

**256J.37 TREATMENT OF INCOME AND LUMP SUMS.**

Subdivision 1. **Deemed income from ineligible assistance unit members.** The income of ineligible assistance unit members, except individuals identified in section 256J.24, subdivision 3, paragraph (a), clause (1), must be deemed after allowing the following disregards:

- (1) an earned income disregard as determined under section 256P.03;
- (2) all payments made by the ineligible person according to a court order for spousal support or the support of children not living in the assistance unit's household; and
- (3) an amount for the unmet needs of the ineligible persons who live in the household who, if eligible, would be assistance unit members under section 256J.24, subdivision 2 or 4, paragraph (b). This amount is equal to the difference between the MFIP transitional standard when the ineligible persons are included in the assistance unit and the MFIP transitional standard when the ineligible persons are not included in the assistance unit.

Subd. 1a. **Deemed income from disqualified assistance unit members.** The income of disqualified members must be deemed after allowing the following disregards:

- (1) an earned income disregard as determined under section 256P.03;
- (2) all payments made by the disqualified member according to a court order for spousal support or the support of children not living in the assistance unit's household; and
- (3) an amount for the unmet needs of other ineligible persons who live in the household who, if eligible, would be assistance unit members under section 256J.24, subdivision 2 or 4, paragraph (b). This amount is equal to the difference between the MFIP transitional standard when the ineligible persons are included in the assistance unit and the MFIP transitional standard when the ineligible persons are not included in the assistance unit. An amount shall not be allowed for the needs of disqualified members.

Subd. 1b. **Deemed income from parents of minor caregivers.** In households where minor caregivers live with a parent or parents or a stepparent who do not receive MFIP for themselves or their minor children, the income of the parents or a stepparent must be deemed after allowing the following disregards:

- (1) income of the parents equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child in the household; and
- (2) all payments made by parents according to a court order for spousal support or the support of children not living in the parent's household.

Subd. 2. **Deemed income and assets of sponsor of noncitizens.** (a) If a noncitizen applies for or receives MFIP, the agency must deem the income and assets of the noncitizen's sponsor and the sponsor's spouse as provided in this paragraph and paragraph (b) or (c), whichever is applicable. The deemed income of a sponsor and the sponsor's spouse is considered unearned income of the noncitizen. The deemed assets of a sponsor and the sponsor's spouse are considered available assets of the noncitizen.

(b) The income and assets of a sponsor who signed an affidavit of support under title IV, sections 421, 422, and 423, of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and the income and assets of the sponsor's spouse, must be deemed to the noncitizen to the extent required by those sections of Public Law 104-193.

(c) The income and assets of a sponsor and the sponsor's spouse to whom the provisions of paragraph (b) do not apply must be deemed to the noncitizen to the full extent allowed under title V, section 5505, of Public Law 105-33, the Balanced Budget Act of 1997.

Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency must include gross earned income less any disregards in the initial and monthly income test. Gross earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time.

Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency shall count \$50 of the value of public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) as unearned income to the cash portion of the MFIP grant. The full amount of the subsidy must be counted as unearned income when the subsidy is less than \$50. The income from this subsidy shall be budgeted according to section 256J.34.

(b) The provisions of this subdivision shall not apply to an MFIP assistance unit which includes a participant who is:

(1) age 60 or older;

(2) a caregiver who is suffering from an illness, injury, or incapacity that has been certified by a qualified professional when the illness, injury, or incapacity is expected to continue for more than 30 days and severely limits the person's ability to obtain or maintain suitable employment; or

(3) a caregiver whose presence in the home is required due to the illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household when the illness or incapacity and the need for the participant's presence in the home has been certified by a qualified professional and is expected to continue for more than 30 days.

(c) The provisions of this subdivision shall not apply to an MFIP assistance unit where the parental caregiver is an SSI participant.

Subd. 3b. [Repealed, 2007 c 147 art 2 s 63]

Subd. 4. **Self-employment.** Self-employment has the meaning given in section 256P.01, subdivision 7.

Subd. 5. **Self-employment earnings.** The agency must determine self-employment income according to section 256P.05, subdivision 2.

Subd. 6. **Self-employment budget period.** The agency must budget self-employment earned income according to section 256P.05, subdivision 3.

Subd. 7. **Farm income.** Farm income shall be treated as self-employment income under section 256P.05, subdivision 2. The agency must budget farm income as self-employment earned income according to section 256P.05, subdivision 3.

Subd. 8. **Rental income.** Rental income is subject to the requirements of section 256P.05.

Subd. 9. **Unearned income.** (a) The agency must apply unearned income to the MFIP transitional standard. When determining the amount of unearned income, the agency must deduct the costs necessary to secure payments of unearned income. These costs include legal fees, medical fees, and mandatory deductions such as federal and state income taxes.

(b) The agency must convert unearned income received on a periodic basis to monthly amounts by prorating the income over the number of months represented by the frequency of the payments. The agency must begin counting the monthly amount in the month the periodic payment is received and budget it according to the assistance unit's budget cycle.

Subd. 10. **Treatment of lump sums.** (a) The agency must treat lump-sum payments as earned or unearned income. If the lump-sum payment is included in the category of income identified in subdivision 9, it must be treated as unearned income. A lump sum is counted as income in the month received and budgeted either prospectively or retrospectively depending on the budget cycle at the time of receipt. When an individual receives a lump-sum payment, that lump sum must be combined with all other earned and unearned income received in the same budget month, and it must be applied according to paragraphs (a) to (c). A lump sum may not be carried over into subsequent months. Any funds that remain in the third month after the month of receipt are counted in the asset limit.

(b) For a lump sum received by an applicant during the first two months, prospective budgeting is used to determine the payment and the lump sum must be combined with other earned or unearned income received and budgeted in that prospective month.

(c) For a lump sum received by a participant after the first two months of MFIP eligibility, the lump sum must be combined with other income received in that budget month, and the combined amount must be applied retrospectively against the applicable payment month.

(d) When a lump sum, combined with other income under paragraphs (b) and (c), is less than the MFIP transitional standard for the appropriate payment month, the assistance payment must be reduced according to the amount of the countable income. When the countable income is greater than the MFIP standard or family wage level, the assistance payment must be suspended for the payment month.

**History:** 1997 c 85 art 1 s 26; 1997 c 203 art 12 s 11; 1998 c 407 art 6 s 71-75; 1999 c 107 s 66; 1999 c 245 art 6 s 44-48; 2000 c 343 s 4; 2000 c 488 art 10 s 13; 1Sp2001 c 9 art 10 s 21,66; 2002 c 379 art 1 s 113; 1Sp2003 c 14 art 1 s 45-47; 2004 c 288 art 4 s 37; 1Sp2005 c 4 art 3 s 14; 2010 c 301 art 1 s 8; 2013 c 107 art 4 s 15; 2014 c 312 art 28 s 25; 1Sp2021 c 7 art 7 s 16,17