract Holders Who Have Died

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notices TB-1138, TB-1155, and TB-1161 provided information about land ownership provisions and the acceptable proofs of ownership for TTPP purposes. Notice TB-1193 provided instructions for handling cases where the TTPP contract holder died. This notice will be incorporated into the forthcoming TTPP handbook.

B Purpose

This notice provides instructions for handling TTPP contract holder deaths.

2 Payments Because of a TTPP Contract Holder Who Has Died

A Deadline for Filing CCC-971

The deadline for filing CCC-971 for the 2007 and future payments does not apply to death cases.

The following are Q&A's about CCC-971 for deceased contract holders.

Q1: What happens in cases where the contract holder died before November 1, 2006, and no CCC-971 is filed by November 1, 2006?

A1: Put contract into "in dispute" status and notify all known parties that the contract has been placed into "in dispute" status and that they have 30 calendar days to come into the County FSA Office to resolve the contract ownership. If there is a spouse, then put new contract in name of spouse. If no spouse, then put the contract in the name of the estate of the deceased.

Q2: What happens when CCC-971 is dated after November 1, 2006, because the contract holder died after November 1, 2006?

A2: If CCC-971 has been filed and approved before the payment is disbursed; the payment will be made according to CCC-971.

Disposal Date	Distribution
July 1, 2007	Tobacco State Offices; State Offices relay to applicable County Offices

Notice TB-1211

2 Payments Because of a TTPP Contract Holder Who Has Died (Continued)

A Deadline for Filing CCC-971 (Continued)

Q3: Can an executor of an estate use the CCC-971 to transfer a TTPP contract to a trust established in the settlement of the estate?

A3: No. There can only be a transfer to a family member.

Q4: Can the heirs of an estate use a CCC-971 to transfer a contract to a trust they have established?

A4: No. There can only be a transfer to a family member.

B Making Payment to Surviving Spouse

If a TTPP contract holder dies, then the payment must go to the surviving spouse. If no surviving spouse, then the payment goes to the estate of the contract holder.

C Waiving Deadline for Filing CCC-971

If there is a death of a TTPP contract holder between November 1 and payment disbursement, then the deadline for filing CCC-971 may be waived, as part of the resolution.

D TTPP Payments That Must Be Returned

Any wrongfully paid TTPP payments must be returned as part of a resolution unless they were payable to the deceased and it is determined that there is no surviving spouse and the payments were owed to the deceased estate, then the executor or administrator of the deceased estate will be given the option of filing CCC-971 or receiving the payments for the estate.

E TTPP Payments Sent to Closed Bank Accounts

If a TTPP contract payment was sent to a bank account that has been closed, because of CCC having no knowledge of the TTPP contract holder's death, upon being notified, CCC will put the contract into "in dispute" status and no future payments will be made until all ownership issues are resolved.

Parties to the TTPP payment resolution will include the person who informed CCC of the death, the executor of the TTPP contract holder's estate, and the surviving spouse. When CCC receives knowledge of the death, it will send a letter of notification to the address of the contract holder and to all known parties notifying them that they have 30 calendar days to come into the FSA County Office to resolve the TTPP payment issues. A Notification to Resolve Contract Ownership (Exhibit 1) must be sent to all known parties.

Notice TB-1211

2 **Payments Because of a TTPP Contract Holder That Has Died (Continued)**

F No Claim Made Within 30 Calendar Days

If no claim is made within 30 calendar days, CCC will not make any future payments on the contract. If someone files for payment after the 30 calendar days, good faith must be shown, to begin the resolution process again.

G Payments Made Before CCC Is Notified That Contract Holder Has Died

The TTPP payments that had been paid out after the death of the contract holder and before CCC received knowledge of the death will be returned to CCC. A receivable must be established to collect the TTPP payments that had been made since the death.

Note: A forthcoming notice will provide instructions for handling receivables.

H Determining Ownership After Death

During the process of resolving the ownership issues, if there is a surviving spouse, then that spouse will be allowed to sign a new contract for payment.

Note: New contract number will be issued for future payments. Deceased person contract will be cancelled.

If no surviving spouse, then the executor or administrator of the deceased TTPP contract holder's estate will need to provide a will and proof of appointment. The executor or administrator must certify that no surviving spouse exists on CCC-971. If no will, then CCC will hold funds until the executor or administrator of the estate is appointed.

Notice TB-1211

2 Payments Because of a TTPP Contract Holder That Has Died (Continued)

I Contract Holder Dies After Deadline Without Filing CCC-971

If a TTPP contract holder died after the CCC-971 deadline without having filed CCC-971 and before the payment has been made, then the contract will be put into “in dispute” status until all ownership issues are resolved. Parties to the TTPP payment resolution will include the person who informed CCC of the death, the executor of the TTPP contract holder’s estate, and the surviving spouse. When CCC receives knowledge of the death, it will notify all parties that they have 30 calendar days to come into the FSA County Office to resolve the TTPP payment issues. Then if there is a surviving spouse, a new contract will be placed in the spouse’s name. If no surviving spouse, then the TTPP payments are payable to the estate of the contract holder unless CCC-971 is completed.

3 Action

A County Office

County Office shall:

- ensure that provisions of this notice are followed
- contact State Offices with any questions about the provisions in this notice.

B State Office

State Office shall:

- ensure that County Offices follow the provisions of this notice
- contact Wallace Nuttycombe, NTPC, at 800-673-2331 with any questions about the provisions in this notice.

C State and County Offices

State and County Offices shall file a copy of the 30-Day Notification to Resolve Contract Ownership letter in the contract folder.

30-Day Notification to Resolve Contract Ownership Letter



United States Department of Agriculture

Farm Service Agency

FSA Office

Telephone: FAX:

Date: [Enter Date]

[Enter TTPP Contract Holder's Address]

RE: Deceased Contract Holder's Name: [Name] Contract Number: [Contract Number]

30-Day Notification to Resolve Contract Ownership

As a Tobacco Transition Payment Program (TTPP) existing contract holder, your contract may be transferred in certain situations, and such transfer would be exempt from the provisions of 7 CFR Part 1463.112 relating to the minimum amount of consideration that must be paid to the contract holder.

The exemptions are limited to the following:

- 1. Family Member - The TTPP contract can be transferred to a family member. A family member means a parent; grandparent or other direct lineal ancestor; child or other direct lineal descendent; spouse; or sibling of a tobacco quota holder or tobacco producer.
2. Because of Death - The TTPP contract can be transferred to the surviving spouse upon presentation of a death certificate, without regard to any will or other document by the contract holder.

IF there is no surviving spouse, the TTPP contract can be transferred to the estate by any person allowed under State law to distribute the assets of the deceased contract holder. Evidence of such authority includes documents such as a copy of a court order identifying the person to act on behalf of the estate, or a statement from the county attorney for the county in which the deceased person resided giving the person authority to act on behalf of the estate.

- 3. Permanent Quota Assignment - The TTPP contract can be transferred to a party who had purchased a tobacco marketing quota before October 22, 2004 and had placed the quota on the contract holder's farm with their consent before October 22, 2004 according to 7 CFR Part 723.216.

You may request a transfer of your contract for any of the above reasons by submitting a CCC-971 (Transfer of TTPP Contract Exempt From Maximum Discount Rate) at the County FSA Office. The deadline for submitting the request for transfer is November 1 in order to take effect for the next payment scheduled in January. Note: In the event of death, the transfer deadline does not apply.

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30-Day Notification to Resolve Contract Ownership Letter (Continued)

This notification letter is being sent to all parties because of the death of the above mentioned contract holder. The contract has been place in an "in dispute" status and no further TTPP payments will be made until all ownership issues are resolved.

You have 30 calendar days to come in to the County FSA Office to resolve the TTPP payment issues. If you have questions about this matter, contact this County FSA Office.

Sincerely,

[Name]



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