



# **Minnesota Health Care Programs**

## **Eligibility Policy Manual**

**This document provides information about additions and revisions to the Minnesota Department of Human Service's Minnesota Health Care Programs Eligibility Policy Manual.**

### **Manual Letter #20.2**

**June 1, 2020**

# Manual Letter #20.2

This manual letter lists new and revised policy for the Minnesota Health Care Programs (MHCP) Eligibility Policy Manual (EPM) as of June 1, 2020. The effective date of new or revised policy may not be the same date the information is added to the EPM. Refer to the Summary of Changes to identify when the Minnesota Department of Human Services (DHS) implemented the policy.

## I. Summary of Changes

---

This section of the manual letter provides a summary of newly added sections and changes made to existing sections.

### A. [EPM Home Page](#)

We add this manual letter to the EPM home page.

### B. [Section 1.2.2 MHCP Application Submission](#)

We add the applicant as a person who can submit an application.

### C. [Section 1.2.6 MHCP Signature](#)

We add a tribal court-appointed guardian i as a person who must sign the application.

### D. [Section 1.3.1.2 MHCP Authorized Representative](#)

We clarify that a tribal court-appointed guardian or conservator is treated the same as a court-appointed guardian or conservator.

### E. [Section 1.3.2.1.1 MHCP Death of an Applicant or Enrollee](#)

We add a new EPM section about how to substantiate a report that a person passed away.

### F. [Section 2.1.2.2.1 MA Citizenship](#)

We add language to describe the efforts county, tribal, and state servicing agencies must make to continue to verify an applicant's citizenship during the post-eligibility reasonable opportunity period.

### G. [Section 2.1.2.2.2 MA Immigration Status](#)

We add language to describe what efforts county, tribal, and state servicing agencies must make to continue to verify an applicant's immigration status during the post-eligibility reasonable opportunity period.

The update to this section also provides a reference to a new chart for Immigration Status and Minnesota Health Care Programs Eligibility, which serves as a quick reference guide for MHCP eligibility for applicants and enrollees who are noncitizens.

#### **H. Section 2.1.2.5 MA Social Security Number**

We add language to describe what efforts county, tribal, and state servicing agencies must make to continue to verify an applicant's Social Security number during the post-eligibility reasonable opportunity period.

#### **I. Section 2.2.3.5 MA-FCA Income Verification**

We clarify that inconsistent information exists when an electronic data source indicates a person has a source of income and the person attests to having no income from that income source.

#### **J. Section 2.3.3.2.7.10.1 MA-ABD Life Insurance Funded Burial Contracts**

We clarify that life insurance funded burial arrangements are evaluated as a life insurance policy.

#### **K. Section 2.3.3.2.7.11.2 MA-ABD Burial Fund Exclusion**

We clarify that the growth on the portion of the cash surrender value of a life insurance policy excluded as a designated burial fund is also excluded.

#### **L. Section 2.3.3.2.7.14 MA-ABD Household Goods and Personal Effects and Other Personal Property**

We add additional information about how to evaluate manufactured and mobile homes as personal property.

#### **M. Section 2.3.3.3.2.1 MA-ABD Countable Income**

We add direction on how to count income for people who have costs associated with obtaining the income, and how to count rent in exchange for caretaking duties. We expand on how to determine availability of income.

#### **N. Section 2.3.3.3.2.1.1 MA-ABD Income Deeming**

We add additional circumstances when the income of a parent is not deemed.

#### **O. Section 2.3.3.3.2.1.2 MA-ABD Sponsor Income Deeming**

We add information about how to deem a sponsor's income when the sponsor is sponsoring more than one person.

**P. Section 2.3.5.1.1 MA-ABD Mandatory Verifications**

We expand on the policy for income from employment, royalties, honoraria, and stipends.

**Q. Section 2.3.6.2.1 MA-ABD Level of Care**

We correct a legal citation to the United State Code.

**R. Section 2.3.7 MA-ABD Medical Assistance Minnesota Supplemental Aid**

We remove this section of the EPM that no longer applies.

**S. Section 2.3.8 MA-ABD Medical Assistance 1619 (a) or 1619 (b)**

We replace the original section 2.3.7 with the new section 2.3.7.

**T. Section 3.2.1.1 MinnestoaCare Citizenship**

We add language to describe what efforts county, tribal, and state servicing agencies must make to continue to verify an applicant’s citizenship during the post-eligibility reasonable opportunity period.

**U. Section 3.2.1.2 MinnesotaCare Lawful Presence and DACA**

We add language to describe what efforts county, tribal, and state servicing agencies must make to continue to verify an applicant’s immigration status during the post-eligibility reasonable opportunity period.

We update this section to provide a reference to a new chart, Immigration Status and Minnesota Health Care Programs Eligibility, which serves as a quick reference guide for MHCP eligibility for applicants and enrollees who are non-citizens.

**V. Section 3.2.4 MinnesotaCare Social Security Number**

We add language to describe what efforts county, tribal, and state servicing agencies must make to continue to verify an applicant’s Social Security number during the post-eligibility reasonable opportunity period.

**W. Appendix A Types of Assets**

We removes county agencies as approvers of Plan to Achieve Self Support (PASS) financial aid.

**X. Appendix B Types of Income**

We removes county agencies as approvers of Plan to Achieve Self Support (PASS) financial aid.

## **Y. Appendix F Standards and Guidelines**

We update the following standards and guidelines in Appendix F effective July 1, 2020:

- Basic Shelter Allowance
- Minimum Monthly Income Allowance
- Home Maintenance Allowance
- Remedial Care Expense
- Statewide Average Payment for Skilled Nursing Facility Care

## **Z. Appendix I Life Insurance Concepts**

We add the definition of life insurance and life insurance insurer.

## **II. Documentation of Changes**

---

This section of the manual letter documents all changes made to an existing section. Deleted text is displayed with strikethrough formatting and newly added text is displayed with underline formatting. Links to the revised and archived versions of the section are also provided.

- A. EPM Home Page
- B. Section 1.2.2 MHCP Application Submission
- C. Section 1.2.6 MHCP Signature
- D. Section 1.3.1.2 MHCP Authorized Representative
- E. Section 1.3.2.1.1 MHCP Death of an Applicant or Enrollee
- F. Section 2.1.2.2.1 MA Citizenship
- G. Section 2.1.2.2.2 MA Immigration Status
- H. Section 2.1.2.5 MA Social Security Number
- I. Section 2.2.3.5 MA-FCA Income Verification
- J. Section 2.3.3.2.7.10.1 MA-ABD Life Insurance Funded Burial Contracts
- K. Section 2.3.3.2.7.11.2 MA-ABD Burial Fund Exclusion
- L. Section 2.3.3.2.7.14 MA-ABD Household Goods and Personal Effects and Other Personal Property
- M. Section 2.3.3.3.2.1 MA-ABD Countable Income
- N. Section 2.3.3.3.2.1.1 MA-ABD Income Deeming
- O. Section 2.3.3.3.2.1.2 MA-ABD Sponsor Income Deeming
- P. Section 2.3.5.1.1 MA-ABD Mandatory Verifications

- Q. [Section 2.3.6.2.1 MA-ABD Level of Care](#)
- R. [Section 2.3.7 MA-ABD Medical Assistance Minnesota Supplemental Aid](#)
- S. [Section 2.3.8 MA-ABD Medical Assistance 1619 \(a\) or 1619 \(b\)](#)
- T. [Section 3.2.1.1 MinnesotaCare Citizenship](#)
- U. [Section 3.2.1.2 MinnesotaCare Lawful Presence and DACA](#)
- V. [Section 3.2.4 MinnesotaCare Social Security Number](#)
- W. [Appendix A Types of Assets](#)
- X. [Appendix B Types of Income](#)
- Y. [Appendix F Standards and Guidelines](#)
- Z. [Appendix I Life Insurance Concepts](#)

## A. EPM Home Page

Minnesota Health Care Programs

# Eligibility Policy Manual

Welcome to the Minnesota Department of Human Services (DHS) Minnesota Health Care Programs Eligibility Policy Manual (EPM). This manual contains the official DHS eligibility policies for the Minnesota Health Care Programs including Medical Assistance and MinnesotaCare. Minnesota Health Care Programs policies are based on the state and federal laws and regulations that govern the programs. See Legal Authority section for more information.

The EPM is for use by applicants, enrollees, health care eligibility workers and other interested parties. It provides accurate and timely information about policy only. The EPM does not provide procedural instructions or systems information that health care eligibility workers need to use.

## Manual Letters

DHS issues periodic manual letters to announce changes in the EPM. These letters document updated sections and describe any policy changes.

MHCP EPM Manual Letter #20.1, March 1, 2020

[MHCP EPM Manual Letter #20.2, June 1, 2020](#)

2019 Manual Letter

MHCP EPM Manual Letter #19.1, January 1, 2019

MHCP EPM Manual Letter #19.2, April 1, 2019

MHCP EPM Manual Letter #19.3 June 1, 2019

MHCP EPM Manual Letter #19.4, August 7, 2019

MHCP EPM Manual Letter #19.5, September 1, 2019

MHCP EPM Manual Letter#19.6, November 1, 2019

MHCP EPM Manual Letter #19.7. December 1, 2019

2018 Manual Letters

MHCP EPM Manual Letter #18.1, January 1, 2018

MHCP EPM Manual Letter #18.2, April 1, 2018

MHCP EPM Manual Letter #18.3, June 1, 2018

MHCP EPM Manual Letter #18.4, September 1, 2018

MHCP EPM Manual Letter #18.5, December 1, 2018

#### 2017 Manual Letters

MHCP EPM Manual Letter #17.1, April 1, 2017

MHCP EPM Manual Letter #17.2, June 1, 2017

MHCP EPM Manual Letter #17.3, August 1, 2017

MHCP EPM Manual Letter #17.4, September 1, 2017

MHCP EPM Manual Letter #17.5, December 1, 2017

#### 2016 Manual Letters

MHCP EPM Manual Letter #16.1, June 1, 2016

MHCP EPM Manual Letter #16.2, August 1, 2016

MHCP EPM Manual Letter #16.3, September 1, 2016

MHCP EPM Manual Letter #16.4, December 1, 2016

## **Bulletins**

DHS bulletins provide information and direction to county and tribal health and human services agencies and other DHS business partners. According to DHS policy, bulletins more than two years old are obsolete. Anyone can subscribe to the Bulletins mailing list.

A DHS Bulletin supersedes information in this manual until incorporated into this manual. The following bulletins have not yet been incorporated into the EPM:

- Bulletin #17-21-05, DHS Explains How Unified Cash Asset Policy Affects Medical Assistance (MA) Eligibility
- Bulletin #19-21-01, Pre-eligibility Verification for Medical Assistance for Families with Children and Adults
- Bulletin #19-21-02, DHS Announces Implementation of the Account Validation Service (AVS) for Medical Assistance (MA)
- Bulletin #19-21-04, DHS Announces Changes to the MAGI Methodology for Medical Assistance and MinnesotaCare

Prior versions of EPM sections are available upon request. This manual consolidates and updates eligibility policy previously found in the Health Care Programs Manual (HCPM) and Insurance



Affordability Programs Manual (IAPM). Prior versions of policy from the HCPM and IAPM are available upon request.

Refer to the EPM Archive for archived sections of the EPM.

## Contact Us

Direct questions about the Minnesota Health Care Programs Eligibility Policy Manual to the DHS Health Care Eligibility and Access (HCEA) Division, P.O. Box 64989, 540 Cedar Street, St. Paul, MN 55164-0989, call (888) 938-3224 or fax (651) 431-7423.

Health care eligibility workers must follow agency procedures to submit policy-related questions to HealthQuest.

## Legal Authority

Many legal authorities govern Minnesota Health Care Programs, including but not limited to: Title XIX of the Social Security Act; Titles 26, 42 and 45 of the Code of Federal Regulations; and Minnesota Statutes chapters 256B and 256L. In addition, DHS has obtained waivers of certain federal regulations from the Centers for Medicare & Medicaid Services (CMS). Each topic in the EPM includes applicable legal citations at the bottom of the page.

DHS has made every effort to include all applicable statutes, laws, regulations and other presiding authorities; however, erroneous citations or omissions do not imply that there are no applicable legal citations or other presiding authorities. The EPM provides program eligibility policy and should not be construed as legal advice.

Published: ~~March~~ June 1, 2020  
Previous Versions  
Manual Letter #20.1, March 1, 2020  
Manual Letter #19.7, December 1, 2019  
Manual Letter #19.6, November 1, 2019  
Manual Letter #19.5, September 1, 2019  
Manual Letter #19.4, August 7, 2019  
Manual Letter #19.3, June 1, 2019  
Manual Letter # 19.2, April 1, 2019  
Manual Letter #19.1, January 1, 2019  
Manual Letter #18.5, December 1, 2018  
Manual Letter #18.4, September 1, 2018  
Manual Letter #18.3, June 1, 2018  
Manual Letter #18.2, April 1, 2018  
Manual Letter #18.1, January 1, 2018  
Manual Letter #17.5, December 1, 2017  
Manual Letter #17.4, September 1, 2017  
Manual Letter #17.3, August 1, 2017  
Manual Letter #17.2, June 1, 2017

Manual Letter #17.1, April 1, 2017  
Manual Letter #16.4, December 22, 2016  
Manual Letter #16.3, September 1, 2016  
Manual Letter #16.1, June 1, 2016 (Original Version)

- Publication date: March 1, 2020
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## B. Section 1.2.2 MHCP Application Submission

Minnesota Health Care Programs

# 1.2.2 Application Submission

## Who Can File an Application

An application filer may file an application for Minnesota Health Care Programs (MHCP). An application filer includes the following people:

- The applicant
- An adult who is in the applicant's Medical Assistance (MA), MinnesotaCare, or tax household
- An applicant's minor parents who are in the applicant's tax or MA household
- The applicant's spouse
- An authorized representative. See the MHCP Authorized Representative policy for more information.
- A minor who is applying for coverage who does not live with a parent, legal guardian, or an adult acting responsibly for the minor and who will not be claimed as a tax dependent
- People acting responsibly for a child under the age of 18 including:
  - An adult who lives with the child and who assumes primary responsibility for the minor
  - A social services professional who is not an authorized representative or legal custodian
  - Both custodial and non-custodial parents may file an application on behalf of a child. However, to have MA eligibility determined the child must apply with the parent with whom they child live.
- People acting responsibly for an incapacitated individual

## Responsibilities of the Application Filer

Application filers:

- May report changes on behalf of an applicant or enrollee.
- May respond to requests for information regarding any person in their MA, MinnesotaCare, or tax household.
- May make all attestations required for a determination on behalf of an applicant.
- May attest to the joint filing status of their spouse.
- May sign and return the annual renewal notice on an enrollee's behalf.

## Application Filer and Change in Circumstances

After an application is submitted, the application filer may change due to a change in circumstance. Changes in circumstance that could cause the application filer to change include the application filer's death or the application filer leaves the household. In these cases, a new person must assume the role and responsibilities of the application filer for that household's application.

## **Assistance with the Application**

A person can choose anyone to help them with an application or renewal. However, only a person meeting the definition of an application filer or an authorized representative can submit the application or renewal on behalf of the applicant. The person is only able to sign the application or renewal if they are the application filer or authorized representative.

## **Legal Citations**

Code of Federal Regulations, title 26, section 1.36B-1

Code of Federal Regulations, title 42, section 435.603

Code of Federal Regulations, title 42, section 435.907

Code of Federal Regulations, title 42, section 435.908

Code of Federal Regulations, title 45, section 155.20

Code of Federal Regulations, title 45, section 155.300

Code of Federal Regulations, title 45, section 155.305

Code of Federal Regulations, title 45, section 155.310

Code of Federal Regulations, title 45, section 155.315

Code of Federal Regulations, title 45, section 155.330

Code of Federal Regulations, title 45, section 155.335

Published: June 1, 2020~~16~~

Previous Version

Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2016
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

**[Back to the Top of Section](#)**

## C. Section 1.2.6 MHCP Signature

Minnesota Health Care Programs

### 1.2.6 Signature

#### Application Signature

The application filer or their authorized representative must sign the application. An authorized representative is a person or organization designated by an applicant or enrollee to apply for Minnesota Health Care Programs (MHCP) and to perform the duties required to establish and maintain eligibility. See MHCP Authorized Representative for more information.

- A person under 18 who does not live with a parent, relative caretaker, foster parent, or legal guardian may sign an application on their own behalf. This includes both minors with and without children.

#### Electronic Signature

The MNsure online application allows for an electronic signature. The electronic signature is a legally valid signature; having the same legal effect as a written signature.

#### Special Circumstances

A person who is mentally competent but unable to sign the application due to physical limitations may:

- Sign electronically, or
- Sign a paper application by making a distinct mark, such as an X. Two witnesses must sign and date the application to verify that the person making the mark is indeed the person who is applying.

If a person has a court or tribal court-appointed guardian, one of following people must sign the application:

- The guardian, or
- An authorized representative designated by the guardian

If a person does not have a court-appointed guardian but does have a court-appointed conservator, any of the following people may sign the application:

- The person
- An authorized representative designated by the person or conservator

- The conservator, if the court has not limited the conservator’s powers in such a way that the conservator does not have the power to apply for health care assistance, services, or benefits available to the person

## Renewal Signature

The application filer or authorized representative must sign the renewal when a renewal signature is required.

A signature is required on a pre-populated renewal form. Enrollees who receive a paper renewal are required to complete, sign and return the renewal.

No signature is required for enrollees automatically renewed using information in their case file and data provided by trusted electronic sources.

## Legal Citations

Code of Federal Regulations, title 42, section 435.907

Code of Federal Regulations, title 42, section 435.916

Code of Federal Regulations, title 42, section 435.923

Code of Federal Regulations, title 45, section 155.230

Code of Federal Regulations, title 45, section 155.335

Minnesota Statutes, section 256L.05

Minnesota Statutes, section 524.5-313

Minnesota Statutes, section 524.5-417

Published: ~~November~~ June 1, 2020

Previous Versions:

Manual Letter #19.6, November 1, 2019

Manual Letter #18.2, April 1, 2018

Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: November 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## **D. Section 1.3.1.2 MHCP Authorized Representative**

Minnesota Health Care Programs

### **1.3.1.2 Authorized Representative**

Minnesota Health Care Programs (MHCP) applicants and enrollees may designate an authorized representative at the time of application or at any other time. An authorized representative is a person or organization authorized by an applicant or enrollee to apply for a MHCP and to perform the duties required to establish and maintain eligibility.

#### **Responsibilities of an Authorized Representative**

In most cases, authorized representatives have the same responsibilities and rights as applicants or enrollees.

Authorized representatives have the responsibility and right to:

- Contact the county, tribal or state servicing agency, including talking with the worker without additional consent
- Contact the help desks, without additional consent
- Have access to eligibility information in the applicant's or enrollee's case file
- Complete and sign forms, such as applications and renewals, for the applicant or enrollee
- Provide documentation
- Appeal agency decisions
- Receive forms and notices
- Pay premiums
- Act on behalf of the applicant or enrollee in all other matters with the county, tribal or state servicing agency
- Maintain the confidentiality of any information regarding the applicant or enrollee provided by the county, tribal or state servicing agency

#### **Who Can Be an Authorized Representative?**

Authorized representatives must:

- Be at least 18 years old,
- Have access to required information and ability to verify eligibility requirements, and
- Agree in writing to accept the responsibilities of an authorized representative.



## Who Cannot Be an Authorized Representative?

The following people cannot be an authorized representative for a client on their caseload:

- County, tribal or state servicing agency employees who determine eligibility
- Regional Treatment Center (RTC) reimbursement officers for MA enrollees
- Certified assisters (navigators)

An incarcerated individual can have an authorized representative, but the authorized representative cannot enroll the inmate without his or her consent.

## Designating an Authorized Representative

Any applicant or enrollee may designate an authorized representative, unless the person has a court or tribal court-appointed guardian. If a person has a court or tribal court-appointed guardian, only the guardian may designate an authorized representative.

If an applicant or enrollee has a court or tribal court-appointed conservator and the court or tribal court has not limited the conservator's power in such a way that the conservator does not have the power to apply for health care assistance, services, or benefits available to the person, then either the applicant or enrollee, or the conservator, may designate an authorized representative.

Designations by an applicant or enrollee must be in writing and must include the applicant or enrollee's signature unless the applicant or enrollee is unable to sign, in which case legal documentation of authority to act may serve in place of the applicant or enrollee's designation.

A designation may be made by submitting one of the following documents to the county, tribal, or state servicing agency:

- A completed Authorized Representative Designation attached to any MHCP application
- A completed Giving Permission for Someone to Act on My Behalf (DHS-3437) or Minnesota Family Planning Program (MFPP) - Giving Permission for Someone to Act on My Behalf (DHS-3437A)
- A written statement that clearly indicates the applicant or enrollee is giving permission to a specified person to act on their behalf in the health care application or eligibility process, including the name, address, and phone number of the person designated to act on their behalf. The statement must be signed by the applicant or enrollee as well as the person being designated to act on the applicant or enrollee's behalf.
- A court or tribal court order establishing legal guardianship
- A court or tribal court order establishing a conservatorship
- A valid Power of Attorney

- A Power of Attorney is a legally binding document that authorizes a person or corporation to act on another person's behalf in financial matters. The powers granted can be limited to certain activities and to a specific period, or they can be general and wide in scope.
- The Power of Attorney must be dated, signed by the applicant or enrollee, and include the name of the person or corporation who is being appointed to act on the applicant's or enrollee's behalf.
- A Power of Attorney is durable if it contains language such as, "This power of attorney shall not be affected by the incapacity of incompetence of the principal," or similar words showing the intent to allow the authority to continue even if the person becomes incapacitated

### **Servicing Agency Designation of an Authorized Representative**

The county, tribal or state servicing agency must appoint an authorized representative if the client is not able to do so and is not able to provide information necessary to determine eligibility. This could be a relative or friend who is able to provide the necessary information.

The agency must appoint a social service professional as the applicant or enrollee's authorized representative if no qualified person is available to act as an authorized representative.

Potential authorized representatives for children in foster care or pre-adoptive placement include, but are not limited to, social workers or other representatives of the agency that has legal custody and control of the child.

### **How Long Does the Designation Last?**

The applicant or enrollee may change the authorized representative designation at any time. The designation remains in place until:

- Revoked by the applicant or enrollee
- Revoked by the authorized representative
- The legal authority to act on the applicant or enrollee's behalf changes
- The authorized representative is disqualified
- The applicant or enrollee dies

### **Disqualification of an Authorized Representative**

Servicing agencies may disqualify authorized representatives who:

- Knowingly provide false information
- Are unable to provide required information
- Refuse to provide required information

Only a court or tribal court can disqualify a guardian or conservator.

When a county, tribal or state servicing agency disqualifies an authorized representative, the applicant or enrollee can designate a new one.

If a servicing agency disqualifies an authorized representative, it must determine whether a vulnerable adult referral to social services is needed.

## **Authorized Representative Receipt of Forms and Notices**

Unless the client indicates otherwise, the authorized representative will receive all forms and copies of eligibility and premium notices.

## **Authorization to Release Information**

The General Consent/Authorization for Release of Information ([DHS-3549](#)) allows the county, tribal or state servicing agency to share information about the applicant or enrollee with the person or organization specified on the form. These forms do not appoint the person to be an authorized representative.

## **Legal Citations**

Code of Federal Regulations, title 42, section 435.923

Code of Federal Regulations, title 45, section 155.227

Minnesota Rules, part 9505.0085, subpart 2

Published: ~~November~~ June 1, 2020

Previous Versions  
[Manual Letter #19.6, November 1, 2019](#)  
Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: November 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## E. Section 1.3.2.1.1 MHCP Death of an Applicant or Enrollee

### Minnesota Health Care Programs

## 1.3.2.1.1 Death of an Applicant or Enrollee

Minnesota Health Care Programs (MHCP) applicants and enrollees must report changes that may affect their eligibility. County, tribal and state servicing agencies must act on reported changes. Death of an applicant, enrollee or household member is one of the changes that must be reported. Eligibility and coverage end for the deceased enrollee through the end of the day the person died. When an agency receives a substantiated report that an applicant, enrollee or other household member has died, they must redetermine eligibility for the surviving household members.

### **Substantiated Report of Death**

There are three ways a report of death can be substantiated:

- Information received from an acceptable electronic data source

Information that an MHCP applicant, enrollee or household member has died received directly from the Social Security Administration (SSA), the Minnesota Department of Health (MDH) Office of Vital Records, or the MDH Minnesota Death Search is considered substantiated.

- Report from a “first party”

Information that an MHCP applicant, enrollee or household member has died received from a “first party” is considered substantiated. A first party is a competent adult family member, or agent, such as a former power of attorney, or an authorized representative.

- Report from a “third party” confirmed by an electronic data source or first party

Information that an MHCP applicant, enrollee or household member has died received from a “third party” must be confirmed by an acceptable electronic data source or a first party to be considered substantiated. A “third party” is anyone who is not a “first party.”

Confirmation is required before the agency acts on a report of death from a third party. If no record of death is available from an accepted electronic data source, the agency must confirm the death with a first party before acting on the information.

If a person’s MHCP is closed based on information from a first party or an electronic data source, and the agency later learns that the person has not died, eligibility must be redetermined and coverage restored for any partial or full months for which the person was eligible.

### **Legal Citations**

Code of Federal Regulations, title 42, section 431.231

Code of Federal Regulations, title 42, section 435.916

Minnesota Statutes, section 144.225

Published: June 1, 2020

**[Back to the Top of Section](#)**

## F. Section 2.1.2.2.1 MA Citizenship

Medical Assistance

### 2.1.2.2.1 Citizenship

To receive Medical Assistance (MA), applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens. See the MA Immigration Status policy for more information.

#### U.S. Citizen

A U.S. citizen is someone who is born in the U.S. (including U.S. territories, except for American Samoa) or who was born outside the U.S. and who either:

- Was naturalized as a U.S. citizen
- Derived citizenship through the naturalization of their parent(s)
- Derived citizenship through adoption by U.S. citizen parents, provided certain conditions are met
- Acquired citizenship at birth because he or she was born to U.S. citizen parent(s)
- Became a U.S. citizen by operation of law

#### U.S. National

A U.S. national is someone who is a U.S. citizen or owes permanent allegiance to the U.S. With extremely limited exceptions, all noncitizen U.S. nationals are people born in American Samoa or people born abroad with one or more American Samoan parents under certain conditions.

#### Verification

Citizenship may be verified electronically at the time of application through a data match with the Federal Data Services Hub (FDSH) or the Social Security Administration (SSA). This is the preferred method of verifying citizenship for applicants and enrollees. The county, tribal, or state agency must attempt and exhaust all trusted electronic sources prior to requiring paper documentation from the enrollee. Only applicants and enrollees whose U.S. citizenship or U.S. national status cannot be verified electronically must provide proofs.

Eligibility must be approved for applicants who meet all other eligibility criteria and attest to meeting the citizenship eligibility requirement. A person approved for MA without verification of their citizenship status has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof. A notice ~~must be~~ sent to the enrollee to indicate they have 90 days, plus 5 days for mailing, from the date of the notice to satisfy the request. The 90 day plus 5 days for mailing cannot be extended for citizenship verification for MA

enrollees. Eligibility and coverage must end with a 10-day advance notice if the enrollee fails to provide proof of citizenship by the end of the reasonable opportunity period.

~~A person who reapplies for health care coverage, whose citizenship was not previously verified, must be given a new reasonable opportunity period to provide proof of citizenship.~~

~~The county, tribal or state servicing agency must help applicants and enrollees obtain required proofs.~~

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to complete verification of an applicant's citizenship. This includes correcting errant demographic data, re-running electronic sources and checking case records and files for prior instances of successful electronic verification or citizenship documentation received previously. The agency must document efforts to verify an applicant's citizenship during the reasonable opportunity period in the case record. The agency must also help applicants and enrollees obtain required paper proofs.

People who were previously enrolled in MA in another state were required to verify citizenship as a condition of eligibility for MA. As such, verification of citizenship obtained from another state's MA program is an acceptable form of verification. Proof of citizenship may be requested from the state where the client was previously enrolled in MA, if it is not available through other sources. A signed release, such as the Minnesota Department of Human Services (DHS -2243A) must be obtained from the client to contact another state's MA program agency.

Once citizenship is verified, county, tribal and state servicing agencies cannot request proof again, unless an agency possesses inconsistent information regarding a person's citizenship.

A person who reapplies for health care coverage, whose citizenship was not previously verified, must be given a new reasonable opportunity period to provide proof of citizenship.

## **Paper Proof of Citizenship**

Applicants and enrollees who must provide proof because citizenship could not be electronically verified can submit a copy of one of the following to verify U.S. citizenship:

- U.S. passport, including a U.S. Passport Card issued by the Department of State, without regard to any expiration date as long as such passport or card was issued without limitation
- Certificate of Naturalization
- Certificate of Citizenship
- Valid Minnesota Enhanced Driver's License or Enhanced Identification Card

- Documentary evidence issued by a federally recognized Native American Tribe which identifies the tribe that issued the document , identifies the individual by name, and confirms the individuals membership, enrollment or affiliation with the tribe. These documents include a tribal enrollment card, a certificate for Degree of Indian Blood; a Tribal census document; or documents on tribal letterhead, issued under the appropriate tribal official.

Applicants and enrollees can also verify citizenship by submitting a copy of one document from each of the following two lists:

- List 1
  - U.S. public birth certificate or other birth document
    - The birth record document may be issued by a State, Commonwealth, Territory, or local jurisdiction.
    - For people born in Minnesota, birth records can only be obtained by sending the Minnesota Department of Health (MDH) the Minnesota Birth Record Application form. For people that were born in another state, birth records can be obtained directly from the state of birth.
  - An electronic data match with a State vital statistics agency can substitute for a List 1 document.
  - A Certificate of Report of Birth, issued to the U.S. citizens born outside of the U.S.; or Report of Birth Abroad of a U.S. citizen
  - Certification of Birth in the U.S.
  - U.S. citizen ID card
  - Northern Marianas Identification Card issued by the U.S. Department of Homeland Security
  - American Indian card (I-872) from the U.S. Department of Homeland Security
  - Final U.S. adoption papers that show the child's name and a U.S. Place of birth, or if an adoption is not final, a statement from a state-approved adoption agency that shows the child's name and U.S. place of birth
  - Papers showing U.S. government employment before June 1, 1976
  - U.S. Military Record of Service showing U.S. place of birth
  - Documentation that a child meets the requirements of section 101 of the Child Citizenship Act of 2000
  - Medical Records showing a U. S. place of birth
  - Life, Health or other insurance company record showing a U. S. place of birth
  - Official religious record recorded in the U.S. showing that the birth occurred in the U.S.
  - School records including pre-school records, Head Start and daycare showing the child's name of U.S. place of birth
  - Federal or state census record showing U.S. citizenship or U.S. place of birth



- An affidavit can be used in lieu of a List 1 proof, if citizenship cannot be verified electronically and the person does not have any List 1 documents.

The affidavit must be signed under penalty of perjury by a person other than the applicant who can attest to the applicant's citizenship. The affidavit must include the applicant's name, date of birth, and place of birth. The affidavit does not need to be notarized.

- List 2

The following are accepted as proof of identity, as long as the document has a photograph or other identifying information sufficient to establish identity, including (but not limited to) name, age, sex, race, height, weight, eye color, or address:

- State driver's license or state ID card
- School ID card
- U.S. Military ID card or draft record
- Military Dependent's ID Card
- U.S Coast Guard Merchant Mariner Card
- For a child under age 19:
  - School records including pre-school or daycare records
  - Clinic, doctor or hospital records
- Two other documents containing consistent information that corroborates a person's identity
- Finding of identity from a federal or State government agency
- An affidavit can be used in lieu of List 2 proof, if citizenship cannot be verified electronically and the person does not have any List 2 documents.

## **Exemptions from the Citizenship Verification Requirement**

The following people are exempt from the U.S. citizenship verification requirement:

- People enrolled in or entitled to enroll in Medicare. The SSA has already verified citizenship and identity for these people.
- People who receive or previously received Supplemental Security Income (SSI)
- People who receive or previously received Retirement, Survivors or Disability Insurance (RSDI) benefits due to disability (also known as SSDI). This does not include people who receive RSDI retirement or survivor's insurance benefits. They are not exempt from this requirement unless they meet another condition for exemption (such as enrollment in Medicare).
- Children who receive Northstar
- Auto newborns and children previously enrolled as auto newborns

## Legal Citations

Code of Federal Regulations, title 42, section 435.406

Code of Federal Regulations, title 42, section 435.407

Code of Federal Regulations, title 42, section 435.911

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.949

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 435.956

Code of Federal Regulations, title 42, section 435.1008

Code of Federal Regulations, title 42, section 457.320

Code of Federal Regulations, title 42, section 457.380

Patient Protection and Affordable Care Act, Public Law 111-148, section 1413

Patient Protection and Affordable Care Act, Public Law 111-148, section 14141

Published: June 1, 2020~~19~~

Previous Versions

[Manual Letter #19.3, June 1, 2019](#)

Manual Letter #19.2, April 1, 2019

Manual Letter #18.2, April 1, 2018

Manual Letter #18.1, January 1, 2018Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## G. Section 2.1.2.2.2 MA Immigration Status

Medical Assistance

### 2.1.2.2.2 Immigration Status

To receive Medical Assistance (MA), applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens. See the MA Citizenship policy for more information.

#### MA Eligibility for Noncitizen Children under Age 21 and Pregnant Women

The following people are eligible for MA, regardless of their specific immigration status:

- All lawfully present noncitizen children younger than age 21
- All lawfully present noncitizen pregnant women

People granted Deferred Action for Childhood Arrivals (DACA) are not lawfully present noncitizens for the purpose of MA eligibility and therefore they are not eligible for MA.

See Appendix H Lawfully Present Noncitizens for more information about lawfully present noncitizens.

Refer to the [Immigration Status and Minnesota Health Care Programs Eligibility chart](#) for a quick reference guide to Medical Assistance eligibility for applicants and enrollees who are noncitizens.

#### MA Eligibility for Noncitizens Age 21 or Older and Not Pregnant

To be eligible for MA, lawfully present noncitizens who are age 21 or older and not pregnant must have a qualified immigration status. People with certain qualified immigration statuses must wait five years after receiving the qualified immigration status before they are eligible for MA.

The date a person enters the United States (also called date of entry) is not always the same as the date they acquire a qualified immigration status. The date of entry is used to determine eligibility for Refugee Medical Assistance for refugees who are ineligible for MA. The date a person obtains a qualified immigration status is used to determine the start of the five-year waiting period, when applicable.

##### Qualified Immigration Statuses Without a Five-Year Waiting Period

Lawfully present noncitizens with the following qualified immigration statuses are eligible for MA **without** a five-year waiting period:

- Afghan or Iraqi Special Immigrants
- Amerasians
- American Indian noncitizens

- Asylees, including asylees who later adjust to lawful permanent resident status
- Conditional Entrants
- Cuban/Haitian Entrants
- Qualified noncitizens who are U.S. veterans or on active military duty and their spouses and children
- Refugees, including refugees who later adjust to lawful permanent resident status
- T-Visa
- Trafficking victims
- Withholding of Removal

### **Qualified Immigration Statuses With a Five-Year Waiting Period**

Lawfully present noncitizens with the following qualified immigration statuses who entered the United States after August 22, 1996, are eligible for MA **after** a five-year waiting period:

- Battered noncitizens
- Immigrants paroled or one year or more
- Lawful permanent residents (LPRs), except LPRs who adjusted from asylee or refugee status. LPRs who were formerly asylees or refugees are eligible for MA without a five-year wait.

### **MA for Noncitizens Not Otherwise Eligible for Medical Assistance**

Four programs are available to certain noncitizens who are not eligible for MA because of their immigration status.

- Children’s Health Insurance Program (CHIP) funded MA may be available for pregnant women who are undocumented or noncitizens not otherwise eligible for MA. Eligibility may continue through the 60–day postpartum period. CHIP-funded MA is not available to people enrolled in other health care coverage.
- People who are receiving services from the Center for Victims of Torture (CVT) may be eligible for state funded MA-CVT
- People with a medical emergency may be eligible for Emergency Medical Assistance (EMA)
- People who meet specific criteria may be eligible for federally funded Refugee Medical Assistance (RMA)

### **Verification**

Immigration status must be verified electronically. The county, tribal, or state agency must attempt and exhaust all trusted electronic sources prior to requiring paper documentation from the enrollee. Applicants and enrollees whose immigration status cannot be verified electronically must provide

proofs, which then must be validated using electronic sources, such as SAVE. See Immigration documentation types at HealthCare.gov for information about immigration documentation.

Eligibility is approved for applicants who meet all other eligibility criteria and attest to meeting the noncitizen eligibility requirements. A person approved for MA without verification of their immigration status has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof of status for SAVE validation. A notice is sent to the enrollee to indicate they have 90 days, plus five days for mailing, from the date of the notice to satisfy the request.

The 95-day reasonable opportunity period can be extended for MA enrollees who demonstrate a good faith effort to get and provide proof of their immigration status. Enrollees who need more time to obtain the needed documents must receive a notice that tells them the new due date. There is no limit to the number of times the reasonable opportunity period can be extended for a MA enrollee to obtain proof of immigration status. Eligibility and coverage must end with a 10-day advance notice if the person fails to provide proof or assist in the verification process by the end of the reasonable opportunity period or any extension.

~~A person who reapplies for health care coverage, whose immigration status was not previously verified, must be given a new reasonable opportunity period to provide proof of immigration status.~~

~~The county, tribal or state servicing agency must help applicants and enrollees obtain required proofs.~~

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to complete verification of an applicant's immigration status. This includes correcting errant demographic data, re-running electronic sources and checking case records and files for prior instances of successful electronic verification or immigration status documentation received previously. The agency must document efforts to verify an applicant's immigration status during the reasonable opportunity period in the case record. The agency must also help applicants and enrollees obtain required paper proofs.

A person who reapplies for health care coverage, whose immigration status was not previously verified, must be given a new reasonable opportunity period to provide proof of immigration status.

Please note, verification of immigration status cannot be used to determine the individual is not a state resident. See EPM 1.4 MHCP State Residency.

## Legal Citations

Centers for Medicare and Medicaid Services State Health Officials letter re: Individuals with Deferred Action for Childhood Arrivals (August 28, 2012), at [www.medicare.gov/Federal-Policy-Guidance/downloads/SHO-12-002.pdf](http://www.medicare.gov/Federal-Policy-Guidance/downloads/SHO-12-002.pdf)

Centers for Medicare & Medicaid Services (CMS) State Health Officials letter re: Medicaid and CHIP Coverage of "Lawfully Residing" Children and Pregnant Women (July 1, 2010), at [www.cms.gov/smdl/downloads/SHO10006.pdf](http://www.cms.gov/smdl/downloads/SHO10006.pdf)

Children’s Health Insurance Program Reauthorization Action of 2009 (CHIPRA), Public Law 111-3, Section 214

Code of Federal Regulations, title 42, section 435.406

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.949

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 435.956

Minnesota Statutes, section 256B.06, subdivision 4

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193

United States Code, title 8, section 1641

Published: June 1, 2020~~19~~

Previous Versions

Manual Letter #19.3, June 1, 2019

Manual Letter #18.2 April 1, 2018

Manual Letter #18.1 January 1, 2018

Manual Letter #17.2, June 1, 2017

Manual Letter #16.4, December 22, 2016

Manual Letter #16.2, August 1, 2016

Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## H. Section 2.1.2.5 MA Social Security Number

Medical Assistance

### 2.1.2.5 Social Security Number

The Minnesota Department of Human Services (DHS) uses Social Security Numbers (SSNs) to identify applicants and enrollees and to administer Minnesota Health Care Programs (MHCP). DHS matches SSNs against records in electronic data sources to identify and verify household income and size based on the most recent tax return filed by the household tax filer.

Each person requesting Medical Assistance (MA) must provide their SSN as a condition of eligibility unless they meet an exception. People who do not have SSNs and do not meet an exception must apply for an SSN. The following are exceptions:

- An applicant who refuses to obtain an SSN because of a well-established religious objection
- A noncitizen who is not eligible to receive a SSN or does not have one and may only be issued one for a valid non-work reason
- People applying for or receiving Emergency Medical Assistance (EMA), CHIP funded MA for pregnant women or MA for people receiving services from the Center for Victims of Torture(CVT)
- A child eligible for MA as an auto newborn
- A child receiving Northstar Title IV-E Foster Care or Title IV-E Kinship Assistance
- A child receiving Northstar Title IV-E Adoption Assistance
- A child receiving Title IV-E or non-Title IV-E adoption assistance under the Interstate Compact on Adoption and Medical Assistance (ICAMA)
- Refugees applying for or receiving Refugee Medical Assistance (RMA)

An agency may request but cannot require someone who is not applying for coverage to provide a SSN. If the agency requests the SSN of a non-applicant, the disclosure must:

- be voluntary,
- only be used to determine an applicant's eligibility for a MHCP or for a purpose directly connected to administration of the State Plan, and
- include clear information on how the SSN will be used and notice to the application filer that it is voluntary.

### Pre-Eligibility Verification

If an applicant has a SSN, it must be provided to the MA eligibility determination. If an applicant cannot recall their SSN or if a SSN has not been issued for the applicant and the person does not meet an exception, the county, tribal or state servicing agency must assist the applicant in:

- completing an application for a SSN, if a SSN has not been issued for the applicant, or
- contacting the SSA to confirm the applicant's SSN if one has already been issued,

If an applicant must apply for an SSN, proof that the person applied for an SSN is required prior to the MA eligibility determination. The proof of application is acceptable until the person receives the SSN. Once the SSN is received the individual must provide it to the agency.

## **Exceptions to having an SSN**

Additionally, certain exceptions from the requirement to have or apply for an SSN must be verified prior to the MA eligibility determination.

### Well-established religious objection

- A letter or other verification from a church leader that the religion is a recognized sect of division that is conscientiously opposed to applying for a SSN
- Proof of filing for a waiver with the IRS using form 4029

### Non-immigrant unable to attain SSN other than a valid non-work reason

- No further proof is needed if the agency can determine that the client's status is such as they cannot work in the US
- Letter from SSA or other official that the client is not eligible for a SSN except for a valid non-work reason

Other exceptions from the requirement to have or apply for an SSN do not require proof.

## **Post eligibility verification**

Each applicant's SSN must be verified with the Social Security Administration (SSA). An enrollee's newly issued SSN must also be electronic verified with the SSA.

Eligibility cannot be delayed for an otherwise eligible applicant pending the electronic verification of a SSN if one is provided at application. A notice must be sent to a person to inform them that they have 95 days from the date of the notice to provide proof of their correct SSN or to resolve any clerical discrepancies preventing electronic verification.

The 95 day period can be extended if the MA enrollee is demonstrating a good faith effort to resolve the discrepancy preventing electronic verification. Enrollees who need more time to resolve the SSN discrepancy must receive a notice that tells them the new due date. There is no limit to the number of times the reasonable opportunity period can be extended for the MA enrollee to resolve the SSN discrepancy. MA eligibility and coverage ends with 10-day advance notice if the enrollee fails to resolve the SSN discrepancy by the end of the reasonable opportunity period or any extension.

~~A person who applies for health care coverage, whose SSN was not previously verified, must be given a new reasonable opportunity period to resolve the SSN discrepancy.~~



~~The agency must assist the applicant in resolving discrepancies in the case file that are preventing successful verification.~~

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to verify an applicant's SSN. This includes correcting errant demographic data, re-running electronic sources and checking case records and files for prior instances of successful electronic verification. The agency must assist the applicant in resolving discrepancies in the case file that are preventing successful verification. The agency must document efforts to verify an applicant's SSN during the reasonable opportunity period in the case record.

Electronic verification is ultimately required to verify a person's SSN.

A person who applies for health care coverage, whose SSN was not previously verified, must be given a new reasonable opportunity period to resolve the SSN discrepancy.

## Legal Citations

Code of Federal Regulations, title 20, section 422.104

Code of Federal Regulations, title 42, section 435.907

Code of Federal Regulations, title 42, section 435.910

Code of Federal Regulations, title 42, section 435.948

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 435.956

Code of Federal Regulations, title 42, section 457.340

Published: June 1, 2020~~19~~

Previous Versions:

Manual Letter #19.3, June 1, 2019

Manual Letter #18.2, April 1, 2018

Manual Letter #16.1 June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## I. Section 2.2.3.5 MA-FCA Income Verification

Medical Assistance for Families with Children and Adults

### 2.2.3.5 Income Verification

All countable income must be verified for Medical Assistance for Families with Children and Adults (MA-FCA).

1. The applicant or enrollee must attest to current monthly household income at application, renewal or when reporting a change.
2. The applicant or enrollee's attested income, adjustments and exceptions are verified using available electronic sources.
3. Income is considered verified if:
  - The attested income and the electronic data both indicate income is below the applicable MA income limit or
  - The attested income is at or below the MA income limit and the electronic data indicates income above the MA limit, but they are reasonably compatible.
4. If the information cannot be verified by available electronic sources, the person must provide acceptable proof within 10 days of the request by the county, tribal or state servicing agency. Acceptable proof is paper proof.
5. The county, tribal or state servicing agency must assist clients in obtaining verification. When neither the person nor the county, tribal or state servicing are able to obtain outside verification, a reasonable explanation of the discrepancy may be accepted in circumstances where paper proof is not available such as when the source of income has stopped.

MA-FCA eligibility for enrollees cooperating and attempting to obtain verification is not closed, except for when proofs are required to complete a renewal.

An individual who reports having no income is not required to provide verification or an explanation, unless electronic sources or other information the agency has indicate there is inconsistent information. At application, information from electronic data sources that indicate a person has a source of income, such as wages from a job, is inconsistent information when the person has reported no income from that source. Inconsistent information about income at application must be resolved before MA is approved. See [EPM 1.3.2.4 MHCP Inconsistent Information](#) for the full policy.

### Income

A wide variety of paper documentation is acceptable proof of financial eligibility. Common proof includes, but is not limited to, the following:

- Pay stub or earnings statement

- Employer statement
- Tax records
- Copy of check
- Business financial records
- Bank statement
- Interest or dividend statement
- Award letter
- Proof of alimony
- Receipt or statement of rent you receive
- Proof of asset sale (Capital Gain or Loss)
- Proof or record of other taxable income
- Proof of lump sum income
- Other proof

## **Federal Income Tax Adjustments**

Adjustments that appear on lines 23 through 35 on IRS Form 1040 or lines 16 through 19 on the IRS Form 1040-A are subtracted from gross taxable income to calculate the adjusted gross income. Only these specific types of adjustment are allowable. A copy of the last filed IRS Form 1040 or 1040A is acceptable verification for adjustments.

Applicants and enrollees who expect to have these adjustments for the current tax year can complete the appropriate form or worksheet listed below to determine the adjustment amount. These adjustments are a calculated or limited amount and the listed proof allows applicants to report anticipated adjustment accurately.

A wide variety of paper documentation is acceptable proof of financial eligibility. Common proof includes, but is not limited to, the following:

### **Educator expenses**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 23
- Copy of last filed IRS Form 1040A with this adjustment listed on line 16

Anticipated adjustment for the current tax year

- Self-attestation of a maximum of \$250 for one educators or \$500 if both spouses are educators

### **Certain business expenses of reservists, performing artists and fee-basis government officials**

- Copy of last filed IRS form 1040 with this adjustment listed on line 24

Anticipated adjustment for the current tax year

- Copy of IRS Form 2106 or 2106 EZ

### **Health savings account**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 25

Anticipated adjustment for the current tax year

- Copy of IRS Form 8889

### **Moving expenses**

- Copy of last filed IRS Form 1040 with this adjustments listed on line 26

Anticipated adjustment for the current tax year

- Copy of IRS Form 3903

### **Adjustment portion of self-employment tax**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 27

Anticipated adjustment for the current tax year

- Copy of IRS Schedule SE

### **Self-employed Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees (SIMPLE) and Qualified Plans**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 28

Anticipated adjustment for the current tax year

- Copy of adjustment worksheets from IRS Publication 560 (pages 22-24 of the 2012 publication)

### **Self-employed Health Insurance**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 29

Anticipated adjustment for the current tax year

- Copy of the "Self-Employed Health Insurance Worksheet" for line 29 of IRS Form 1040 (page 31 of the 2013 IRS 1040 Instructions)

### **Penalty on Early Withdrawal of Savings**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 30

Anticipated adjustment for the current tax year

- Copy of 1099-INT or Form 1099-OID received from the institution, which shows the amount of penalty

### **Alimony Paid (spousal support)**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 31

Anticipated adjustment for the current tax year

- Copy of court order, divorce or separation instrument indicating amount of spousal support

### **IRA Deduction**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 32
- Copy of last filed IRS Form 1040A with this adjustment listed on line 17

Anticipated adjustment for the current tax year

- Copy of IRA Deduction Worksheet, pages 34 and 35 of the 2013 IRS 1040 Instructions
- Copy of IRA Deduction Worksheet, pages 30 and 31 of the 2013 IRS 1040A Instructions

### **Student Loan Interest**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 33
- Copy of last filed IRS Form 1040A with this adjustment listed on line 18

Anticipated adjustment for the current tax year

- Copy of Student Loan Interest Deduction Worksheet, page 36 of the 2013 IRS 1040 Instructions
- Copy of Student Loan Interest Deduction Worksheet, page 32 of the 2013 1040A instructions

### **Tuition and Fees**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 34
- Copy of last filed IRS Form 1040A with this adjustment listed on line 19

Anticipated adjustment for the current tax year

- Copy of IRS Form 8917

### **Domestic Production Activities**

- Copy of last filed IRS Form 1040 with this adjustment listed on line 35

Anticipated adjustment for the current tax year

- Copy of IRS Form 8903

## **Other Income Proofs**

A wide variety of documentation proof is acceptable proof of financial eligibility. Common proof includes, but is not limited to, the following:

Nontaxable foreign earned income and housing cost of citizens or residents of the United States living abroad

- Tax records
- Income statement

Nontaxable interest income

- Tax records
- Bank statement

Nontaxable Social Security and tier one railroad retirement benefits

- Benefit statement
- Award letter
- SSA/RRB Form 1099

Scholarships, awards or fellowship grants used for education purposes and not for living expenses

- Proof of scholarship or grant for education purposes
- Student loan statement

Certain American Indian/Alaska Native income

- Proof of American Indian or Alaska Native income

Lump Sum income

- Proof of lump sum income

When neither the person nor the county, tribal or state servicing are able to obtain outside verification, a reasonable explanation of the discrepancy may be accepted in circumstances where paper proof is not available such as when the source of income has stopped.

## **Legal Citations**

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.952  
Minnesota Rules, part 9505.0095

Published: ~~April~~ June 1, 2020<sup>48</sup>

Previous Versions:

Manual Letter #18.2 April 1, 2018

Manual Letter #16.1 June 1, 2016 (Original Version)

#### Archive Information

- Publication date: April 1, 2018
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

**[Back to the Top of Section](#)**

## **J. Section 2.3.3.2.7.10.1 MA-ABD Life Insurance Funded Burial Contracts**

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### **2.3.3.2.7.10.1 Life Insurance Funded Burial Contracts**

#### **Life Insurance Funded Funeral Arrangements**

A life insurance funded burial (LIFB) contract involves a person purchasing a life insurance policy on his or her own life and then assigning, revocably or irrevocably, either the proceeds or ownership of the policy to a third party, generally a funeral provider. The purpose of the assignment is to fund a burial contract. Life insurance funded burial contracts are not burial insurance.

If an annuity policy is being used to fund a burial contract, it is called an annuity-funded burial (AFB) and follows LIFB policies. Otherwise, see Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) Annuities for how the annuity is evaluated as an asset.

#### **Proceeds**

Proceeds of a life insurance policy are the face value of the policy plus any additions payable at maturity or death. This does not include dividends, cash surrender value (CSV) or interest.

#### **Dividend Accumulations**

Dividend accumulations of a life insurance policy as part of the value of the policy or the burial contract are not excluded assets. Dividend accumulations are separate assets and must be evaluated separately.

If ownership of the life insurance policy has been irrevocably assigned, then absent evidence to the contrary, the dividend accumulations are also assigned.

#### **Contingent Beneficiary**

A person's estate must be named as contingent beneficiary when irrevocably assigning ownership of a life insurance policy to fund a burial arrangement. If a person's estate is not named as the contingent beneficiary, the policy is treated as a life insurance policy, not a life insurance funded burial or annuity funded burial.

### **Effect of Revocable Assignment of Ownership**

#### **Burial Spaces**

The burial space exclusion does not apply. This is because the funeral provider has not received any payment and no purchase of burial spaces has been made. The provider has no obligation to provide any spaces until the person dies and therefore no spaces are being held for the person.

#### **Burial Funds**



The life insurance funded burial arrangement is evaluated under the life insurance policy. The burial funds exclusion may apply. It may be excluded up to the \$1,500 maximum burial fund exclusion, or the maximum remaining after excluding other burial assets. See MA-ABD Burial Funds Exclusion.

### **Example**

Emma has a burial contract funded by the revocable assignment of ownership of a life insurance policy. The face value of both the burial contract and the life insurance policy is \$3,000 and the CSV of the life insurance policy is currently \$1,700. The total asset value of Emma's burial contract is equal to the CSV of \$1,700.

The burial space exclusion does not apply to Emma's contract. However, Emma can exclude \$1,500 of the CSV under the burial funds exclusion. The remaining \$200 of the CSV is considered a countable asset.

## **Effect of Irrevocable Assignment of Ownership**

### **Burial Spaces**

The burial space exclusion may apply, depending on the nature of the contract (See MA-ABD Burial Space Exclusion). Any portion of the contract that represents the purchase of a burial space has no effect on the burial funds exclusion.

### **Burial Funds**

The life insurance policy and the burial contract are not assets because the person no longer owns them. The face value of the burial funds portion of the contract (if any) offsets the \$1,500 burial funds exclusion because the contract represents an irrevocable arrangement available to meet the person's burial.

### **Example**

Bill has made provision for his burial by irrevocably assigning ownership of a life insurance policy on his life to a funeral home to fund a burial contract. The face value of the life insurance policy is \$3,000.

The burial contract identifies the purchase of \$1,300 of burial spaces and \$1,700 of burial funds. The \$1,700 burial funds portion of the contract is not an asset because he no longer owns them, but, since the assignment of policy ownership is irrevocable, the \$1,700 burial funds portion reduces the \$1,500 burial funds exclusion. Bill may not designate any additional assets under the burial funds exclusion (the \$1,700 reduced the \$1,500). The \$1,300 space purchase is not an asset either, but does not reduce the burial funds exclusion.

## **Effect of Revocable Assignment of Proceeds**

### **Burial Spaces**

The burial space exclusion does not apply to the CSV of the life insurance policy. This is because the funeral provider has not received any payment and no purchase of burial spaces has been made. The provider has no obligation to provide any spaces until the person dies and, therefore, no spaces are being held for the person.

### **Burial Funds**

The life insurance funded burial arrangement is evaluated under the life insurance policy. The asset value of the burial contract is equal to the CSV of the life insurance policy.

### **Treatment of CSV**

If the face value of all life insurance policies on the person's life is \$1,500 or less, the CSV is excluded under the life insurance exclusion.

If the face value of all policies exceeds \$1,500, the CSV of the policy is applied according to the burial funds exclusion, if applicable (See MA-ABD Burial Funds Exclusion).

### **Examples**

Lydia has a burial contract funded by the revocable assignment of the proceeds of an insurance policy on her life, with a face value of \$1,300. The CSV of the policy is \$1,000. If this is the only life insurance policy she owns on her life, then the CSV of the life insurance policy would be excluded under the life insurance exclusion and the burial exclusions would not apply, because the FV is \$1,500 or less.

The life insurance policy's face value of \$1,300 reduces the maximum \$1,500 burial fund exclusion by that same amount. So, Lydia may designate an additional \$200 in under the burial funds exclusion.

If Lydia has another life insurance policy on her life and the total face value of the two policies exceeds \$1,500 (and, therefore, the life insurance exclusion does not apply), then \$1,500 of the CSV may be excludable under the burial funds exclusion. No burial space exclusion applies.

## **Effect of Irrevocable Assignments of Proceeds**

When there is an irrevocable assignment of proceeds or an irrevocable designation of a beneficiary, but the insured has not irrevocably assigned ownership, the CSV is a countable asset if the person has access to the CSV. Each policy may be different and must be reviewed to determine the terms of the contract. If the policy indicates that the person does not have access to the CSV, then the CSV is not a countable asset because it is unavailable.

### **Burial Spaces**

The burial space exclusion may apply, depending on the nature of the contract (See MA-ABD Burial Space Exclusion). Any portion of the contract that represents the purchase of a burial space may be excluded and has no effect on the burial funds exclusion.

### **Burial Funds**

If the CSV of the life insurance policy and the burial contract are unavailable, because the person cannot access them, then the face value of the burial funds portion of the contract (if any) offsets the \$1,500 burial funds exclusion. This is because the contract represents an irrevocable arrangement available to meet the person's burial.

## **Life Insurance Policy Placed In A Trust**

A life insurance company may provide a person with the option of irrevocably transferring ownership of a revocable life insurance policy that funds a burial contract to a trust established by the company. If a policy is placed in trust, the asset value of the policy (its CSV) is evaluated according to the rules governing trust funds (see MA-ABD Trusts).

### **Treatment of Policy's CSV**

The CSV is not an asset when a person does not own or have the legal right to direct the use of trust assets to meet his or her support and maintenance.

### **Treatment of Dividends**

If the policy's CSV is not an asset, then, any dividends paid on the policy are also not an asset.

### **Person Retains Right to Change Funeral Firm**

Under an irrevocable trust arrangement, the life insurance policy's CSV is not an asset even if the person retains the right to change the funeral firm that will provide the burial goods and services.

### **Burial Fund Exclusion Offset**

A revocably assigned life insurance policy placed in an irrevocable life insurance trust is treated the same as a life insurance policy for which the ownership has been irrevocably assigned to fund a burial contract. This means that the value of the burial funds portion of the contract (if any) reduces the \$1,500 burial funds exclusion. This is because the burial funds portion of the contract represents an irrevocable arrangement that is available to meet the person's burial expenses.

## **Legal Citations**

United States Code, title 42, section 1382b

Code of Federal Regulations, title 20, section 416.1230

Minnesota Statutes, section 256B.056, subdivision 1a

Minnesota Statutes, section 72A.325

Published: ~~August 17, 2020~~ June 17, 2020

[Previous Versions](#)

[Manual Letter #19.4, August 7, 2019 \(Original Version\)](#)

Archive Information

- Publication date: August 7, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## **K. Section 2.3.3.2.7.11.2 MA-ABD Burial Fund Exclusion**

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### **2.3.3.2.7.11.2 Burial Fund Exclusion**

Up to \$1,500 of liquid assets set aside for a person's burial expenses is excluded. The \$1,500 burial fund exclusion is reduced when a person owns certain other assets.

#### **Burial Funds**

Burial funds may be:

- revocable burial contracts;
- revocable burial trusts;
- other revocable burial arrangements (including the value of certain installment sales contracts for burial spaces);
- cash;
- financial accounts (e.g., savings or checking accounts); or
- other financial instruments with a definite cash value (e.g., stocks, bonds, certificate of deposit, etc.).
- cash surrender value of a non-excluded life insurance policy

These funds must be clearly designated for the person or the person's spouse's burial, cremation or other burial-related expenses. Property other than that listed in this definition is not considered burial funds and cannot be excluded under the burial funds provision. For example, a car, real property, and livestock, are not burial funds.

#### **Expenses for Burial Funds Exclusion Purposes**

Expenses included for burial funds exclusion purposes are generally those related to preparing a body for burial and any services prior to burial. They may include, for example: transportation of the body, embalming, cremation, flowers, clothing, and services of the funeral director and staff. Expenses may also be associated with cultural customs, other than burial, when a person dies such as scattering of ashes.

Usually, expenses for items used for interment of the deceased's remains are not included for burial funds exclusion purposes. Such items may be subject to the burial space exclusion (See MA-ABD Burial Space Exclusion). However, items that do not qualify for the burial space exclusion, for example, a space being purchased by installment contract, may be excluded under the burial funds exclusion.

## Originally Designated Amount

The originally designated amount of a burial fund is the amount set aside for burial, including excluded and nonexcluded funds, but exclusive of interest and appreciation, at the time of the most recent designation. Any amount can be designated for burial, but excluded only up to a certain amount.

### Increases in Value of Burial Funds

Any appreciation in the value of excluded burial funds is an excluded (and excluded income) as long as the appreciation is left to accumulate in the fund, even if the total burial fund exclusion exceeds \$1,500 due to appreciation in value.

### Increases in Maximum Exclusion of Burial Funds

Once the amount of designated burial funds equals \$1,500, the only additions to that amount that can be excluded under the burial funds exclusion is appreciation, ~~and/or interest,~~ and growth in the excluded burial fund or the excluded portion of the CSV of a life insurance policy set aside for burial.

Until \$1,500 (or the remaining amount available to be excluded) in burial funds has been designated, additional amounts can be excluded under the burial fund exclusion if the person designates them for burial expenses. Interest on excluded burial funds is not included in determining if the \$1,500 maximum has been reached.

A person's designated burial fund remains in effect until:

- MA eligibility terminates; or
- the person uses the funds for another purpose.

A person may designate additional funds, up to \$1,500, as their burial fund when assets originally designated as the burial fund are no longer excluded under the burial fund exclusion.

## Amount of Funds That Can Be Excluded

Up to \$1,500 of liquid assets set aside for a person's burial expenses is excluded. The \$1,500 burial fund exclusion is reduced when a person owns certain other assets.

### Maximum Exclusion

The maximum amount that can be excluded is \$1,500 set aside for:

- the burial expenses of the person;
- the burial expenses of the person's spouse. The spouse does not have to be eligible for MA and,
- the burial expenses of the person's dependent children who are MHCP enrollees and live with the person or the person's spouse

This exclusion is separate from, and in addition to, the burial space exclusion. However, the \$1,500 burial fund exclusion may also include the value of funds paid on installment contracts for burial spaces that do not qualify for the burial space exclusion because they have not yet been paid for in full.

**Other Assets and the Maximum Exclusion**

These burial service arrangements apply to the maximum \$1,500 exclusion to the extent that they do not represent excluded burial spaces:

- the face value (FV) of any life insurance policy on the person (or spouse, if applicable), if such policy is excluded under the life insurance exclusion (See MA-ABD Life Insurance); and
- any amount held in an irrevocable trust, burial contract, or other irrevocable arrangement for the person (or person’s spouse) burial expenses unless it is excluded under the burial space exclusion.
- the face value of burial insurance

**Subsequent Purchase of Excluded Life Insurance or Irrevocable Burial Contract**

A subsequent purchase of an excluded life insurance policy or an irrevocable burial contract reduces the amount of the available burial fund exclusion as described above. The reduction is effective the month after the month in which the life insurance or the irrevocable burial contract was purchased. This may also change which funds are excluded.

**EXAMPLE:**

Jacob has the following burial assets:

\$1,000	designated savings account
\$200	irrevocable burial contract
\$1,500	maximum exclusion
-200	irrevocable burial contract
\$1,300	available exclusion
-1,000	designated savings account
\$300	still available for exclusion

The designated \$1,000 savings account is excluded under the burial fund exclusion. Two years later, Jacob wants to add to his designated burial savings account which now has a balance of \$1,150 due to accumulated interest. He can increase the excluded funds in the account by up to \$300 which would bring the total designated burial funds up to \$1,300 (1,500 - 200) plus interest.

The amount of interest which accumulated in the account was not counted.

## **Modifications are Permitted**

### **Change of Form**

Transferring excluded burial funds from one form to another (for example, from a certificate of deposit to a burial contract) is allowed.

### **Loans against Burial Funds**

A loan against the cash surrender value (CSV) of a life insurance policy that has been excluded under the burial fund exclusion is allowed if the loan is for the purchase of another burial fund.

Use of a burial fund as collateral for a loan is not allowed because the loan creates an encumbrance on the funds. Since the funds are not available for the individual's burial as long as they are encumbered, the funds cannot be considered set aside for the individual's burial. This is true even if the loan is used for burial purposes.

## **Burial Funds Must Be Kept Separate**

Burial funds may be commingled with other burial expense-related assets, but must be kept separate from non-burial related assets to be excluded. Burial-related assets are burial funds (excluded and non-excluded) and burial spaces (including agreements representing the purchase of a burial space). If burial funds are commingled with nonburial-related assets, the exclusion does not apply.

### **Examples**

A single burial contract for \$2,500 of burial services and \$2,000 in burial spaces does not have to be separated into 2 contracts since the whole amount is burial-related, even though only \$1,500 of the contract as a burial fund is excluded.

A bank account containing \$1,200, \$500 of which is designated for burial and \$700 of which is other funds the individual uses for living expenses, is not allowable and the \$500 may not be excluded as a burial fund.

## **Re-designation**

The burial fund exclusion may change when a person obtains additional assets for burial expenses or the amount or nature of the existing assets designated as the burial fund occur. A re-designation is a change or correction of a previous burial fund designation made necessary by a change in the amount of burial funds originally designated (not including accumulated interest or appreciation). This may be caused by addition of funds (other than interest) or use of funds. The burial funds exclusion is not lost and reapplied, but merely corrected.

## **Deeming Considerations**

The burial funds exclusion also applies to assets owned by the person's spouse that are designated as set aside for the burial expenses of the person or their spouse or eligible dependent children.



## Legal Citations

United States Code, title 42, section 1382b

Code of Federal Regulations, title 20, section 416.1231

Minnesota Statutes, section 256B.056, subdivision 1a

Minnesota Statutes, section 256B.056, subdivision 3d

Published: ~~August 7, 2019~~ June 1, 2020

Previous Versions

Manual Letter #19.4, August 7, 2019

Manual Letter #16.2, September 1, 2016

Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: August 7, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## **L. Section 2.3.3.2.7.14 MA-ABD Household Goods and Personal Effects and Other Personal Property**

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### **2.3.3.2.7.14 Household Goods and Personal Effects and Other Personal Property**

Household goods and personal effects are types of personal property. This section discusses how these types of assets are evaluated.

#### **Household Goods**

Household goods are items of personal property found in or near a home that a person uses on a regular basis or items needed by the household for maintenance, use, and occupancy of the premises as a home. Examples include pets, furniture, clothing, jewelry, appliances, children's toys, tools and other equipment used in the home.

Household goods are an excluded asset and do not need to be verified. The exclusion for household goods does not include personal property that a person acquires or holds because of its monetary value or as an investment.

#### **Personal Effects**

Personal effects are items of personal property ordinarily worn or carried by the person, and articles otherwise having an intimate relation to the person. Personal effects include, but are not limited to, personal jewelry including wedding and engagement rings, personal care items, pets, and educational or recreational items such as books or musical instruments.

Personal effects include:

- Items of cultural or religious significance to a person, such as ceremonial attire
- Items required because of a person's physical or mental impairment, such as prosthetic devices or wheelchairs

Personal effects do not include personal property that a person acquires or holds because of its monetary value or as an investment.

Personal effects are an excluded asset and do not need to be verified.

#### **Other Types of Personal Property**

##### **Evaluating Manufactured Homes as Personal Property**

A manufactured home (including a mobile home) that is not the person's principal place of residence is evaluated as personal property if any of the following criteria are met:

- ~~The owner of the manufactured home person does not own the land on which the manufactured home is situated. For example, the person is a lessee of the land under the terms of a lease, or the manufactured home is located in a manufactured home park; or~~
- The manufactured home is not affixed to the land by a permanent foundation, is not affixed to the land like the other real property in the community, or is not installed according to the building codes and standards; or
- The manufactured home is not connected to public utilities, does not have a well and septic tank system, or is not serviced by water and sewer facilities comparable to other manufactured homes in the community.

The estimated market value of a non-homestead manufactured home that is personal property, based on the above criteria, is counted as an available asset. If the manufactured home is personal property, the reasonable effort to sell ~~exclusion policy~~ does not apply.

If none of the above criteria are met, ~~owner of a non-homestead manufactured home holds title to the land on which it is situated, and none of the above criteria apply~~, then the manufactured home is considered real property. See Non-Homestead Real Property.

## **Evaluating Items Acquired or Held Because of Their Monetary Value or as Investments**

Personal property that a person acquires or holds because of its monetary value or as an investment is a countable asset and not considered to be household goods or personal effects. Other personal property items include, but are not limited to, gems, jewelry and collectibles acquired or held because of its monetary value or as an investment.

The equity of any item acquired or held because of its monetary value or as an available asset is counted.

A recent sales slip, an appraisal of the item, or insurance coverage can be used to verify the current market value of an item acquired or held because of its value or as an investment. If this information is not available, an estimate from a knowledgeable source, such as a local merchant, can be used to verify the current market value.

- Insurance appraisals and amounts of insurance coverage often reflect replacement value (the amount it would cost to purchase a similar item new) rather than current market value. Replacement value may not be used in lieu of current market value.

## **Legal Citations**

Minnesota Statutes, section 256B.056, subdivision 1a  
Minnesota Statutes, Section 273.125, subdivision 8

Published: ~~September~~ June 1, 2020<sup>48</sup>

[Previous Versions](#)

[Manual Letter #18.4, September 1, 2018](#)

[Manual Letter #17.5, December 1, 2017](#)

[Manual Letter #16.1, June 1, 2016 \(Original Version\)](#)

#### Archive Information

- Publication date: September 1, 2018
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## M. Section 2.3.3.3.2.1 MA-ABD Countable Income

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### 2.3.3.3.2.1 Countable Income

This policy provides information on types of income that must be counted when calculating a person's income for Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) and Medicare Savings Programs (MSP). With some exceptions, MA-ABD uses the methodology of the Social Security Income (SSI) program to determine countable income. Some of these types of income are subject to disregards and deductions; see the MA-ABD Disregards and Deductions policy for more information. See the MSP chapter for more information.

Income is counted in the month it is received.

#### What is not Income

Some items received by a person are not counted as income in the month received. See MA-ABD Countable Assets and MA-ABD Excluded Assets for more information on how these items are treated if retained after the month of receipt. Items that are not income include, but are not limited to:

- Amounts withheld from unearned income, if both of the following conditions are met:
  - The income is being reduced to repay a prior overpayment from the same source; and
  - The overpaid amount was previously counted as unearned income for MA eligibility.
- Bona fide loans, including student loans, because of the obligation to repay
- Conversion of assets. This includes, but is not limited to, cash received from the sale of assets, money withdrawn from savings accounts or other liquid assets, reverse mortgages, etc.
- Distributions from a Health Flexible Spending Arrangement
- Distributions from a Health Savings Account
- Free rent in exchange for caretaking duties. If the caretaker receives a paycheck with an amount for rent deducted, the gross earnings are earned income, not in-kind income.
- Interest on countable assets
- In-kind benefits or payments

#### Earned Income

Earned income is cash people receive in exchange for work or service, including employment and self-employment. See Appendix B Income Types for descriptions of the different types of income. The following types of earned income is counted:

- Employee income, including, but not limited to:
  - Cash payments to clergy for housing
  - Commissions
  - Severance pay, based on accrued leave time
  - Tips
  - Vacation donation compensation
  - Wages
- Irregular or infrequent earned lump sum, non-gift, or income from an employer, trade or business. See MA-ABD Disregards and Deductions, earned lump sum income, for more information.
- Net earnings from self-employment, which is the gross income minus all expenses the Internal Revenue Service (IRS) allows as a self-employment expense
- Net rental income, which is the gross rental income minus verified rental and repair expenses, when the person spends an average of at least 10 hours per week maintaining or managing the property. Rental deposits are not income while subject to return to the tenant. Rental deposits used to pay rental expenses become income at the point of use. Verified expenses for providing a room or food or both to a roomer or boarder are subtracted from rental income.
- Other income received in exchange for work or service, including, but not limited to:
  - Jury duty pay
  - Picket duty pay
  - Blood and blood plasma sales
  - Royalties and honoraria

## **Unearned Income**

Unearned income is cash that people receive without being required to perform work or service. The following types of unearned income is counted in a person's income calculation:

- Annuity payments
- Child support and arrearage payments made for a deceased child are counted for the person who receives the payment.
- Child support and arrearage payments are unearned income for the child, excluding:
  - Court ordered medical support
  - Payments to reimburse the custodial parent for medical expenses
  - Child support and arrearage payments received and retained by the county child support enforcement agency on behalf of a child enrolled in the Minnesota Family Investment Program (MFIP) or foster care

- Child support payments received by or on behalf of children who:
  - Receive services through the Brain Injury (BI), Community Alternative Care (CAC), Community Access for Disability Inclusion (CADI) or Developmental Disabilities (DD) waiver
  - Are enrolled in MA under the TEFRA option
- Disability payments that are part of the employer's benefit package
- Extended income support payments through the Trade Adjustment Reform Act (TAA)
- Interest and dividends earned on excluded assets, unless otherwise excluded. See MA-ABD Countable Assets and MA-ABD Excluded Assets for more information on how these items are treated.
- Irregular or infrequent unearned lump sum income from an individual, organization, or investment. See MA-ABD Disregards and Deductions, unearned lump sum income, for more information.
- Net rental income when the person spends an average of less than 10 hours per week maintaining or managing the property. Rental deposits used to pay rental expenses or repairs become income to the landlord at the point of use. Verified expenses for providing a room or food or both to a roomer or boarder are subtracted from rental income.
- Regular and frequent gift income
- Retirement, Survivor's, and Disability Insurance (RSDI). See MA-ABD Disregards and Deductions, dependent RSDI benefits, for more information.
- RSDI or Veterans Benefits for the Elderly reissued because an individual representative payee of 15 or more beneficiaries or an organization representative payee misused benefits is counted as income in the month received only if the original payment was not used to determine eligibility
- Retroactive RSDI lump sum payments are counted in the month received
- Pension or retirement benefits from public or private sources
- Severance pay that is not based on accrued leave time
- Spousal maintenance
- Student financial aid, in the following situations:
  - Earnings through the Federal Work Study program are counted for MA for Employed Persons with Disabilities (MA-EPD) if:
    - Average gross monthly earnings exceed \$65
    - Social Security and Medicare taxes are withheld
  - Non-Title IV of the Higher Education Act (HEA) and Non-Bureau of Indian Affairs (BIA) grants, scholarships, fellowships and other non-loan financial aid not used for or set aside for educational expenses.

- Distributions from a Coverdell Educational Savings Accounts (ESA) not used for or set aside for educational expenses.
- Tribal per capita payments from casinos
- Unemployment Insurance
- Veteran's Administration (VA) benefits
- Workers' Compensation

## Availability of Income

For MA-ABD and MSP, income is available when the person has a legal interest and the ability to use that income for support and maintenance. Available income is counted unless it is excluded under another policy; income that is not available is not counted toward a person's income limit. See MA-ABD Excluded Income and MA-ABD Disregards and Deductions for more information about other excluded income provisions. Income is usually available in the following situations:

- The person receives the income
- Someone else receives the income on the person's behalf
- The employer or other payer owes the person money, but withholds the income at the person or the court's request
- Income is withheld from payments due to a garnishment or to pay a legal debt or obligation

For MA-ABD and MSP, income is unavailable when the person:

- Cannot gain access to the income
- Receives money to cover someone else's expenses and then uses that money to pay those expenses
- Receives benefits under credit life and disability insurance coverage. Payments under these policies cover payments on loans, mortgages, etc. in the event of death or disability. These insurance payments are sent directly to the loan or mortgage company and are not available to the person.

A person must try to gain access to potentially available income.

## Legal Citations

Code of Federal Regulations, title 42, section 435.631

Code of Federal Regulations, title 42, section 435.831

Minnesota Statutes, section 256B.056, subdivision 4



Published: ~~November~~ June 1, 2020

Previous Versions

Manual Letter #19.6, November 1, 2019

Manual Letter #18.3, June 1, 2018

Manual Letter #18.1, January 1, 2018

Manual Letter #16.1, June 1, 2016 ( Original Version)

## Archive Information

- Publication date: November 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## **N. Section 2.3.3.3.2.1.1 MA-ABD Income Deeming**

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### **2.3.3.3.2.1.1 Income Deeming**

To deem income is to count one person's income in the calculation of another person's income. This policy indicates whose income must be deemed to a person for Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD). This policy also applies to Medicare Savings Programs (MSP). See the MSP chapter for more information.

Income deeming requirements are not the same as household composition rules. People may be counted in a person's household size without having their income deemed to another member of a household.

Whose income is deemed to a person is determined separately for each person.

#### **Income of a Spouse**

Except in the situations noted below, the income of a spouse is deemed to a person if the spouses live together. If a person is not divorced but is legally separated from their spouse, and continues to live in the same household, the spouse's income is deemed.

In the following situations, the income of a spouse is not deemed to the person:

- The spouses do not live together.
- Determining eligibility for Medical Assistance for Employed People with Disabilities (MA-EPD). See the MA-EPD policy section for more information about MA-EPD eligibility.
- The person was enrolled in MA-EPD for 24 consecutive months before the month in which they turn age 65 and there has not been a break in MA coverage of more than one calendar month.
- The person is on a Community Access for Disability Inclusion (CADI), Community Alternative Care (CAC), Developmental Disabilities (DD) or Brain Injury (BI) waiver.

#### **Income of a Parent**

Except in the situations noted below, for MA-ABD eligibility the income of a biological or adoptive parent is deemed to a child under age 18, not emancipated, and living with the parent.

When the father is not married to the child's mother, deem the father's income only if the father lives with the child and paternity has been established.

The income of a parent is not deemed to:

~~In the following situations, do not deem the income of a parent:~~

- A child age 18-21 who is blind or has a disability.
- An auto newborn from birth through the end of the month of the child's first birthday.
- A person enrolled in MA-EPD, age 18 or older, and lives with one or both biological or adoptive parents.
- The child is enrolled in MA under the TEFRA Option. See the MA under the TEFRA Option section for more information.
- The child is on a CADI, CAC, DD or BI waiver. See the Home and Community-Based Services Waiver section for more information.

## Other Household Members

When determining a person's income for MA-ABD, income is not deemed from a:

- Child to a parent
- Sibling to another sibling, or other children under 21 living in the household
- Stepparent to a stepchild
- Grandparent to a grandchild
- Relative caretaker to a child
- Another person to a person with automatic MA eligibility or other deeming exceptions

## Legal Citations

Code of Federal Regulations, title 42, section 435.602

Minnesota Statutes, section 256B.056, subdivision 1b

Published: June 1, 2020~~16~~

Previous Versions

Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2016
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## **O. Section 2.3.3.3.2.1.2 MA-ABD Sponsor Income Deeming**

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### **2.3.3.3.2.1.2 Sponsor Income Deeming**

Sponsor deeming rules apply to noncitizens who are sponsored by an individual or individuals and have a signed Affidavit of Support (USCIS I-1864), unless the applicant meets an exception to sponsor deeming.

#### **Exceptions to MA Sponsor Deeming**

Sponsor deeming does not apply to sponsored noncitizens when:

- The noncitizen is under age 21
- The noncitizen is pregnant. This exception ends when the sponsored pregnant woman's 60-day postpartum period ends. Sponsor deeming applies the month following the end of the postpartum period.
- The noncitizen has sponsorship deferred by USCIS when their immigration status is changed to Battered Noncitizen
- If the noncitizen needs placement in a facility and placement is jeopardized by the sponsor's failure or inability to provide support, or inability of the client to locate the sponsor

Income of a sponsor and the sponsor's spouse is deemed to each noncitizen covered by the affidavit regardless of whether the sponsor actually contributes to the noncitizen's household needs. Income is deemed even if the sponsor or the sponsor's spouse are receiving public assistance in Minnesota or another state.

The following sponsor and sponsor's spouse's income is deemed to the sponsored noncitizen:

- Gross income, including any cash assistance received by the sponsor or the sponsor's spouse
- Net self-employment income, minus self-employment expenses

If the sponsor is a member of the household:

- The sponsor's income is already deemed to the sponsored noncitizen spouse and family members under the MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) income deeming rules.
- Applicable MA-ABD income disregards and deductions are applied to the sponsor's income.

If the sponsor is not a member of the household or is a household member whose income is not deemed to the sponsored noncitizen under MA-ABD income deeming rules, the following rules apply:

- The total gross income of the sponsor and the sponsor's spouse is deemed to each sponsored noncitizen, even if the sponsor and the sponsor's spouse are sponsoring more than one person.
- The sponsor or the sponsor's spouse's income are not considered unavailable or excluded, and there are no deductions or prorating for the needs of a sponsor, a sponsor's spouse, or other household members.

## Legal Citations

Code of Federal Regulations, title 42, section 435.602

Minnesota Statutes, section 256B.06, subdivision 5

Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104–193, section 421 and 422

Published: June 1, 20~~20~~16

[Previous Versions](#)

[Manual Letter #16.1, June 1, 2016 \(Original Version\)](#)

## Archive Information

- Publication date: June 1, 2016
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## P. Section 2.3.5.1.1 MA-ABD Mandatory Verifications

Medical Assistance for Employed Persons with Disabilities

### 2.3.5.1.1 Mandatory Verifications

Mandatory verifications must be verified through an available electronic data source or by paper proof, if electronic data sources are unsuccessful or unavailable. Self-attestation alone is not acceptable for eligibility requirements with mandatory verifications. Medical Assistance for Employed Persons with Disabilities (MA-EPD) has the following mandatory verifications.

- Assets
  - Verification of assets is required at application and when a new asset is reported. If an asset is determined to be excluded it does not need to be verified again at renewal.
  - Verification of the following assets are not required at application or renewal:
    - Homestead, if it qualifies for the real property homestead exclusion. The only exception applies to people who are applying for or renewing Medical Assistance for Long Term Care eligibility. Refer to Section 2.4.1.2 MA-LTC Home Equity Limit for more information about the exception.
    - Vehicle, if only one is reported. Refer to Section 2.3.3.2.7.7 MA-ABD Automobiles and Other Vehicles Used for Transportation for more information.
    - Household goods and personal effects
- Certification of Disability through Social Security Administration (SSA) or State Medical Review Team (SMRT)
- Income from employment
  - For wage income, only the following forms of verification are acceptable:
    - Pay stubs that include:
      - The employee's name or Social Security number (SSN)
      - Hours worked
      - Gross pay
      - Social Security and Medicare taxes withheld
      - Net pay
      - Period covered by earnings
      - Employer's name
    - A completed Authorization for Release of Employment Information (DHS-2146). This form is only required when the employee does not provide pay stubs containing the required information or any other statement from the employer that provides the necessary information.

- For self-employment income one of the following must be provided as verification of earnings:
  - Federal tax forms if the client has been in business long enough to file taxes and was required to file federal income tax for the previous year. Tax forms must include any of the following:
    - Quarterly Schedule ES (Form 1040) Estimated Tax for Individuals, if they were required to pay quarterly self-employment taxes
    - Form 1040 U.S. Individual Income Tax Return with the "Self-Employment Tax" line completed
    - Schedule SE (Form 1040) Self-Employment Tax
  - Business records if the client has not been in business long enough to file a federal income tax return or quarterly estimated taxes, or if tax forms do not accurately reflect self-employment income.
- An enrollee must submit a copy of the federal tax return when it becomes available at the next renewal.
  - Business records may include:
    - Business financial statement
    - Detailed records of gross receipts and expenses
    - Business quarterly report
    - Computer printout showing gross receipts and expenses
    - Signed statement from the business's accountant verifying projected business income or expenses
- Immigration status
- Royalties, Honoraria, and Stipends
  - Documentation of royalty, honoraria, or stipend income must show:
    - The nature and amount of payments
    - Dates of payments
    - Frequency of payments
    - Social Security and Medicare tax withholding
  - This income can be verified with:
    - Tax forms for the previous year identifying royalties, honoraria, or stipends with Medicare and Social Security taxes paid via entries on:
      - Federal Tax Form 1040
      - Schedule C
      - Schedule SE

- Form 1099-Misc.
- Pay stubs or written statement from the source of payment showing:
  - Social Security and Medicare taxes withheld
  - Person's name or Social Security Number
  - Amount of payment
  - Dates of payment
  - Name of the issuer
- Quarterly Schedule ES (Form 1040) Estimated Tax for Individuals
- Schedule SE (Form 1040) Self-Employment Tax
  - Social Security Number
  - Social Security and Medicare taxes paid
  - U.S. Citizenship

American Indian and Alaska Native enrollees need to provide proof of status to be exempt from paying MA-EPD premiums.

## Legal Citations

Minnesota Statutes, section 256B.057

Published: ~~August~~ June 1, 2020  
 Previous Versions  
Manual Letter #17.3, August 1, 2017  
 Manual Letter #16.1 June 1, 2016

## Archive Information

- Publication date: August 1, 2017
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)



## Q. Section 2.3.6.2.1 MA-ABD Level of Care

Medical Assistance under the TEFRA Option

### 2.3.6.2.1 Level of Care

Medical Assistance (MA) under the TEFRA option is for children with a disability who are otherwise ineligible for MA because household income is above the MA for Families with Children and Adults (MA-FCA) income limit. The TEFRA option for children with a disability is named after the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 that created the option.

The State Medical Review Team (SMRT) reviews all referrals for MA under TEFRA option to determine:

- if the child is considered disabled according to the Social Security standards, and
- if the child's needs meet the level of care requirements.

The child must meet one of the following level of care requirements:

- Hospital
- Intermediate care facility for people with developmental disabilities (ICF-DD)
- Nursing facility

See the MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) Certification of Disability policy for more information.

## Legal Citations

~~Code of Federal Regulations~~United States Code, title 42, section 1396A, subdivision e

Code of Federal Regulations, title 42, section 435.225

Minnesota Statutes, section 256B.055, subdivision 12

Minnesota Statutes, section 256B.092

The Tax Equity and Fiscal Responsibility Act (TEFRA), Public Law 97-248, section 134

Published: June 1, 2020~~16~~  
Previous Versions  
Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2016
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

**[Back to the Top of Section](#)**

## R. Section 2.3.7 MA-ABD Medical Assistance Minnesota Supplemental Aid

### ~~2.3.7 Medical Assistance Minnesota Supplemental Aid~~

~~Minnesota Supplemental Aid (MSA) is a state program that provides cash assistance to help people who get federal Supplemental Security Income (SSI) pay for their basic needs. People who are age 65 or older and people certified blind or disabled can collect SSI benefits.~~

~~People who meet the SSI eligibility requirements, but do not get SSI benefits because their other income is too high, may also be eligible for MSA if they meet the MSA income limit.~~

~~MSA recipients who have income at or below 300% of the SSI federal benefit rate are automatically income-eligible for Medical Assistance (MA) without a separate application or eligibility determination, but they must complete an application for an asset eligibility determination.~~

~~This subchapter links to policies that apply to all MA programs, MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD), and all Minnesota Health Care Programs (MHCP) programs.~~

#### ~~General Requirements~~

##### ~~MA Responsibilities~~

~~MA Benefit Recovery~~

~~MA Estate Recovery~~

~~MA Liens~~

~~MA Third Party Liability~~

~~MA Cost Effective Insurance~~

~~MA Medical Support~~

~~MA Other Third Party Liability~~

~~MA Cooperation~~

~~MA Cost Sharing~~

~~MHCP Fraud~~

~~MHCP Inconsistent Information~~

~~MA Referral for Other Benefits~~

##### ~~MHCP Rights~~

~~MHCP Appeals~~

~~MHCP Authorized Representative~~

~~MHCP Civil Rights~~

~~MHCP Data Privacy~~

~~MHCP Notices~~

### ~~Non-Financial Eligibility~~

~~People must meet the MSA non-financial eligibility requirements to be eligible for automatic MA-MSA.~~

### ~~Financial Eligibility~~

~~People must meet the MSA financial eligibility requirements to be eligible for automatic MA-MSA.~~

### ~~Post-Eligibility~~

#### ~~MA Benefit Recovery~~

~~MA Estate Recovery~~

~~MA Liens~~

~~MHCP Overpayments~~

~~MA Third Party Liability~~

~~MA Cost Effective Insurance~~

~~MA Medical Support~~

~~MA Other Third Party Liability~~

#### ~~MHCP Change in Circumstances~~

~~MA Cooperation~~

~~MA Cost Sharing~~

~~MHCP Fraud~~

~~MA-ABD Health Care Delivery~~

~~MA Inconsistent Information~~

~~MA Qualifying Health Coverage~~

~~MA Referral for Other Benefits~~

~~The Minnesota Department of Human Services (DHS) pays Medicare Part B premiums for MSA recipients enrolled in Medicare.~~

~~Published: June 1, 2016~~

## Archive Information

- Publication Date: June 1, 2016
- Archived date: June 1, 2020
- [Archived page](#)

[Back to the Top of Section](#)

## S. Section 2.3.8 MA-ABD Medical Assistance 1619 (a) or 1619 (b)

Medical Assistance for People Age 65 or Older and People who are Blind or have a Disability

### **2.3.78 Medical Assistance 1619 (a) or 1619 (b)**

Supplemental Security Income (SSI) is a federal program administered by the Social Security Administration (SSA) that provides monthly cash payments to people age 65 or older and people who are or certified blind or disabled and have little or no income.

SSI has a work incentive provision under section 1619 of the Social Security Act for people whose earnings reduces or eliminates their SSI cash benefit. People who are eligible for SSI under section 1619 are eligible for Medical Assistance (MA) without regard to their income or assets. 1619(a) is for people who receive a partial SSI cash benefit. 1619(b) is for people who no longer receive an SSI cash benefit.

This page outlines the general, financial, non-financial, and post eligibility requirements for people under a 1619 (a) or 1619 (b) status. It describes policies that apply to MA-1619 (a) and 1619 (b) and links to policies that apply to all MA programs, MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD), and all Minnesota Health Care Programs (MHCP) programs.

#### General Requirements

##### MA Applications

People currently enrolled in MA who gain 1619(a) or 1619(b) status are not required to submit a new application to continue MA eligibility. People not currently enrolled in MA who gain 1619(a) or 1619(b) status must submit a new application to apply for MA. Refer to Minnesota Health Care Programs Application (MHCP) for more information about applications.

##### MA Responsibilities

###### MA Benefit Recovery

- MA Estate Recovery

- MA Liens

- MA Third Party Liability

- MA Cost Effective Insurance

- MA Medical Support

- MA Other Third Party Liability

###### MA Cooperation

- MA Cost Sharing

- MHCP Fraud

- MHCP Inconsistent Information

## MA Referral for Other Benefits

### MHCP Rights

MHCP Appeals

MHCP Authorized Representative

MHCP Civil Rights

MHCP Data Privacy

MHCP Notices

### Non-Financial Eligibility

To be eligible for 1619 (a) or 1619 (b), the person must:

- be eligible for a regular SSI payment based on disability for at least one month before he or she earned income above the SSI limit;
- continue to have a disability or blind status; and
- continue to meet all other SSI eligibility criteria except for earnings

To be eligible for 1619 (b), a person must:

- Need MA coverage to continue working; and
- Not have sufficient earnings to replace SSI cash benefits, MA benefits, and publicly funded personal or attendant care services that would be lost due to the person's earnings.

### MA-ABD Non-Financial Eligibility

### Financial Eligibility

People are eligible without an asset test as long as they remain under the 1619 (a) or 1619 (b) status. SSA decides when a person exceeds the 1619 (a) or 1619 (b) asset limit.

People are eligible without an income test as long as they retain 1619 (a) or 1619 (b) status. SSA decides when a person exceeds the income limit.

See the SSA Continued Medicaid Eligibility webpage for more information.

### Post-Eligibility

#### MA Benefit Recovery

MA Estate Recovery

MA Liens

MHCP Overpayments

MA Third Party Liability

MA Cost-Effective Insurance

MA Medical Support

MA Other Third Party Liability  
MHCP Change in Circumstances  
MA Cooperation  
MA Cost Sharing  
MHCP Fraud  
MA-ABD Health Care Delivery  
MA Inconsistent Information  
MA Qualifying Health Coverage  
MA Referral for Other Benefits  
MA-ABD Renewals

DHS pays Medicare Part B premiums for 1619 (a) and 1619 (b) recipients enrolled in Medicare and receiving Retirement, Survivors, or Disability Insurance (RSDI) benefits.

## Legal Citations

Minnesota Statutes, section 256B.056, subdivision 1a  
Social Security Act, section 1619

Published: ~~August~~ June 1, 2020~~17~~

Previous Versions

Manual Letter #17.3, August 1, 2017

Manual Letter #16.1 June 1, 2016 (Original Version)

Section 2.3.7 was previously titled MA-ABD Medical Assistance Minnesota Supplemental Aid. That version was archived on June 1, 2020. The section formerly titled 2.3.8 MA-ABD Medical Assistance 1619(a) or 1619(b) was moved to Section 2.3.7 to replace the previous page. The following is a hyperlink to the only archive of the previous page:

Section 2.3.7 MA-ABD Medical Assistance Minnesota Supplemental Aid, Manual Letter #16.1, June 1, 2016, (Original Version)

## Archive Information

- Publication date: August 1, 2017
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)



## T. Section 3.2.1.1 MinnesotaCare Citizenship

MinnesotaCare

### 3.2.1.1 Citizenship

In order to receive MinnesotaCare, applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens. See the MinnesotaCare Lawful Presence policy for more information.

#### U.S. Citizen

A U.S. citizen is someone who is born in the U.S. (including U.S. territories, except for American Samoa) or who was born outside the U.S. and who either:

- Was naturalized as a U.S. citizen
- Derived citizenship through the naturalization of his or her parent(s)
- Derived citizenship through adoption by U.S. citizen parents, provided certain conditions are met
- Acquired citizenship at birth because he or she was born to U.S. citizen parent(s)
- Became a U.S. citizen by operation of law

#### U.S. National

A U.S. national is someone who is a U.S. citizen or owes permanent allegiance to the U.S. With extremely limited exceptions, all noncitizen U.S. nationals are people born in American Samoa or people born abroad with one or more American Samoan parents under certain conditions.

#### Verification

Citizenship may be verified electronically at the time of application through a data match with the Federal Data Services Hub (FDSH) or the Social Security Administration (SSA). This is the preferred method of verifying citizenship for MHCP applicants and enrollees. The county, tribal, or state agency must attempt and exhaust all trusted electronic sources prior to requiring paper documentation from the enrollee. Only applicants and enrollees whose U.S. citizenship or U.S. national status cannot be verified electronically must provide proofs.

Eligibility must be approved for applicants who meet all other eligibility criteria and attest to meeting the citizenship eligibility requirements. A person approved for MinnesotaCare whose citizenship cannot be electronically verified has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof. ~~The county, tribal, or state servicing agency must help applicants and enrollees obtain required proofs.~~ A notice must be sent to the enrollee to indicate they have 90 days, plus 5 days for mailing, from the date of the notice to satisfy the request.

The 95-day reasonable opportunity period can be extended for MinnesotaCare enrollees who demonstrate a good faith effort to get and provide the necessary proof of their citizenship. Enrollees who need more time to obtain documents must receive a notice that tells them the new due date. There is no limit to the number of times the reasonable opportunity period can be extended for a MinnesotaCare enrollee to obtain proof of citizenship. Eligibility and coverage must end with a 10-day advance notice if the enrollee fails to provide verification or assist in the verification process by the end of the reasonable opportunity period or any extension.

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to complete verification of an applicant's citizenship. This includes correcting errant demographic data, re-running electronic sources and checking case records and files for prior instances of successful electronic verification or citizenship documentation received previously. The agency must document efforts to verify an applicant's citizenship during the reasonable opportunity period in the case record. The agency must also help applicants and enrollees obtain required paper proofs.

~~A person who reapplies for health care coverage, whose citizenship was not previously verified, must be given a new reasonable opportunity period to provide proof of citizenship.~~

Once citizenship is verified, county, tribal and state servicing agencies cannot request proof again, unless an agency possesses inconsistent information regarding a person's citizenship status.

A person who reapplies for health care coverage, whose citizenship was not previously verified, must be given a new reasonable opportunity period to provide proof of citizenship.

## **Paper Proof of Citizenship**

Applicants and enrollees who must provide proof because citizenship could not be electronically verified can submit a copy of one of the following to verify U.S. citizenship:

- U.S. passport, including a U.S. Passport Card issued by the Department of State, without regard to any expiration date as long as such passport or card was issued without limitation
- Certificate of Naturalization
- Certificate of Citizenship
- Valid Minnesota Enhanced Driver's License or Enhanced Identification Card
- Documentary evidence issued by a federally recognized Native American Tribe which identifies the tribe that issued the document, identifies the individual by name, and confirms the individual's membership, enrollment or affiliation with the tribe. These documents include a tribal enrollment card, a Certificate for Degree of Indian Blood; a Tribal census document; or documents on tribal letterhead, issued under the appropriate tribal official.

Applicants and enrollees can also verify citizenship by submitting a copy of one document from each of the following two lists:

- List 1

- U.S. public birth certificate or other birth document
  - The birth record document may be issued by a State, Commonwealth, Territory, or local jurisdiction.
  - For people born in Minnesota, birth records can only be obtained by sending the Minnesota Department of Health (MDH) the Minnesota Birth Record Application form. For people that were born in another state, birth records can be obtained directly from the state of birth.
- An electronic data match with a State vital statistics agency can substitute for a List 1 document. Electronic Verification of Vital Events (EVVE) is a web-based system that requests birth records for the purpose of verifying U.S. Citizenship for Minnesota and other participating states. Nineteen states are currently participating in the EVVE program.  
Note that EVVE does not verify identity; therefore, an item from List 2 must still be provided with the EVVE.
- A Certificate of Report of Birth, issued to U.S. citizens born outside of the U.S.; or Report of Birth Abroad of a U.S. citizen
- Certification of Birth in the U.S.
- U.S. citizen ID card
- Northern Marianas Identification Card issued by the U.S. Department of Homeland Security
- American Indian card (I-872) from the U.S. Department of Homeland Security
- Final U.S. adoption papers that show the child's name and a U.S. place of birth, or if an adoption is not final, a Statement from a State-approved adoption agency that shows the child's name and U.S. place of birth
- Papers showing U.S. government employment before June 1, 1976
- U.S. Military Record of Service showing U.S. place of birth
- Documentation that a child meets the requirements of section 101 of the Child Citizenship Act of 2000
- Medical records showing a U.S. place of birth
- Life, health, or other insurance company record showing a U.S. place of birth
- Official religious record recorded in the U.S. showing that the birth occurred in the U.S.
- School records, including pre-school records, Head Start and daycare showing the child's name of U.S. place of birth
- Federal or state census record showing U.S. citizenship or U.S. place of birth

An affidavit can be used in lieu of a List 1 proof, if citizenship cannot be verified electronically and the person does not have any List 1 documents.

- List 2

The following are accepted as proof of identity, as long as the document has a photograph or other identifying information sufficient to establish identity, including (but not limited to) name, age, sex, race, height, weight, eye color, or address:

- State driver's license or state ID card
- School ID card
- U.S. military ID card or draft record
- Military Dependent's ID Card
- U.S. Coast Guard Merchant Mariner card
- For a person under age 19:
  - School records including report card
  - Clinic, doctor or hospital records
  - Two other documents containing consistent information that corroborates a person's identity
- Finding of identity from a federal or State government agency

An affidavit can be used in lieu of List 2 proof, if citizenship cannot be verified electronically and the person does not have any List 2 documents.

## Legal Citations

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.949

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 600.305

Code of Federal Regulations, title 42, section 600.345

Code of Federal Regulations, title 45, section 155.305

Code of Federal Regulations, title 45, section 155.315

Minnesota Statutes, section 256L.04, subdivision 10

Published: June 1, 2020~~19~~

Previous Versions

Manual Letter #19.3, June 1, 2019

Manual Letter #18.1, January 1, 2018

Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## U. Section 3.2.1.2 MinnesotaCare Lawful Presence and DACA

MinnesotaCare

### 3.2.1.2 Lawful Presence and DACA

To receive MinnesotaCare, applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens or Deferred Action for Childhood Arrivals (DACA) grantees. See the MinnesotaCare Citizenship policy for more information.

#### Lawfully Present Noncitizens

All lawfully present noncitizens may be eligible for MinnesotaCare.

People granted DACA status may be eligible for MinnesotaCare. DACA grantees are noncitizens who came to the United States as children and meet certain criteria set out by the US Department of Homeland Security (USDHS). Deferred action is a use of prosecutorial discretion by the USDHS to defer removal action against a person for a period of time. DACA grantees are eligible for work authorization and may receive deferred action for a period of two years, subject to renewal.

Undocumented noncitizens are not eligible for MinnesotaCare.

Refer to the [Immigration Status and Minnesota Health Care Programs Eligibility chart](#) for a quick reference guide to MinnesotaCare eligibility for applicants and enrollees who are noncitizens.

#### Verification

Lawful presence may be verified electronically at the time of application through a data match with the Federal Data Services Hub (FDSH). If unsuccessful, the county, tribal, or state agency must submit a request for verification through SAVE prior to requiring paper documentation from the enrollee. Applicants and enrollees whose lawful presence cannot be verified electronically must provide proofs, which must be validated using electronic sources such as SAVE. People who are DACA grantees must also provide proof that DACA has been approved if their status cannot be verified electronically. See Immigration documentation types at HealthCare.gov for information about immigration documentation.

Eligibility is approved for applicants who meet all other eligibility criteria and attest to meeting the noncitizen eligibility requirements. A person approved for MinnesotaCare whose lawful presence or DACA grantee status cannot be verified electronically has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof. A notice is sent to the enrollee to indicate they have 90 days, plus 5 days for mailing, from the date of the notice to satisfy the request.

The 95-day reasonable opportunity period can be extended for MinnesotaCare enrollee who demonstrate a good faith effort to get and provide proof of their lawful presence or DACA grantee status. Enrollees who need more time to obtain documents must receive a notice that tells them the

new due date. There is no limit to the number of times the reasonable opportunity period can be extended for a MinnesotaCare enrollee to obtain proof of lawful presence or DACA grantee status. Eligibility and coverage must end with a 10-day advance notice if the enrollee fails to provide proof or assist in the verification process by the end of the reasonable opportunity period or any extension.

~~The county, tribal or state servicing agency must help applicants and enrollees obtain required proofs.~~

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to verify an applicant's lawful presence or DACA grantee status. This includes correcting errant demographic data, re-running electronic data sources and checking case records and files for prior instances of successful electronic verification or paper documentation received previously. The agency must document efforts to verify an applicant's lawful presence or DACA grantee status in the case record. The agency must also help applicants and enrollees obtain required paper proofs.

A person who reapplies for healthcare coverage, whose lawful presence or DACA grantee status was not previously verified, must be given a new reasonable opportunity period to provide proof of these eligibility factors.

## **Legal Citations**

Code of Federal Regulations, title 42, section 600.305

Code of Federal Regulations, title 42, section 600.5

Code of Federal Regulations, title 42, section 155.315

Minnesota Statutes, section 256L.04, subdivisions 1 and 10

Published: June 1, 2020~~19~~

Previous Versions

Manual Letter #19.3, June 1, 2019

Manual Letter #17.4, December 1, 2017

Manual Letter #17.2 June 1, 2017

Manual Letter #16.1 June 1, 2016 ( Original Version)

## Archive Information

- Publication date: June 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)



## V. Section 3.2.4 MinnesotaCare Social Security Number

MinnesotaCare

### 3.2.4 Social Security Number

The Department of Human Services (DHS) uses Social Security numbers (SSNs) to identify applicants and enrollees and to administer MinnesotaCare. DHS matches SSNs against records in electronic data sources to identify and verify household income and household size based on the most recent tax return filed by the household tax filer.

All people seeking MinnesotaCare must provide an SSN if they have one.

A person who is not applying for coverage cannot be required to provide an SSN.

#### Verification

Each applicant's SSN must be verified with the Social Security Administration (SSA). If an applicant cannot recall his or her SSN, the county, tribal or state servicing agency must assist the applicant in:

- Contacting the SSA to confirm the applicant's SSN if one has already been issued, or
- Resolving discrepancies in the case file that are preventing successful electronic verification.

Eligibility cannot be delayed for an otherwise eligible applicant pending the electronic verification of a SSN. A notice must be sent to the person to inform them that they have 95 days from the date of the notice to provide proof of their correct SSN or to resolve any clerical discrepancies preventing electronic verification.

The 95-day period can be extended if the MinnesotaCare enrollee is demonstrating a good faith effort to resolve the discrepancy preventing electronic verification. Enrollees who need more time to resolve the SSN discrepancy must receive a notice that tells them the new due date. There is no limit to the number of times the reasonable opportunity period can be extended for the MinnesotaCare enrollee to resolve the SSN discrepancy. MinnesotaCare eligibility and coverage must end with 10-day advance notice if the enrollee fails to resolve the SSN discrepancy by the end of the reasonable opportunity period or any extension.

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to verify an applicant's SSN. This includes correcting errant demographic data, re-running electronic sources and checking case records and files for prior instances of successful electronic verification. The agency must assist the applicant in resolving discrepancies in the case file that are preventing successful verification. The agency must document efforts to verify an applicant's SSN during the reasonable opportunity period in the case record.

A person who reapplies for health care coverage, whose SSN was not previously verified, must be given a new reasonable opportunity period to resolve the SSN discrepancy.

A newly issued or corrected SSN must be electronically verified with the SSA. Electronic verification is ultimately required to verify a person's SSN.

## Legal Citations

Code of Federal Regulations, title 45, section 155.305

Code of Federal Regulations, title 45, section 155.310

Code of Federal Regulations, title 45, section 155.315

Minnesota Statutes, section 256L.04

Published: June 1, 2020~~19~~

Previous Versions:

Manual Letter #19.3, June 1, 2019

Manual Letter #16.1, June 1, 2016 (Original Version)

## Archive Information

- Publication date: June 1, 2019
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## **W. Appendix A Types of Assets**

Appendix A

# **Types of Assets**

### **401(k) Plan**

A retirement savings plan in which people contribute a portion of their earnings to a 401(k) account. Sometimes the person's employer may match these contributions.

### **403(b) Plan**

A tax-deferred retirement plan available to employees of educational institutions and certain nonprofit organizations. This plan is also referred to as a tax-sheltered annuity.

### **457 Plan**

A deferred-compensation program made available to employees of state and federal governments and agencies. A 457 plan is similar to a 401(k) plan.

### **Academic Achievement Incentive Scholarships**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Academic Competitiveness Grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Achieving a Better Life Experience (ABLE) Account**

Tax-free savings account that allows people with disabilities to save and invest money without affecting their program eligibility.

### **Adoption assistance**

An adoption assistance grant provided to adoptive parents. It is funded either federally through Title IV-E of the Social Security Act or by the state under Minnesota Statutes, section 259.67.

### **Agent Orange Settlement Fund payments**

Payments made in connection with the case of *In re Agent Orange Product Liability Litigation*. Qualifying survivors of deceased veterans received a single lump sum payment. The settlement fund is now closed as all funds have been distributed.

## **Agricultural homestead**

The property located on agricultural land that meets the definition of home and includes the dwelling, the garage, if any, and one acre of land immediately surrounding the dwelling. This applies to the home equity limit.

## **Alaska Native Claims Settlement Act (ANCSA) payments**

Distributions received by Alaska natives and their descendants from Alaska Native Regional and Village Corporations (ANRVCs).

## **Annuities**

A purchased contract in which one party (annuity issuer) agrees to pay the purchaser, or the person(s) the purchaser designates (the payee or payees), a return on money deposited with the annuity issuer (either in the form of a single lump sum or several payments deposited over several months or years) according to the terms of the annuity contract.

## **Asset conversion**

A change from one type of asset to another.

## **Austrian Reparation payments (also called Austrian Social Insurance payments)**

The nationwide class action lawsuit, *Bondy v. Sullivan*, involved Austrian social insurance payments which were passed, in whole or in part, on wage credits granted under Paragraph 500–506 of the Austrian General Social Insurance Act. (GSIA). These paragraphs grant credits to individuals who suffered a loss (i.e., were imprisoned, unemployed, or forced to flee Austria) during the period from March 1933 to May 1945 for political, religious, or ethnic reasons.

## **Blood product settlement payments**

Payments made pursuant to the class settlement of *Susan Walker v. Bayer Corp., et al*, and to the release of any claims in that case that were entered into in lieu of class settlement.

## **Bureau of Indian Affairs (BIA) student financial aid**

BIA funded student financial aid to eligible individuals.

## **Burial Assets**

Funds paid or designated in advance for funeral expenses. Burial funds provide for preparation of the body, cremation, or burial services. The money is usually held in trust by a bank or other financial institution unless the agreement is funded by an insurance policy or annuity.

## **Cash Surrender Value (CSV)**

The monetary or equity value that a life insurance policy or annuity acquires over time as the policy owner pays the premiums and dividend additions and interest are added to the policy. The CSV is the amount the life insurance policy or annuity owner would receive if the policy were cashed in. A loan against a life insurance policy reduces its CSV.

## **Certificate of Deposit (CDs)**

A promissory note issued by a bank entitling the bearer to receive interest. A CD is a time deposit that restricts holders from withdrawing funds on demand. Although it is still possible to withdraw money, this action will often incur a penalty.

## **Client Funded Trusts**

Trusts funded with the income or assets of the client and/or the client's spouse. The client and/or the client's spouse (grantor(s)) fund the trust by transferring liquid or non-liquid property to the trustee(s) of a trust for the benefit of the grantee(s) or others.

## **Clinical trial participation payments**

Compensation for participation in a clinical trial that involves the research and testing of medical treatments for a rare disease or condition.

## **Clothing and Personal Needs Allowance Accumulation**

Clothing and personal needs allowance of people in long-term care facilities retained between annual renewals.

## **Cobell v. Salazar Class Action Settlement (also known as Claims Resolution Act of 2010)**

Fund reimbursing a large number of Individual Indian Money (IIM) account holders due to inadequate historical accounting of funds held in trust by the federal government.

## **College Assistance Migrant Program (CAMP)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Commercial annuity**

An annuity that is purchased and set up via an insurance company or financial institution licensed or regulated by the Minnesota Department of Commerce or a similar agency of another state.

## **Continuing Care Retirement Community (CCRC) Entrance Fee**

The entrance fee charged to a person who enters into a written contract with the CCRC. The CCRC offers a range of continuing care services while allowing the person to remain in a familiar setting. A CCRC may also be referred to as a life care community.

## **Contract for deed**

A contract for deed is a conditional sales contract for the purchase of real property. It is similar to a mortgage.

## **Corporation for National and Community Service (CNCS) payments**

Established by the National and Community Service Trust Act of 1993 (NCSTA) by combining two formerly independent agencies: the Commission on National Service and ACTION. CNCS funds payments to volunteers in programs authorized under the Domestic Volunteer Services Act, including:

- AmeriCorps
- Urban Crime Prevention Program
- Special volunteer programs under Title I
- Demonstration programs under Title II
- Senior Corps
  - Retired Senior Volunteer Program (RSVP)
  - Foster Grandparent Program
  - Senior Companions

## **Coverdell Education Savings Account (ESA) (also referred to as a Section 530 Plan and formerly known as an Educational Individual Retirement Account)**

An account established to pay the educational expenses (elementary, secondary, and postsecondary school) of an individual who is the designated beneficiary and is under age 18 or a person with special needs.

## **Crime victim payments**

Payments made to compensate crime victims for losses resulting from the crime.

## **Deemed Individual Retirement Account (IRA)**

An employer sponsored retirement plan that offers the features of an IRA. The plan maintains a separate account or annuity to receive voluntary employee contributions to facilitate employee retirement savings.

### **Deferred annuity**

An annuity contract under which periodic payments will begin sometime in the future. A deferred annuity contract provides the purchaser with the opportunity to accumulate savings over an extended period before the contract enters its payout phase.

### **Disability insurance**

A policy that pays a fixed amount of income to a person who becomes disabled under the terms of the policy. Disability insurance is intended as an income replacement and is not health insurance.

### **Disaster Assistance, federal declaration**

Payments issued pursuant to a presidential declaration of disaster or emergency. These payments may be made by the federal government (including, but not limited to, grants from the Federal Emergency Management Agency (FEMA), states, local governments, and disaster relief organizations such as the Red Cross and Salvation Army).

### **Disaster Assistance, state declaration**

Payments issued pursuant to a state declaration of disaster or emergency. These payments may be made by the state government (including, local governments, and disaster relief organizations such as the Red Cross and Salvation Army).

### **Employee Stock Ownership Plans (ESOPs)**

A form of defined contribution plan in which the investments are primarily in employer stock.

### **Employer-sponsored Individual Retirement Account (IRA)**

An IRA which an employer establishes for an employee. Examples of Employer Based IRAs include:

- Simplified Employee Pension (SEP) IRAs are available to employees and self-employed individuals
- Savings Incentive Match Plans for Employees (SIMPLE) IRAs are available to employees and self-employed individuals
- Deemed IRAs
- Payroll Deduction IRAs

## **Escrow**

A deed, bond, money, or piece of property held in trust by a third party to be turned over to the grantee only on fulfillment of a condition.

## **Face Value (FV)**

The amount that is contracted for at the time the life insurance policy is purchased – it is the amount to be paid out when the insured dies.

## **Federal Family Education Loan (FFEL)**

A student financial aid created by Title IV of the Higher Education Act of 1965. FFEL includes four components:

- Stafford loans (formerly Guaranteed student loans)
- Unsubsidized Stafford loans
- Federal PLUS loans
- Federal Consolidation loans

## **Federal Supplemental Educational Opportunity Grant (FSEOG) Program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Federal Work-Study (FWS) program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Filipino Veterans Equity Compensation (FVEC) fund payments**

Section 1002 of the American Recovery and Reinvestment Act of 2009 (ARRA) established the FVECF to issue one-time payments to eligible Filipino veterans who aided American troops during World War II.

## **Fixed annuity**

A type of annuity in which benefits have guaranteed or fixed dollar amounts.

## **Flexible spending accounts/arrangement (FSA)**

Employer-established benefit plan that allows employees to be reimbursed for out-of-pocket medical, dependent-care, or transportation expenses. These may be offered in conjunction with other employer-provided benefits. FSAs are usually funded through voluntary salary reduction agreements



with an employer. Both employees and employers may contribute to the FSA. Self-employed individuals are not eligible for FSAs.

## **Foster care payments**

A payment made to the foster care provider for the purpose of meeting the needs of the individual in care. Payments include:

- Federally funded foster care IV-E payments
- State funded, non-IV-E, foster care payments
- Adult foster care payments
- Other payments for the care of foster children or adults who live in the household

## **Gear Up (Gaining Early Awareness and Readiness for Undergraduate Programs)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Gifts to children with life threatening conditions**

Payments made by tax-exempt organizations to or for the benefit of children under age 18 with life-threatening conditions. These gifts include gifts to the child's parents for the child's benefit and indirect benefits to other family members, such as payment to accompany the child on a trip. Such gifts can also include in-kind gifts, which is any food, shelter, or other item donated to the child or another individual on the child's behalf.

## **Guardianship account**

An account established at a financial institution held by a guardian who acts on behalf of and administers the funds for the benefit of a minor under age 18 or a person who is incapacitated or otherwise unable to handle financial transactions.

## **Health Reimbursement Arrangement/Account (HRA)**

An employer-established benefit plan where employees are reimbursed tax free for qualified medical expenses. These may be offered in conjunction with other employer-provided health benefits. Employees may not contribute and the contribution cannot be paid through a voluntary salary reduction agreement. Only employers may contribute to the HRA. Self-employed individuals are not eligible for HRAs.

## **Health Savings Account (HSA)**

A tax-exempt trust or custodial account (an account managed for eligible employees by a custodian) that an individual sets up with a qualified HSA trustee to pay or reimburse certain medical expenses.

To qualify for an HSA an individual must have a high deductible health plan. An HSA trustee can be a bank, an insurance company, or anyone already approved by the IRS to be a trustee of Individual Retirement Arrangements (IRAs) or Archer MSAs. An employer may also contribute to an employee's HSA.

### **High School Equivalency Program (HEP)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Higher Education Act of 1965 (HEA)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Home equity**

The market value of the home subtracted by any encumbrances on the home.

### **Homestead property**

A homestead is any property in which a person or a person's spouse has an ownership interest and which serves as the person's principal place of residence. It includes the surrounding land and buildings on that land, provided the land is not separated by any property owned by others. It may be fixed or mobile and located on land or water.

### **Household goods and personal effects**

Items of personal property found in or near a home that are used on a regular basis; items needed by the household for maintenance, use and occupancy of the premises as a home. Also includes personal property ordinarily worn or carried by the person, and articles having sentimental value to the person.

### **I-35W Bridge Collapse payment**

Payments made to survivors of the I-35W Bridge Collapse under the I-35W Emergency Hardship Relief Fund and The Catastrophic Survivor Compensation Fund.

### **Immediate annuity**

An annuity contract under which the periodic payments will begin following the payment of the annuity premium, rather than being deferred.

### **Individual Development Accounts (IDA)**

A special bank account established under the Family Assets for Independence in Minnesota (FAIM) program that helps a person save for education, purchase of a first home, or to start a business. Eligible people must have earned income and have low income and assets.

### **Individual Retirement Arrangement (IRA)**

An umbrella term used to describe a personal savings plan that provides the owner tax advantages for setting aside money for retirement. IRAs can be in the form of a trust, an account, or an annuity.

### **Interest**

Money earned from a bank account, loan, or other investment. Earned interest may be credited to the account or paid directly to the owner.

### **Interest income from Indian trust land or restricted lands**

Income from interests in restricted land allotted to an individual who is of Indian descent from a federally recognized Indian tribe.

### **Irrevocable trust**

A trust that cannot be modified or terminated after its creation by the grantor or the grantor's representative.

### **James Zadroga 9/11 Health and Compensation Act of 2010.**

Payments made to a worker or volunteer, or if deceased, his or her heir, under the World Trade Center (WTC) Litigation Settlement or distributed by the WTC Captive Insurance Company. These payments are considered disaster assistance.

### **Japanese-American and Aleutian restitution payments**

Reparation payments to certain United States citizens of Japanese ancestry and resident Japanese noncitizens and certain eligible Aleuts who were interned or relocated during World War II.

### **Jensen Settlement Agreement payment**

A fund resulting from settlement the lawsuit Jensen et al v. Minnesota Department of Human Services, et al. in which residents of the former Minnesota Extended Treatment Options (METO) program alleged they were unlawfully and unconstitutionally secluded and restrained.

### **Keogh plan**

A tax deferred pension plan available to self-employed individuals or unincorporated businesses for retirement purposes. A Keogh plan can be set up as either a defined-benefit or defined-contribution plan, although most plans are defined-contribution plans.

### **Legal instrument or device similar to a trust**

Any instrument that exhibits the general characteristics of a trust, but is not called a trust. This can include, but is not limited to, escrow accounts, investment accounts, pension funds and other similar devices managed by an individual or entity with fiduciary obligations.

### **Leveraging Educational Assistance Partnership (LEAP) student financial aid (formerly State Student Incentive Grants (SSIG))**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Life annuity payments**

Annuity payments that continue for the life of the annuitant.

### **Life estate**

A life estate is a form of legal ownership that is usually created through a deed, will, or by operation of law. It is an interest in real property held only for the duration of a specified person's life, or some other condition specified in the life estate agreement. The person who is transferring ownership is referred to a life tenant or a life estate owner. The person who is receiving the property following the specified condition is referred to as a remainderman.

### **Life insurance**

A type of policy that pays a beneficiary a designated sum upon the death of the insured person. There are two basic forms of life insurance policies: term and non-term.

### **Liquid assets**

Cash or other types of assets that can be easily converted to cash, such as bank accounts, stocks, bonds, certificates of deposit, some retirement accounts and money market accounts.

### **Low Income Home Energy Assistance Program (LIHEAP) payments**

Federal block grant for energy assistance payments to low income households. The LIHEAP in Minnesota is the Energy Assistance Program (EAP).

### **Lump sum income**

One-time income that is not predictable. Periodic reoccurring income is not lump sum income. Examples of lump sum income include, but are not limited to:

- Winnings (lottery, gambling)
- Insurance settlements
- Worker's Compensation settlements
- Inheritances
- Retroactive Retirements, Survivors and Disability Insurance (RSDI); Supplemental Security Income (SSI); Veterans Administration (VA) and unemployment insurance benefits

### **Medicaid Qualifying Trust (MQT)**

A trust or similar legal device established (other than by a will) by an individual (or spouse) under which the individual may be the beneficiary of all or part of the payments from the trust.

### **Medical Savings Account (MSA)**

A tax-deferred savings account that can be offered by employers as part of a benefits package. Medical savings accounts are designed to help participants pay for medical and health care expenses by allowing them to save for those expenses in a tax-sheltered environment. This is an example of a Health Savings Account (HSA).

### **Minnesota Housing Finance Agency (MHFA) home improvement loan**

Home improvement loans through the MHFA to help homeowners live in safe, accessible, and energy efficient homes.

### **Money market account**

Type of savings account offered by banks and credit unions just like regular savings accounts. The difference is that they usually pay higher interest and have higher minimum balance requirements.

### **Mutual fund share**

A mutual fund is an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.

### **National Science and Mathematics Access to Retain Talent (SMART) Grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Nazi Persecution payment**

Benefits provided by countries to victims of Nazi persecution. These include:

- Austrian Reparation payments
- German Reparation payments
- Netherlands WUV payments
- Other payments received as a result of being a victim of Nazi persecution

## **Netherlands Act (WUV) payments to victims of Japanese persecution**

The Dutch government makes payments under the Netherlands' Act on Benefits for Victims of Persecution 1940-1945. Payments are for both Dutch and non-Dutch people who, during the Japanese occupation of the Netherlands East Indies (now the Republic of Indonesia) in World War II, were victims of persecution.

## **Netherlands Act (WUV) payments to victims of Nazi persecution**

The Dutch government makes payments under the Netherlands' Act on Benefits for Victims of Persecution 1940-1945. Payments are for both Dutch and non-Dutch people who, during the German occupation of the Netherlands and Netherlands in World War II, were victims of persecution.

## **Non-homestead Real Property**

Land and buildings or immovable objects attached permanently to the land but is not the person's principal place of residence.

## **Non-term life insurance policy**

Often referred to as whole life or universal life policies, non-term life insurance policies have both face value (FV) and cash surrender value (CSV). These types of policies also generate dividends. Generally, the person can borrow against the cash surrender value or the policy can be cashed in for the CSV.

## **Non-Title IV of Higher Education Act and non-Bureau of Indian Affairs student financial aid**

Such aid includes grants, scholarships, gifts and so on.

## **Operating assets**

Assets used in a trade or business such as bank accounts, stocks, bonds, mutual funds, certificates of deposit, trusts or property agreements.

### **Payroll Deduction Individual Retirement Account (IRA)**

A retirement savings plan in which an employer sets up a payroll deduction to fund an IRA program with a financial institution, such as a bank, mutual fund or insurance company.

### **Pell grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Pension payments**

A fixed sum paid regularly to retired people or their dependents.

### **Perkins loan**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Personal property**

Property that is not considered real property.

### **Plan to Achieve Self Support (PASS) financial aid**

A plan approved by the county agency for MA or MSA recipients or approved by the Social Security Administration for SSI recipients that allows certain assets or income of the person to be excluded in determining benefits for some assistance programs.

### **Pooled trusts**

A trust established for the sole benefit of a person of any age with a certified disability and that contains a separate account for two or more persons who also have a certified disability for the purpose of investment and management of funds in the accounts. It is administered by a non-profit organization.

### **Presidential Access scholarships**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Private annuity**

An annuity that is set up by a person who is not an employee of an insurance company or financial institution.

## **Profit Sharing Plan**

A plan that gives employees a share in the profits of the company. Each employee receives a percentage of those profits based on the company's earnings. Also known as a deferred profit-sharing plan (DPSP).

## **Promissory notes**

A written, unconditional agreement whereby one party promises to pay a specified sum of money at a specified time (or on demand) to another party. It may be given in return of goods, money loaned, or services rendered.

## **Property agreements**

A pledge or security of particular property for the payment of a debt or the performance of some other obligation within a specified period.

## **Public assistance appeal payments**

Payments resulting from an appeal of public assistance benefits.

## **Qualified Tuition Program (QTP), also referred to as a Section 529 Plan**

Allows individuals to prepay or contribute to an account established for paying a designated beneficiary's education expenses beyond high school at an eligible educational institution. QTPs can be established and maintained by states, agencies, instrumentalities of states, and eligible educational institutions. Individuals may contribute to a QTP regardless of the amount of their income.

## **Radiation Exposure Compensation Act payments**

Payments made by the federal government to certain individuals (or their survivors) who were exposed to radiation from government nuclear testing and uranium mining.

## **Real property**

Land, all buildings, structures, improvements, or other fixtures on it belonging or pertaining to the land, including mobile or manufactured homes attached to a permanent foundation on land owned by the client, all mines, minerals, fossils, and trees on or under it, and life estate and remainder interests.



## **Relocation Assistance payments, federal**

Relocation assistance for displaced persons under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Housing and Redevelopment Act of 1965, or the Housing Act of 1965. This assistance is paid when the government requires an individual to move.

## **Relocation Assistance payments, state and local**

Relocation assistance for displaced persons funded by state and local governments. This assistance is paid when the government requires an individual to move.

## **Representative payee misuse payments**

Restitution payments of SSI, RSDI, and Special Veterans Benefits for the Elderly due to representative payee misuse.

## **Retirement plans**

An arrangement to provide individuals and their spouses with income during retirement. Employers, insurance companies, the government or other institutions such as employer associations or trade unions may set up retirement plans.

## **Reverse mortgages**

A special type of home equity loan for people age 62 or older. Reverse mortgages allow owners to convert some of the equity in their home to cash. The loan does not usually have to be repaid during the homeowner's lifetime.

## **Revocable trust**

A trust in which the grantor(s) reserve the right to revoke, reclaim or take back the assets deposited in the trust.

## **Ricky Ray Hemophilia Relief Act payments**

Settlements to people with blood-clotting disorders who may have contracted an HIV infection from a blood transfusion. The current and former spouses of these people as well as their children who also contracted HIV are also eligible for the settlement payment.

## **Robert C. Byrd Honors Scholarship Program (also known as Byrd Honors Scholarships)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Roth 401(k) Plan**

A retirement savings plan option for employers to offer their employees. A Roth 401(k) is a hybrid that combines features of a Roth Individual Retirement Account and a traditional 401(k).

## **Roth Individual Retirement Account (IRA)**

An IRA allowing a person to set aside after-tax income up to a specified amount each year.

## **Savings Incentive Match Plans for Employees (SIMPLE) Individual Retirement Account (IRA)**

An IRA-based retirement savings plan designed specifically to make it easier for small employers to establish a retirement plan for employees. A Simple IRA is a salary-reduction plan that allows employees to divert some compensation into retirement savings. Contributions to a Simple IRA are deposited into a separate account for each participating employee.

## **Section 529 Plan (also known as Qualified Tuition Program (QTP))**

See Qualified Tuition Program.

## **Self-employment assets**

Property used in a trade or business, including vehicles, tools, machinery, farm implements, unsold inventory, business checking accounts, non-homestead real property, rental property, etc.

## **Settlement agreement**

A resolution between disputing parties in a lawsuit, reached either before or after court action begins.

## **Simplified Employee Pension (SEP) Individual Retirement Account (IRA)**

A special type of IRA that can be established by a small-business employer or by self-employed people. Under a SEP IRA, each participant has his or her own Traditional IRA to which the employer contributes. The contributions are excluded from the employee's pay and are not taxable until distributed from the plan.

## **Social Welfare Fund**

An account or trust account held by the county of financial responsibility for the purposes of providing maintenance and support to the person. The person's earned or unearned income may be deposited into this account and disbursed by the county, for the person's benefit.

## **Special Leveraging Educational Assistance Partnership (SLEAP) Program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Special Needs Trusts**

A trust established for the sole benefit of a person who is certified disabled.

## **Spousal Individual Retirement Account (IRA)**

An IRA set up by an employed spouse to contribute for a non-working spouse or for a spouse who has little or no income.

## **State annuities for certain veterans**

An annuity paid by a state, to a person, and/or a person's spouse, on the basis of the state's determination that the person is a veteran and is over age 65, is blind, or has a disability.

## **State Student Incentive Grant Program (also known as the Leveraging Educational Assistance Partnership (LEAP) program)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Stocks**

Shares of stock represent ownership in a business corporation.

## **Student financial aid**

Loans, grants, scholarships, fellowships, internships, some training expenses, gifts and work study funds provided to a person enrolled in and attending an educational institution.

## **Supplemental Education Opportunity Grants (SEOG) Program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Supplemental Needs Trusts**

Trust established and funded by a third party to provide for the reasonable living expenses and other basic needs of a person with a disability when benefits from publicly funded benefit programs are not sufficient to provide adequately for those needs.

## **Supplemental Security Income (SSI) Dedicated Child Account**

This account is set up by the representative payee of a child under age 18 with past due monthly benefits. The account continues to be excluded after the child has reached age 18.

### **Tax credits**

An amount of money that can be offset against a tax liability.

### **Tax refund**

A state or federal refund of the difference between the taxes paid and taxes owed.

### **Teacher Education Assistance for College and Higher Education (TEACH) grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Term certain annuity**

An annuity under which payments are scheduled to continue for a specified period, such as for 10 years. The payments will be paid out to the annuitant's beneficiaries or estate if the annuitant dies before the payment term ends.

### **Term life insurance**

Insurance policies that have Face Value (FV) but do not have a Cash Surrender Value (CSV) or pay dividends. The insured can cancel the policy but there is no cash value to receive. The death benefit is only available upon the insured's death.

### **Third Party Trusts**

A trust established and funded by a person (third party grantor) during his or her lifetime or through a will for the benefit of another person.

### **Thrift Savings Plans (TSPs)**

A federal government sponsored retirement defined contribution plan for federal employees. Contributions are held in individual accounts rather than in a trust fund.

### **Time deposits**

Another term for a savings account or certificate of deposit (CD) held in a financial institution.

### **Title IV of the Higher Education Act of 1965 (HEA) student financial aid**

A federal law that authorizes programs that provide student financial aid. These programs include, but are not limited to:

- Pell grants
- Academic Competitiveness Grants
- National Science and Mathematics Access to Retain Talent (SMART) grants
- Federal Family Education Loan (FFEL) Program. FFEL includes four components:
  - Stafford Loans
  - Unsubsidized Stafford Loans
  - Federal PLUS Loans
  - Federal Consolidation Loans
- Perkins Loans
- Federal Supplemental Education Opportunity Grant (SEOG) Program
- Supplemental Education Opportunity Grants (SEOG) Program
- Work Study Program
- Teacher Education Assistance for College and Higher Education (TEACH) Grants
- Direct Loan Program. Direct Loans include four components:
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
  - Direct PLUS Loans
  - Direct Consolidation Loans
- Leveraging Educational Assistance Partnership (LEAP) Program
- Special Leveraging Educational Assistance Partnership (SLEAP) Program
- Robert C. Byrd Honors Scholarship Program (also known as Byrd Honors Scholarships)
- TRIO Program
- Academic Achievement Incentive Scholarships
- Gear Up
- High School Equivalency Program (HEP)
- College Assistance Migrant Program (CAMP)
- State Student Incentive Grant Program
- Presidential Access Scholarships

## **Tort settlement**

Rights, obligations, and remedies applied by courts in civil proceedings to provide relief for persons who have suffered harm from the wrongful acts of others.

### **Trade or business asset**

Property used in a trade or business, including vehicles, tools, machinery, farm implements, unsold inventory, business checking accounts, non-homestead real property, rental property, etc.

### **Traditional Individual Retirement Account (IRA)**

An IRA that allows individuals to direct pretax income, up to specific annual limits, toward investments that can grow tax-deferred (no capital gains or dividend income is taxed).

### **Treasury bill**

A short-term debt obligation backed by the U.S. government with a maturity of less than one year.

### **Tribal Land Settlements or Judgements**

Funds held in trust by the Secretary of the Interior or distributed per capita pursuant to a plan prepared by the Secretary of the Interior. Including:

- Judgment funds distributed per capita under P.L. 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations.
- Distributions of claims settlement funds under P.L. 99-264, P.L. 100-153, and P.L. 100-212 to members of the White Earth Band of Chippewa Indians from the White Earth Reservation Land Settlement Act of 1985 (WELSA).
- Per capita payments made under 25 USC § 1407 to members of the Bois Forte Band of Chippewa Indians pursuant to the agreement to restrict tribal rights to hunt and fish in ceded territories.
- Per capita payments made under P.L. 85-794 to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.
- Receipts derived from trust lands and distributed under P.L. 94-114 to the White Earth Band of Chippewa Indians regarding submarginal land held in trust by the United States.
- Judgment funds distributed under P.L. 98-123 § 3 to the Red Lake Band of Chippewa Indians.
- Per capita and dividend payment distributions of judgment funds made under P.L. 99-130 to members of the Prairie Island Sioux, Lower Sioux, and Shakopee Mdewakanton Sioux Communities of Minnesota.
- Funds distributed per capita under P.L. 99-146 to members of the Chippewa of Lake Superior and the Chippewa of the Mississippi.

## **TRIO Programs (TRIO)**

Student financial aid programs created by Title IV of the Higher Education Act of 1965. TRIO includes eight programs targeted to serve and assist low-income individuals, first-generation college students, and people with disabilities:

- Educational Opportunity Centers
- Ronald E. McNair Post-baccalaureate Achievement
- Student Support Services
- Talent Search
- Training Program for Federal TRIO Programs Staff
- Upward Bound
- Upward Bound Math-Science
- Veterans Upward Bound

## **Trust**

Any arrangement, in which a grantor transfers money or property to a trustee with the intention that it be held, managed or administered by the trustee for the benefit of certain designated persons.

## **Uniform Gift to Minors Act (UGMA)/Uniform Transfer to Minors Act (UTMA)**

The Uniform Gift to Minors Act (UGMA) established a way for a minor to own securities without requiring the services of an attorney to prepare trust documents or the court appointment of a trustee. The terms of this trust are established by a state statute instead of a trust document. The Uniform Transfer to Minors Act (UTMA) is similar, but also allows minors to own other types of property, such as real estate, fine art, patents and royalties, and for the transfers to occur through inheritance.

## **United States savings bond**

A bond issued by the government and sold to the general public.

## **Universal Life Insurance**

Provides insurance over a specified period, and builds cash value for policy owners over time. There are several types of universal life policies, including variable universal and equity indexed universal life. All universal life policies include a cash account in addition to the standard death benefit.

## **Variable annuity**

A type of annuity in which periodic payments vary according to income generated by assets in an underlying investment portfolio. Payment amounts may fluctuate because the annuity payments vary based upon the performance of the market.

## **Vehicles**

May be any registered or unregistered conveyance used on air, land, or water, including, but not limited to cars, trucks, motorcycles, boats, snowmobiles, animal-drawn vehicles, and animals.

## **Veterans Benefits for educational assistance**

The Department of Veterans Affairs (VA) provides educational assistance through different programs, including vocational rehabilitation.

## **Veterans' Children with Certain Birth Defects payments**

Payments made to children of Vietnam or Korean veterans born with spina bifida, or payments made to the children of women Vietnam veterans if they have certain birth defects.

## **Vietnamese Commando Compensation Act Payments**

Payments made to an individual who was captured and interned by the Democratic Republic of North Vietnam as a result of that person's participation in certain military operations (known as OPLAN 34A or its predecessor, or OPLAN 35).

## **Voluntary Employees' Beneficiary Association (VEBA) payments**

Benefits paid to members of the mutual association or their beneficiaries.

## **Whole Life Insurance**

A form of life insurance that applies part of the premium payments to build an investment or savings value for the policy owner. The investment or savings value is the cash surrender value (CSV) of the policy. A modified whole life policy charges smaller premiums for a specified length of time after which the premiums increase for the remainder of the policy.

## **Women, Infant and Children (WIC) vouchers**

A federal program authorized by the Child Nutrition Act of 1966 to provide nutritious food and nutrition education to low-income pregnant and postpartum women and their children.

## **Workers' compensation settlement**



An agreement between a worker injured on the job and an employer-paid insurance program providing benefits in the form of medical expenses and lost wages. If a worker dies due to an injury on the job, the worker's beneficiaries are eligible to receive benefits on the worker's behalf, known as death benefits.

Published: June 1, 2020~~18~~

Previous Versions

Manual Letter #18.3, June 1, 2018

Manual letter #18.1, January 1, 2018

Manual Letter #16.1 June 1, 2016 (Original Version)

#### Archive Information

- Publication date: June 1, 2018
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## **X. Appendix B Types of Income**

Appendix B

# **Types of Income**

### **Academic Achievement Incentive Scholarships**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Academic Competitiveness Grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Accelerated life insurance payments**

Some life insurance policies, in certain circumstances, allow the policy owner to receive some or all of the proceeds of the life insurance policy in the form of accelerated life insurance payments prior to the death of the insured.

### **Adoption assistance**

An adoption assistance grant provided to adoptive parents. It is funded either federally through Title IV-E of the Social Security Act or by the state under Minnesota Statutes, section 259.67.

### **AmeriCorps-National Civilian Community Corps (AmeriCorps NCCC) living allowances and other payments**

A residential service program for young adults between the ages of 18 and 24 in which participants provide work teams for a variety of community service projects. Participants of AmeriCorps NCCC receive a stipend or living allowance generally based on minimum wage requirements. Participants are eligible to receive an educational award made upon completion of a specified term of service.

### **AmeriCorps State and National living allowances and other payments**

A national service program authorized by the National and Community Service Act of 1990. The program provides grants to States, Indian tribes, private and public nonprofit organizations and Institutes of Higher Education for community service projects, such as educational programs, environmental activities, and disaster relief. Participants of AmeriCorps State and National receive a stipend or living allowance generally based on minimum wage requirements. Participants are eligible to receive an educational award made upon completion of a specified term of service.

### **AmeriCorps VISTA payments**

This program provides full-time AmeriCorps VISTA members to community organizations and public agencies to create and expand community service programs. Participants of AmeriCorps VISTA receive a stipend or living allowance generally based on minimum wage requirements. Participants are eligible to receive an educational award made upon completion of a specified term of service.

### **Annuity payments**

Payments from an annuitized contract either in the form of a single lump sum or several payments over several months or years according to the terms chosen when the contract was annuitized.

### **Austrian Reparation payments (also called Austrian Social Insurance payments)**

The nationwide class action lawsuit, *Bondy v. Sullivan*, involved Austrian social insurance payments which were passed, in whole or in part, on wage credits granted under Paragraph 500–506 of the Austrian General Social Insurance Act. (GSIA). These paragraphs grant credits to individuals who suffered a loss (i.e., were imprisoned, unemployed, or forced to flee Austria) during the period from March 1933 to May 1945 for political, religious, or ethnic reasons.

### **Awards**

Cash, merchandise, or products received primarily in recognition of employment, religious, charitable, scientific, educational, artistic, literary or civic achievement.

### **Blood and blood plasma sales**

Compensation received for blood or blood plasma donations.

### **Blood product settlement payments**

Payments made pursuant to the class settlement of *Susan Walker v. Bayer Corp., et al*, and to the release of any claims in that case that were entered into in lieu of class settlement.

### **Bureau of Indian Affairs (BIA) student assistance**

BIA funded student financial aid to eligible individuals.

### **Cash assistance programs**

Public programs established to provide for people's basic living expenses, including General Assistance (GA), Group Residential Housing (GRH), Minnesota Family Investment Program (MFIP), Minnesota Supplemental Aid (MSA), Refugee Cash Assistance (RCA), and emergency cash programs.

## **Child Care Assistance Program (CCAP)**

Public program available to help low- and moderate-income families pursue employment or education leading to economic self-sufficiency by subsidizing their childcare.

## **Child Care and Development Block Grant Act (CCDBG) payments**

Federally funded child care assistance payments for low income families and children with special needs. These payments are administered by the Child Care and Development Fund (CCDF).

## **Child support**

A voluntary or court-ordered payment by non-custodial parents for the support of their children.

## **Clergy housing, in-kind**

Housing provided to clergy in exchange for work or services. Cash is not provided in lieu of the housing.

## **Clergy housing, cash payment**

Housing allowances paid in cash to members of the clergy as compensation for employment.

## **Clinical trial participation payments**

Compensation for participation in a clinical trial that involves the research and testing of medical treatments for a rare disease or condition.

## **Cobell v. Salazar Class Action Settlement (also known as Claims Resolution Act of 2010)**

Fund reimbursing a large number of Individual Indian Money (IIM) account holders due to inadequate historical accounting of funds held in trust by the federal government.

## **College Assistance Migrant Program (CAMP)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Commissions**

Fees paid to a person for performing a service. (e.g., a percentage of sales).

## **Community Service Employment Program (Title V of the Older Americans Act)**

Federally funded payments for supportive services or reimbursement for out-of-pocket expenses to employees performing services in such programs as the Experience Works program and the Senior Aides program.

## **Conservation and Youth Service Corps payments**

Paid service work under the National and Community Service Act of 1990 under Title I.

## **Consumer Support Grant (CSG) program**

A state-funded program providing funds to help people with functional limitations and their families purchase and secure supports that people need to live safely and independently in the community. CSG allows a person to convert the state portion of medical assistance payments for specific home care services into a cash grant. Eligible participants receive monthly cash grants to replace fee-for-service home care services payments.

## **Corporation for National and Community Service (CNCS) payments**

Established by the National and Community Service Trust Act of 1993 (NCSTA) by combining two formerly independent agencies: the Commission on National Service and ACTION. CNCS funds payments to volunteers in programs authorized under the Domestic Volunteer Services Act, including:

- AmeriCorps
- Urban Crime Prevention Program
- Special volunteer programs under Title I
- Demonstration programs under Title II
- Senior Corps:
  - Retired Senior Volunteer Program (RSVP)
  - Foster Grandparent Program
  - Senior Companions

## **Coverdell Education Savings Account (ESA) (also referred to as a Section 530 Plan and formerly known as an Educational Individual Retirement Account)**

An account established to pay the educational expenses (elementary, secondary, and postsecondary school) of an individual who is the designated beneficiary and is under age 18 or a person with special needs.

## **Credit disability insurance payments**

Payments issued to, or on behalf of, borrowers on loans, mortgages, etc. in the event of disability. These insurance payments are made directly to the loan or mortgage companies, etc., and are not available to the person.

### **Credit life insurance payments**

Payments issued to, or on behalf of, borrowers on loans, mortgages, etc. in the event of death. These insurance payments are made directly to the loan or mortgage companies, etc., and are not available to the person.

### **Crime victim payments**

Payments made to compensate crime victims for losses resulting from a crime.

### **Direct Loan Program payments**

Program in the Title IV of the Higher Education Act of 1965 that provides student financial aid in:

- Direct subsidized loans
- Direct unsubsidized Loans
- Direct PLUS loans
- Direct Consolidation loans

### **Disability payments that are part of the employer's benefit package**

An employer's policy or practice that provides salary continuation or other payments to workers during periods of disability.

### **Disaster Assistance, federal declaration**

Payments issued pursuant to a presidential declaration of disaster or emergency. These payments may be made by the federal government (including, but not limited to, grants from the Federal Emergency Management Agency (FEMA), states, local governments, and disaster relief organizations such as the Red Cross and Salvation Army).

### **Disaster Assistance, state declaration**

Payments issued pursuant to a state declaration of disaster or emergency. These payments may be made by the state government (including, local governments, and disaster relief organizations such as the Red Cross and Salvation Army).

### **Diversionsary Work Program (DWP) payment**

A short-term, work focused program for families applying for cash benefits. It provides a maximum of four consecutive months in a 12-month period of necessary services and supports to families that will lead to a subsidized employment, increased economic stability and reduced risk of needing longer term assistance under Minnesota Family Investment Program. (MFIP).

### **Dividend payment**

The amount of the profit distribution a shareholder receives or the amount of the surplus distribution a policyholder of a participating insurance policy receives.

### **Dividend accumulation**

Dividends that the policy holder has left in the custody of the insurer to accumulate interest.

### **Dividend addition**

Amounts of additional life insurance purchased with dividends.

### **Domestic Volunteer Service Act payments**

Established to provide funding and regulations for federally administered volunteer activity programs. Volunteers in such programs may receive payments in the form of a minimal stipend, payment for supportive services (such as housing, supplies, equipment), and expense allowance, and/or reimbursement of out-of-pocket expenses.

### **Earned income**

Money received from employment or self-employment. This includes but is not limited to salaries, wages, tips, commissions, vacation and sick pay.

### **Emergency General Assistance (EGA) payments**

Provides payments to adults without children and to families to meet emergency needs such as shelter and utility payments.

### **Employment and Training Reimbursements and Allowances**

These include employment and training reimbursements and allowances received from local social services programs and the Workforce Investment Act (WIA) program.

### **Energy Assistance Program payments**

Federally funded block grant for energy assistance payments to low income households.

## **Experience Works wages**

Wages paid to participants in programs carried out under the Community Service Employment Program, Title V of the Older Americans Act.

## **Family Support Grants**

A state-funded program that provides funds to help families provide home care for dependents with developmental disabilities. Includes both cash and non-cash payments provided under this program.

## **Farm income**

Common types of farm income that are considered self-employment income include:

- Proceeds from sale of crops, livestock, or products
- Soil conservation payments, such as Conservation Reserve Payments (CRP)
- Proceeds from machine rental, including wages to the farmer/operator
- Capital gains or capital losses

## **Federal Family Education Loans (FFEL)**

A student financial aid created by Title IV of the Higher Education Act of 1965. FFEL includes four components:

- Stafford loans (formerly Guaranteed student loans)
- Unsubsidized Stafford loans
- Federal PLUS loans
- Federal Consolidation loans

## **Federal Supplemental Opportunity Grant (FSEOG)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Federal Work-Study (FWS) program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Fellowships**

Amounts paid to enable qualified individuals to further their education and training by scholastic or research work, etc.



## **Filipino Veterans Equity Compensation (FVEC) fund payments**

Section 1002 of the American Recovery and Reinvestment Act of 2009 (ARRA) established the FVECF to issue one-time payments to eligible Filipino veterans who aided American troops during World War II.

## **Food Support Program**

Former name of the Federal Supplemental Nutrition Assistance Program (SNAP).

## **Foster Care payments**

A payment made to the foster care provider for the purpose of meeting the needs of the individual in care. Payments include:

- Federally funded foster care IV-E payments
- State funded, non-IV-E, foster care payments
- Adult foster care payments
- Other payments for the care of foster children or adults who live in the household

## **Foster Grandparent Program payments**

A program funded by the Corporation for National and Community Service (CNCS) providing the opportunity for volunteers age 55 and older to work with children. Part of the Senior Corps Program.

## **Fundraiser income**

Funds raised by a community group or organization.

## **Gambling winnings**

Cash or other items won in a game of chance, lottery, or contest.

## **Gear Up (Gaining Early Awareness and Readiness for Undergraduate Programs) scholarships**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **General Assistance (GA) benefits**

A program authorized under Minnesota Statutes 256D to provide cash assistance to needy individuals and couples without children.

## **German reparation payments**

Passed in 1956 to provide for reparations payments to certain survivors of the Holocaust.

## **Gift income**

Something a person receives which is not repayment for goods or services the person provided and is not given because of a legal obligation on the giver's part. Gift income can be cash or in-kind. To be a gift, something must be given irrevocably. (i.e., the donor relinquishes all control).

## **Gifts to children with life-threatening conditions**

Payments made by tax-exempt organizations (e.g. Make a Wish) to or for the benefit of children younger than age 18 with life-threatening conditions. These gifts include gifts to the child's parents for the child's benefit and indirect benefits to other family members, such as payment to accompany the child on a trip. Such gifts can also include in-kind gifts, which is any food, shelter, or other item donated to the child or another individual on the child's behalf.

## **Grants**

Amounts paid to enable qualified individuals to further their education and training by scholastic or research work, etc.

## **Group Residential Housing (GRH) payments**

A program paying for room and board for low income seniors and adults with disabilities.

## **Gross income**

Total earned and unearned income before any deductions or disregards are applied.

## **Gross Social Security Administration (SSA) Retirement, Survivors, Disability Insurance (RSDI) benefits**

The RSDI benefit amount before deducting a Medicare premium and other withholdings.

## **High School Equivalency Program (HEP) financial aid**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Honoraria**

Honorary or free gifts, rewards, or donations usually provided gratuitously for services rendered (e.g., a guest speaker), for which no compensation can be collected by law. An honorarium may include a free gift of lodging, or payment of an individual's expenses.

### **Hostile fire, imminent danger and combat pay**

Types of special pay to a service member.

### **Housing allowances**

Housing allowances paid in cash as compensation for employment.

### **Housing assistance, federal**

The Federal Government through the Office of Housing and Urban Development (HUD) and the U.S. Department of Agriculture's Rural Housing Service (RHS), formerly called the Farmers Home Administration, provides many forms of housing assistance, including: subsidized housing (e.g., public housing, reduced rent, cash towards utilities, etc.); loans for renovations; loans for construction, improvement, or replacement of farm homes and other buildings; mortgage or investment insurance; guaranteed loans and mortgages. This assistance may be provided directly by the federal government or through other entities such as local housing authorities, nonprofit organizations, etc.

### **Housing and Urban Development (HUD) subsidies**

Rental payments made directly to a landlord through the Housing and Urban Development (HUD) agency, including Section 8 payments made through the Housing and Redevelopment Authority and refunds or rebates from HUD for excess rents charged.

### **Individual Development Account (IDA)**

A special bank account established under the Family Assets for Independence in Minnesota (FAIM) program that helps a person save for education, purchase of a first home, or to start a business. Eligible people must have earned income and have low income and assets.

### **Infrequent income**

Income is infrequent if a person receives it only once during a calendar quarter from a single source and did not receive it in the month immediately preceding that month or in the month immediately after that month, regardless of whether or not these payments occur in different calendar quarters.

### **Inheritance**

Cash, a right, or noncash items received as the result of someone's death.

**In-home day care payment**

A form of self-employment in which a person provides day care services in their home.

**In-kind income**

Payment for a service in a form other than money, or receipt of non-cash gifts or non-cash contributions such as food or clothing.

**Insurance benefit or settlement**

Income paid by an insurance company to the insured or their beneficiary to settle an insurance claim within the guidelines of the insurance policy.

**Interest**

Money earned from of a bank account, loan, or other investment. Earned interest may be credited to the account or paid directly to the owner.

**Interest income from Indian trust land or restricted lands**

Income from interests in restricted land allotted to an individual who is of Indian descent from a federally recognized Indian tribe.

**Irregular income**

Income that a person cannot reasonably expect to receive.

**IV-E Adoption Assistance**

Adoption assistance placements funded under Title IV-E of the Social Security Act.

**IV-E Foster Care**

Foster care placements funded under Title IV-E of the Social Security Act.

**IV-E Kinship Assistance**

Assistance payments funded under Title IV-E of the Social Security Act.

**James Zadroga 9/11 Health and Compensation Act of 2010**

Payments made to a worker or volunteer, or if deceased, his or her heir, under the World Trade Center (WTC) Litigation Settlement or distributed by the WTC Captive Insurance Company. These payments are considered disaster assistance.

### **Japanese-American and Aleutian restitution payments**

Reparation payments to certain United States citizens of Japanese ancestry and resident Japanese noncitizens and certain eligible Aleuts who were interned or relocated during World War II.

### **Jensen Settlement Agreement payment**

A fund resulting from settlement the lawsuit Jensen et al v. Minnesota Department of Human Services, et al. in which residents of the former Minnesota Extended Treatment Options (METO) program alleged they were unlawfully and unconstitutionally secluded and restrained.

### **Jury duty, pay**

Employer payments to employees while on jury duty.

### **Jury duty, compensation**

Court payments to help cover out-of-pocket expenses incurred while on jury duty.

### **Kinship assistance payments**

An assistance grant provided to grandparents and other relatives who have assumed legal guardianship of children for whom they have custody. It is funded either federally through Title IV-E of the Social Security Act or by the State under Minnesota Statutes, section 259.67.

### **Leveraging Education Assistance Partnership (LEAP) student financial aid (formerly State Student Incentive Grants (SSIG))**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Life annuity payments**

Annuity payments that continue for the life of the annuitant.

### **Lottery winnings**

Cash or other items won in a game of chance, lottery, or contest.

### **Low Income Home Energy Assistance Program (LIHEAP) payments**

Federal block grant for energy assistance payments to low income households. The LIHEAP in Minnesota is the Energy Assistance Program (EAP).

### **Lump sum income**

One-time income that is not predictable. Periodic reoccurring income is not lump sum income. Examples of lump sum income include, but are not limited to:

- Winnings (lottery, gambling)
- Insurance settlements
- Worker's Compensation settlements
- Inheritances
- Retroactive Retirements, Survivors and Disability Insurance (RSDI); Supplemental Security Income (SSI); Veterans Administration (VA) and unemployment insurance benefits

### **Medical support payments**

Health insurance coverage or cash payments that a parent provides or is court-ordered to provide to meet the medical needs of the parent's child.

### **Medicare Part B reimbursements**

Reimbursement of the Part B premium.

### **Mille Lacs Band of Ojibwa Elder Supplement Assistance Program payments**

This program makes payments to elderly tribal members who meet the program's income and asset limits.

### **Minnesota Family Investment Program (MFIP) payments**

A program authorized under the federal Temporary Assistance to Needy Families (TANF) block grant and Minnesota Statutes 256J to provide cash assistance and employment support to needy families. MFIP replaced the Aid to Families with Dependent Children (AFDC) program.

### **Minnesota Supplemental Aid (MSA) benefits**

A state-funded program that provides cash assistance to some SSI recipients and those who would be SSI eligible if not for other income.

### **National Science and Mathematics Access to Retain Talent (SMART) grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Nazi Persecution payments**

Benefits provided by countries to victims of Nazi persecution. These include:

- Austrian Reparation payments
- German Reparation payments
- Netherlands WUV payments
- Other payments received as a result of being a victim of Nazi persecution

### **Netherlands Act (WUV) payments to victims of Japanese persecution**

The Dutch government makes payments under the Netherlands' Act on Benefits for Victims of Persecution 1940-1945. Payments are for both Dutch and non-Dutch people who, during the Japanese occupation of the Netherlands East Indies (now the Republic of Indonesia) in World War II, were victims of persecution.

### **Netherlands Act (WUV) payments to victims of Nazi persecution**

The Dutch government makes payments under the Netherlands' Act on Benefits for Victims of Persecution 1940-1945. Payments are for both Dutch and non-Dutch people who, during the German occupation of the Netherlands and Netherlands in World War II, were victims of persecution.

### **Non-Title IV of Higher Education Act and non-Bureau of Indian Affairs student financial aid**

Such aid includes grants, scholarships, gifts and so on.

### **Paid internships**

Student financial aid that requires work.

### **Participation incentive payments**

Incentive payments or cash-like cards for participation in projects with grant agreements.

### **Pell grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Pension payments**

A fixed sum paid regularly to retired people or their dependents.

### **Per capita distributions of all funds held in trust by the Secretary of the Interior to members of an Indian tribe**

Payments that are made according to the number of individuals in a tribe and in which each individual tribe member shares equally.

### **Perkins loan**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Picket duty pay**

Strike benefits paid by a union to its members.

### **Plan to Achieve Self Support (PASS) financial aid**

A plan approved by ~~the county agency for MA or MSA recipients or approved by the Social Security Administration for SSI recipients~~ that allows certain assets or income of the person to be excluded in determining benefits for some assistance programs.

### **Presidential Access scholarships**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Prizes**

Cash or other items won in a game of chance, lottery, or contest.

### **Public assistance appeal payments**

Payments resulting from an appeal of public assistance benefits.

### **Public assistance payments**

Benefits paid through the local, county, tribal, state or federal government.

### **Radiation Exposure Compensation Act payments**

Payments made by the federal government to certain individuals (or their survivors) who were exposed to radiation from government nuclear testing and uranium mining.



## **Railroad Retirement Board (RRB) benefits**

The RRB is an independent agency of the Federal Government. It administers benefits and Medicare for railroad workers and their families. Railroad workers and their families who meet certain service requirements are eligible for retiree, disability dependent or survivor benefits.

## **Refugee Cash Assistance (RCA)**

A program that provides financial help to certain refugees.

## **Refunds for rental security and utility deposits**

Security and utility deposit refunds, paid by the applicant or another party, including the Emergency Assistance (EA) or Emergency General Assistance (EGA) programs.

## **Reimbursements for expenses**

Reimbursements for out-of-pocket expenses incurred while performing volunteer services, jury duty or employment.

## **Reimbursements for medical expenses**

Reimbursements for out-of-pocket health care expenses.

## **Reimbursements for property**

Cash or in-kind payments to replace personal or real property made by public agencies, issued by insurance companies, awarded by a court, or issued through public appeal.

## **Relative custody assistance payments**

Monthly financial assistance administered by Social Services for relatives who take permanent legal and physical custody of children with special needs upon a juvenile court determination that children are unable to return to their parent's home.

## **Relocation assistance payments, federal**

Relocation assistance for displaced persons under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Housing and Redevelopment Act of 1965, or the Housing Act of 1965. This assistance is paid when the government requires an individual to move.

## **Rental income**

Payments that an individual receives from another person for the use of real or personal property such as land, housing, or machinery.

### **Retired Senior Volunteer Program (RSVP) reimbursements**

A program funded by the Corporation for National and Community Service (CNCS) providing reimbursements for costs incurred to people age 55 and over for volunteer services. Part of the Senior Corps program.

### **Retirement payments**

Cash and other assets paid from a private or public retirement fund.

### **Retirement, Survivor's and Disability Insurance (RSDI) payments**

Monthly income provided by the Social Security Administration to retired people, survivors or dependents of insured people and people with disabilities who have contributed to Federal Insurance Contributions Act (FICA). Payments made to people with disabilities are referred to as Social Security Disability Insurance (SSDI) benefits.

### **Retroactive payments**

A one-time payment or payments in installments for benefits retroactive back to the date of eligibility.

### **Ricky Ray Hemophilia Relief Act payments**

Settlements to people with blood-clotting disorders who may have contracted an HIV infection from a blood transfusion. The current and former spouses of these people as well as their children who also contracted HIV are also eligible for the settlement payment.

### **Robert C. Byrd Honors Scholarship Program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Roomer/boarder income**

Income that a person receives for lodging, meals, or related services from people living in the person's home. Different from rental income.

### **Royalties**

Compensation paid to the owner for the use of property, usually copyrighted material (e.g., books, music, or art) or natural resources (e.g., minerals, oil, gravel, or timber). Royalty compensation may

be expressed as a percentage of receipts from using the property or as an amount per unit produced.

## **Salary**

A form of monetary compensation/wage/income in exchanged for work or service.

## **Scholarships**

Amounts paid to enable qualified individuals to further their education and training by scholastic or research work, etc.

## **Seasonal income**

Income that is received for only part of the year.

## **Self-employment income**

A form of income in exchange for work or service done by a self-employed person rather than by an employee for an employer.

## **Senior Aids Program wages**

Wages paid to participants in programs carried out under the Community Service Employment Program, Title V of the Older Americans Act.

## **Senior Companions payments**

A program funded by the Corporation for National and Community Service (CNCS) providing payments to volunteers age 55 and over who provide assistance and friendship to adults who have difficulty with daily tasks, such as shopping or paying bills. Part of the Senior Corps program.

## **Senior Corps**

A program funded by the Corporation for National and Community Service (CNCS) linking volunteers age 55 and over to service opportunities, including:

- Retired Senior Volunteer Program (RSVP)
- Foster Grandparent Program
- Senior Companions

## **Severance pay**

Payment made by an employer to an employee whose employment is terminated independently of his or her wishes or due to voluntary early retirement.

### **Social Security Disability Insurance (SSDI)**

A benefit paid to people with a disability or blindness who have contributed to Federal Insurance Contributions Act (FICA). May also be called Retirement, Survivors, and Disability Insurance (RSDI).

### **Special Leveraging Educations Partnership (SLEAP) Program grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Spousal maintenance income**

An allowance for support that a court orders a person to pay to his or her current or former spouse. Formerly referred to as alimony.

### **State adoption assistance payments**

Adoption assistance placement payments funded by Minnesota for the purpose of meeting the needs of the individual in care.

### **State foster care payments**

Foster care placement payments funded by Minnesota for the purpose of meeting the needs of the individual in care.

### **State kinship assistance payments**

Kinship assistance payments funded by Minnesota for the purpose of meeting the needs of the individual in care.

### **State Student Incentive Grant Program (also known as the Leveraging Educational Assistance Partnership (LEAP) program)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **State work study income**

A student financial aid program created by Minnesota.

### **Student financial aid**

Loans, grants, scholarships, fellowships, internships, some training expenses, gifts and work study funds provided to a person enrolled in and attending an educational institution.

### **Student income**

Earned income of a person enrolled in and attending an educational institution.

### **Supplemental Education Opportunity Grants (SEOG)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Supplemental Nutrition Assistance Program (SNAP)**

A U.S. Department of Agriculture program that issues benefits in the form of electronic benefits to purchase food. May also be known as "Food Support" or "Food Stamps."

### **Supplemental Security Income (SSI) payments**

Monthly benefits paid by the Social Security Administration based on financial need to low income people age 65 or older or people who are blind or have a disability.

### **Taxable income**

Income subject to taxation.

### **Tax credits**

An amount of money that can be offset against a tax liability.

### **Tax refund**

A state or federal refund of the difference between taxes paid and taxes owed.

### **Teacher Education Assistance for College and Higher Education (TEACH) grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Third party vendor payment (TPVP)**

A payment made directly to a vendor by a third party for goods or services the vendor provided to an eligible individual or couple.

## Tips

Gratuities paid to the employee by a customer of the employer and kept by the employee.

## Title IV of the Higher Education Act of 1965

A federal law that authorizes programs that provide student financial aid. These programs include, but are not limited to:

- Pell grants
- Academic Competitiveness Grants
- National Science and Mathematics Access to Retain Talent (SMART) grants
- Federal Family Education Loan (FFEL) Program. FFEL includes four components:
  - Stafford Loans
  - Unsubsidized Stafford Loans
  - Federal PLUS Loans
  - Federal Consolidation Loans
- Perkins Loans
- Federal Supplemental Education Opportunity Grant (SEOG) Program
- Supplemental Education Opportunity Grants (SEOG) Program
- Work Study Program
- Teacher Education Assistance for College and Higher Education (TEACH) Grants
- Direct Loan Program. Direct Loans include four components:
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
  - Direct PLUS Loans
  - Direct Consolidation Loans
- Leveraging Educational Assistance Partnership (LEAP) Program
- Special Leveraging Educational Assistance Partnership (SLEAP) Program
- Robert C. Byrd Honors Scholarship Program (also known as Byrd Honors Scholarships)
- TRIO Program
- Academic Achievement Incentive Scholarships
- Gear Up
- High School Equivalency Program (HEP)
- College Assistance Migrant Program (CAMP)

- State Student Incentive Grant Program
- Presidential Access Scholarships

## **Tort settlement**

Rights, obligations, and remedies applied by courts in civil proceedings to provide relief for persons who have suffered harm from the wrongful acts of others.

## **Trade Adjustment Reform Act of 2002 (TAA) assistance**

Aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports. Workers may be eligible for training, job search and relocation allowances, incomes support and other reemployment services.

## **Tribal land settlements and judgments**

Funds held in trust by the Secretary of the Interior or distributed per capita pursuant to a plan prepared by the Secretary of the Interior. Including:

- Judgment funds distributed per capita under P.L. 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations.
- Distributions of claims settlement funds under P.L. 99-264, P.L. 100-153, and P.L. 100-212 to members of the White Earth Band of Chippewa Indians from the White Earth Reservation Land Settlement Act of 1985 (WELSA).
- Per capita payments made under 25 USC § 1407 to members of the Bois Forte Band of Chippewa Indians or the Grand Portage Band of Lake Superior Chippewa Indians pursuant to the agreement to restrict tribal rights to hunt and fish in ceded territories.
- Per capita payments made under P.L. 85-794 to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.
- Receipts derived from trust lands and distributed under P.L. 94-114 to the White Earth Band of Chippewa Indians regarding submarginal land held in trust by the United States.
- Judgment funds distributed under P.L. 98-123 § 3 to the Red Lake Band of Chippewa Indians.
- Per capita and dividend payment distributions of judgment funds made under P.L. 99-130 to members of the Prairie Island Sioux, Lower Sioux, and Shakopee Mdewakanton Sioux Communities of Minnesota.
- Funds distributed per capita under P.L. 99-146 to members of the Chippewa of Lake Superior and the Chippewa of the Mississippi.

## **Tribal trust or restricted lands, individual interest**

Payments an applicant or enrollee receives from his or her interest in Indian trust land or other restricted Indian lands.

### **Tribal per capita payments from gaming revenue (casino profits)**

The distribution of money or other things of value to all members of the tribe, or to certain identified groups of members, paid directly from the net revenues of any tribal gaming activity.

### **Tribal per capita payments from a tribal trust**

The distribution of money or other things of value to all members of the tribe, or to certain identified groups of members, paid directly from a tribal trust.

### **Trio Programs (TRIO)**

Student financial aid programs created by Title IV of the Higher Education Act of 1965. TRIO includes eight programs targeted to serve and assist low-income individuals, first-generation college students, and people with disabilities:

- Educational Opportunity Centers
- Ronald E. McNair Post-baccalaureate Achievement
- Student Support Services
- Talent Search
- Training Program for Federal TRIO Programs Staff
- Upward Bound
- Upward Bound Math-Science
- Veterans Upward Bound

### **Unearned income**

Cash or in-kind benefits received without being required to perform any work or service.

### **Unemployment Insurance (UI)**

A state cash payment made to some people who have lost their jobs.

### **Vacation donation compensation**

Income from the employer's vacation donation program.



## **Veterans' Administration (VA) benefits**

Benefits and services provided by the VA to people who have served in the U.S. armed forces and their dependents.

## **Veterans Benefits for educational assistance**

The Department of Veterans Affairs (VA) provides educational assistance through different programs, including vocational rehabilitation.

## **Veterans' Children with Certain Birth Defects payments**

Payments made to children of Vietnam or Korean veterans born with spina bifida, or payments made to the children of women Vietnam veterans if they have certain birth defects.

## **Vietnamese Commando Compensation Act Payments**

Payments made to an individual who was captured and interned by the Democratic Republic of North Vietnam as a result of that person's participation in certain military operations (known as OPLAN 34A or its predecessor, or OPLAN 35).

## **Vocational Rehabilitation payments**

The Minnesota Department of Economic Security administers Minnesota's Vocational Rehabilitation program to assist individuals with disabilities with job training and independent living. The program issues grants to organizations, provides for payments to employers, educational or vocational programs on behalf of beneficiaries, and may make direct payments to individuals.

## **Voluntary Resettlement Agency Matching Grant Program grants**

A grant offered by some Voluntary Resettlement Agencies (VOLAGs) to help some refugees attain self-sufficiency.

## **Voluntary Employees' Beneficiary Association (VEBA) payments**

Benefits paid to members of the mutual association or their beneficiaries.

## **Wages**

Money received in exchange for work or service.

## **Women, Infant and Children (WIC) vouchers**

A federal program authorized by the Child Nutrition Act of 1966 to provide nutritious food and nutrition education to low-income pregnant and postpartum women and their children.

## **Workers' compensation payments**

Employer-paid insurance benefits that cover medical expenses and lost wages to workers injured on the job.

## **Workforce Investment Act (WIA) income**

Earned income of individuals facing serious barriers to employment through employment related services such as job training.

Published: June 1, 2020<sup>48</sup>

[Previous Versions](#)

[Manual Letter #18.3, June 1, 2018](#)

[Manual Letter #16.1, June 1, 2016 \(Original Version\)](#)

### Archive Information

- Publication date: June 1, 2018
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## Y. Appendix F Standards and Guidelines

### Appendix F

## Standards and Guidelines

This appendix provides figures used to determine eligibility for a person, or in a specific calculation completed to determine eligibility.

### Community Spouse Allowances

The Community Spouse Allowances are used when determining the long-term care (LTC) income calculation's community spouse allocation.

#### Basic Shelter Allowance

The Basic Shelter Allowance is used to determine if the community spouse has any excess shelter expenses.

Effective Dates	Basic Shelter Allowance
<u>July 1, 2020 to June 30, 2021</u>	<u>\$647</u>
July 1, 2019 to June 30, 2020	\$635
July 1, 2018 to June 30, 2019	\$617

#### Maximum Monthly Income Allowance

The Maximum Monthly Income Allowance, along with the Minimum Monthly Income Allowance, is used to determine the community spouse's monthly maintenance needs amount.

Effective Dates	Maximum Monthly Income Allowance
January 1, 2020 to December 31, 2020	\$3,216
January 1, 2019 to December 31, 2019	\$3,160.50

#### Minimum Monthly Income Allowance

The Minimum Monthly Income Allowance, along with the Maximum Monthly Income Allowance, is used to determine the community spouse's monthly maintenance needs amount.

<b>Effective Dates</b>	<b>Minimum Monthly Income Allowance</b>
<u>July 1, 2020 to June 30, 2021</u>	<u>\$2,155</u>
July 1, 2019 to June 30, 2020	\$ 2,115
July 1, 2018 to June 30, 2019	\$2,058

### **Utility Allowance**

The Utility Allowance is allowed as a shelter expense if the community spouse is responsible for heating or cooling costs.

<b>Effective Dates</b>	<b>Utility Allowance</b>
October 1, 2019 to September 30, 2020	\$490
October 1, 2018 to September 30, 2019	\$493

The Electricity and Telephone Allowances are allowed as shelter expenses if the community spouse is not responsible for heating or cooling expenses, but is responsible for electricity or telephone expenses.

<b>Effective Dates</b>	<b>Electricity Allowance</b>
October 1, 2019 to September 30, 2020	\$143
October 1, 2018 to September 30, 2019	\$126

<b>Effective Dates</b>	<b>Telephone Allowance</b>
October 1, 2019 to September 30, 2020	\$49
October 1, 2018 to September 30, 2019	\$47

### **Federal Poverty Guidelines**

The federal poverty guidelines (FPG) are used to determine income eligibility for the Minnesota Health Care Programs (MHCP).

Refer to Insurance and Affordability Programs (IAPs) Income and Asset Guidelines (DHS-3461A) for the current FPG.

### **Home Equity Limit**

The Home Equity Limit is applied only in specific situations and at certain times.

<b>Effective Dates</b>	<b>Home Equity Limit</b>
January 1, 2020 to December 31, 2020	\$595,000
January 1, 2019 to December 31, 2019	\$585,000

## **IRS Mileage Rate**

The IRS mileage rate is used in many calculations to determine eligibility or reimbursement costs.

<b>Effective Dates</b>	<b>IRS Mileage Rate</b>
January 1, 2020 to December 31, 2020	57.5 cents
January 1, 2019 to December 31, 2019	58 cents

## **Long-Term Needs Allowances**

The LTC needs allowances provide figures for needs allowances used in the LTC income calculation and for determining the community spouse or family allocation amounts.

### **Clothing and Personal Needs Allowance**

The Clothing and Personal Needs Allowance is used when the enrollee is not eligible for any of the other LTC needs allowances.

<b>Effective Dates</b>	<b>Clothing and Personal Needs Allowance</b>
January 1, 2020 to December 31, 2020	\$104
January 1, 2019 to December 31, 2019	\$102

### **Home Maintenance Allowance**

The Home Maintenance Allowance can be deducted from a person's LTC income calculation if certain conditions are met.

<b>Effective Dates</b>	<b>Home Maintenance Allowance</b>
<u>July 1, 2020 to June 30, 2021</u>	<u>\$1,064</u>
July 1, 2019 to June 30, 2020	\$1,041
July 1, 2018 to June 30, 2019	\$1,012

### **Special Income Standard for Elderly Waiver Maintenance Needs Allowance**

The Special Income Standard for Elderly Waiver (SIS-EW) maintenance needs allowance is used in the LTC income calculation for persons who have income at or below the Special Income Standard (SIS).

<b>Effective Dates</b>	<b>Maintenance Needs Allowance</b>
<u>July 1, 2020 to June 30, 2021</u>	<u>\$1,038</u>
July 1, 2019 to June 30, 2020	\$1,024
July 1, 2018 to June 30, 2019	\$1,003

## **Maximum Asset Allowance**

The Maximum Asset Allowance is used for the community spouse asset allowance for an asset assessment.

<b>Effective Dates</b>	<b>Minimum</b>	<b>Maximum</b>
January 1, 2020 to December 31, 2020	No minimum	\$128,640
January 1, 2019 to December 31, 2019	No minimum	\$126,420

## **MinnesotaCare Premium Amounts**

MinnesotaCare premiums are calculated using a sliding fee scale based on household size and annual income.

Refer to MinnesotaCare Premium Estimator Table (DHS-4139) for information about MinnesotaCare premiums. The table provides an estimate of the premium before receiving the actual bill. The premium calculated by the system and listed on the bill is the official calculation and the amount to be paid.

## **Pickle Disregard**

The Pickle Disregard is a disregard of the Retirement, Survivors and Disability Insurance (RSDI) cost of living adjustment (COLA) amounts for Medical Assistance (MA) Method B and the Medicare Savings Programs (MSP).

<b>Effective Date</b>	<b>Pickle Disregard</b>
January 1, 2020 to December 31, 2020	1.016
January 1, 2019 to December 31, 2019	1.028

## **Remedial Care Expense**

The Remedial Care Expense deduction amount can be used as a health care expense when meeting a spenddown or as an income deduction in an LTC income calculation.

<b>Effective Dates</b>	<b>Remedial Care Expense</b>
<u>July 1, 2020 to December 31, 2020</u>	<u>\$176</u>
January 1, 2020 to June 30, 2020	\$182
<u>July 1, 2019 to December 31, 2019</u>	<u>\$180</u>

### **Roomer and Boarder Standard Amount**

The Roomer and Boarder Standard income is used in calculating the amount of self-employment income a person who rents or boards another person has to add to the MA Method A income calculation.

<b>Roomer and Boarder Standard</b>	<b>Amount</b>
Roomer Amount	\$71
Boarder Amount	\$155
Roomer plus Boarder Amount	\$226

### **Special Income Standard**

The Special Income Standard (SIS) is used to determine certain criteria for the Elderly Waiver (EW) Program.

<b>Effective Dates</b>	<b>SIS</b>
January 1, 2020 to December 31, 2020	\$2,349
January 1, 2019 to December 31, 2019	\$2,313

### **Statewide Average Payment for Skilled Nursing Facility Care**

The statewide average payment for skilled nursing facility (SAPSNF) care amount is used to determine a transfer penalty for MA. The SAPSNF is updated annually in July.

<b>Effective Dates</b>	<b>SAPSNF</b>
<u>July 1, 2020 to June 30, 2021</u>	<u>\$8,412</u>
July 1, 2019 to June 30, 2020	\$7,960
<u>July 1, 2018 to June 30, 2019</u>	<u>\$7,288</u>

### **Student Earned Income Exclusion**

The Student Earned Income Exclusion is a disregard of earned income for people who are under age 22 and regularly attending school. It is only available for MA Method B and MSP.

<b>Effective Date</b>	<b>Monthly</b>	<b>Annual</b>
January 1, 2020 to December 31, 2020	\$1,900	\$7,670
January 1, 2019 to December 31, 2019	\$1,870	\$7,550

## **Supplemental Security Income Maximum Payment Amount**

These figures are the maximum benefit amounts for people eligible for Supplemental Security Income (SSI). A person's SSI benefit amount is based on the income of the person and certain responsible household members.

SSI benefit payments may be deducted from the LTC income calculation if the person qualifies for the Special SSI Deduction.

<b>Effective Date</b>	<b>Individual</b>
January 1, 2020 to December 31, 2020	\$783
January 1, 2019 to December 31, 2019	\$771

<b>Effective Date</b>	<b>Couple</b>
January 1, 2020 to December 31, 2020	\$1,175
January 1, 2019 to December 31, 2019	\$1,157

## **Tax Filing Income Threshold For Children and Tax Dependents**

The tax filing income threshold refers to the income level at which a person must file a federal income tax return. The thresholds for tax dependents determines whether a child's or tax dependents income is counted or excluded when calculating household income for MA-FCA and MinnesotaCare eligibility.

The income threshold for tax filing varies based on the tax dependents age and marital status and whether the person is blind. If a child or tax dependent has income at or below these thresholds, his or her income will not count toward the household income for MA-FCA and MinnesotaCare eligibility.

The income threshold applies to the taxable income that a child or tax dependent is expected to receive in the tax year. Nontaxable income, such as Supplemental Security Income (SSI) and veteran's benefits, is not included in determining whether a child's or tax dependent's income is at or below the income threshold. Any nontaxable portion of a child's Social Security dependent or survivor benefits is not included.



The income thresholds for children and tax dependents are:

### Tax Filing Income Thresholds for Tax Dependents

Marital Status	Age over 65?	Blind?	Income Type	2019 Tax Year Threshold Amount	2020 Tax Year Threshold Amount
Single	No	No	Earned Income	\$12,000	\$12,200
Single	No	No	Unearned Income	\$1,050	\$1,100
Single	No	No	Gross Income	Larger of \$1,050 or Earned Income Reported up to \$11,650 + \$350	Larger of \$1,100 or Earned Income Reported up to \$11,850 + \$350
Single	Yes	No	Earned Income	\$13,600	\$13,850
Single	Yes	No	Unearned Income	\$2,650	\$2,750
Single	Yes	No	Gross Income	Larger of \$2,650 or Earned Income Reported up to \$11,650 + \$1,950	Larger of \$2,750 or Earned Income Reported up to \$11,850 + \$2,000
Single	No	Yes	Earned Income	\$13,600	\$13,850
Single	No	Yes	Unearned Income	\$2,650	\$2,750
Single	No	Yes	Gross Income	Larger of \$2,650 or Earned Income Reported up to \$11,650 + \$1,950	Larger of \$2,750 or Earned Income Reported up to \$11,850 + \$2,000

<b>Marital Status</b>	<b>Age over 65?</b>	<b>Blind?</b>	<b>Income Type</b>	<b>2019 Tax Year Threshold Amount</b>	<b>2020 Tax Year Threshold Amount</b>
Single	Yes	Yes	Earned Income	\$15,200	\$15,500
Single	Yes	Yes	Unearned Income	\$4,250	\$4,400
Single	Yes	Yes	Gross Income	Larger of \$4,250 or Earned Income Reported up to \$11,650 + \$3,550	Larger of \$4,400 or Earned Income Reported up to \$11,850 + \$3,650
Married	No	No	Earned Income	\$12,000	\$12,200
Married	No	No	Unearned Income	\$1,050	\$1,100
Married	No	No	Gross Income	Larger of \$1,050 or Earned Income Reported up to \$11,650 + \$350	Larger of \$1,100 or Earned Income Reported up to \$11,850 + \$350
Married	Yes	No	Earned Income	\$13,300	\$13,500
Married	Yes	No	Unearned Income	\$2,350	\$2,400
Married	Yes	No	Gross Income	Larger of \$2,350 or Earned Income Reported up to \$11,650 + \$1,650	Larger of \$2,400 or Earned Income Reported up to \$11,850 + \$1,650
Married	No	Yes	Earned Income	\$13,300	\$13,500

<b>Marital Status</b>	<b>Age over 65?</b>	<b>Blind?</b>	<b>Income Type</b>	<b>2019 Tax Year Threshold Amount</b>	<b>2020 Tax Year Threshold Amount</b>
Married	No	Yes	Unearned Income	\$2,350	\$2,400
Married	No	Yes	Gross Income	Larger of \$2,350 or Earned Income Reported up to \$11,650 + \$1,650	Larger of \$2,400 or Earned Income Reported up to \$11,850 + \$1,650
Married	Yes	Yes	Earned Income	\$14,600	\$14,800
Married	Yes	Yes	Unearned Income	\$3,650	\$3,700
Married	Yes	Yes	Gross Income	Larger of \$3,650 or Earned Income Reported up to \$11,650 + \$2,950	Larger of \$3,700 or Earned Income Reported up to \$11,850 + \$2,950

Published: ~~March 4~~ June 1, 2020  
 Previous Versions  
Manual Letter #20.1, March 4, 2020  
 January 14, 2020  
 Manual Letter #19.7, December 1, 2019  
 Manual Letter #19.5, September 1, 2019  
 Manual Letter #19.3, June 1, 2019  
 Manual Letter #19.2, April 1, 2019  
 Manual Letter #18.5, December 1, 2018  
 Manual Letter #18.4, September 1, 2018  
 Manual Letter #18.3, June 1, 2018  
 Manual Letter #18.1, January 1, 2018  
 Manual Letter #17.5, December 1, 2017  
 Manual Letter #17.4 September 1, 2017  
 Manual Letter #17.2, June 1, 2017  
 Manual Letter #16.4 December 22, 2016  
 Manual Letter #16.3, September 1, 2016

## Archive Information

- Publication date: March 4, 2020
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

[Back to the Top of Section](#)

## Z. Appendix I Life Insurance Concepts

Appendix I

# Life Insurance Concepts

The following are some key concepts that are important to understand in order to assess life insurance as part of MA financial eligibility.

## Accelerated life insurance payments

Accelerated life insurance payments allow some or all of the proceeds of the life insurance policy to be paid out to the policy owner prior to the death of the insured. Receipt of these types of payments may reduce the face value (FV) and cash surrender value (CSV). A policy owner can also take out a loan against the life insurance policy.

Accelerated life insurance policies can provide three basic types of payments:

- Long term care model – policy owner can access the death benefit of the contract to pay for extended care in a facility or for home health care.
- Dread disease or catastrophic illness model – policy owner can access the death benefit of the contract in order to care for the insured during any specified covered condition.
- Terminal illness model – policy owner can access the death benefit of the contract when a terminal illness is diagnosed for the insured and death is expected to occur within a specified period.

## Annuity

An annuity is a life insurance product that provides income to the policy owner while they are still living. The terms of the contract are that an individual deposits money with an insurance company either all at once (lump sum) or over several years. The money then earns interest at a tax deferred rate and the owner has limited access to the fund for a designated accumulation period (typically lasting 7 – 10 years). At the end of the accumulation period, the policy owner has several distribution or annuitization options, ranging from a higher monthly income for a short specified period to a smaller income until their death.

## Beneficiary

The policy owner names the beneficiary in the policy as the person(s) who will receive the proceeds upon the death of the insured.

## Burial insurance

Burial insurance is a contract whose terms preclude the use of its proceeds for anything other than payment of the insured's burial expenses.

NOTE: If a policy has a CSV to which the owner has access, the policy is not burial insurance for MA purposes.

## **Cash surrender value (CSV)**

Cash surrender value (CSV) is the monetary or equity value that a life insurance policy acquires over time as the policy owner pays the premiums and dividend additions and interest are added to the policy. The policy owner can take out loans against this amount and can obtain the full CSV by cancelling the life insurance policy before the insured dies or the policy matures. A loan against a life insurance policy reduces its CSV.

NOTE: Dividend accumulations are considered a separate asset.

## **Demutualization**

Demutualization occurs when a life insurance company converts from a policyholder owned mutual company to a stockholder owned company. As part of demutualization, the insurance company issues shares of stock or cash to its policy owners to compensate them for the loss of certain ownership rights.

## **Dividends**

"Mutual" or "participating" life insurance companies may offer their policy owners payment from the company's annual surplus earnings, which they call dividends. Insurance companies pay these dividends in one of three ways:

- Issuing checks to the owners (usually annually),
- Applying the funds to premiums due; or
- Crediting the funds as an addition or accumulation to the existing policy.

Dividend accumulations are surplus company earnings, which accrue in an account that the insurance company controls for the policy owner. The policy owner can access these funds without penalty at any time without affecting the FV or CSV.

The insurance companies use surplus company earnings, called dividend additions, to buy more insurance protection for the life insurance policy owner. Dividend additions increase the FV and CSV.

NOTE: The tables of CSVs that come with a life insurance policy do not reflect the added CSV of any dividend additions.

## **Endowment**

An endowment is a type of life insurance policy in which CSV is built up within the policy until the CSV equals the FV. If the insured outlives the policy, the FV is paid to the insured. If the insured does not outlive the policy, the FV is paid to the beneficiary.

## **Face value (FV)**

Face value (FV) is the amount that is contracted for at the time the life insurance policy is purchased – it is the amount to be paid out when the insured dies. The front page of the life insurance policy may show it as such, or as the “amount of insurance,” “the amount of this policy,” “the sum insured,” etc. A life insurance policy's FV does not include:

- the FV of any dividend additions, which are added after the life insurance policy is issued;
- additional sums payable in the event of accidental death or because of other special provisions; or
- the amount(s) of term insurance, when a policy provides whole life coverage for one family member and term coverage for the other(s).

## **Insurable interest**

Insurable interest means there would be a financial loss by the owner in the event of the death of the insured person.

## **Insured**

The insured is the person on whose life the insurance company issues the policy.

## **Insurer**

The insurer is the company or association which contracts with the owner of the insurance.

## **Life Insurance**

Life Insurance is a contract under which the insurer agrees to pay a specified amount upon the death of the insured.

## **Limited pay**

A limited pay policy is a type of whole life policy in which all premiums are paid for a certain period, after which no more premiums are due.

## **Loan**

A loan is a cash advance made by the life insurance company to a policy owner on the security of the cash value of the life insurance policy. Loans reduce the CSV of the policy.

### **Modified whole life policy**

A modified whole life policy charges smaller premiums for a specified length of time after which the premiums increase for the remainder of the policy.

### **Owner**

The life insurance policy owner can be the insured, another individual, a company, or a trust with an insurable interest in the insured person. The life insurance policy can be an asset only to the owner of the policy. The owner, who might not be the person who is insured, is the person with ownership interest in the policy: this includes the right to surrender the policy or change the beneficiary.

### **Participating policy**

A participating policy is life insurance that is eligible for payment of dividends by the insurer.

### **Permanent policy**

A permanent policy is any form of life insurance except term policies. Generally, a permanent policy, such as whole life, universal life, etc builds up a cash value.

### **Premiums**

Premiums are the amount the policy owner pays during the lifetime of the policy to keep it in force. In most cases, if the owner stops paying the premiums the policy will lapse and become inactive.

### **Pre-need senior or final expense**

Pre-need senior or final expense policies are whole life policies designed specifically to cover funeral expenses. The life insurance policy owner signs an arrangement with the funeral home and, at the insured's death, the proceeds are assigned to the funeral home for payment of services it promises to render. Most contracts dictate that any excess proceeds are paid either to the insured's estate or to designated beneficiary(ies).

### **Proceeds**

The proceeds of a life insurance policy are the total of the FV of the life insurance policy plus any additions payable at maturity or upon death. Proceeds do not include dividends or interest that are left to accumulate in the life insurance policy. Also, proceeds do not include a life insurance policy's CSV.



## **Riders**

Riders are modifications the policy owner adds to the life insurance policy at the time of purchase. A common example is accidental death (which pays twice the FV if death is from accident). Riders do not alter the FV or CSV of the policy.

## **Single premium whole life**

Single premium whole life is a kind of life insurance policy with only one premium payable at the time the life insurance policy is purchased.

## **Supplementary contract**

A supplementary contract is not a life insurance policy. It is an agreement whereby, when the life insurance policy matures or the insured dies, the proceeds are paid not in a lump sum, but in an alternative manner selected by the individual, usually as an annuity.

## **Survivorship life**

Survivorship life, also known as joint life insurance, is a whole life insurance policy insuring two lives (generally spouses) with the proceeds payable to the beneficiary(ies) on the later death of the second person.

## **Term life**

A term life policy is life insurance that provides coverage for a specified period at a guaranteed rate. This type of life insurance policy may or may not have a CSV. Some common subtypes are mortgage insurance and group insurance. Policy owners have the option of converting some term life insurance policies into whole or universal life insurance policies (convertible). Alternately, policy owners can renew the policy at the end of its term for limited number of successive terms (renewable).

## **Universal life**

Universal life policies provide insurance over a specified period, and build cash value for policy owners over time. They have greater flexibility in premium payment and potential for higher internal rates of return. There are several types of universal life policies, including variable universal and equity indexed universal life. All universal life policies include a cash account in addition to the standard death benefit.

## **Whole life**

Whole life is a form of life insurance that applies part of the premium payments to build an investment or savings value for the policy owner. The investment or savings value is called the CSV of the policy.

A modified whole life policy charges smaller premiums for a specified length of time after which the premiums increase for the remainder of the policy.

## Legal Citations

Published: June 1, 2020<sup>17</sup>

Previous Version:

Manual Letter #17.2, June 1, 2017

Manual Letter #16.1 June 1, 2016

## Archive Information

- Publication date: June 1, 2017
- Archived date: June 1, 2020
- Links:
  - [Archived page](#)
  - [Revised page](#)

**[Back to the Top of Section](#)**