

NEW YORK COURT OF APPEALS

Matter of Andersen v. Hein

2026 NY Slip Op 03259 · No. No. 42 · Decided May 26, 2026

SUMMARY

The New York Court of Appeals held that New York's reimbursement of Safety Net Assistance from retroactive Supplemental Security Income awards does not violate the Fair Labor Standards Act when the assistance was conditioned on participation in work experience programs. The court concluded that recipients received the minimum wage value of their labor and that reimbursement prevented duplicative benefits under 42 USC § 1383(g). Judge Troutman dissented, reasoning that the policy provided no credit for labor performed and violated the court's precedent in Matter of Carver v State of New York.

CASE DETAILS

COURT	New York Court of Appeals
WRITING FOR THE COURT	Cannataro, J.; Rivera, J.; Garcia, J.; Singas, J.; Troutman, J.; Wilson, C.J.; Halligan, J.
JURISDICTION	New York Court of Appeals
DECIDED	May 26, 2026
DOCKET	No. 42
DISPOSITION	affirmed
PROCEDURAL POSTURE	Petitioners brought a hybrid CPLR article 78 proceeding and putative class action challenging New York's reimbursement of Safety Net Assistance from retroactive Supplemental Security Income awards. Supreme Court granted judgment to petitioners on their Fair Labor Standards Act claim; the Appellate Division unanimously reversed; the Court of Appeals granted leave to appeal and affirmed.
STANDARD OF REVIEW	The Court reviewed the legal question presented in the article 78 proceeding concerning the legality of the reimbursement policy and the interpretation of the FLSA and federal interim-assistance statute.
PRECEDENTIAL VALUE	published
PARTIES	Danny Andersen, et al. v. Michael P. Hein, et al.

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QUESTIONS PRESENTED

1. Whether New York's reimbursement of SNA interim assistance from retroactive SSI awards violates the FLSA by depriving WEP participants of the minimum-wage value of their labor.
2. Whether assistance conditioned on participation in work activities qualifies as 'interim assistance' reimbursable under 42 USC § 1383 (g).
3. Whether Matter of Carver v State of New York required New York to credit WEP participants for the value of their labor before recouping SNA from retroactive SSI awards.

HOLDINGS

1. New York's reimbursement policy does not violate the FLSA because petitioners received the minimum-wage value of their work through the SNA benefits and received all additional amounts necessary to satisfy their federally guaranteed basic needs; reimbursement therefore caused no cognizable loss.
2. Interim assistance under 42 USC § 1383 (g) includes state assistance conditioned on participation in work activities; the statute does not distinguish work-conditioned assistance from assistance provided without a work requirement.
3. Matter of Carver does not decide the legality of reimbursement from a separate payment stream and does not control reimbursement from retroactive SSI awards.

KEY QUOTATIONS

*“Because petitioners received both the minimum wage for their work and all other amounts they are entitled to under federal law to satisfy their basic needs, reimbursement did not result in any cognizable loss to petitioners.” (*1-*2)*

*“Petitioners thus have suffered no net loss: they have been paid all sums to which they are legally entitled, both for their work activities and their basic needs.” (*5)*

*“They are not entitled to funds that Congress earmarked for states to encourage them to do precisely what New York did here.” (*6)*

FACTUAL BACKGROUND

While their applications for federal SSI were pending, petitioners received New York Safety Net Assistance conditioned on participation in work experience programs. Their required work hours were calculated by dividing the SNA benefit by the applicable minimum wage. After the Social Security Administration approved their SSI applications, retroactive lump-sum SSI payments were sent to county districts, which used amounts corresponding to the SNA previously paid to reimburse New York and transferred the excess to petitioners.

PROCEDURAL HISTORY

After an unsuccessful administrative challenge, petitioners joined a hybrid CPLR article 78 proceeding and putative class action alleging that reimbursement of SNA from retroactive SSI awards unlawfully recouped the minimum-wage value of their work-experience-program labor. Supreme Court declared that reimbursement had to reflect the value of WEP participation. The Appellate Division reversed, concluding that petitioners had retained the value of the minimum wage through their interim assistance and that reimbursement prevented duplicative benefits. The Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Schweiker v Hogan, 457 US 569 (1982)
- Splude v Apfel, 165 F3d 85 (1st Cir 1999)
- Noland v Shalala, 12 F3d 258 (D.C. Cir. 1994)
- White v Bowen, 835 F2d 974 (2d Cir. 1987)
- Jackson v Schweiker, 683 F2d 1076 (7th Cir. 1982)
- Pappas v Bowen, 863 F2d 227 (2d Cir. 1988)
- Biggs v Lyng, 823 F2d 15 (2d Cir. 1987)
- Matter of Rodriguez v Perales, 86 NY2d 361 (1995)
- Rivers v Schweiker, 692 F2d 871 (2d Cir. 1982)
- McKenzie v Bowen, 787 F2d 1216 (8th Cir. 1986)
- Barrentine v Arkansas-Best Freight System, Inc., 450 US 728 (1981)
- D. A. Schulte, Inc. v Gangi, 328 US 108 (1946)
- Matter of Carver v State of New York, 26 NY3d 272 (2015)
- Matter of Empire Ctr. for N.Y. State Policy v New York State Teachers' Retirement Sys., 23 NY3d 438 (2014)
- Brukhman v Giuliani, 94 NY2d 387 (2000)
- Stein v HHGREGG, Inc., 873 F3d 523 (6th Cir. 2017)
- Johns v Stewart, 57 F3d 1544 (10th Cir. 1995)
- United States v City of New York, 359 F3d 83 (2d Cir. 2004)
- Mayhue's Super Liq. Stores, Inc. v Hodgson, 464 F2d 1196 (5th Cir. 1972), cert. denied, 409 US 1108 (1973)
- Cao v Wu Liang Ye Lexington Rest., Inc., 2010 US Dist LEXIS 109373, 2010 WL 4159391 (S.D.N.Y. Sept. 30, 2010)
- Whitaker v California Dept. of Social Servs., 2010 WL 4403317, 2010 Cal. App. Unpub. LEXIS 8861 (Nov. 8, 2010)
- Edmond v United States, 520 US 651 (1997)

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