9055.0300 CALCULATING MONTHLY HOUSEHOLD INCOME.

Subpart 1. **Definitions.**

A. The definitions in this subpart apply to this part.

B. "Earned income" means compensation from lawful employment or lawful self-employment, including salaries, wages, tips, gratuities, commissions, earnings from self-employment, incentive payments from work or training programs, payments made by an employer for regularly accrued vacation or sick leave, employee bonuses and profit sharing, jury duty pay, picket duty pay, and profit from other lawful activities that accrues as a result of the household member's effort or labor. Earned income does not include returns from capital investment or benefits that accrue as compensation for lack of employment.

C. "Income" means earned or unearned income in the form of any lawful circulating medium of exchange of the United States including coins, paper money, digital currency, and electronic funds from any identified or unidentified source that is received by, made available to, or is projected for an applicant or a recipient or any member of the applicant's or recipient's household.

D. "Monthly household income" means the combined measure of the average monthly incomes of an applicant or a recipient and all members of the applicant's or recipient's household.

E. "Nonrecurring income" means earned or unearned income that is not of a continuous nature or is received only one time in the form of a nonrecurring lump-sum payment.

F. "Seasonal income" means earned income that is received at regular intervals for only part of the year.

G. "Unearned income" means income that does not meet the definition of earned income and is received without being required to perform any labor or service as a condition of receiving the income.

Subp. 2. **Monthly household income.**

A. The commissioner must calculate the monthly household income of an applicant or a recipient according to this part.

B. The commissioner must use monthly household income to determine the household's eligibility for benefits from income-based state soldiers assistance program activities.

Subp. 3. **Income inclusion.** The commissioner must include the monthly income of an applicant or a recipient and all members of the applicant's or recipient's household when calculating monthly household income unless the income of the applicant or recipient or a specific household member or income from a specific source is excluded by this chapter.

Subp. 4. **Income ownership.** The commissioner must count as income any money deposited to a financial account that is jointly owned by:

A. an applicant or a recipient or a member of the applicant's or recipient's household; and

B. a person who is not eligible for benefits unless the money can be attributed to the person who is not eligible for benefits.

Subp. 5. **Income limits.**

A. When an applicant's or a recipient's monthly household income is a determinant of eligibility for a specific state soldiers assistance program activity, maximum monthly household income limits based on an applicant's or a recipient's household size are provided in the schedule of maximum monthly allowances for the program activity.

B. A household is not eligible for benefits from a state soldiers assistance program activity that is income-based if the household's monthly household income is greater than or equal to its maximum monthly household income limit for the program activity.

Subp. 6. **Income documentation.**

A. An applicant or a recipient must verify monthly household income by providing the commissioner with any of the following documents:

(1) payroll statements, financial account statements, and pay receipts;

(2) federal income tax returns and all schedules for income from self-employment;

(3) business records;

(4) benefit award letters, settlement statements, and retirement income distribution statements; or

(5) other documentation that verifies a household member's income issued by the entity providing the income.

B. An applicant or a recipient must submit the most current income documentation to the commissioner for the number of months over which a type of income is calculated.

C. Documentation submitted by an applicant or a recipient to the commissioner must verify and confirm:

(1) who the income belongs to or is intended for;

(2) the source and frequency of the income;

(3) the entity issuing the income;

(4) the period covered by the documentation;

(5) allowed withholdings, reductions, or expenses specific to the type of income; and

(6) other withholdings, reductions, or expenses allowed in this chapter.

Subp. 7. **Earned income.**

A. The commissioner must include earned income that is received by, made available to, or is projected for an applicant or a recipient or any member of an applicant's or a recipient's household when calculating monthly household income.

B. The commissioner must include any measurable reduction in expenses provided to a household in lieu of income paid for work, service, effort, or labor as earned income. The amount of earned income included is the amount of the expense reduction.

C. When calculating earned income, the commissioner must reduce the total amount by the following employer withholdings or reductions:

(1) federal income tax withholdings;

(2) Federal Insurance Contributions Act (FICA) withholdings for Medicare;

(3) FICA withholdings for Old Age Survivor and Disability Insurance;

(4) state income tax withholdings;

(5) medical, dental, and optical insurance premiums;

(6) short- and long-term disability insurance premiums;

(7) employee, spouse, and child life insurance premiums;

(8) employee accidental death and dismemberment insurance premiums;

(9) health savings account withholdings;

(10) child care expense account withholdings;

(11) transportation expense account withholdings;

(12) mandatory retirement plan contributions;

(13) union dues;

(14) uniform expenses;

(15) child support withholdings; and

(16) other withholdings and reductions specifically allowed in this chapter.

D. With the exception of self-employment income, the commissioner must average and include in the monthly household income calculation earned income that was received by or made available to an applicant or a recipient or any member of an applicant's or a recipient's household in the two months before the date of application or will be received by or made available to an applicant or a recipient or any member of an applicant's or a recipient's household within 30 days after the date of application.

Subp. 8. **Self-employment income.**

A. The commissioner must include self-employment income that is received by or made available to an applicant or a recipient or any member of an applicant's or a recipient's household when calculating monthly household income.

B. Self-employment income includes:

(1) income from the operation of a business;

(2) income from farming, including income from:

(a) the sale of crops, livestock, or products;

(b) production from livestock;

(c) the sale of home-produced food;

(d) soil conservation payments and other subsidies;

(e) land, machine rental, and farm wages paid to the applicant or recipient or an adult member of the household; and

(f) other income paid to a household member for farming-related activities;

(3) income from rental property owned by a household member. Space for rent in the primary residence of the household is not rental property;

(4) income from nontraditional housing agreements such as income received from leasing space in the primary residence of the household, room and board provided at the primary residence of the household, and other services provided at the primary residence of the household; and

(5) income resulting from a household member working in a trade or profession independently rather than for an employer.

C. When calculating self-employment income, the commissioner must reduce the total amount by the following withholdings and expenses:

(1) salaries, wages, and bonuses paid by an applicant, a recipient, or any member of an applicant's or a recipient's household to a person who is not a member of the household;

(2) FICA withholdings and federal, state, and local income tax withholdings made on behalf of owners and employees of the business;

(3) workers' compensation insurance premiums and contributions to Minnesota unemployment insurance made on behalf of owners and employees of the business;

(4) business insurance premiums, not to include health insurance;

(5) interest on secured business debts including mortgages, but not including the mortgage on the primary residence of the household or unsecured business debt;

(6) sales and commercial property tax payments;

(7) rent or lease payments for special purpose business vehicles, machinery, equipment, and other business property;

(8) repairs to and maintenance of special purpose business vehicles, machinery, equipment, and property that do not constitute capital expenditures;

(9) utility expenses incurred at business property;

(10) expenses for business supplies necessary for the day-to-day operation of the business that are not purchased for resale;

(11) expenses for seed, fertilizer, and livestock feed and medicines and veterinary care; and

(12) materials and supplies purchased for processing, manufacturing, and sale.

D. The commissioner must not reduce income from nontraditional housing agreements by the withholdings and expenses allowed in this chapter.

E. The commissioner must average over 12 months and include in the monthly household income calculation self-employment income that was received by or made available to an applicant or a recipient or any member of an applicant's or a recipient's household. If the source of self-employment income has been in operation less than 12 months, self-employment income and expenses must be averaged over the number of months the income source has been in operation.

Subp. 9. **Unearned income.**

A. When calculating monthly household income, the commissioner must include unearned income that is received by, made available to, or projected for an applicant or a recipient or any member of an applicant's or a recipient's household.

B. Unearned income includes:

(1) long-term disability benefits in part 9055.0160, subpart 27;

(2) long-term maintenance benefits in part 9055.0160, subpart 28;

(3) short-term disability benefits in part 9055.0160, subpart 39;

(4) interest and dividends from investments and savings and any return on investment taken in cash or cash equivalents;

(5) capital gains from the sale of any investment or real property;

(6) proceeds from the sale of personal property;

(7) proceeds from a contract for deed that are in excess of the principle, interest, taxes, and insurance owed on the property that a household member is responsible for;

(8) income from trusts and annuities;

(9) cash prizes and winnings;

(10) unemployment insurance benefits;

(11) United States Department of Veterans Affairs vocational rehabilitation benefits and GI bill housing allowances;

(12) reimbursements for medical or travel expenses issued by the United States Department of Veterans Affairs or other medical assistance program;

(13) insurance settlements and severance payments;

(14) cash payments from income maintenance programs;

(15) Tribal per capita payments;

(16) child and spousal support payments received by a household member;

(17) federal and state student financial aid work study income;

(18) relative custody assistance grants; and

(19) funds received from any source or person not previously referenced and there is no expectation that the funds be repaid, or repayment of the funds has been deferred.

C. When calculating unearned income, the commissioner must reduce the total amount by the following withholdings and reductions:

(1) federal income tax withholdings or payments;

(2) state income tax withholdings or payments;

(3) United States Department of Veterans Affairs life insurance premiums;

(4) Tricare premiums;

(5) medical, dental, and optical insurance premiums;

(6) Medicare premiums; and

(7) child support withholdings.

D. The commissioner must average and include in the monthly household income calculation any unearned income that was received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household in the two months before the date of application or will be received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household within 30 days after the date of application.

Subp. 10. **Seasonal income.**

A. When calculating monthly household income, the commissioner must include seasonal income that is received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household.

B. The commissioner must calculate seasonal income using only the months in which the income is received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household.

C. The commissioner must average and include in the monthly household income calculation seasonal income that was received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household in the two months before the income ended.

Subp. 11. **Nonrecurring income.**

A. When calculating monthly household income, the commissioner must include nonrecurring income that is received by, made available to, or is projected for an applicant or a recipient or any member of the applicant's or recipient's household.

B. Nonrecurring income includes:

(1) insurance settlements;

(2) state, federal, and local tax refunds;

(3) retroactive income maintenance payments;

(4) retroactive benefit payments;

(5) accrued earned and unearned income and income from self-employment paid on a onetime or a nonrecurring basis;

(6) winnings; and

(7) inheritances.

C. When calculating nonrecurring income, the commissioner must reduce the total amount by the withholdings, reductions, or expenses allowed for the type of income received plus any legal or medical fees or other costs incurred to secure receipt of the income.

D. When calculating monthly household income, the commissioner must include nonrecurring income that will be received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household in a lump sum if the income amount is known and the date of receipt is within 30 days after the date of application.

E. The commissioner must average over 12 months and include in the monthly household income calculation nonrecurring income that is received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household onetime as a lump sum in the two months before the date of application or will be received by or made available to an applicant or a recipient or any member of the applicant's or recipient's household within 30 days after the date of application.

Subp. 12. **Suspended, terminated, or transferred income.** When calculating monthly household income, the commissioner must include the income of an applicant or a recipient or any member of the applicant's or recipient's household that is suspended, terminated, or transferred to a person who is not eligible for benefits unless the income was suspended, terminated, or transferred due to circumstances beyond the applicant's or recipient's or a household member's control.

Subp. 13. **Projected income.**

A. When calculating monthly household income, the commissioner must include the earned or unearned income of an applicant or a recipient and any member of an applicant's household that began on a recurring basis in the 30 days before the date of application or will be received on a recurring basis within the 30 days after the date of application.

B. The commissioner must calculate income projected on a weekly basis by multiplying the weekly amount by 52 pay periods and averaging the result over 12 months.

C. The commissioner must calculate income projected on a biweekly basis by multiplying the biweekly amount by 26 pay periods and averaging the result over 12 months.

D. The commissioner must calculate income projected on a bimonthly basis by multiplying the bimonthly amount by 24 pay periods and averaging the result over 12 months.

Subp. 14. **Excluded income.** When calculating monthly household income, the commissioner must exclude income received by an applicant or a recipient and any member of an applicant's or a recipient's household from the following sources:

A. supplemental nutrition aid payments (SNAP);

B. rental security deposit refunds to the household, regardless of whether the deposit was paid by a third party;

C. proceeds from education grants, scholarships, and student loans;

D. proceeds from secured or unsecured loans or lines of credit made by a public or private institution, governmental agency, or private person;

E. funds received for reimbursement, replacement, or rebate of damaged personal or real property when the payments are made from private insurance companies, public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency subsequent to a presidential declaration of disaster;

F. benefit payments from the commissioner to correct underpayments in a previous benefit period;

G. the earned income of a child who is a member of the household and who is a full-time student; and

H. foster care payments received by the household for persons residing with the household but are who are not eligible to receive benefits from the state soldiers assistance program.

Statutory Authority: *MS s 14.06; 196.04; 196.05; 197.03; 197.05; 197.06; 197.75*

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