MinnesotaCare:

No provisions.

MA:

See §0907.21.07.05 (MA for Employed Persons With Disabilities) for a description and general eligibility requirements for the MA-EPD program.

Consider the following types of payments as earned income for MA-EPD:

> Wages, including salaries, commissions, tips, bonuses, vacation pay, sick pay, and severance pay (if based on accrued leave time), if all of the following conditions are met:
>
> -Average gross monthly earnings for the 6-month certification period are over $65 (at least $65.01)
>
> AND
>
> -Social Security and Medicare taxes are withheld. State and federal income taxes need only be paid or withheld if the person earns enough to be required to pay those taxes.

> Earnings from self-employment, if all of the following conditions are met:
>
> -Average gross monthly earnings is over $65 (at least $65.01).
>
> AND
>
> - The person pays Medicare and Social Security taxes from self-employment income at least annually. Quarterly estimated tax payments and state and federal income taxes need only be paid if the person earns enough to be required to pay those taxes.

> Royalties earned in connection with publication of a person's work if all of the following conditions are met:
>
> -Average gross monthly earnings for the 6-month certification period are over $65 (at least $65.01)
>
> AND
>
> -Social Security and Medicare taxes are withheld or paid if the person is filing self-employment taxes. State and federal income taxes need only be paid or withheld if the person earns enough to be required to pay those taxes.

> Honoraria or stipends received for services rendered if all of the following conditions are met:
>
> -Average gross monthly earnings for the 6-month certification period are over $65 (at least $65.01)

AND

-Social Security and Medicare taxes are withheld or paid if the person is filing self-employment taxes. State and federal income taxes need only be paid or withheld if the person earns enough to be required to pay those taxes.

The enrollee must receive wages, royalties, honoraria or stipends, or must engage in self-employment activities each month unless:

-The enrollee changes jobs and receives no pay checks for 1 month because of different pay periods in each job

OR

-The enrollee is on a temporary medical leave. Allow up to 4 calendar months' leave from work without earned income. Require a physician's statement to verify the need for medical leave. If the physician's statement indicates the enrollee is expected to be unable to work for more than 4 calendar months, send 10-day notice to terminate MA-EPD eligibility effective the first day of the month following the first 4 full calendar months the enrollee was unable to work. Determine eligibility for MA under another basis before terminating MA-EPD.

EXAMPLE:

Maria, an MA-EPD enrollee, works 20 hours per week at a discount store. Her employer withholds Medicare and Social Security taxes. On July 17, her physician advises her to take 15 weeks off work due to a worsening medical condition. She anticipates returning to work November 15. Maria remains eligible for MA-EPD through November.

On November 5, Maria submits a new physician's statement extending her recommended medical leave through December 16. Terminate eligibility for MA-EPD effective December 1 since Maria's medical leave will exceed 4 calendar months. Determine eligibility for regular MA for December. Advise Maria that she may again qualify for MA-EPD when she returns to work if she continues to meet all other eligibility criteria.

OR

-The enrollee is without earnings for up to 4 months due to job loss that was not caused by or attributed to the enrollee. Situations which would allow a 4-month extension include, but are not limited to, layoffs due to lack or work, business closing or plant shutdown.

EXAMPLE:

> Colleen is enrolled in MA-EPD and is employed part time at a local business. Her employer withholds Medicare and Social Security taxes. She is laid off in January due to staffing cuts. She receives her last paycheck on January 9. Consider January to be her last month of employment. She may remain enrolled in MA-EPD without earnings through May.

Employees who become unemployed while on medical leave from their jobs may remain enrolled for 4 additional months following the month in which they are terminated or laid off.

EXAMPLE:

> Yanni has been on medical leave from his job since mid-August. His MA-EPD enrollment continues through December under the medical leave provision. In November, he is laid off. He may remain enrolled in MA-EPD for 4 additional months, December through March, without earnings.

Enrollees who remain eligible for MA-EPD due to the 4-month job loss extension may not further extend eligibility with a medical leave.

EXAMPLE:

> Joanna is enrolled in MA-EPD. She loses her job and receives her last pay check in January because the company goes out of business. She may remain enrolled in MA-EPD through May under the job-loss provision. In March, Joanna is injured and is not recovered sufficiently to find a new job by the end of May. She is not eligible for any further extension. End MA-EPD and determine eligibility for regular MA beginning June 1.

MA-EPD enrollees who become unemployed for reasons attributable to them, such as poor work performance, discharge for misconduct, or resignation for reasons other than medical leave, are not eligible for the 4-month extension.

Enrollees who are employed in seasonal or temporary jobs are not eligible for the extension when laid off at the end of the work season. Allow the extension only if the job ends before the expected date due to reasons not caused by the employee. Extend MA-EPD eligibility only through the month in which the job was expected to end.

EXAMPLE:

Joe works for a landscaping company which withholds Medicare and Social Security taxes from his wages. He is normally employed from May through November and is eligible for MA-EPD during those months. The business closes early, in October due to unseasonable weather. Joe's MA-EPD eligibility may be extended through November. He is not eligible for a job loss or medical leave in December through March since he is not normally employed during those months.

Do not consider the following payments to be earned income for MA-EPD:

-Gratuitous money allowances
-Honoraria or stipends to the extent that these payments only reimburse expenses or do not have Medicare and Social Security taxes withheld.
-Payments for participation in a clinical trial
-Payments for the sale of blood or blood plasma
-Work study

Require verification of earnings (with Medicare and Social Security taxes withheld) and employment status at application and 6-month and annual renewals.

Do not require monthly reports of income. MA-EPD enrollees must report changes in income and employment status within 10 days.

Do not interrupt the 6-month certification period if eligibility changes from MA-EPD to regular MA. See §0913.19.05 (When Not to Interrupt 6-Month Cert. Period).

Individuals with two sources of earned income, one source that has taxes withheld, and one source that does not may remain eligible for MA-EPD. To remain eligible, the gross earnings from which taxes are withheld must exceed $65 per month. Only the income from which taxes are withheld or paid may be considered employment for purposes of MA-EPD.

EXAMPLE:

Roman works two hours per week at Home Depot earning $60 per month. Home Depot withholds Medicare and, Social Security taxes. He also receives earnings of $90 per month from a DT&H that is not required to withhold taxes. He has no other earned income. Roman is not eligible for MA-EPD because his gross monthly taxed earnings are not more than $65 per month.

All earned income (whether taxed or not) will continue to be counted for the premium determination.

Accept only the following forms of verification, in order of preference, for MA-EPD:

WAGES

> Pay stubs showing the employee's name or SSN, hours worked, gross pay, Social Security and Medicare taxes withheld, applicable state and federal income taxes withheld, net pay, period covered by earnings, and employer's name.

Social Security and Medicare taxes must be withheld from wages. If these taxes are not withheld, do not consider the payment as a wage for MA-EPD. These taxes must also be withheld from payment for services performed in a Day Training and Habilitation (DT&H) facility, sometimes referred to as a sheltered workshop or work activities center.

> A completed Consent for Release of Employment Information (DHS 3451). Require this form only if the employee does not provide pay stubs containing the required information.

SELF-EMPLOYMENT

> Federal tax forms if the person was required to file Federal income taxes for the previous year. For 2003, people with net earnings of $400 or more were required to file.

To be acceptable as verification of self-employment status for MA-EPD, tax forms must include:

-Quarterly Schedule ES (Form 1040) Estimated Tax for Individuals or Schedule SE (Form 1040) Self-Employment Tax

OR

-Form 1040 U.S. Individual Income Tax Return with line 55, self-employment tax, completed.

OR

-Schedule SE, Self-employment Tax, with Section A, line 5 or

Section B, line 12, completed.

> Business records if the person has not been in business long enough to file a Federal income tax return or quarterly estimated taxes. Advise the person to maintain records and to submit a copy of the federal tax return when it becomes available.

See §0911.09.03 (Self-Employment Income) for acceptable forms of business records. Count seasonal self-employment income only in the months in which it is received. This is an exception to the policy of annualizing seasonal self-employment for regular MA in §0911.09.09 (Seasonal Income).

An individual cannot retain MA-EPD eligibility or become eligible for MA-EPD simply by filing self-employment taxes. The individual must also be engaged in a trade or business, and have average gross self-employment earnings minus business expenses, or countable self-employment income of more than $65.

ROYALTIES, HONORARIA AND STIPENDS

If royalties, honoraria or stipends are the person's only source of earned income, payments of more than $65 must be received each month to qualify for MA-EPD. Accept the following forms of documentation which show the nature and amount of payments, the date received, the frequency of payments, and Medicare and Social Security taxes:

> Tax forms for the previous year showing evidence of royalties, honoraria or stipends with Medicare and Social Security taxes paid, such as entries on Form 1040, Schedule C, Schedule SE or Form 1099-Misc.

> Pay stubs or written statement from the source of payment showing Social Security and Medicare taxes withheld, the person's name or SSN, amount of the payment, period covered, and name of the issuer.

> Quarterly Schedule ES (Form 1040) Estimated Tax for Individuals or Schedule SE (Form 1040) Self-Employment Tax

NOTE:

Royalties from oil, gas or mineral properties are not considered earned income for MA-EPD.

GAMC:

No provisions.