

**MinnesotaCare:**

Count interest and dividend payments if they are paid or credited directly to the household at least annually. See §0911.05 (Excluded Income).

Count interest and dividends earned on an asset and paid to the household or credited to the household's account as unearned income. See §0911.07.05 (Unearned Income). These payments are shown on the household's tax forms.

**EXAMPLE:**

The Jones family has a savings account with a balance of \$5,000. Interest of \$60 is credited to the account each quarter. It is not paid directly to the family. The bank reports the interest annually to the Internal Revenue Service and it is included on the family's tax forms. Count the interest as income.

**EXAMPLE:**

John owns stock in ABC corporation. He is not an employee of the corporation. He receives a dividend check every 3 months which is reported on his tax return. Count the dividend payment as unearned income.

**EXAMPLE:**

Susie is a minor child. A trust fund of \$50,000 was set up on her behalf as a result of an auto accident. She and her parents cannot gain access to the trust principal without court approval. However, her parents receive a monthly check representing interest earned by the trust. Count the monthly payment as unearned income.

Count dividends earned as part of a self-employment operation, such as dividends from ownership interest in a C-corporation, as part of the earned self-employment income.

**EXAMPLE:**

George has ownership interest in a C-corporation. He is also an officer of the corporation and receives wages. His share of corporate dividends are reported yearly and included on his tax return. Count the dividends as part of his annual income.

Minnesota Rules 9506.0040 subp. 2 Item C

**MA/GAMC:****METHOD A:**

Exclude as income any interest or dividends from assets, including amounts accrued

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on the asset, which when combined with other assets are within and counted toward the asset limit.

**EXAMPLE:**

Al receives MA. He has a savings account with \$2,500, which is within the \$3,000 asset limit. At the time of his annual recertification, he reports that \$75 in interest has been credited to the account in the past year. Exclude the interest as income because the total account balance remains within the asset limit.

Count other interest or dividends as unearned income. This includes the interest portion of payments on contracts for deed and promissory notes. Count the principal portion as an asset conversion. See §0909.13.05 (Contracts for Deed).

**METHOD B:**

The following exclusion does not apply to people using Long Term Care (LTC) budgeting or the spousal allocation calculations. For LTC budgeting continue to count interest/dividend income.

Exclude as income, interest or dividends received from counted or excluded assets.

**EXCEPTION:**

Count as unearned income interest or dividends earned on:

- > Unspent tax refunds related to an Earned Income Tax Credit (EITC) or Child Tax Credit (CTC)
- > Unspent federal relocation assistance payments
- > Payments to replace lost, damaged or destroyed assets which are no longer excluded as assets. See §0909.11.01 (Additional Excluded Assets for Method A/B)
- > Gifts to children with life-threatening conditions under Section 1613(a)(13) of the Social Security Act.
- > Payments to replace lost, damaged, or destroyed assets if the payment is no longer an excluded asset. See §0909.11.01 (Excluded Assets – Program Provisions)
- > Victims' compensation payments
- > Financial aid which is neither Title IV nor received under the Bureau of Indian Affairs (BIA) program. Such aid includes grant, scholarship, fellowship, or gifts used or intended to be used to pay the cost of tuition, fees, or other necessary educational expenses at any educational institution, including vocational and technical education

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- > A life insurance policy which pays interest on dividends accumulations
  - > Proceeds from the sale of a home which are excluded as an asset. See §0909.11.01 (Excluded Assets – Program Provisions)

If interest or dividend is not excluded due to the provisions above, review to determine if the income meets the exclusions for infrequent income. See §0911.05 (Excluded Income). Interest or dividends that are within and counted toward the asset limit should be excluded (See §0909.29.03 (Excess Assets--Enrollees).

Contracts for deeds - this interest exclusion includes the interest portion of payments on contracts for deed and promissory notes. Count the principal portion as an asset conversion. See §0909.13.05 (Contracts for Deed).

Burial funds – exclude interest that accrues on an excluded burial fund. See §0909.17 (Burial Funds/Life Insurance: Fund Types) and §0909.17.03 (Determining the Burial Fund Exclusion). This exclusion applies to LTC as well.