



**COMBINED MANUAL  
DESCRIPTION OF CHANGES ATTACHMENT  
REVISED SECTIONS – ISSUED 08/2016**

The EFFECTIVE DATE of the changes is the same as the issuance date unless stated otherwise.

**The following sections are updated due to Legislative changes for Program Unification/Claims:**

- 0025.03 (Determining Incorrect Payment Amounts).
- 0025.06 (Maintaining Records of Incorrect Payments).
- 0025.09 (Correcting Underpayments).
- 0025.12 (Types of Overpayments).
- 0025.12.03 (Overpayments Exempt From Recovery).
- 0025.12.03.03 (Suspending or Terminating Recovery).
- 0025.12.03.09 (Claim Compromise & Termination).
- 0025.12.06 (Repaying Overpayments - Participants).
- 0025.12.09 (Repaying Overpayments - Non-Participants).
- 0025.12.12 (Action on Overpayments - Time Limits).
- 0025.21 (Recovery Methods).
- 0025.21.06 (Civil Recovery).
- 0025.21.15 (Recoupment).
- 0025.21.15.03 (Amount to Recoup).
- 0025.24 (Fraudulently Obtaining Public Assistance).
- 0025.24.03 (Recovering Fraudulently Obtained Assistance).
- 0025.30 (Financial Responsibility, People Not In Home).
- 0025.30.03 (Contributions From Parents Not In Home).



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When you find a payment was incorrect, reconstruct each budget month and corresponding payment month using the policies and procedures that were in effect for the payment month. The overpayment or underpayment is the difference between the benefit amount the client actually received and the benefit amount the client should have received.

Overpayments once computed must be entered on MAXIS through the CCOL/CLAM queue. See [0025.21.07 \(JOL - Establishing Claims\)](#), [0026.39 \(Notice of Overpayment and Recoupment\)](#). Enter claims you suspect are fraud claims as client error initially, and adjust them later to fraud if appropriate. Once entered on MAXIS, initiate recovery on collectible claims. See [0025.12.06 \(Repaying Overpayments - Participants\)](#), [0025.12.09 \(Repaying Overpayments - Non-Participants\)](#), [0025.24.03 \(Recovering Fraudulently Obtained Assistance\)](#).

To determine if a client was overpaid, refer to other sections of this manual. For example, see [0022.21 \(Income Overpayment Relating to Budget Cycle\)](#) to determine if an increase in income results in an overpayment. See [0008 \(Changes in Circumstances\)](#) for information on other changes that may cause an overpayment or underpayment.

When computing overpayments, allow earned income disregards and work expense deductions only for earned income reported timely. Timeliness varies between programs, see program provisions. Do not allow the earned income disregard on income reported through other means such as IEVS, a "New Hire Message", or a person other than the client, the authorized representative, or guardian. If a client reports only part of his/her earned income, do not allow earned income disregards on the income not reported timely. (For example, a client has 2 jobs but fails to report the 2nd job. When computing the overpayments, allow all the disregards on the earnings from the 1st job but not the 2nd job.) Also see [0018.06 \(Work Expense Deductions\)](#), [0018.18 \(Earned Income Disregards\)](#).

When processing a restored benefit on a case that has a claim for the same period, ALWAYS enter the claim first. MAXIS will apply the restored benefit amount to the claim when appropriate. See TEMP Manual TE02.08.025 (Restored Benefits Applied to a Claim).

Determine Discovery and Established Dates as part of the process for calculating a claim. See DISCOVERY DATE in [0002.15 \(Glossary: Deed...\)](#), ESTABLISHED DATE in [0002.21 \(Glossary: Employment...\)](#), TE02.09.01 (Entering Claims). Documents needed to calculate a claim could be wage stubs, W-2s, bank statements, employer verification, etc.

Do not include any amounts in the overpayment calculation that occurred more than 6 years prior to the Discovery Date for overpayments due to client error or fraud. Do not include amounts that occurred more than 1 year prior to the Discovery Date for overpayments due to agency error.

If the Discovery Date is not correctly identified it can result in monthly overpayments erroneously being included or excluded in a claim. See [0025.12.12 \(Action On Overpayments - Time Limits\)](#).

**MFIP:**

DO NOT establish an overpayment or underpayment for prospectively budgeted units for any month for which you based the assistance issued on the best information available at the time, if you applied the correct policy, and there was no client error.

DO NOT establish an overpayment when a 100% sanction has not been imposed due to the agency's failure to act. See [0028.30.03 \(Pre 60-Month Type/Length of ES Sanctions\)](#).

Use retrospective budgeting CONTINUOUSLY for all previously retrospectively budgeted months whether or not there were months of total ineligibility. DO NOT change budget cycles due to months of ineligibility.

For purposes of allowing the earned income disregard, a report is timely when the client or authorized representative reports income within 2 calendar months following the end of the month in which the income was received.

Reporting procedures and client notice requirements used when clients report timely do not apply when changes in household composition are not reported timely.

- When a mandatory unit member enters the household and the unit fails to report the change timely, calculate the overpayment starting with the month the mandatory unit member arrives.

## DETERMINING INCORRECT PAYMENT AMOUNTS

0025.03

- When a mandatory unit member leaves the household and the unit fails to report the change timely, if the agency could have reduced or terminated assistance for 1 or more payment months had a delay in reporting the change not occurred, determine whether timely notice could have been issued on the day that the change occurred. Determine the correct benefit amount beginning with the 1st month in which you could have given timely notice.

Subtract the benefit the unit should have received for the payment month from the actual MFIP issued.

Subtract the full benefit amount the unit should have received (disregard any recoupment previously deducted) from the full benefit amount the unit actually received (disregard any recoupment previously deducted) for each month in the overpayment period. The difference is the overpayment amount.

**NOTE:** The housing subsidy deduction reduces only the cash portion of the MFIP grant. See [0017.15.99 \(Housing Subsidy\)](#). When determining the correct overpayment amount, do NOT use the housing subsidy to reduce the food portion of the benefit amount.

If the client refuses to provide information to establish the amount of the overpayment and if no information is available to estimate a claim amount, assign an overpayment for the full amount of MFIP issued for the period in question.

Notify the client of the right to provide proof to establish a smaller overpayment. Close the case if it is not possible to establish current eligibility.

**DWP:**

Follow general provisions. In addition, do not establish an overpayment or underpayment if the determination of the DWP grant amount is based on the best information available at the time of approval, even when there is additional income to the family unit. See [0022.12 \(How to Calc. Benefit Level – MFIP/DWP/GA\)](#).

**SNAP:**

Do not establish an overpayment or underpayment because of changes that were not required to be reported by the unit during the certification period. However, for any reported change, take appropriate action. See [0007.15.03 \(Unscheduled Reporting of Changes - SNAP\)](#).

When calculating overpayments or underpayments for SNAP, use the amount of cash assistance actually received in the payment month even if the cash assistance was later determined to be an overpayment.

Do not allow the work expense deduction on income not reported timely. Timely reporting means that required changes be reported by the 10th of the month following the month of the change.

**CALCULATING AN OVERPAYMENT**

Determine whether the unit IS or is NOT categorically eligible for SNAP:

- If the SNAP unit IS categorically eligible, they are subject to the budgeting provisions that were in place at the time of the overpayment. See [0013.06 \(SNAP Categorical Eligibility/Ineligibility\)](#), [0022.09.03 \(When to Switch Budget Cycles - SNAP\)](#).
- For overpayments that occurred PRIOR to 03-01-09: If the SNAP unit is NOT categorically eligible, they must meet prospective eligibility requirements. If the overpayment is caused by unreported income, the unit remains in retrospective budgeting unless there are 2 or more consecutive months of ineligibility. If there are 2 or more consecutive months of ineligibility, the case would be presumed closed. Switch the unit to prospective budgeting and presume that the unit reapplied on the 1st day they were eligible. Calculate the amount the unit should have received based on the 1st day they were eligible. See [0022.03.01 \(Prospective Budgeting - Program Provisions\)](#).
- For overpayments that occurred ON OR AFTER 03-01-09: Continue to budget all months prospectively. EXCEPTION: For Uncle Harry Food Support (UHFS) units, follow the instructions for determining overpayments that occurred prior to 03-01-09.

If the ineligibility is caused by any reason other than unreported income, and there is 1 month or more of total ineligibility and then 1 month or more of eligibility, presume that the unit reapplied on the 1st day they were eligible. Calculate the amount the unit should have received based on the 1st day they were eligible.

**MSA:**

Follow general provisions.

In addition, if the client receives SSI and SSA does not establish an overpayment or charge a partial overpayment, do not establish an MSA overpayment. For any month in which there is a total SSI overpayment, establish an MSA overpayment. If the total SSI overpayment is due to excess assets, the entire MSA benefit is an overpayment. If the total SSI overpayment is due to excess income, evaluate income to determine the amount of the MSA overpayment.

Do not allow the work expense deduction on income not reported timely. See [0018.06 \(Work Expense Deductions\)](#).

For self-employment income overpayments that occurred after February 1, 2016, use the gross self-employment income calculation method for self-employment income not reported timely. See [0017.15.33.03 \(Self-Employment, Convert Inc. To Monthly Amt\)](#).

When there is 1 month or more of total ineligibility and then 1 month or more of eligibility, presume that the unit reapplied on the 1st day they were eligible. Calculate the amount the unit should have received based on the 1st day of the month they were eligible.

**GA:**

Follow general provisions.

For self-employment income overpayments that occurred after February 1, 2016, use the gross self-employment income calculation method for self-employment income not reported timely. See [0017.15.33.03 \(Self-Employment, Convert Inc. To Monthly Amt\)](#).

When there is 1 month or more of total ineligibility and then 1 month or more of eligibility, presume that the unit reapplied on the 1st day they were eligible. Calculate the amount the unit should have received based on the 1st day they were eligible. Prorate if necessary; see [0022.12.03 \(Proration\)](#).

**GRH:**

No provisions.



## MAINTAINING RECORDS OF INCORRECT PAYMENTS

0025.06

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Counties must keep a record of underpayments, corrective payments, overpayments, and recovery. The information must be sufficient to keep track of people who:

- Currently receive assistance (including people who move from 1 unit to another).  
OR
- No longer receive assistance.

Keep information on each overpayment. Overpayment information includes:

- Identifying information on the claimant (at a minimum, name and SSN).
- The day, month, and year the overpayment was discovered.
- The time period covered by the claim. Enter the beginning and ending month on MAXIS.
- The reason the overpayment occurred and documentation.
- The overpayment amount.
- Computation worksheets for income overpayments.
- The county agency, unit, or person pursuing recovery.
- The method of recovery.
- Overpayment notices and billing records.
- The amount of the overpayment recovered to date.

Keep claims records separate from other case information. Maintain both fraud and non-fraud claims record for at least 4 years after the claim has been paid in full or adjusted to \$0. Close the claim ONLY when it has been adjusted or reduced to \$0.

For information on fraud claims, see [0025.24.03 \(Recovering Fraudulently Obtained Assistance\)](#).

**MFIP, DWP, MSA, GA:**

Follow general provisions.

**SNAP:**

Complete form [SNAP Claim Determination Report \(DHS-2136\) \(PDF\)](#) for all overpayments and file it in the case record and in the central claims file, if appropriate.

**GRH:**

No provisions.



Clients are underpaid if they do not receive the benefits for which they are eligible.

**MFIP, DWP:**

The date you discover an underpayment affects how you correct it. The discovery date is whichever of the following occurs 1st:

- The date someone notifies the county agency (orally or in writing) of the underpayment.
- The date the county agency discovers the underpayment.
- The date the appeals referee issues a decision on a client's appeal. See [0027.12 \(Appeal Hearing Process\)](#).

Correct underpayments caused by client error, county agency error, or court reversal of a fraud disqualification.

- Issue benefits for the current month without deducting any overpayments.
- Restore benefits for up to 12 months before the discovery date after deducting any outstanding MFIP overpayments.
- If the underpayment of a current participant's benefits is for the current month, issue a benefit supplement, regardless of the amount, within 7 calendar days after the discovery date.
- Correct an underpayment within 7 calendar days after the underpayment has been identified, by adding the corrective payment amount to the monthly assistance payment of the participant or by issuing a separate payment to a participant or former participant, or by reducing an existing overpayment balance.
- Do NOT apply a food portion supplement to a cash portion overpayment. However, you may apply a cash portion supplement to a food portion overpayment.
- Clients must have an EBT card to access restored cash and food portion benefits issued electronically.

**SNAP:**

The date you discover an underpayment affects how you correct it. The discovery date is whichever of the following occurs 1st:

- The date someone notifies the county agency (orally or in writing) of the underpayment.
- The date the county agency discovers the underpayment.
- The date the appeals referee issues a decision on a client's appeal. See [0027.12 \(Appeal Hearing Process\)](#).

Correct underpayments caused by county agency error or court reversal of a fraud disqualification. Do NOT correct underpayments caused by client errors.

- Issue benefits for the current month without deducting any overpayments.
- If the underpayment of a current participant's benefits is for the current month, issue a benefit supplement, regardless of the amount, within 7 calendar days after the discovery date.
- Restore benefits for up to 12 months before the discovery date after deducting any outstanding overpayments.
- Restore benefits whether or not the unit is currently receiving SNAP.

- Clients must have an EBT card to access food portion benefits issued electronically.

**MSA:**

For any underpayment of a current participant's benefits, issue a supplement regardless of the amount.

- If the underpayment is for the current month, issue a benefit supplement within 7 calendar days after the discovery date.
- If the underpayment is for a past month and the client has an outstanding overpayment, reduce the overpayment by the underpayment. Issue a corrective payment for any remaining underpayment within 7 calendar days after the discovery date.
- Clients must have an EBT card to access restored cash benefits issued electronically.

Do not issue corrective payments to people who are not current participants. If the client reapplies and is eligible for benefits, offset any overpayments with underpayments. Issue a corrective payment (for any remaining underpayment) within 7 calendar days after opening the case.

**GA:**

The date you discover an underpayment affects how you correct it. The discovery date is whichever of the following occurs first:

- The date someone notifies the county agency (orally or in writing) of the underpayment.
- The date the county agency discovers the underpayment.
- The date the appeals referee issues a decision on a client's appeal. See [0027.12 \(Appeal Hearing Process\)](#).

Issue corrective payments as described below.

For current participants:

- If the underpayment is for the current month, issue a corrective payment within 7 calendar days after the discovery date.
- If the underpayment is for a past month and the unit has an outstanding overpayment, reduce the overpayment by the underpayment. Issue a corrective payment for any remaining underpayment within 7 calendar days after the discovery date.
- Clients must have an EBT card to access restored cash benefits issued electronically.

Issue corrective payments only to people who are either current participants, or who would be current participants if the error causing the underpayment had not occurred. Offset any overpayments with underpayments. If the unit reapplies and is eligible for benefits issue a corrective payment (for any remaining underpayment) within 7 calendar days after the case open date.

**GRH:**

Issue corrective payments to the vendor within 7 calendar days after determining the amount of the underpayment for a client.

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There are 3 types of overpayments:

- County agency error overpayments. This includes:
  - Agency failure to take action on known or reported information.
  - Miscalculation of a budget.
  - Failure to make a timely reduction in benefits based on information fully and timely reported by the client.To determine if an agency error overpayment should be recovered see [0025.12.03 \(Overpayments Exempt From Recovery\)](#).
- Client error overpayments. Consider cases suspected of fraud to be client error overpayments until a determination of fraud is made. Enter claims as non-fraud on MAXIS and adjust when appropriate. Some examples include:
  - Any instance in which a client has not made a timely report.
  - The unit's failure to give the county agency correct or complete information.
  - The unit's failure to notify the county agency of required changes.
  - The unit's receipt of more benefits than it should have because of a request for an appeal hearing.
  - The unit's participation in more than 1 county or state in the same month.

NOTE: The continuous use of an EBT card in another state does not necessarily result in an overpayment unless there has been duplicate receipt of assistance. See TEMP Manual TE16.33 (Continuous Use of EBT Card In Another State).

- Fraud overpayments. Consider cases suspected of fraud to be client error overpayments until the court or an Administrative Disqualification Hearing (ADH) makes a determination of fraud. Consider an overpayment in any month in which a client files a false report timely and this results in an overpayment to be a client error overpayment. This applies even if there is an agency error in the same month, unless the agency caused the client's failure to report. See [0025.24 \(Fraudulently Obtaining Public Assistance\)](#).

If the county which overpaid the unit does not pursue recovery, the county the unit moves into must pursue recovery. The county the unit moves into must contact the county which made the overpayment to verify that it does not intend to pursue recovery. The county agency which recovers the overpayment retains the county agency's share of the claim. For information on when to transfer a claim, see TEMP Manual TE02.09.18 (When to Transfer a MAXIS Claim).

For participants receiving benefits via electronic benefit transfer (EBT), if the overpayment is a result of an ATM dispensing funds in error to the participant, the state may recover the ATM error by immediately withdrawing funds from the participant's EBT account, up to the amount of the error.

**MFIP:**

Established AFDC/FGA claims remain AFDC/FGA claims. Do not switch them to MFIP claims. AFDC/FGA claims are recouped from MFIP.

**DWP:**

Follow general provisions. In addition, benefits are subject to overpayments and underpayments but are NOT subject to cross program recoupment. Any time an overpayment or underpayment is determined calculate the correction using prospective budgeting. See [0025 \(Benefit Adjustments and Recovery\)](#).

**SNAP:**

Client error overpayment is further defined as:

- The unit's participation in the SNAP Program and the Food Distribution Program in the same month.
- An error on the part of a categorically eligible unit.
- Social Security Administration errors which result in a unit's categorical eligibility.

County agency error is further defined as:

- The county agency's failure to reduce the unit's benefit when it's cash assistance changed.
- The county agency issuing the unit SNAP benefits after their certification period expired.
- The county agency overpaying SNAP due to the underpayment of a cash assistance grant that would have reduced SNAP benefits.

**MSA, GA:**

Follow general provisions.

**GRH:**

No provisions.

The court may order that all or part of an overpayment is exempt from recovery. The county must follow the court order. See [0025.12.03.06 \(Bankruptcy\)](#), [0025.24.03 \(Recovering Fraudulently Obtained Assistance\)](#).

**MFIP, DWP:**

Establish a claim for all claim types and amounts.

Pursue recovery of county agency error overpayments when the sum of the overpayments exceeds the sum of the corrected benefit amount for the claim period. Use [DHS-2276E \(Supplemental Agency Error Overpayment Worksheet\) \(PDF\)](#) to determine whether an agency error overpayment is collectible.

Do not pursue recovery on non-fraud overpayments on closed cases which total \$35 or less. If the client begins to receive assistance again, recoupment will occur as long as the claim is in active status and has a balance.

**SNAP:**

The following overpayments are exempt from recovery; do not establish a claim for overpayments due to:

- The county agency's failure to certify a unit in a correct project area.
- The county agency's failure to verify a unit signed the application.
- The county agency's failure to verify a unit completed a current work registration form.
- The unit's failure to report a change because it was not required to report the change. See [0007 \(Reporting\)](#).
- A categorically eligible unit later being found ineligible for cash assistance or SSI due to excess assets.

Establish a claim, even though the following overpayments are exempt from recovery when:

- The total overpayment is less than \$35 and the unit no longer receives SNAP.
- The county agency has documentation which shows that the unit cannot be located. See [0025.12.03.03 \(Suspending or Terminating Recovery\)](#).

Do not pursue recovery on compromised portions of an overpayment. See [0025.12.03.09 \(Claim Compromise & Termination\)](#).

**MSA, GA:**

Follow MFIP. In addition, do not pursue recovery from a personal needs allowance.

- If an overpayment occurs while a client is in a facility, establish the claim but do not pursue recovery action until the client leaves the facility. When the client leaves the facility, begin to recover the overpayment the 1st month you can give a 10-day notice.
- If you are recovering an overpayment and the client later enters a facility, stop recovery action until the client leaves the facility:
  - If the client enters the facility on the 1st of the month, stop recovery action the month the client enters the facility.
  - If the client enters the facility after the 1st of the month, stop recovery action the month following the month the client entered the facility.

When the client leaves the facility, resume recovery action the 1st month you can give a 10-day notice.

**GRH:**

No provisions.

**MFIP, DWP, MSA, GA:**

See [0025.12.03 \(Overpayments Exempt From Recovery\)](#), [0025.12.03.09 \(Claim Compromise & Termination\)](#).

**SNAP:**

You cannot suspend a claim. But you may stop sending demand letters after a period of inactivity, if:

- Recoupment is not currently available.  
AND
- The client is not making direct repayment.  
AND
- The county agency determines the demand letters are no longer cost effective.

The county agency sets its own policy on cost effectiveness. Counties may also reinstate system-generated demand letters if the client's circumstances change.

Terminate non-fraud claims only when the client dies.

**GRH:**

No provisions.



Compromising a claim consists of accepting a partial payment as full satisfaction of a claim on the condition that the payment is received promptly. Separate policies apply to claims depending on when initial notification is received on the claim.

For information on how to post payments to a compromised claim, see TEMP Manual TE02.09.46 (Compromising a Claim).

## NEW CLAIMS

This policy applies to all collectible claims for which the initial notification of overpayment occurred on or after December 1, 2002. The text of all MAXIS overpayment notices issued on or after December 1, 2002, has been modified to include language that advises each debtor of:

- The right to have their claim compromised.
- AND
- The conditions that must be met to have their claim compromised.

The time limit for a debtor to make the compromise payment is 90 days from the initial notification of the claim to the household. If the initial overpayment notice is sent by first class mail, the 90 day period begins with the date the notice is issued. If the initial notice is returned to the local agency by the postal service, the right to an overpayment notice and compromise is renewed. If the initial overpayment notice is sent by certified mail and accepted by the household, the 90 day period begins with the date a household member signs for receipt of the notice.

The right to compromise does not apply when the initial notification of an overpayment occurs in conjunction with a criminal or civil court proceeding. This includes the occasion of securing a confession of judgment which also happens to be the initial notification of overpayment. None of these methods of establishing a claim, in fact, requires a MAXIS overpayment notice. If a MAXIS overpayment notice precedes any of these other actions and a timely compromise payment is received, the local agency is bound by the compromise. Consequently, a local agency that pursues criminal action would not be able to seek monetary restitution for the full amount of a previously compromised claim. This does not, however, prevent a local agency from charging the full amount of a compromised claim or from requesting additional fines, penalties, interest or non-monetary restitution in the sentencing phase of the criminal proceeding.

Claims are subject to compromise if voluntary payment is received within the 90-day time limit and either of the following conditions applies:

- Claims for excess assets may be compromised if the amount of the overpayment is greater than the amount that assets exceeded program limits. A compromise payment can be made for the amount of excess assets. If the value of excess assets changed during the period of an overpayment, the acceptable compromise payment is based upon the maximum amount assets were over program limits.
- OR
- Claims for any basis may be compromised by 25% if the remaining 75% is repaid. A claim for excess assets can be compromised under this provision if this method establishes a smaller payment than the prior provision.

Compromise amounts must be in the form of direct voluntary payment by a debtor. Recovery received by tax offset, recoupment, restored benefits or canceled EBT benefits cannot be applied toward a compromise.

## PREVIOUS CLAIMS

This policy applies to claims that provided the initial notice of overpayment prior to December 1, 2002. Compromise of these claims may be done upon inquiry of the debtor to the local agency. A local agency representative may offer a compromise proposal subject to the following limitations:

- The compromise is based upon the account of the debtor rather than an individual claim. This account includes all existing claims for which the debtor is responsible except new claims identified in Part A, fraud claims resulting from criminal conviction

## CLAIM COMPROMISE &amp; TERMINATION

0025.12.03.09

or pre-trial diversion and claims that have already been referred to the Minnesota Collection Enterprise (MCE) or the Treasury Offset Program (TOP).

**NOTE:** In March, 2004 MCE changed its name to Collection Division of the Department of Revenue. The codes and process for debt referral will continue to be referred to as MCE on MAXIS.

- At least 50% of the total amount owed on the claims in the account has been repaid prior to the compromise proposal.
- The debtor repays 50% of the remaining balance within 90 days of the compromise proposal.

All forms of recovery can be credited in determining whether a debtor meets the 50% payment requirement.

**CLAIM TERMINATION POLICY**

A claim may be terminated and the claim balance adjusted to 0 when there is no realistic prospect for future recovery. This practice differs from a write off which is an accounting mechanism to remove a claim as an accounts receivable asset even though the claim is retained against the possibility of future recovery. All terminated claims are automatically written off, but claims that are written off are not necessarily terminated.

Terminate claims when:

- The only responsible debtor for a claim has died and no future recovery actions are available.  
OR
- The only responsible debtor for a claim has had that debt discharged by federal bankruptcy court in a Chapter 7 or Chapter 13 proceeding.  
OR
- A claim is the sole responsibility of a debtor who resides in a Long Term Care Facility, there is no prognosis for a return to residential living in the community and there is no estate to repay the claim or there are existing commitments to repay higher priority obligations.  
OR
- Initial notification on a claim occurred at least 10 years previous, there has been no recovery on any of the claims in the debtor's MAXIS account in the preceding 6 years, criminal restitution is no longer required by district court, there is no docketed judgment and the debt is not certified for Revenue Recapture or the federal Treasury Offset Program (TOP).

## REPAYING OVERPAYMENTS - PARTICIPANTS

0025.12.06

Some overpayments are exempt from recovery. See [0025.12.03 \(Overpayments Exempt From Recovery\)](#). For overpayments that are not exempt from recovery, follow the specific program provisions below.

For the order of recovery and recovery methods, see [0025.15 \(Order of Recovery - Participants\)](#), [0025.21 \(Recovery Methods\)](#). For computing how much to recoup, see [0025.21.15.03 \(Amount to Recoup\)](#).

Recover overpayments from:

- A unit that received more benefits than it was eligible to receive.
- A unit that contains a unit member responsible to repay an overpayment incurred while a member of a different unit that received more benefits than it was eligible to receive. Overpayments follow a member to a new unit, All adults in a unit when an overpayment occurs remain equally responsible for the overpayment.
- In most cases, overpayments follow a member to a new unit if the member was part of the overpaid unit at the time the overpayment occurred. An overpayment does not follow a unit member when the unit member left the home and the remaining unit members did not report it.

Before pursuing recovery, tell people their repayment amount. See [0025.21.07 \(JOL - Establishing Claims\)](#), [0026.39 \(Notice of Overpayment and Recoupment\)](#), TEMP Manual TE02.09.11 (Demand Letters for Overpayments).

If you recover more than the overpayment amount, give the participant a refund.

**MFIP, DWP:**

Recover overpayments from people who were minor caregivers or mandatory adult caregivers of a unit at the time the overpayment occurred.

Pursue recovery from relative caregivers and mandatory adult caregivers whose needs are not included in the benefits.

If the unit member receives benefits as part of a 2nd unit before removal from the 1st unit's benefit, the 1st unit is overpaid if they did not report the change timely, the agency failed to act timely on the reported change or benefits were continued pending an appeal. Reduce the 1st unit's overpayment by any verified amount they paid the 2nd unit up to that person's benefit standard. See [0010 \(Verification\)](#).

**SNAP:**

Recover overpayments from people who were minor caregivers or adult members of a unit at the time the overpayment occurred.

Pursue recovery from relative caregivers and mandatory adult assistance unit members whose needs are not included in the SNAP benefits.

**MSA, GA:**

Follow general provisions.

**GRH:**

No provisions.



## REPAYING OVERPAYMENTS - NON-PARTICIPANTS

0025.12.09

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Pursue recovery for any overpayment that is not exempt from recovery. Some overpayments are exempt from recovery. See [0025.12.03 \(Overpayments Exempt From Recovery\)](#). For overpayments that are not exempt from recovery, follow the specific program provisions below.

See [0025.12.12 \(Action on Overpayments - Time Limits\)](#) for the time frame for starting recovery.

For recovery methods, see [0025.21 \(Recovery Methods\)](#).

Once a claim is set up on MAXIS, MAXIS will send a Notice of Overpayment. See [0025.21.07 \(JOL - Establishing Claims\)](#), [0026.39 \(Notice of Overpayment and Recoupment\)](#). TEMP Manual TE02.09.11 (Demand Letters for Overpayments).

**MFIP, DWP:**

You may use any combination of the methods listed in [0025.21 \(Recovery Methods\)](#) for non-participants.

Recover overpayments from the following people who are not currently getting benefits:

- People who were adult caregivers who were members of the unit or should have been members of the unit, relative caregivers and mandatory adults who are sanctioned or disqualified, or minor caregivers when the overpayment occurred.

Do not recover from a former participant unit member who was younger than 18 years old and not a minor caregiver when the overpayment occurred.

- Sponsors of non-citizens, if you counted the sponsor's income and the sponsor willfully failed to give correct income information. Do not hold sponsors liable if they did not give correct information due to circumstances beyond their control.

**SNAP:**

You may use any combination of the methods listed in [0025.21 \(Recovery Methods\)](#) for non-participants.

Recover overpayments from the following people who are not currently getting benefits:

- People who were adult members of the unit or were mandatory adult members of the unit or should have been mandatory adult unit members, mandatory adults who are sanctioned or disqualified, when the overpayment occurred.

Do not recover from a former unit member who was younger than 18 years old when the overpayment occurred.

- Sponsors of non-citizens, if you counted the sponsor's income and the sponsor willfully failed to give correct income information. Do not hold sponsors liable if they did not give correct information due to circumstances beyond their control.

**MSA, GA:**

Follow general provisions.

**GRH:**

No provisions.



## ACTION ON OVERPAYMENTS - TIME LIMITS

0025.12.12

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There is no time limit for pursuing administrative recovery of established overpayments. There is a 6-year statute of limitations for initiating civil recovery, and a 3-year statute of limitations for initiating criminal prosecution.

Within the calendar quarter after the calendar quarter you identify the overpayment, do at least 1 of the following:

- Recover the overpayment.
- Start recoupment from a participant's benefit.
- For former clients, send a letter requesting repayment and try to arrange a repayment agreement. See [0025.12.09 \(Repaying Overpayments - Non-Participants\)](#), [0026.39 \(Notice of Overpayment and Recoupment\)](#).

Failure to take 1 of these actions within the time frame does not affect the unit's responsibility to repay. It also does not affect the county agency's responsibility to recover the overpayment.

**MFIP, DWP, MSA, GA:**

Follow general provisions.

**SNAP:**

There is no time limit for referring qualifying overpayments to the Treasury Offset Program (TOP) for collection.

**GRH:**

No provisions.



Methods of recovery vary depending on whether the overpaid person is a participant or non-participant.

Recovery methods for recovering overpayments from participants are:

- Recoupment.
- Voluntary repayment. See [0025.21.03 \(Overpayment Repayment Agreement\)](#).
- Civil recovery. See [0025.21.06 \(Civil Recovery\)](#).
- Criminal restitution. See [0025.24 \(Fraudulently Obtaining Public Assistance\)](#).
- Offsetting overpayments with underpayments. See [0025.09 \(Correcting Underpayments\)](#).

For additional methods of recovering overpayments from participants, see the individual programs listed below.

Common methods for recovering overpayments from non-participants are:

- Voluntary repayment, repayment agreements, and Confessions of Judgment. See [0025.21.03 \(Overpayment Repayment Agreement\)](#).
- Referral to Revenue Recapture. See [0025.21.09 \(Revenue Recapture Act\)](#).
- Civil recovery. See [0025.21.06 \(Civil Recovery\)](#).
- Criminal restitution. See [0025.24 \(Fraudulently Obtaining Public Assistance\)](#).
- Contracting with a professional or private collection agency.

For programs other than SNAP and the food portion of MFIP, all direct recoveries by the county (EXCEPT recoupments) qualify for retention of 50% of the non-federal share.

For SNAP and the food portion of MFIP, there is a 35% federal incentive provided for fraud recoveries, 20% for household errors, and 0% for agency errors. Counties receive half of this incentive when Treasury Offset Program (TOP) recovers the money and they receive full incentive when recovery is a result of recoupment or direct payment.

Do not use wage garnishment for participants. Do not use wage garnishment for non-participants until 6 months after all public assistance eligibility ends.

**MFIP:**

Also use the Treasury Offset Program (TOP) as an additional method of recovery for non-participants for the MFIP Food Portion only.

**DWP:**

Follow general provisions. However, there is no cross-program recoupment.

**SNAP:**

Also use the Treasury Offset Program (TOP) as an additional method of recovery for non-participants.

**MSA, GA:**

Use the Minnesota Collection Enterprise (MCE) professional collection agency as an additional method of recovery for non-participants. See [0025.21.21 \(Minnesota Collection Enterprise\)](#).

**NOTE:** In March 2004 MCE changed its name to Collection Division of the Department of Revenue. The codes and process for debt referral will continue to be referred to as MCE on MAXIS.

**GRH:**

No provisions.

Civil recovery includes obtaining a judgment and pursuing it through garnishment, attaching property, etc. Specific procedures for civil recovery may vary by county and are set by the county attorney or collections unit.

The county may initiate civil recovery up to 6 years after the overpayment occurred. The county agency can obtain a judgment for civil recovery while a client is still receiving assistance. However, the county agency cannot pursue recovery while the person is a participant or until 6 months after eligibility ends. See [0025.27 \(Protection From Garnishment\)](#).

Once the court awards a judgment, recovery is not subject to the statute of limitations, but the county must renew the judgment every 10 years. An action to obtain a judgment must be initiated within the 6-year statute of limitations, and the county must renew the judgment every 10 years.

The court-ordered repayment amount may differ from the actual overpayment because the judgment may include interest after the judgment is docketed, in which case the interest applies back to the date the judgment was obtained.

The Judgment by Operation of Law (JOL) is another form of civil recovery for establishing overpayments and securing judgments on selected MAXIS claims. See [0025.21.07 \(JOL - Establishing Claims\)](#), [0025.21.08 \(JOL - Docketing & Renewing\)](#).

**MFIP, DWP, MSA, GA:**

Clients may make voluntary payments to the county while they are on or off assistance. Subtract all payments from the balance of the overpayment.

When a client fails to pay, contact the county attorney immediately. The county attorney or collections unit may decide to obtain a judgment to ensure collections after the statute of limitation expires.

Do not recoup any interest the judgment accrues. The client must pay the interest separately to the county. Recoup the actual overpayment only.

**SNAP:**

If the client makes payments to the county, subtract the payments from the overpayment balance.

If the judgment accrues interest, do not recoup the interest. The client must pay the interest separately to the county.

**GRH:**

No provisions.



For information on the amount of recoupment, see [0025.21.15.03 \(Amount to Recoup\)](#).

Consider the unit to be participants even if recoupment reduces the benefit to \$0.

Do not recoup more than the actual overpayment of assistance.

Do not recoup an amount greater than the mandated amount. If a client requests recoupment for a greater amount, send a monthly bill to the client for the amount that is greater than the mandated recoupment amount. See [0025.21.15.03 \(Amount to Recoup\)](#).

The county agency must recoup from participants if the unit fails to pay the claim in full within 30 days of being notified of the claim.

**MFIP:**

The following provisions apply to all overpayments:

- For applicants with prior overpayments, begin recoupment with the 1st full month of eligibility.
- For agency error TANF cash overpayments incurred after August 1, 2016, only pursue recovery of collectible claims. See [0025.12.03 \(Overpayments Exempt From Recovery\)](#).
- Apply recouped amounts to overpayments starting with the oldest fraud AFDC, FGA, MFIP field trials, MFIP, or SNAP overpayment, followed by the oldest non-fraud AFDC, FGA, MFIP field trials, MFIP, or SNAP overpayment.
- Recoup AFDC, FGA, SNAP, MFIP, and MFIP field trial overpayments from MFIP benefits. DO NOT recoup AFDC overpayments from an MFIP case if the adult on MFIP was a child when the AFDC overpayment occurred. MAXIS will recoup from MFIP to repay AFDC, FGA, SNAP, MFIP and MFIP field trial claims. For the order of recovery, see [0025.15 \(Order of Recovery - Participants\)](#).
- Do not recoup from BOTH the cash and food portions of an MFIP grant at the same time.
  - If the cash portion of the MFIP grant is \$50 or more, recoupment will be taken from ONLY the cash portion of the grant and applied to both the cash and food portions of an MFIP claim, or to an AFDC and/or a SNAP claim.
  - If the cash portion of the MFIP grant is less than \$50 and there is an active food claim, recoupment will be taken from ONLY the food portion of the MFIP grant and applied to the food portion of an MFIP claim or to a SNAP claim.
  - If there are no active food claims, and the MFIP cash portion is less than \$50, recoupment will be taken from the available cash and applied to active MFIP or AFDC claim(s).
- Clients may have a restitution plan through court services. The diversion restitution order may accept recoupment as partial or full satisfaction. This restitution plan is in addition to and separate from the mandatory recoupment amount for participants and does not affect the monthly recoupment calculation. The total restitution (repayment plan and recoupment) may be more than the actual overpayment. The court will collect the amount greater than the overpayment.
- If an Uncle Harry case and MFIP case are both responsible for a SNAP claim, recoup from both cases at the same time, if the Uncle Harry members would have been considered mandatory unit members. If MFIP and Uncle Harry Food Support are issued via different case numbers, make sure both cases are made responsible for the claim. See TEMP Manual TE13.030 (Food Support Uncle Harry Tip Sheet).
- Recoup from stand-alone SNAP to repay the federal food portion of MFIP claims.
- Do NOT recoup MFIP cash benefits from a household's Uncle Harry Food Support case.

**DWP:**

Follow only the MFIP provisions that apply to recouping CASH overpayments. There is no cross-program recoupment.

**SNAP:**

When the county agency determines there is an overpayment of benefits, it must begin recovering the overpayment through recoupment. Begin recoupment the 1st month notice requirements will allow.

When there is a SNAP claim being recouped from an active MFIP case, follow the procedures in MFIP above.

**MSA:**

When the county agency determines there is an overpayment of benefits, it must begin recovering the collectible overpayment through recoupment. Begin recoupment the 1st month notice requirements will allow.

Do not recoup from a personal needs allowance. See [0025.12.03 \(Overpayments Exempt From Recovery\)](#).

**GA:**

The following provisions apply to all collectible overpayments:

- Do not recoup on benefit amounts of less than \$10.
- For applicants with prior overpayments, begin recoupment with the 1st month of eligibility.
- Do not recoup an overpayment for another state.

Do not recoup from a personal needs allowance. See [0025.12.03 \(Overpayments Exempt From Recovery\)](#).

**GRH:**

Recoupment from the GRH benefit cannot be withheld. See [0025.12.03 \(Overpayments Exempt From Recovery\)](#).

**MFIP:**

For all non-fraud overpayments that are not exempt from recovery, recoup the LESSER of these amounts:

- 3% of the Transitional Standard for the unit's size and composition.  
OR
- The amount of the unit's monthly MFIP grant, subject to the requirements in [0025.21.15 \(Recoupment\)](#).

For fraud overpayments, recoup the lesser of these amounts:

- 10% of the Transitional Standard for the unit's size and composition.  
OR
- The amount of the unit's monthly MFIP grant, subject to the requirements in [0025.21.15 \(Recoupment\)](#).

See [0025.24 \(Fraudulently Obtaining Public Assistance\)](#) for information on fraud overpayments.

**DWP:**

For all non-fraud overpayments that are not exempt from recovery, recoup the LESSER of these amounts:

- 3% of the DWP grant for the unit's size and composition.  
OR
- The amount of the unit's monthly DWP grant, subject to the requirements in [0025.21.15 \(Recoupment\)](#).

For fraud overpayments, recoup the lesser of these amounts:

- 10% of the DWP grant for the unit's size and composition.  
OR
- The amount of the unit's monthly DWP grant, subject to the requirements in [0025.21.15 \(Recoupment\)](#).

See [0025.24 \(Fraudulently Obtaining Public Assistance\)](#) for information on fraud overpayments.

**SNAP:**

The amount to recoup depends on the type of overpayment:

- For non-fraud error overpayments, recoup 10% of the monthly allotment or \$10 a month, whichever is greater.
- For fraud overpayments, recoup 20% of the monthly allotment or \$10 a month, whichever is greater.

Recoup multiple fraud or client error overpayments in sequence.

If a client has both a fraud overpayment and a client error overpayment, recoup the fraud overpayment first up to the 20% limit. If any benefit remains, recoup the client error simultaneously up to the 10% limit. However, the total recoupment cannot exceed 20% of the unit's monthly allotment.

**MSA:**

Each month withhold 3% of the assistance standard or the entire benefit amount, whichever is less.

See [0025.12.03 \(Overpayments Exempt From Recovery\)](#) for people who are exempt from recoupment.

See [0025.24 \(Fraudulently Obtaining Public Assistance\)](#) for information on fraud overpayments.

**GA:**

For non-fraud overpayments (both client and county errors), recoup 3% of the unit's assistance standard or the amount of the unit's monthly assistance payment, whichever is less.

For fraud overpayments, recoup 10% of the unit's assistance standard or the amount of the unit's monthly assistance payment, whichever is less.

You may substitute a 3% recoupment rate for pre-existing fraud overpayments if your county attorney proffered that rate as part of a plea agreement in a fraud proceeding or the court specified that rate of recoupment in the sentencing order. If a court order only specifies a monthly restitution amount, do not substitute that amount for the 10% statutory recoupment rate.

See [0025.12.03 \(Overpayments Exempt From Recovery\)](#) for people exempt from recoupment.

See [0025.24 \(Fraudulently Obtaining Public Assistance\)](#) for information on fraud overpayments.

**GRH:**

No provisions.

Fraud exists when:

- People willfully or intentionally withhold, conceal, or misrepresent information to receive or attempt to receive more assistance than they are eligible for. For some programs, this includes people giving or receiving property without receiving or providing reasonable compensation. See [0015.69.06 \(Improper Asset Transfers\)](#).
- For purposes of establishing fraud in an Administrative Disqualification Hearing (ADH), an Intentional Program Violation (IPV) shall consist of a willful or intentional false statement, a concealment of a fact, or a misrepresentation. See [0025.24.06.03 \(Administrative Disqualification Hearing\)](#).
- People plan with or knowingly help another person to fraudulently seek or obtain assistance.
- Ineligible or unauthorized people knowingly redeem or transfer assistance checks, or EBT cards.

Refer anyone you suspect of fraud for investigation. If you think fraud has occurred, immediately refer the case to the county's investigator or investigative unit. Continue benefits if current eligibility exists. Do not close a case or deny benefits to people under investigation for fraud if they are otherwise eligible.

You may delay notifying a client of an overpayment if the county attorney believes that it would hinder the fraud investigation. In this instance, you may wait up to the end of the quarter following the quarter of discovery to notify the client of the overpayment and begin recoupment.

Disqualify people found guilty of fraud through an Administrative Disqualification Hearing (ADH), a court approved pre-trial diversion plan, a disqualification consent agreement, or a conviction by a court action. See [0025.24.06 \(Disqualification for Fraud\)](#) for information on disqualification procedures.

**MFIP, DWP, MSA, GA:**

EBT cardholders are prohibited from using their EBT debit card to purchase tobacco products or alcoholic beverages. Purchasing or attempting to purchase tobacco products or alcoholic beverages with an EBT debit card is considered fraud and subject to disqualification. See [0025.24.06 \(Disqualification for Fraud\)](#) for information on disqualification procedures.

Disqualify MFIP families from Transition Year Child Care when all caregivers are found guilty of fraud.

**SNAP:**

Selling, or attempting to sell SNAP benefits or EBT cards is an Intentional Program Violation (IPV) and subject to fraud disqualification. See [0025.24.06 \(Disqualification for Fraud\)](#) for information on disqualification procedures.

**GRH:**

No provisions.



## RECOVERING FRAUDULENTLY OBTAINED ASSISTANCE

0025.24.03

The county agency must pursue recovery from clients who obtain assistance fraudulently.

Reconstruct each budget month and corresponding payment month. Use the policies and procedures that were in effect for the payment month. The overpayment or underpayment is the difference between the benefit amount the client actually received before recoupment and the benefit amount the client should have received before recoupment. For more information, see [0022 \(Budgeting and Benefit Determination\)](#).

Use the recovery methods described in [0025.15 \(Order of Recovery - Participants\)](#), [0025.18 \(Order of Recovery - Non-Participants\)](#), [0025.21 \(Recovery Methods\)](#). In addition, the court may order repayment.

If any part of a county-calculated fraud overpayment is reduced, either as part of a stipulated plea agreement, in a pre-trial diversion order, or in a conviction order, reduce the fraud claim to reflect that reduction in the claim. When you reduce a fraud claim pursuant to these actions, you may establish a household error for the over-issued period or program you removed from the fraud claim(s). Any resulting household error claim is subject to standards and procedures for administrative or civil recovery, depending on how that claim is established.

If a court finds a person not guilty of welfare fraud, you may also establish or maintain a household error claim based on the same action. A court may determine that welfare fraud has not been established or criminal intent does not exist, not whether or not an overpayment occurred.

A court has broad discretion to set restitution for any person convicted of welfare fraud. This is done through sentencing after a person is found guilty of welfare fraud. The amount of restitution may not be the same as the overpayment you determined. Restitution is often tied to what a court determines a person is capable of paying during the probation period.

- Any restitution ordered in addition to the county-determined fraud overpayment does NOT increase or otherwise affect that claim. This can include fines, penalties, accrued interest when the amount owed is converted and docketed as a civil judgment, and the value of community service. The value of any restitution added to the fraud claim is collected and retained entirely by the court or county agency that preferred the fraud charge.
- If a court orders monetary restitution for an amount less than the county-determined fraud overpayment for which the person was charged and convicted, the fraud claim is ordinarily not reduced. The lower restitution is simply the amount that the court requires repaid as satisfaction of the terms of probation. If a court orders a methodology or formula for computing the fraud claim, reduce the fraud claim accordingly. In this event, the remainder of the overpayment may still be established and recovered as a household error claim by administrative or civil process.

The client's total overpayment may be different from the court order. For example, if the client had a previous overpayment for a different time period, add the previous overpayment and the current overpayment to get the client's total overpayment.



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As a condition of receiving assistance, clients must cooperate in trying to get support from financially responsible people not in the home. Do not withhold any part of a client's benefits because financially responsible people refuse to contribute.

**MFIP, DWP:**

Non-custodial parents, some parents of unemancipated minor caregivers, and some sponsors of immigrants are financially responsible to contribute to the unit.

- Refer non-custodial parents of minor children to the county agency IV-D unit. The IV-D unit will determine, together with existing court orders, the amount of support the non-custodial parents must contribute.

**NOTE:** Married parents who are currently serving in the military away from home are considered to be custodial parents. Do not refer to IV-D when there is no breakdown in the marital relationship. See TEMP Manual TE02.10.90 (Military Families Receiving FS, MFIP or DWP) for MAXIS workarounds.

- The county agency IV-A section computes the contribution amount for an unemancipated minor caregiver's parents who do not live with the child, according to the instructions in [0025.30.03 \(Contributions From Parents Not in Home\)](#). (This provision does not apply to minor caregivers' parents who receive MFIP, SSI, MA, MSA, or GA, unless there is an existing court order for support.). Notify the parent to send the payment to the minor caregiver or to the county agency. See [0026.24 \(Notice of Relative Contribution\)](#). Contributions the minor caregiver receives are unearned income.

If IV-D action had already been brought against a non-custodial parent of a minor caregiver, IV-D must continue action to enforce support and obtain recovery.

- To determine if a sponsor must contribute to the unit, see [0011.03 \(Citizenship and Immigration Status\)](#), [0015.48 \(Whose Assets to Consider\)](#), [0015.48.03 \(Whose Assets to Consider - Sponsors W/I-864\)](#), [0015.48.06 \(Whose Assets to Consider - Sponsors W/I-134\)](#), [0016.21 \(Income of Sponsors of Immigrants With I-134\)](#), [0016.21.03 \(Income of Sponsors of LPRs With I-864\)](#).

**SNAP:**

Sponsors of some immigrants must contribute to the sponsored person. To determine if and how much sponsors must contribute, see [0011.03 \(Citizenship and Immigration Status\)](#), [0015.48 \(Whose Assets to Consider\)](#), [0015.48.03 \(Whose Assets to Consider - Sponsors W/I-864\)](#), [0016.21 \(Income of Sponsors of Immigrants With I-134\)](#), [0016.21.03 \(Income of Sponsors of LPRs With I-864\)](#).

**MSA:**

Follow SNAP.

**GA:**

Follow MFIP with the following EXCEPTION: Although sponsors of immigrants who do not live with the immigrant are financially responsible for the person, count only income and assets they actually contribute to the immigrant's household for sponsors who executed the I-134 (Affidavit of Support). See [0015.48 \(Whose Assets to Consider\)](#), [0016.21 \(Income of Sponsors of Immigrants With I-134\)](#), [0025.30.03 \(Contributions From Parents Not in Home\)](#).

**GRH:**

No provisions.



## CONTRIBUTIONS FROM PARENTS NOT IN HOME

0025.30.03

**MFIP, GA:**

Do not require a contribution from legal guardians.

Do not determine parental contributions for parents who have an existing court order for support in place. The non-custodial parent's financial contribution for the child(ren) is being met by the child support obligation so no parental contribution is necessary.

Determine parental contribution amounts for a minor caregiver's parents who are not living with the minor caregiver. This provision does not apply to emancipated minors. For parents who live with the minor caregiver, see [0016.18 \(Income of Incl. Parent/Guard. of Minor Crgvr\)](#).

The minor caregiver must cooperate in trying to get support from his/her parent(s). Do not withhold benefits because a minor caregiver's parents refuse to cooperate.

Refer a minor caregiver's parent who does not cooperate to the county attorney.

To determine the amount a minor caregiver's parents must pay when the minor is not living with the parent:

1. Request the following information from the parent(s):
  - The amount of earned and unearned income for the previous tax year.
  - The current month's income amount.
  - The names of each dependent the minor's parent could claim on federal income taxes.
  - The amount of annual medical bills the person pays.
  - The amount of annual housing costs the person pays.
  - The amount of utility and home repair costs the person pays.
  - The amount of annual educational costs the person pays for family members.
2. Determine income:
  - a. Determine the gross income of the parent. Follow the same method as for units with income. See [0017 \(Determining Gross Income\)](#).
  - b. Determine family size. Count each person who the minor's parent claims or could claim as a dependent on federal income tax forms. Do not count the minor caregiver and his/her children.
  - c. Combine the family's medical, educational, and housing costs. If the combined costs exceed 30% of the gross income, deduct the amount in excess of 30% from the gross income. This is the net income.
3. Compare the minor caregiver's parent's net income to the following scale:

Family Size	Net Income
1	\$ 9,288
2	\$12,432
3	\$15,576
4	\$18,720
5	\$21,864

Add \$3,144 for each additional family member.

The parent's required annual contribution is 1/3 of the income that exceeds the amounts above. See [0026.24 \(Notice of](#)

[Relative Contribution](#)).

4. Review the minor caregiver's parent's income annually or when the person reports a change.

**DWP, SNAP, MSA, GRH:**

No provisions.