

**441—65.29(234) Income.**

**65.29(1) Self-employment income.** “Self-employment income” means the net profit from self-employment.

*a. Determination of net profit.* “Net profit from self-employment” means gross self-employment income less:

- (1) A standard amount of 40 percent, as allowed by the state’s family investment (TANF) program, or
- (2) At the household’s request, actual allowable expenses as specified in federal regulations at 7 CFR 273.11 as amended to May 2, 2022.

*b. Uneven proration of self-employment income.* Once a household with self-employment income is determined eligible, the household has the following options for computation of the benefit level:

- (1) Using the same monthly self-employment income amount which was used to determine eligibility, or
- (2) Unevenly prorating the household’s annual self-employment income over the period for which the household’s self-employment income was averaged to more closely approximate the time when the income is actually received. If this option is chosen, the self-employment income assigned in any month together with other income and deductions at the time of certification cannot result in the household’s exceeding the maximum monthly net income eligibility standards for the household’s size.

**65.29(2) Unemployment insurance benefits.** The department shall verify unemployment insurance benefits by using information supplied by the department of workforce development.

When the client notifies the agency that the amount of unemployment insurance benefits used is incorrect, the client shall be allowed to verify the discrepancy. A benefit adjustment shall be made when indicated.

**65.29(3) Interest income.** Prorate interest income by dividing the amount anticipated during the certification period by the number of months in the certification period.

**65.29(4) Social security plans for achieving self-support (PASS).** Notwithstanding anything to the contrary in these rules or regulations, exclude income amounts necessary for fulfillment of a plan for achieving self-support (PASS) under Title XVI of the Social Security Act.

**65.29(5) Student income.** In determining eligibility, the department shall exclude educational income, including any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans’ educational benefits, and the like excluded under Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for the state’s modified adjusted gross income (MAGI)-related medical assistance program, subject to paragraph 65.29(5)“d.”

*a.* Notwithstanding anything to the contrary in these rules or regulations, the department shall exclude educational income based on amounts earmarked by the institution, school, program, or other grantor as made available for the specific costs of tuition, mandatory fees, books, supplies, transportation and miscellaneous personal expenses (other than living expenses).

*b.* If the institution, school, program, or other grantor does not earmark amounts made available for the allowable costs involved, students shall receive an exclusion from educational income for educational assistance verified by the student as used for the allowable costs involved. Students can also verify the allowable costs involved when amounts earmarked are less than amounts that would be excluded by a strict earmarking policy.

*c.* For the purpose of this rule, mandatory fees include the rental or purchase of equipment, materials and supplies related to the course of study involved.

*d.* Certain types of student income must be treated as follows, regardless of how they are considered for MAGI-related medical assistance.

- (1) Wages may not be excluded.
- (2) Federally funded work study is excluded.
- (3) State-funded work study is excluded up to the amount earmarked for educational expenses.

**65.29(6) Welfare reform and regular household honorarium income.** All moneys paid to a SNAP household in connection with the welfare reform demonstration longitudinal study or focus groups shall be exempted.

**65.29(7)** *Income of ineligible aliens.* The department shall use all but a pro rata share of ineligible aliens' income and deductible expenses to determine eligibility and benefits of any remaining household members.

**65.29(8)** *Unearned income.* Unearned income is any income in cash that is not gained by labor or service. When taxes are withheld from nongovernment sources of unearned income, the amount considered will be the net income after the withholding of taxes (Federal Insurance Contribution Act, state and federal income taxes). Net unearned income shall be determined by deducting reasonable income-producing costs from the gross unearned income. Money left after this deduction shall be considered gross income available to the household.

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