CHAPTER 256P

ECONOMIC ASSISTANCE PROGRAM ELIGIBILITY AND VERIFICATION

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256P.001 APPLICABILITY.

General assistance and Minnesota supplemental aid under chapter 256D, child care assistance programs under chapter 142E, and programs governed by chapter 142G or 256I are subject to the requirements of this chapter, unless otherwise specified or exempted.

History: *2014 c 312 art 28 s 31; 2015 c 71 art 5 s 22,35; 2024 c 80 art 5 s 7; 2025 c 20 s 210*

256P.01 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Agency.** "Agency" means any county, federally recognized Indian Tribe, or multicounty social services collaboratives.

Subd. 2a. **Assistance unit.** "Assistance unit" is defined by program area under sections 142E.01, subdivision 13; 142G.02, subdivision 8; 256D.02, subdivision 1d; 256D.35, subdivision 3a; and 256I.03, subdivision 1b.

Subd. 2b. **Census income.** "Census income" means income earned working as a census enumerator or decennial census worker responsible for recording the housing units and residents in a specific geographic area.

Subd. 2c. **Date of application.** "Date of application" means the date on which the agency receives an applicant's application as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. The child care assistance program under chapter 142E is exempt from this definition.

Subd. 3. **Earned income.** "Earned income" means income earned through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid under chapter 268B, royalties, honoraria, or other profit from activity that results from the client's work, effort, or labor for purposes other than student financial assistance, rehabilitation programs, student training programs, or service programs such as AmeriCorps. The income must be in return for, or as a result of, legal activity.

Subd. 4. **Earned income disregard.** "Earned income disregard" means earned income that is not counted according to section 256P.03 when determining eligibility and calculating the amount of the assistance payment.

Subd. 5. **Equity value.** "Equity value" means the amount of equity in personal property owned by a person and is determined by subtracting any outstanding encumbrances from the fair market value of the personal property.

Subd. 5a. **Lived-experience engagement.** "Lived-experience engagement" means an intentional engagement of people with lived experience by a federal, Tribal, state, county, municipal, or nonprofit human services agency funded in part or in whole by federal, state, local government, Tribal Nation, public, private, or philanthropic money to gather and share feedback on the impact of human services programs.

Subd. 6. **Personal property.** "Personal property" means an item of value that is not real property.

Subd. 6a. **Qualified professional.** (a) For illness, injury, or incapacity, a "qualified professional" means a licensed physician, physician assistant, advanced practice registered nurse, physical therapist, occupational therapist, or licensed chiropractor, according to their scope of practice.

(b) For developmental disability, learning disability, and intelligence testing, a "qualified professional" means a licensed physician, physician assistant, advanced practice registered nurse, licensed independent clinical social worker, licensed psychologist, certified school psychologist, or certified psychometrist working under the supervision of a licensed psychologist.

(c) For mental health, a "qualified professional" means a licensed physician, advanced practice registered nurse, physician assistant, or qualified mental health professional under section 245I.04, subdivision 2.

(d) For substance use disorder, a "qualified professional" means a licensed physician, a licensed physician assistant, a qualified mental health professional under section 245I.04, subdivision 2, or an individual as defined in section 245G.11, subdivision 3, 4, or 5.

Subd. 7. **Self-employment.** "Self-employment" means employment by an individual who:

(1) incurs costs in producing income and deducts these costs in order to equate the individual's income with income from sources where there are no production costs; and

(2) controls the individual's work by working either independently of an employer or freelance, or by running the business; or

(3) pays self-employment taxes.

Subd. 8. **Unearned income.** "Unearned income" has the meaning given in section 256P.06, subdivision 3, clause (2).

Subd. 9. **Prospective budgeting.** "Prospective budgeting" means estimating the amount of monthly income that an assistance unit will have in the payment month.

History: *2014 c 312 art 28 s 32; 2015 c 71 art 5 s 23-25,35; 1Sp2020 c 2 art 5 s 64; 2021 c 30 art 17 s 110; 1Sp2021 c 7 art 7 s 19; 2022 c 58 s 156; 2022 c 98 art 4 s 47; 2023 c 59 art 2 s 5; 2023 c 70 art 10 s 69-71; art 17 s 58,62; 2024 c 80 art 5 s 7; art 7 s 12*

256P.02 PERSONAL PROPERTY LIMITATIONS.

Subdivision 1. **Property ownership.** (a) The agency must apply paragraphs (b) to (e) to determine the value of personal property. The agency must use the equity value of legally available personal property to determine whether an applicant or participant is eligible for assistance.

(b) When personal property is jointly owned by two or more persons, the agency shall assume that each person owns an equal share, except that either person owns the entire sum of a joint personal checking or savings account. When an applicant or participant documents greater or lesser ownership, the agency must use that greater or lesser share to determine the equity value held by the applicant or participant. Other types of ownership must be evaluated according to law.

(c) Personal property owned by the applicant or participant must be presumed legally available to the applicant or participant unless the applicant or participant documents that the property is not legally available to the applicant or participant. When personal property is not legally available, its equity value must not be applied against the limits of subdivision 2.

(d) An applicant must disclose whether the applicant has transferred personal property valued in excess of the property limits in subdivision 2 for which reasonable compensation was not received within one year prior to application. A participant must disclose all transfers of property valued in excess of these limits, according to the reporting requirements in section 142G.20, subdivision 5. When a transfer of personal property without reasonable compensation has occurred:

(1) the person who transferred the property must provide the property's description, information needed to determine the property's equity value, the names of the persons who received the property, and the circumstances of and reasons for the transfer; and

(2) when the transferred property can be reasonably reacquired, or when reasonable compensation can be secured, the property is presumed legally available to the applicant or participant.

(e) A participant may build the equity value of personal property to the limits in subdivision 2.

Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs under chapter 142E are exempt from this section, except that the personal property identified in subdivision 2 is counted toward the asset limit of the child care assistance program under chapter 142E. Census income is not counted toward the asset limit of the child care assistance program under chapter 142E.

Subd. 2. **Personal property limitations.** The equity value of an assistance unit's personal property listed in clauses (1) to (5) must not exceed $10,000 for applicants and participants. For purposes of this subdivision, personal property is limited to:

(1) cash not excluded under subdivisions 4 and 6;

(2) bank accounts not excluded under subdivision 5;

(3) liquid stocks and bonds that can be readily accessed without a financial penalty;

(4) vehicles not excluded under subdivision 3; and

(5) the full value of business accounts used to pay expenses not related to the business.

Subd. 3. **Vehicle exception.** One vehicle per assistance unit member age 16 or older shall be excluded when determining the equity value of personal property. If the assistance unit owns more than one vehicle per assistance unit member age 16 or older, the agency shall determine the trade-in values of all additional vehicles and apply the values to the personal property limitations in subdivision 2. To establish the trade-in values of vehicles, an agency must use the National Automobile Dealers Association online car values and car prices guide. When a vehicle is not listed in the online guide, or when the applicant or participant disputes the trade-in value listed in the online guide as unreasonable given the condition of the particular vehicle, the agency may require the applicant or participant to document the trade-in value by securing a written

statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower loan value.

Subd. 4. **Health and human services recipient engagement income.** Income received from lived-experience engagement, as defined in section 256P.01, subdivision 5a, shall be excluded when determining the equity value of personal property.

Subd. 5. **Account exception.** Family asset accounts under section 142F.20 and individual development accounts authorized under the Assets for Independence Act, Title IV of the Community Opportunities, Accountability, and Training and Educational Services Human Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when determining the equity value of personal property.

Subd. 6. **Census income.** Census income is excluded when determining the equity value of personal property.

History: *2014 c 312 art 28 s 33; 2015 c 71 art 5 s 26,35; 1Sp2021 c 7 art 7 s 20,21; 2023 c 70 art 10 s 72-76; 2024 c 80 art 5 s 7; art 6 s 4; art 7 s 12; 2024 c 115 art 16 s 43*

256P.03 EARNED INCOME DISREGARD.

Subdivision 1. **Exempted programs.** Participants who qualify for child care assistance programs under chapter 142E, Minnesota supplemental aid under chapter 256D, and housing support under chapter 256I on the basis of eligibility for Supplemental Security Income are exempt from this section.

Subd. 2. **Earned income disregard.** The agency shall disregard the first $65 of earned income plus one-half of the remaining earned income per month.

History: *2014 c 312 art 28 s 34; 2015 c 71 art 5 s 27,35; 1Sp2017 c 6 art 2 s 39; 2024 c 80 art 5 s 7*

256P.04 DOCUMENTING, VERIFYING, AND RECERTIFYING ELIGIBILITY.

Subdivision 1. **Exemption.** Participants who receive Minnesota supplemental aid and who maintain Supplemental Security Income eligibility under chapters 256D and 256I are exempt from the reporting requirements of this section, except that the policies and procedures for transfers of assets are those used by the medical assistance program under section 256B.0595. Participants who receive child care assistance under chapter 142E are exempt from the requirements of this section.

Subd. 1a. **Application submission.** An agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry about assistance. Applications must be received by the agency as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. When a person submits an application by telephone or through Internet telepresence, the agency must receive a signed written application within 30 days of the date that the person submitted the application by telephone or through Internet telepresence.

Subd. 2. **Verification of information.** An agency must only require verification of information necessary to determine eligibility and the amount of the assistance payment. If necessary, the agency shall assist the applicant or participant in obtaining verifications and required documents when the applicant or participant is unable to do so.

Subd. 3. **Documentation.** The applicant or participant must document the information required under subdivisions 4 to 7 or authorize the agency to verify the information. The applicant or participant has the burden of providing documentary evidence to verify eligibility. The agency must accept a signed personal

statement from the applicant or participant when determining personal property values under section 256P.02. The signed personal statement must include general penalty warnings and a disclaimer that any false or misrepresented information is subject to prosecution for fraud under sections 609.52 and 609.821 and perjury under section 609.48.

Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

(1) identity of adults;

(2) age, if necessary to determine eligibility;

(3) immigration status;

(4) income;

(5) spousal support and child support payments made to persons outside the household;

(6) vehicles;

(7) checking and savings accounts, including but not limited to any business accounts used to pay expenses not related to the business;

(8) inconsistent information, if related to eligibility;

(9) residence; and

(10) Social Security number.

(b) Applicants who are qualified noncitizens and victims of domestic violence as defined under section 142G.02, subdivision 80, clauses (8) and (9), are not required to verify the information in paragraph (a), clause (10). When a Social Security number is not provided to the agency for verification, this requirement is satisfied when each member of the assistance unit cooperates with the procedures for verification of Social Security numbers, issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner.

Subd. 5. **MFIP-only verifications.** In addition to subdivision 4, the agency shall verify the following for programs under chapter 142G:

(1) the presence of the minor child in the home, if questionable;

(2) the relationship of a minor child to caregivers in the assistance unit;

(3) pregnancy, if related to eligibility;

(4) school attendance, if related to eligibility;

(5) a claim of family violence, if used as a basis to qualify for the family violence waiver under chapter 142G; and

(6) disability, if used as the basis for reducing the hourly participation requirements under section 142G.51, subdivision 1, or for the type of activity included in an employment plan under section 142G.56, subdivision 2.

Subd. 6. **Personal property inconsistent information.** If there is inconsistent information known to the agency when reporting personal property under section 256P.02, an agency must require the applicant

or participant to document the information required under section 256P.02 or authorize the county agency to verify the information. The applicant or participant has the burden of providing documentary evidence to verify eligibility. The agency shall assist the applicant or participant in obtaining required documents when the applicant or participant is unable to do so.

Subd. 7. **Documenting and verifying inconsistent information.** When the agency verifies inconsistent information under subdivision 4, paragraph (a), clause (8); subdivision 6; or subdivision 8, clause (3), the reason for verifying the information must be documented in the financial case record.

Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During recertification and reporting under section 256P.10, the agency shall verify the following:

(1) income, unless excluded, including self-employment earnings;

(2) assets when the value is within $200 of the asset limit; and

(3) inconsistent information, if related to eligibility.

Subd. 9. **MFIP-only recertification.** In addition to subdivision 8, the agency shall verify the following for programs under chapter 142G:

(1) the presence of the minor child in the home, if questionable; and

(2) whether a single-caregiver household meets the requirements in section 142G.75, subdivision 3.

Subd. 10. **Participant's completion of form for recertification of eligibility.** A participant must complete forms prescribed by the commissioner which are required for recertification of eligibility according to subdivisions 8 and 9. An agency must end benefits when the participant fails to submit the recertification form and verifications before the end of the certification period. If the participant submits the recertification form within 30 days of the termination of benefits, benefits must be reinstated and made available retroactively for the full benefit month.

Subd. 11. **Participant's completion of household report form.** (a) When a participant is required to complete a household report form, the following paragraphs apply.

(b) If the agency receives an incomplete household report form, the agency must immediately contact the participant by phone or in writing to acquire the necessary information to complete the form.

(c) The automated eligibility system must send a notice of proposed termination of assistance to the participant if a complete household report form is not received by the agency. The automated notice must be mailed to the participant by approximately the 16th of the month. When a participant submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the participant submits a complete form before the end of the month.

(d) The submission of a household report form is considered to have continued the participant's application for assistance if a complete household report form is received within a calendar month after the month in which the form was due. Assistance shall be paid for the period beginning with the first day of that calendar month.

(e) An agency must allow good cause exemptions for a participant required to complete a household report form when any of the following factors cause a participant to fail to submit a completed household report form before the end of the month in which the form is due:

(1) an employer delays completion of employment verification;

(2) the agency does not help a participant complete the household report form when the participant asks for help;

(3) a participant does not receive a household report form due to a mistake on the part of the department or the agency or a reported change in address;

(4) a participant is ill or physically or mentally incapacitated; or

(5) some other circumstance occurs that a participant could not avoid with reasonable care which prevents the participant from providing a completed household report form before the end of the month in which the form is due.

Subd. 12. **Contacting third parties.** An agency must not request information about an applicant or participant that is not of public record from a source other than agencies, the department, or the United States Department of Health and Human Services without the applicant's or participant's prior written consent. An applicant's signature on an application form constitutes consent for contact with the sources specified on the application. An agency may use a single consent form to contact a group of similar sources, such as banks or insurance agencies, but the sources to be contacted must be identified by the agency prior to requesting an applicant's consent.

Subd. 13. **Notice to undocumented persons; release of private data.** Agencies, in consultation with the commissioners of human services and children, youth, and families, shall provide notification to undocumented persons regarding the release of personal data to the United States Citizenship and Immigration Services and develop protocols regarding the release or sharing of data about undocumented persons with the United States Citizenship and Immigration Services as required under sections 404, 411A, and 434 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Subd. 14. **Requirement to report to United States Citizenship and Immigration Services.** The commissioner shall comply with the reporting requirements under United States Code, title 42, section 611a, and any federal regulation or guidance adopted under that law.

Subd. 15. **Personal statement.** The agency may accept a signed personal statement from the applicant or participant explaining the reasons that the documentation requested in subdivision 3 is unavailable as sufficient documentation at the time of application, recertification, or change related to eligibility only for the following factors:

(1) a claim of family violence, if used as a basis to qualify for the family violence waiver;

(2) relationship of a minor child to caregivers in the assistance unit;

(3) citizenship status from a noncitizen who reports to be, or is identified as, a victim of severe forms of trafficking in persons, if the noncitizen reports that the noncitizen's immigration documents are being held by an individual or group of individuals against the noncitizen's will. The noncitizen must follow up with the Office of Refugee Resettlement (ORR) to pursue certification. If verification that certification is being pursued is not received within 30 days, the case must be closed and the agency shall pursue overpayments. The ORR documents certifying the noncitizen's status as a victim of severe forms of trafficking in persons, or the reason for the delay in processing, must be received within 90 days, or the case must be closed and the agency shall pursue overpayments; and

(4) other documentation unavailable for reasons beyond the control of the applicant or participant. The applicant or participant must have made reasonable attempts to obtain the documents requested under subdivision 3.

Subd. 16. **Excluded resources.** Payments of funds made according to litigation and subsequent appropriation by the United States Congress to compensate members of Indian Tribes for the taking of Tribal lands by the federal government are excluded.

History: *2014 c 312 art 28 s 35; 2015 c 71 art 5 s 28,29,35; 1Sp2021 c 7 art 7 s 22,23; 2022 c 98 art 9 s 3; 2023 c 70 art 10 s 77,78; art 17 s 59; 2024 c 80 art 5 s 7; art 7 s 12; art 8 s 22; 2025 c 20 s 211*

256P.05 SELF-EMPLOYMENT EARNINGS.

Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota supplemental aid under chapter 256D and housing support under chapter 256I on the basis of eligibility for Supplemental Security Income are exempt from this section. Participants who qualify for child care assistance programs under chapter 142E are exempt from subdivision 3.

Subd. 2. **Self-employment income determinations.** Applicants and participants must choose one of the methods described in this subdivision for determining self-employment earned income. An agency must determine self-employment income, which is either:

(1) one-half of gross earnings from self-employment; or

(2) taxable income as determined from an Internal Revenue Service tax form that has been filed with the Internal Revenue Service for the most recent year and according to guidance provided for the Supplemental Nutrition Assistance Program. A 12-month average using taxable income shall be used to budget monthly income.

Subd. 3. **Self-employment budgeting.** (a) The self-employment budget period begins in the month of application or in the first month of self-employment.

(b) Applicants and participants who elect to use taxable income as described in subdivision 2, clause (2), to determine self-employment income must continue to use this method until recertification, unless there is an unforeseen significant change in gross income equaling a decline in gross income of the amount equal to or greater than the earned income disregard as defined in section 256P.03 from the income used to determine the benefit for the current month.

(c) For applicants and participants who elect to use one-half of gross earnings as described in subdivision 2, clause (1), to determine self-employment income, earnings must be counted as income in the month received.

Subd. 4. **Rental income.** Rental income is subject to the requirements of this section.

History: *2014 c 312 art 28 s 36; 2015 c 71 art 5 s 30,35; 1Sp2017 c 6 art 2 s 39; 1Sp2021 c 7 art 7 s 24; 2024 c 80 art 5 s 7; 2024 c 115 art 18 s 22*

256P.06 INCOME CALCULATIONS.

Subdivision 1. **Reporting of income.** To determine eligibility, the county agency must evaluate income received by members of the assistance unit, or by other persons whose income is considered available to the assistance unit, and only count income that is available to the assistance unit. Income is available if the individual has legal access to the income.

Subd. 2. **Exemptions.** (a) The following members of an assistance unit under chapters 142E and 142G are exempt from having their earned income count toward the income of an assistance unit:

(1) children under six years old;

(2) caregivers under 20 years of age enrolled at least half-time in school; and

(3) minors enrolled in school full time.

(b) The following members of an assistance unit are exempt from having their earned and unearned income count toward the income of an assistance unit for 12 consecutive calendar months, beginning the month following the marriage date, for benefits under chapter 142G if the household income does not exceed 275 percent of the federal poverty guideline:

(1) a new spouse to a caretaker in an existing assistance unit; and

(2) the spouse designated by a newly married couple, both of whom were already members of an assistance unit under chapter 142G.

(c) If members identified in paragraph (b) also receive assistance under section 142E.08, they are exempt from having their earned and unearned income count toward the income of the assistance unit if the household income prior to the exemption does not exceed 67 percent of the state median income for recipients for 26 consecutive biweekly periods beginning the second biweekly period after the marriage date.

(d) For individuals who are members of an assistance unit under chapters 142G and 256I, the assistance standard effective in January 2020 for a household of one under chapter 142G shall be counted as income under chapter 256I, and any subsequent increases to unearned income under chapter 142G shall be exempt.

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

(1) earned income; and

(2) unearned income, which includes:

(i) interest and dividends from investments and savings;

(ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

(iii) contract for deed payments in excess of the principal and interest portion owed on property;

(iv) income from trusts, excluding special needs and supplemental needs trusts;

(v) interest income from loans made by the participant or household;

(vi) cash prizes and winnings;

(vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:

(A) 18 years of age and enrolled in a secondary school; or

(B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

(viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors, and disability insurance payments;

(ix) retirement benefits;

(x) cash assistance benefits, as defined by each program in chapters 142E, 142G, 256D, and 256I;

(xi) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;

(xii) for the purposes of programs under chapters 142E, 256D, and 256I, all child support payments;

(xiii) for the purposes of programs under chapter 142G, the amount of child support received that exceeds $100 for assistance units with one child and $200 for assistance units with two or more children;

(xiv) spousal support;

(xv) workers' compensation; and

(xvi) for the purposes of programs under chapters 142E and 142G, the amount of retirement, survivors, and disability insurance payments that exceeds the applicable monthly federal maximum Supplemental Security Income payments.

Subd. 4. **Recipient engagement income.** Income received from lived-experience engagement, as defined in section 256P.01, subdivision 5a, must not be counted as income for purposes of determining or redetermining eligibility or benefits.

Subd. 5. **Census income.** Census income does not count as income for purposes of determining or redetermining eligibility or benefits.

History: *2015 c 71 art 5 s 31,35; 2016 c 189 art 15 s 5; 1Sp2017 c 6 art 7 s 29; 1Sp2021 c 7 art 7 s 25,26; 2022 c 98 art 9 s 4; 2023 c 70 art 10 s 79-81; 2024 c 80 art 5 s 7; art 7 s 12; 2024 c 115 art 18 s 23; 2025 c 20 s 212*

256P.07 REPORTING OF INCOME AND CHANGES.

Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security Income and qualify for Minnesota supplemental aid under chapter 256D or for housing support under chapter 256I are exempt from reporting income under this chapter.

Subd. 1a. **Child care assistance programs.** Participants who qualify for child care assistance programs under chapter 142E are exempt from this section except the reporting requirements in subdivision 6.

Subd. 2. **Reporting requirements.** An applicant or participant must provide information on an application and any subsequent reporting forms about the assistance unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must report changes that affect eligibility or benefits as identified in subdivisions 3, 4, 5, 7, 8, and 9 during the application period or by the tenth of the month following the month that the assistance unit's circumstances changed. When information is not accurately reported, both an overpayment and a referral for a fraud investigation may result. When information or documentation is not provided, the receipt of any benefit may be delayed or denied, depending on the type of information required and its effect on eligibility.

Subd. 3. **Changes that must be reported.** (a) An assistance unit must report changes or anticipated changes as described in this section.

(b) An assistance unit must report:

(1) a change in eligibility for Supplemental Security Income, Retirement Survivors Disability Insurance, or another federal income support;

(2) a change in address or residence;

(3) a change in household composition with the exception of programs under chapter 256I;

(4) cash prizes and winnings according to guidance provided for the Supplemental Nutrition Assistance Program;

(5) a change in citizenship or immigration status;

(6) a change in family status with the exception of programs under chapter 256I; and

(7) a change that makes the value of the assistance unit's assets at or above the asset limit.

(c) When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under paragraph (b) had not occurred, the agency must determine whether the agency could have issued a timely notice on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to the notice must be considered a client error overpayment under section 256P.08.

Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under chapter 142G must report:

(1) a pregnancy not resulting in birth when there are no other minor children;

(2) a change in school attendance of a parent under 20 years of age; and

(3) an individual in the household who is 18 or 19 years of age attending high school who graduates or drops out of school.

Subd. 5. MS 2024 [Repealed, 2023 c 70 art 10 s 98]

Subd. 6. **Child care assistance programs-specific reporting.** (a) An assistance unit under chapter 119B, within ten days of the change, must report:

(1) a change in a parentally responsible individual's custody schedule for any child receiving child care assistance program benefits;

(2) a permanent end in a parentally responsible individual's authorized activity;

(3) if the unit's family's annual included income exceeds 85 percent of the state median income, adjusted for family size;

(4) a change in address or residence;

(5) a change in household composition;

(6) a change in citizenship or immigration status; and

(7) a change in family status.

(b) An assistance unit subject to section 142E.11, subdivision 1, paragraph (b), must report a change in the unit's authorized activity status.

(c) An assistance unit must notify the county when the unit wants to reduce the number of authorized hours for children in the unit.

Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the Minnesota supplemental aid program under chapter 256D and not receiving Supplemental Security Income must report:

(1) a change in unearned income of $50 per month or greater; and

(2) a change in earned income of $100 per month or greater.

(b) An assistance unit receiving housing assistance under section 256D.44, subdivision 5, paragraph (g), including an assistance unit that also receives Supplemental Security Income, must report:

(1) a change in shelter expenses; and

(2) a new rent subsidy or a change in rent subsidy.

Subd. 8. **Housing support-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the housing support program under chapter 256I and not receiving Supplemental Security Income must report:

(1) a change in unearned income of $50 per month or greater; and

(2) a change in earned income of $100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10.

(b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving housing support under chapter 256I, including an assistance unit that receives Supplemental Security Income, must report:

(1) a new rent subsidy or a change in rent subsidy;

(2) a change in the disability status of a unit member; and

(3) a change in household composition if the assistance unit is a participant in housing support under section 256I.04, subdivision 3, paragraph (a), clause (3).

Subd. 9. **General assistance-specific reporting.** In addition to subdivision 3, an assistance unit participating in the general assistance program under chapter 256D must report:

(1) a change in unearned income of $50 per month or greater;

(2) a change in earned income of $100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10; and

(3) changes in any condition that would result in the loss of basis for eligibility in section 256D.05, subdivision 1, paragraph (a).

History: *2015 c 71 art 5 s 32,35; 1Sp2017 c 6 art 2 s 39; art 7 s 30,31; 2018 c 182 art 1 s 61; 2023 c 70 art 10 s 82-90; 2024 c 80 art 5 s 7; art 7 s 12*

256P.08 CORRECTION OF OVERPAYMENTS AND UNDERPAYMENTS.

Subdivision 1. **Exempted programs.** Participants who qualify for child care assistance programs under chapter 142E or housing support under chapter 256I are exempt from this section.

Subd. 2. **Scope of overpayment.** (a) When a participant or former participant receives an overpayment due to client or ATM error, or due to assistance received while an appeal is pending and the participant or former participant is determined ineligible for assistance or for less assistance than was received, except as provided for interim assistance in section 256D.06, subdivision 5, the county agency must recoup or recover the overpayment using the following methods:

(1) reconstruct each affected budget month and corresponding payment month;

(2) use the policies and procedures that were in effect for the payment month; and

(3) do not allow employment disregards in the calculation of the overpayment when the unit has not reported within two calendar months following the end of the month in which the income was received.

(b) Establishment of an overpayment is limited to six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(c) A participant or former participant is not responsible for overpayments due to agency error, unless the amount of the overpayment is large enough that a reasonable person would know it is an error.

Subd. 3. **Notice of overpayment.** When a county agency discovers that a participant or former participant has received an overpayment for one or more months, the county agency must notify the participant or former participant of the overpayment in writing. A notice of overpayment must specify the reason for the overpayment, the authority for citing the overpayment, the time period in which the overpayment occurred, the amount of the overpayment, and the participant's or former participant's right to appeal. No limit applies to the period in which the county agency is required to recoup or recover an overpayment according to subdivisions 4, 5, and 6.

Subd. 4. **Recovering general assistance and Minnesota supplemental aid overpayments.** (a) If an amount of assistance is paid to an assistance unit in excess of the payment due, it shall be recoverable by the agency. The agency shall give written notice to the participant of its intention to recover the overpayment.

(b) If the individual is no longer receiving assistance, the agency may request voluntary repayment or pursue civil recovery.

(c) If the individual is receiving assistance, except as provided for interim assistance in section 256D.06, subdivision 5, when an overpayment occurs the agency shall recover the overpayment by withholding an amount equal to:

(1) three percent of the assistance unit's standard of need for all Minnesota supplemental aid assistance units, and nonfraud cases for general assistance; and

(2) ten percent where fraud has occurred in general assistance cases; or

(3) the amount of the monthly general assistance or Minnesota supplemental aid payment, whichever is less.

(d) In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(e) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the assistance reductions provided in this subdivision, to include further voluntary reductions in the grant level agreed to in writing by the individual, until the total amount of the overpayment is repaid.

(f) The county agency shall make reasonable efforts to recover overpayments to individuals no longer on assistance. The agency need not attempt to recover overpayments of less than $35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

(g) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(h) Residents of licensed residential facilities shall not have overpayments recovered from their personal needs allowance.

(i) Overpayments by another maintenance benefit program shall not be recovered from the general assistance or Minnesota supplemental aid grant.

Subd. 5. **Recovering MFIP overpayments.** A county agency must initiate efforts to recover overpayments paid to a former participant or caregiver. Caregivers, both parental and nonparental, and minor caregivers of an assistance unit at the time an overpayment occurs, whether receiving assistance or not, are jointly and individually liable for repayment of the overpayment. The county agency must request repayment from the former participants and caregivers. When an agreement for repayment is not completed within six months of the date of discovery or when there is a default on an agreement for repayment after six months, the county agency must initiate recovery consistent with chapter 270A or section 541.05. When a person has been disqualified or convicted of fraud under section 256.98, recovery must be sought regardless of the amount of overpayment. When an overpayment is less than $35, and is not the result of a fraud conviction under section 256.98, the county agency must not seek recovery under this subdivision. The county agency must retain information about all overpayments regardless of the amount. When an adult, adult caregiver, or minor caregiver reapplies for assistance, the overpayment must be recouped under subdivision 6.

Subd. 6. **Recouping overpayments from MFIP participants.** A participant may voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this subdivision, until the total amount of the overpayment is repaid. When an overpayment occurs due to fraud, the county agency must recover from the overpaid assistance unit, including child-only cases, ten percent of the applicable standard or the amount of the monthly assistance payment, whichever is less. When a nonfraud overpayment occurs, the county agency must recover from the overpaid assistance unit, including child-only cases, three percent of the MFIP standard of need or the amount of the monthly assistance payment, whichever is less.

Subd. 7. **Recovering automatic teller machine errors.** For recipients receiving benefits by electronic benefit transfer, if the overpayment is a result of an ATM dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

Subd. 8. **Scope of underpayments.** A county agency must issue a corrective payment for underpayments made to a participant or to a person who would be a participant if an agency or client error causing the underpayment had not occurred. Corrective payments are limited to 12 months prior to the month of discovery. The county agency must issue the corrective payment according to subdivision 10.

Subd. 9. **Identifying the underpayment.** An underpayment may be identified by a county agency, participant, former participant, or person who would be a participant except for agency or client error.

Subd. 10. **Issuing corrective payments.** A county agency must correct an underpayment within seven calendar days after the underpayment has been identified, by adding the corrective payment amount to the

monthly assistance payment of the participant, issuing a separate payment to a participant or former participant, or reducing an existing overpayment balance. When an underpayment occurs in a payment month and is not identified until the next payment month or later, the county agency must first subtract the underpayment from any overpayment balance before issuing the corrective payment. The county agency must not apply an underpayment in a current payment month against an overpayment balance. When an underpayment in the current payment month is identified, the corrective payment must be issued within seven calendar days after the underpayment is identified. Corrective payments must be excluded when determining the applicant's or participant's income and resources for the month of payment. The county agency must correct underpayments using the following methods:

(1) reconstruct each affected budget month and corresponding payment month; and

(2) use the policies and procedures that were in effect for the payment month.

Subd. 11. **Appeals.** A participant may appeal an underpayment, an overpayment, and a reduction in an assistance payment made to recoup the overpayment under subdivisions 4 and 6. The participant's appeal of each issue must be timely under section 256.045. When an appeal based on the notice issued under subdivision 3 is not timely, the fact or the amount of that overpayment must not be considered as a part of a later appeal, including an appeal of a reduction in an assistance payment to recoup that overpayment.

History: *2015 c 71 art 5 s 33,35; 1Sp2017 c 6 art 2 s 39; 2024 c 80 art 5 s 7*

256P.09 PROSPECTIVE BUDGETING OF BENEFITS.

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 142E, assistance units that receive housing support under chapter 256I and are not subject to reporting under section 256P.10, and assistance units that qualify for Minnesota supplemental aid under chapter 256D are exempt from this section.

Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use prospective budgeting to calculate the assistance payment amount.

Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of benefits, an agency must take into account the income already received by the assistance unit during or anticipated to be received during the application period. Income anticipated to be received only in the initial month of eligibility must only be counted in the initial month.

Subd. 4. **Income determination.** An agency must use prospective budgeting to determine the amount of the assistance unit's benefit for the eligibility period based on the best information available at the time of approval. An agency shall only count anticipated income when the participant and the agency are reasonably certain of the amount of the payment and the month in which the payment will be received. If the exact amount of the income is not known, the agency shall consider only the amounts that can be anticipated as income.

Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's eligibility or benefit amount until the next review unless otherwise required to be reported in section 256P.07. A decrease in income shall be effective on the date that the change occurs if the change is reported by the tenth of the month following the month when the change occurred. If the assistance unit does not report the change in income by the tenth of the month following the month when the change occurred, the change in income shall be effective on the date that the change was reported.

History: *2023 c 70 art 10 s 91; 2024 c 80 art 5 s 7*

256P.10 SIX-MONTH REPORTING.

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 142E, assistance units that qualify for Minnesota supplemental aid under chapter 256D, and assistance units that qualify for housing support under chapter 256I and also receive Supplemental Security Income are exempt from this section.

Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the Minnesota family investment program under chapter 142G, an assistance unit that qualifies for general assistance under chapter 256D with an earned income of $100 per month or greater, or an assistance unit that qualifies for housing support under chapter 256I with an earned income of $100 per month or greater is subject to six-month reviews. The initial reporting period may be shorter than six months in order to align with other programs' reporting periods.

(b) An assistance unit that qualifies for the Minnesota family investment program or an assistance unit that qualifies for general assistance with an earned income of $100 per month or greater must complete household report forms as required by the commissioner for redetermination of benefits.

(c) An assistance unit that qualifies for housing support with an earned income of $100 per month or greater must complete household report forms as prescribed by the commissioner to provide information about earned income.

(d) An assistance unit that qualifies for housing support and also receives assistance through the Minnesota family investment program is subject to the requirements of this section for purposes of the Minnesota family investment program but not for housing support.

(e) An assistance unit covered by this section must submit a household report form in compliance with the provisions in section 256P.04, subdivision 11.

(f) An assistance unit covered by this section may choose to report changes under this section at any time.

Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when the assistance unit fails to submit the household report form before the end of the six-month review period. If the assistance unit submits the household report form within 30 days of the termination of benefits and remains eligible, benefits must be reinstated and made available retroactively for the full benefit month.

(b) When an assistance unit is determined to be ineligible for assistance according to this section and chapter 142G, 256D, or 256I, the agency must terminate assistance.

History: *2023 c 70 art 10 s 92; 2024 c 80 art 5 s 7; art 7 s 12; 2025 c 20 s 213*