

NUMBER

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DATE

November 16, 2018

OF INTEREST TO

County Directors

Tribal Directors

Financial Assistance Supervisors
and Staff

Child Care Assistance Program
Administrative and Client
Access Contacts

Social Services Supervisors and
Staff

Employment Services Managers

ACTION/DUE DATE

Please read information and
prepare for implementation

EXPIRATION DATE

November 16, 2020

New Spouse Income Policy for Cash and Child Care Assistance Programs

TOPIC

New Spouse Income policy for Minnesota Family Investment Program (MFIP), Diversionary Work Program (DWP), Refugee Cash Assistance (RCA) and Child Care Assistance Program (CCAP).

PURPOSE

This bulletin summarizes policy and systems changes for programs impacted by the New Spouse Income policy.

CONTACT

Submit policy questions to PolicyQuest.

Contact the TSS Help Desk for all MAXIS and MEC² questions.

SIGNED

NIKKI FARAGO

Assistant Commissioner

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Background

The 2017 Minnesota Legislature passed changes about how to count the income of newly married members of assistance units. These changes will affect the following programs:

- Minnesota Family Investment Program (MFIP)
- Diversionary Work Program (DWP)
- MFIP and DWP Child Care Assistance
- Refugee Cash Assistance.

The change is effective December 1, 2018.

This policy pertains to legal marriages. For questions about whether someone is legally married please contact your county or tribal attorney. Couples who are legally separated but live in the same household are considered married under this policy.

II. Policy Changes effective December 1, 2018

A. Cash Programs Policies

1. What is the policy?

Income of a new spouse in an MFIP, DWP or RCA assistance unit is not counted for 12 consecutive months if all of the following criteria are met:

- the household is receiving assistance (or has an application pending that results in eligibility)
- A caregiver (MFIP or DWP) or assistance unit member (RCA) gets married
- The combined gross counted earned and unearned income of the assistance unit does not exceed 275% of the Federal Poverty Guideline (FPG) for their household size.

For households eligible for the New Spouse Income policy, the person whose income is not counted will be the Designated Spouse.

The New Spouse Income policy applies to:

- Applicants who marry while their MFIP, DWP or RCA application is pending and are determined eligible for the month of marriage.
- Existing MFIP, DWP or RCA assistance units where:
 - a newly-married member is joining an existing MFIP, DWP or RCA assistance unit.
 - the newly-married members are part of the same assistance unit.
 - the newly-married members are part of a different MFIP, DWP or RCA assistance unit.

A. Who is eligible:

- All adult MANDATORY ELIGIBLE assistance unit members. See [CM0014.03.03 - DETERMINING THE CASH ASSISTANCE UNIT](#) and [CM0030.03.03 - RCA ASSISTANCE UNITS](#)
- Adult MANDATORY INELIGIBLE assistance unit members who:
 - Are recipients of SSI
 - Are ineligible non-citizens
 - Fail to verify citizenship
 - Are in Post-60 month removal

B. Who is not eligible:

- Anyone who is not a MANDATORY assistance unit member.
- MANDATORY INELIGIBLE assistance unit members who:
 - Fail to provide Social Security Number
 - Have a fraud disqualification
 - Are fleeing felons
 - Are parole violators

2. Who is the Designated Spouse in an assistance unit?

The Designated Spouse is the person whose income will not be counted when the policy is applied. Once determined, the Designated Spouse remains the same for the 12 consecutive months.

- If only one newly-married member is in an existing assistance unit, the spouse joining the assistance unit will be the Designated Spouse.
- If both newly-married members are part of the same OR different existing assistance units, they may choose, but are not required to choose, who the Designated Spouse is.
 - If the newly-married members do not choose a Designated Spouse, the eligibility worker must select the spouse with the highest combined counted income at the time. If neither spouse has income, the worker will wait to select a Designated Spouse. The worker will select the first spouse to have counted earned or unearned income during the 12 consecutive months as the Designated Spouse.

3. How are the 12 months counted?

The 12 months are **consecutive** calendar months that:

- begin the month after the month of marriage.
- may include a period of program ineligibility of 30 days or greater.
- are not altered by eligibility switching between DWP, MFIP or RCA.

4. What are the verification requirements?

A. Marriage date

The marriage date must be verified for an assistance unit to be eligible for the New Spouse Income policy.

- If the marriage date is not verified, then all countable earned and unearned income from both spouses is budgeted.
- If a marriage date is verified any time AFTER the month of marriage, then the income of the Designated Spouse does not count beginning the month after verification is received. The income will not count in the budget for any remaining months in the 12 consecutive month period after marriage. Late verification does not change the timeline for the 12 consecutive months.

B. Income

When verification of the marriage date is received, counted income from both spouses is verified to ensure the assistance unit passes the 275% test. If the assistance unit passes the 275% test and is eligible for the New Spouse Income policy, verification of the Designated Spouse's income is not needed again until:

- The household reports their combined income exceeds 275% of the FPG. All countable income must be verified to determine if the unit exceeds 275% of the FPG.
OR
- The 12 consecutive months ends.

[CM0010.18 - MANDATORY VERIFICATIONS](#) AND [CM0010.18.01 - MANDATORY VERIFICATIONS - CASH ASSISTANCE](#) will be updated to reflect these requirements.

5. What are the reporting requirements?

In addition to existing reporting policy, clients will be required to report when their combined household income exceeds 275% of the FPG.

6. How will the 275% FPG comparison be calculated?

The household size for the 275% FPG test must be determined by the number of eligible members. All eligible mandatory assistance unit members have their gross income counted toward the 275% test. Also count the gross income of ineligible mandatory assistance unit members who are deemers.

7. How will an eligible household's MFIP, DWP or RCA benefits change?

Although the income of a Designated Spouse is not counted in the grant budget, if they are an eligible mandatory assistance unit member the household size may increase. This may result in an increase in benefits.

When the 12 consecutive months end, the Designated Spouse's income will be counted.

If the household's combined counted earned and unearned gross income meets or exceeds 275% of the FPG, verify all counted income types. When the household verifies that their income meets or exceeds 275% of the FPG, all counted income is budgeted in the grant calculation. This will lead to the case either suspending or closing. Follow existing policy regarding suspension or ineligibility, see [CM0022.18 - SUSPENSIONS](#).

8. What are the Employment Services requirements?

The Designated Spouse may still be required to participate with Employment Services. The New Spouse Income policy does not change existing policy for who must participate with Employment Services. For MFIP see [CM0028.06.02 - UNIVERSAL PARTICIPATION PROVISIONS](#). For RCA see [CM0030.12 - REFUGEE EMPLOYMENT SERVICES](#).

If a Designated Spouse submits documentation of earnings/hours worked, the eligibility worker is encouraged to enter the information into MAXIS for the purposes of the Work Participation Rate (WPR).

B. Child Care Assistance Program Policies

1. What is the policy?

If an MFIP or DWP Child Care Assistance Program (CCAP) applicant or participant marries, the new spouse's earned and unearned income, including lump sums, does not count towards their CCAP benefits when both of the following conditions are met:

- They are eligible for the New Spouse Income policy for their MFIP or DWP case, and
- Their new household's total annualized income, including the new spouse's income, does not exceed 67% of the State Median Income (SMI) for their new household size.

The new spouse's earned and unearned income is not counted for up to 26 consecutive biweekly periods beginning two biweekly periods after the marriage date.

A. Who is eligible:

This policy is only available to families receiving MFIP or DWP CCAP. A CCAP applicant or participant must first be eligible for this policy on their MFIP or DWP case before they can be eligible for the policy on their CCAP case.

For CCAP, this policy is available when:

- Applicants who marry while their MFIP or DWP CCAP application is pending and are determined eligible for CCAP.
- Applicants who marry while their MFIP or DWP cash assistance application is pending and are determined eligible for cash assistance for the month of marriage when they apply for CCAP at a later date. If found eligible for CCAP, they are eligible for the remainder of the 26 biweekly periods.
- Existing MFIP or DWP CCAP households where:
 - A newly-married member is added to an existing MFIP or DWP CCAP household.
 - The newly-married members are part of the same household.
 - The newly-married members are part of different MFIP or DWP CCAP households.

B. Who is not eligible:

The New Spouse Income policy is not available to families receiving Transition Year, Transition Year Extension, Basic Sliding Fee, Portability Pool, or “Student Parent” MFIP or DWP child care.

Families whose total annualized income is greater than 67% of SMI are not eligible for the New Spouse Income policy, including:

- An applicant who marries while their CCAP application is pending and whose total annualized income, including the new spouse’s income, is greater than 67% of the SMI for their new household size is not eligible for the New Spouse Income policy. If the applicant’s income is over 67% SMI for the household size at application, the family is not eligible for CCAP.
- An existing household whose total annualized income, including the new spouse’s income, is greater than 67% and at or under 85% of the SMI for their new household size is not eligible for the New Spouse Income policy for their CCAP case.
 - The CCAP case remains open, but all income of the new spouse is counted.
 - The copayment cannot increase during the 12 month eligibility period.
 - The copayment may decrease during the 12 month eligibility period due to the larger family size when the increase in countable income is not considered.
 - If the assistance unit’s total annualized income drops below 67% of the SMI at a later date, the new spouse can receive the income exemption for the remainder of the 26 biweekly periods.
- An existing household whose total annualized income, including the new spouse’s income, is greater than 85% of the SMI for their new household size is not eligible for CCAP.
 - The CCAP case will close after the 15 day adverse action notice period.

2. Who is designated as the new spouse?

The Designated Spouse is the person whose income will not be counted when the policy is applied.

The Designated Spouse is determined first for the MFIP or DWP cash program case in MAXIS. This determination carries through to the CCAP case in MEC². The Designated Spouse is not determined by CCAP.

See bulletin section II.A.2 for more information about the Designated Spouse.

3. How are the 26 biweekly periods counted?

The 26 consecutive biweekly periods during which the Designated Spouse’s income is eligible to not count:

- Begin two biweekly periods after the biweekly period with the marriage date.
- May include periods of ineligibility.
- Are not cancelled or altered by a change in CCAP subprograms. However, if a change in CCAP subprograms occurs, the income of the Designated Spouse counts.

This time period is identified as the “New Spouse Income Exemption Period”. There may be instances when the New Spouse Income Exemption Period start and end dates are different between CCAP and MFIP or DWP.

4. What are the verification requirements?

A. Marriage Date

The marriage date must be verified for a CCAP household to be eligible for the New Spouse Income policy. Contact the MFIP or DWP worker to confirm the verification has been turned in or to request a copy of the verification for the CCAP file BEFORE requesting the verification from the family.

- If the marriage date is not verified, then all countable earned and unearned income from both spouses is counted. CCAP income verification requirements may apply. See [CCAP Policy Manual Chapter 7 - Verification](#).
- If the marriage date is verified AFTER the biweekly period of marriage, the start date for the 26 consecutive biweekly periods STILL begins two biweekly periods after the marriage date. However, the income of the Designated Spouse does not stop counting until two biweekly periods AFTER verification of the marriage date is received.

B. Income

The New Spouse Income policy does not change existing income verification policies. See [CCAP Policy Manual Chapter 7.9 - Income Verification](#).

5. What are the reporting requirements?

The New Spouse Income policy does not change existing reporting requirements policies. See [CCAP Policy Manual Chapter 8.3 - Reporting Requirements](#).

6. How will an eligible family’s CCAP change?

- Once a household is determined eligible for the New Spouse Income policy, the CCAP household size will increase if the designated spouse was not already part of the household.
- The income of the Designated Spouse will not count for up to 26 consecutive biweekly periods beginning the second biweekly period after the marriage date verification.
 - If verification of the marriage date is received within the same biweekly period of the marriage, the family will be eligible for 26 biweekly periods where the Designated Spouse’s income is not counted.
 - If verification of the marriage date is received after the biweekly period of the marriage, the family will receive less than 26 biweekly periods where the Designated Spouse’s income is not counted.
- Due to increasing the household size and not counting the Designated Spouse’s income, the CCAP copayment may decrease. Copayment decreases are allowed during the 12 month eligibility period.

- If the child care assistance subprogram changes, the Designated Spouse's income will start counting for the new subprogram in the biweekly period it begins. Copays can only increase at redetermination.
- When the 26 consecutive biweekly periods end, the Designated Spouse's income will be counted starting the following biweekly period.
 - If the following biweekly period is also the redetermination biweekly period, the copayment may increase as part of processing the redetermination.
 - If the following biweekly period is not the redetermination biweekly period, the family is in their 12 month eligibility period and the copayment is not allowed to increase. The copayment may increase when the family's next redetermination is processed.

7. Are there any changes to activity requirements for the Designated Spouse?

The Parentally Responsible Individual (PRI) activity requirements to authorize care and reporting requirements continue to be the same for households determined eligible for the New Spouse Income policy.

III. Systems changes install tentatively scheduled for late December 2018

A. MAXIS System Implementation

MAXIS system updates to support the policy changes are tentatively scheduled to be installed and available late December 2018.

1. STAT/MEMI Changes

When a marriage has been reported, eligibility workers will enter marital status and spouse reference number as they currently do. In addition, indicate who the chosen Designated Spouse is, the marriage date, and the verification date of the marriage.

Three new fields will be added to the STAT/MEMI panel in MAXIS.

- Designated Spouse (Y/N) – Eligibility worker selects the Designated Spouse with Yes or No.
- Marriage Dt – Eligibility worker enters the marriage date reported by the assistance unit.
- Marriage Ver Dt – Eligibility worker enters the date the verification of marriage is received.

Each new field will have online edits to alert eligibility workers when the data entered is invalid and/or conflicts with other STAT data. The new fields are required for DWP, MFIP, and RCA programs when a marriage is reported and entered.

2. Background Edits

Multiple new background edits may be issued for DWP, MFIP, and RCA cases when the conditions for the New Spouse Income policy are met based on data on STAT/MEMI and ELIG processing. These background edits will alert eligibility workers when STAT data needs to be reviewed and/or modified for accurate case processing.

3. Periodic Processing Alerts

Multiple new Periodic Processing (PEPR DAIL) messages will be issued to alert the assigned DWP, MFIP, and/or RCA eligibility worker to take necessary actions to review and/or update cases when conditions for the New Spouse Income policy are met based on STAT data and ELIG processing.

4. Integrated DAILS

An Integrated alert will notify the MEC² worker to take necessary actions when a MAXIS worker makes a change to a shared data field on STAT. Three new alerts will be issued only if the person whose MAXIS shared data field on STAT has been updated and is a Family Member on a MEC² case with any CCAP status except inactive. These three new alerts will only be issued if the MAXIS worker and MEC² worker are not the same worker.

5. ELIG and FIAT

A new factor has been added to the Case Test panel to apply the 275% FPG policy. This factor is not a "Case Test" in the normal sense, as it does not determine eligibility as a PASS or FAIL. Instead, it compares the total gross income, both earned and unearned, for all family members whose income normally counts in the budget. This total Gross household income is compared to the 275% FPG standard for the number of {A – ACTIVE} members in the household. The results are then given as UNDER or OVER.

- If the household is not within a 12 month New Spouse Income period, the results default to N/A.
- If the results are OVER, then the Designated Spouse's income is counted in the budget.
- If the results are UNDER, the Designated Spouse's income is not counted in the budget, if all other policy requirements are met.

In FIAT, for DWP, MFIP, and RCA the household size for the 275% FPG standard is editable. For DWP FIAT only, the earned and unearned income amounts within the new pop-ups are also editable.

6. Approval Notice

When a marriage is reported and an approval is completed, applicable text related to the new spouse income will be displayed on the MFIP, DWP, or RCA notice. Notice text alerting the household of the beginning or end of the 12 month new spouse income period will be included when appropriate. During the 12 month new spouse income period, the notice text will include the reason why the income of the designated spouse is counted or not counted and the 275% FPG amount for the household.

B. MEC² System Implementation

MEC² system updates to support the policy change are tentatively scheduled to be installed late December 2018. After updates are installed, they will be available to workers retroactively beginning with the biweekly period containing December 1, 2018.

1. Income Determination Changes

The spouse whose income is not counted is considered the Designated Spouse. MEC² is changing to not count the earned income, unearned income, and lump sum income of the Designated Spouse.

2. Member II window

Two new integrated fields will be added to the Member II window in MEC² and to the STAT/MEMI panel in MAXIS. Updates to these fields are shared between the systems. Each new field will have online edits to alert workers when the data entered is invalid and/or conflicts with other data. The MEC² fields include:

- “Marriage Date” – worker enters the marriage date reported by the PRI.
- “Verification Date” – worker enters the date they received verification of the marriage date.

One more new integrated field will be added to the Member II window in MEC² and to the STAT/MEMI panel in MAXIS. This field can only be updated in MAXIS.

- “Designated Spouse” – CCAP workers cannot edit this field. The MAXIS worker selects the Designated Spouse with Yes or No, then the selection integrates into MEC².

3. Eligibility Results – Financial window

A new box, “New Spouse Income Exemption Period”, will be added to the Eligibility Results – Financial window. New fields include:

- “Ref” – identifies the reference number of the Designated Spouse
- “Name” – identifies the name of the Designated Spouse
- “Begin” – identifies the first day of the Designated Spouse Income Exemption Period
- “Expires” – identifies the last day of the Designated Spouse Income Exemption Period

These fields are auto-populated when a Designated Spouse is identified in MAXIS.

4. Alerts

Multiple new alerts will be issued to assigned workers to take necessary actions to review and/or update cases potentially eligible and eligible for this policy.

IV. Local Agency Actions Required

A. Cash Programs

1. Marriage date of December 1, 2018 through date of system automation:

If an MFIP, DWP or RCA applicant or participant reports marrying on December 1, 2018 through date of system automation:

- Policy guidance – submit a PolicyQuest
- System guidance – see MAXIS SIR announcement page

2. Marriage date on or after date of system automation

When an MFIP, DWP or RCA applicant or participant reports marrying after system automation:

- Add the new spouse to the assistance unit in the month the marriage occurred or the month they move in, if later than the marriage date. Follow [CM0008.06.06 - ADDING A PERSON TO THE UNIT - CASH](#) and TE02.05.92 – Adding a Person APPL or STAT.
- Update the new Marriage Date and corresponding verification field on MEMI. Request verification of the marriage date if it was not already requested as part of adding a member to the unit.
- If the new spouse is already part of an assistance unit, determine who the Designated Spouse is and update the Designated Spouse field on each member's MEMI panel. Failure to designate a spouse will result in all countable income being budgeted.
- If the unit has income, update the appropriate income panels with the verified income. MAXIS will run the 275% FPG test. Once the test is initially passed, the system will not count the income of the Designated Spouse. If the unit fails the 275% test, income will be counted. Remember that the household only needs to verify income of the Designated Spouse for the 275% test at the time of marriage and when they report their combined income exceeds 275% of the FPG. System functionality will require MAXIS to run the 275% test each month, but clients are not required to verify the income that is not counted each month.

3. New Spouse Income 12 consecutive month period is ending:

The month before the 12 consecutive month period ends, a PEPR message will be generated alerting the worker that the 12 consecutive month period is ending.

- Upon receipt of this DAIL message, review the case to determine if new income verifications are needed. If new verifications are needed, send a verification request following existing policy on requesting verification. TIKL for the return of the verification.
- Upon receipt of verification, update the appropriate STAT panels and approve new results. If verification is not received, update STAT panels with "NO" verification and close the case allowing for 10 day notice.

B. Child Care Assistance Program

Program workers must communicate with each other when a person applying for or receiving MFIP or DWP who is also applying for or receiving MFIP or DWP CCAP marries. It is best practice for one worker from the same agency to request verification of the marriage date from the household. Workers should share received verifications with each other.

1. Marriage date of December 1, 2018 through date of system automation

If a CCAP applicant or participant reports marrying on December 1, 2018 through date of system automation:

- Policy Guidance – submit a PolicyQuest
- System Guidance – see the MEC² SIR announcements page

2. Marriage date on or after date of system automation

If a CCAP applicant or participant reports marrying on or after date of system automation:

- If needed, add the new spouse to the household in the biweekly period the marriage occurred or the biweekly period they arrived if later than the marriage date.
 - See MEC² User Manual > Case Management and Eligibility > Add or Remove a Member.
- If needed, update Member II window fields including Marital Status, Marriage Date and Verification Date.
- Apply all other current policies to the new spouse.
 - Request verification of the marriage date within 10 days of the report of marriage.
 - Income verification requirements may apply. See [CCAP Policy Manual Chapter 7.9 - Income Verification](#).
 - If the household has a pending MFIP or DWP CCAP application, request verification of all eligibility factors for the new spouse within 10 days of the report of marriage.
 - If the household is currently receiving MFIP or DWP CCAP, request identity verifications, additional relationship verifications (if needed) and other required verifications at the next redetermination.
 - The household's CCAP reporter type determines if activity and schedule verifications need to be requested within 10 days of the report of marriage or at the household's next redetermination.
 - Update authorized hours on Child's Provider windows as needed based on current authorization policies. To increase authorized hours all eligibility factors for the new spouse and the new spouse's activity and activity schedule must be verified.
 - To authorize care for a new child all eligibility factors for the new spouse and the new spouse's activity and activity schedule must be verified.
- Review Eligibility Results to determine if the Designated Spouse's income is counted or not counted correctly.

- If the new spouse is being added to the household, the worker MUST approve the eligibility results to finish adding the new spouse.
- If the new spouse is already a household member and the Eligibility Results show the copay will decrease, approve the Eligibility Results. If there is no change in the copay, Eligibility Results do not need to be approved.
- Review and approve Service Authorization results if a lower copay was approved in Eligibility or if there is an allowable change in authorized hours.

3. New Spouse Income Exemption Period is ending

Biweekly Case Batch processing will identify cases with an “Expires” date occurring within the next two biweekly periods and send the case through eligibility background processing. An informational alert will be generated instructing the worker to take action on the case to begin counting the income of the Designated Spouse following the biweekly period that includes the expiration date.

- Upon receipt of this alert, review the Eligibility Results to begin counting the Designated Spouse’s income the biweekly period following the Expires date. If that biweekly period is not available yet, you must wait until the biweekly period following the Expires date becomes available before approving new eligibility results. The copay will not increase if the household is in their 12-month eligibility period. The copay will increase if the household’s redetermination is being processed.
- Approve Service Authorization Results if the copay is increasing as part of redetermination processing.

V. Training and Resources

A. Informational Meetings

DHS will discuss New Spouse Income policy and system information at these upcoming meetings:

- MAFAS Meetings: October 25, 2018 and December 6, 2018
- MAXIS Mentor Meetings: December 5, 2018 and January 30, 2019
- MEC² Mentor Meetings: December 12, 2018 and January 9, 2019
- ES Advisory Meeting: January 25, 2019
- ESNET Meeting: January 18, 2019
- Other county meetings: as requested

B. Training

DHS plans to record two trainings for local agency staff. Workers will access these recorded trainings through DHS TrainLink. These recorded trainings will cover: (1) the policy changes for the impacted cash and child care

assistance programs, and (2) the system changes for MAXIS and MEC². The recorded trainings are scheduled to be available in December 2018. DHS will notify local agencies when these are available.

C. Other Resources

DHS will update the Combined Manual and the CCAP Policy Manual to reflect the new policy. DHS will notify local agencies when updates have been made.

VI. Legal References

Minnesota Statutes, section 256P.06 INCOME CALCULATIONS

45 C.F.R. Chapter IV, Part 400, Subpart E REFUGEE CASH ASSISTANCE

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-4049 (voice) or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.