

WORK EXPENSE DEDUCTIONS

0912.05.05

MinnesotaCare:

No provisions.

MA:

METHOD A:

To determine whether children ages 2-18 meet the 150% FPG standard, subtract \$90 from the earned income of the child and the earned income of each person whose income is deemed to the child. Subtract the first \$90 of each person's gross earnings. Do not reduce income to less than 0.

EXAMPLE:

Tracy applies for MA for her 4-year-old son, Alex. Tracy earns \$1,500 per month. Alex earns \$80 per month as a child model. Subtract \$90 from Tracy's income, leaving \$1,410. Also deduct any child care or court ordered child support she pays. See §0912.05.07 (Dependent Care Deduction) and §0912.05.27 (Child Support Deduction). Count 0 earned income for Alex.

If a child ages 2-18 does not meet the 150% FPG standard, do not allow the \$90 work expense when determining whether the child can spend down to 100% FPG.

For pregnant women and infants through the month of their 2nd birthday who are not eligible as auto newborns:

1. Subtract the amounts below from earned income only. Do not allow any other deductions.

Household Size	Work Expense Deduction for Pregnant Women and Infants
1	\$136
2	\$140
3	\$145
4	\$149
5	\$156
6	\$161
7	\$165
8	\$170
9	\$177
10	\$181
Each Additional Person	\$ 5

If income after the work expense deduction is equal to or less than 275% FPG for pregnant women or 280% FPG, stop. There is no spenddown.

2. If income exceeds the applicable standard after allowing the work expense deduction, the pregnant woman or infant must spend down to 100% FPG. Do not allow the work expense deduction for this step. Allow the dependent care deduction, the 17% earned income disregard and the deduction for child support paid if applicable. See §0912.05.07 (Dependent Care Deduction), §0912.05.09 (Earned Income Disregards--Method A) and §0912.05.27 (Child Support Deduction).

EXAMPLE:

Jamal and Sheila, a married couple, apply for MA for their 1-year-old son Alex. Both Jamal and Sheila are employed and have day care expenses. Neither pays child support to non-household members. No one in the household has received MA before.

First deduct \$145 from the combined gross earnings. If income after the deduction is equal to or less than 280% FPG, Alex is eligible for MA without a spenddown.

If income remains above 280% FPG after the deduction, Alex must spend down to the 100% of FPG standard. See §0912.07.100 (100 Percent of FPG). Re-compute Jamal and Sheila's income without the \$145 work expense deduction. Allow the dependent care deduction and the 17% earned income disregard.

METHOD B:

Clients who use Method B because of age:

- > Do not allow a deduction for work expenses.

Clients who use Method B because of disability:

- > Allow **IMPAIRMENT RELATED** work expenses as a deduction. The client must reasonably show the expenses relate directly to the disability and are necessary to produce the earned income. (For instance, do not allow expenses for a transportation method also used by non-disabled people such as a bus or unmodified vehicle.) If transportation expenses are allowed, use the same rate allowed as a flat rate deduction for self-employed people. See §0911.09.03.09 (Self-Employment Transportation).

Clients who use Method B because of blindness:

- > Allow any work expense as a deduction when a client can reasonably show it relates directly to producing earned income. If transportation expenses are allowed, use the same rate allowed as a flat rate deduction for self-employed people. See §0911.09.03.09 (Self-Employment Transportation).
- > Allow a deduction for income or FICA taxes withheld from earnings.

See §0912.05.03 (Determining Net Income--Order of Deductions) for the order in which to apply the disregards and deductions.

Do not allow work expense deductions for items reimbursable or paid for by another source. When an expense qualifies both as a work expense and a PASS deduction, the client must choose whether to allow the expense as a PASS deduction or a work expense deduction. See §0912.05.11 (Plan to Achieve Self-Support).

GAMC:

No provisions.