

**MFIP BASICS FOR
EMPLOYMENT
SERVICES
PROVIDERS:
PART 3 OF A
3-PART SERIES**

Supports Resources
Goals
Policy Eligibility
Grants

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Welcome to Minnesota Family Investment Program Basics for Employment Services Providers. This is part 3 of the 3-part series.



It is best to have the handout for this course ready to use. The handout is called MFIP Basics for Employment Services Counselors and is available on the DWP and MFIP Employment Services Resources web page, under Training and Support.

THIS WEBINAR COVERS PART THREE OF THE MFIP BASICS FOR ES PROVIDERS COURSE.

- Income eligibility: MFIP Assistance Standards
- MFIP work incentives and calculating the grant amount
- Budgeting and grant determination
- Employment Services referral process



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Let's start with income eligibility for MFIP. Applicants must have an income within certain guidelines in order to be eligible for MFIP. The Family Wage Level (FWL) standard is used for all applicants at the initial income test.

A budget is calculated by the financial worker to determine if an applicant is eligible for MFIP and also to determine the benefit amount for which that person is eligible. The financial worker calculates the income for the MFIP family and compares it against the MFIP Assistance Standard for that household size.



Two grant standards

The MFIP program uses two basic grant standards in grant calculations – the Transitional Standard and the Family Wage Level.

MFIP/DWP ASSISTANCE STANDARDS

| # Eligible People | FAMILY WAGE LEVEL | -----TRANSITIONAL STANDARD----- | | |
|-------------------|-------------------|---------------------------------|--------------|--------------|
| | | Full Standard | Cash Portion | Food Portion |
| 1 | \$464 | \$422 | \$250 | \$172 |
| 2 | \$829 | \$754 | \$437 | \$317 |
| 3 | \$1,090 | \$991 | \$532 | \$459 |
| 4 | \$1,328 | \$1,207 | \$621 | \$586 |
| 5 | \$1,530 | \$1,391 | \$697 | \$694 |
| 6 | \$1,755 | \$1,595 | \$773 | \$822 |
| 7 | \$1,913 | \$1,739 | \$850 | \$889 |
| 8 | \$2,114 | \$1,922 | \$916 | \$1,006 |
| 9 | \$2,314 | \$2,104 | \$980 | \$1,124 |
| 10 | \$2,507 | \$2,279 | \$1,035 | \$1,244 |
| Each add'l person | \$191 | \$174 | \$53 | \$121 |



MFIP ASSISTANCE STANDARDS

Please refer to the MFIP Assistance Standards chart in your handout.

The first standard is called the Transitional Standard. This standard is used in calculating a grant for families **without** earned income.

MFIP/DWP ASSISTANCE STANDARDS

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The second standard is the Family Wage Level. This standard is a “work incentive” and is used in calculating a grant for families with **earned** income. The Family Wage Level is based on 110% of the Transitional Standard.

The treatment of earnings in MFIP allows incentives so that participants are always better off working than not working. The grant for working families is calculated from a higher standard (family wage level) rather than from the base (transitional standard) used for non-working families.

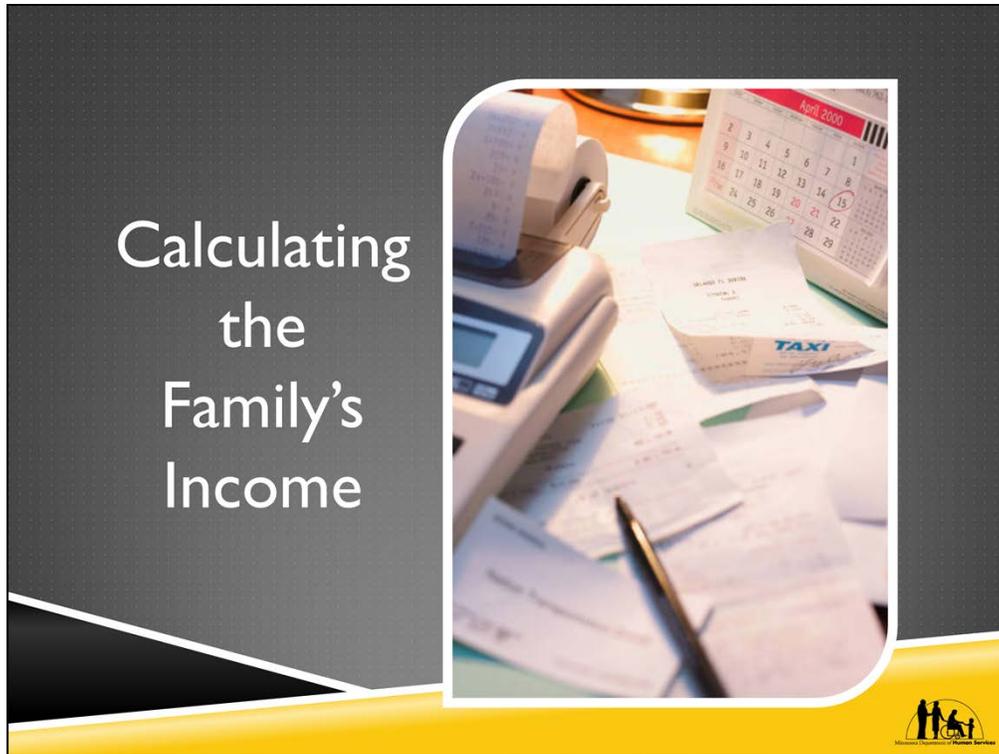
By evaluating earned income against a higher level, and by having a substantial earned income disregard, participants get to keep more of their earnings.

MFIP/DWP ASSISTANCE STANDARDS

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For example, a maximum grant amount for an MFIP family of 4 using the Traditional Standard would be \$621 in cash benefits and \$589 in food benefits, for a total maximum grant of \$1,207.



Now that we've looked at the Assistance Standards chart that is used to determine the maximum grant amount for an MFIP family, let's look at how an MFIP family's income is calculated.

Monthly Reporting Requirements

Household Report Form (HRF)

Household Report Form

Case number: _____

(Agency name, address, city/state/zip) _____

(Client name, address, city/state/zip) _____

How to fill out this form:

1. Your REPORT MONTH(S) is _____
2. Fill out and return this form or your benefits may be late or stop.
3. Answer Yes or No to each question.
4. If there is not enough room on the form to answer a question, attach your own pages.
5. Sign and date the form on or after _____
6. Return this form no later than _____
7. If you need help with the form, call _____

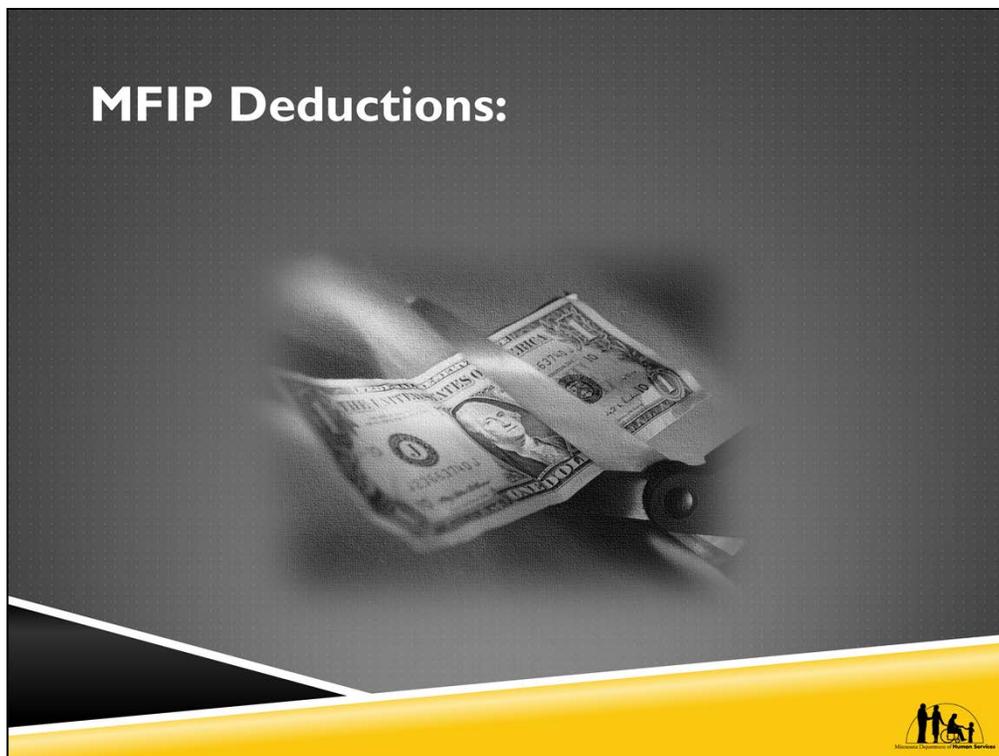
Important - Read this

- **Your right to file a complaint:** If you feel the county or the Minnesota Department of Human Services treated you differently in the handling of your public assistance application or benefits because of race, color, national origin, political beliefs, religion, creed, sex, sexual orientation, public assistance status, age, or disability, including physical access to government buildings, you may file a complaint with the county case or federal agencies.
- **How we use this information:** Our public assistance staff and other agencies allowed by law use the information on this form. We also use it to refer you to other benefit programs. If you move to another state or county, we will send certain information to them.
- **Your right to a fair hearing:** You have the right to a fair hearing if you do not agree with an action taken by the county agency. Request a fair hearing by calling or writing your county human services agency or the Minnesota Department of Human Services, State Appeal Office, PO Box 60741, St. Paul, MN 55164-0741.
- **Disability and notice of intent:** We may deny or change your cash or health care and/or food benefits because of information you give on this form. We can make changes without giving you 10 days advance notice. We will send you written notice of any change no later than the date the change takes effect or the date you would receive benefits, whichever is earlier.
- **False information:** If you give false information, we may try you for fraud and you could lose your benefits.

Monthly Reporting

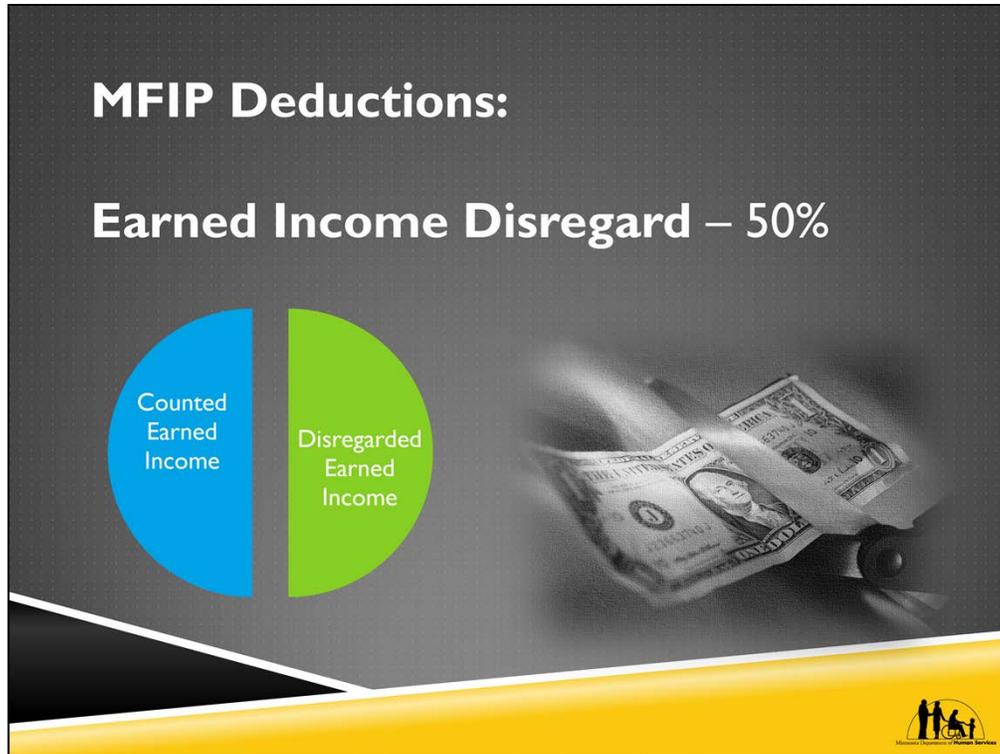
Most MFIP participants must verify their income and expenses each month. This is called monthly reporting. This reporting is done by completing a Household Report Form (HRF).

Monthly reporters will have their MFIP grant amount determined using “retrospective budgeting.”



MFIP Deductions

MFIP Provisions allow three deductions from Gross income.



The first is the Earned Income Disregard.

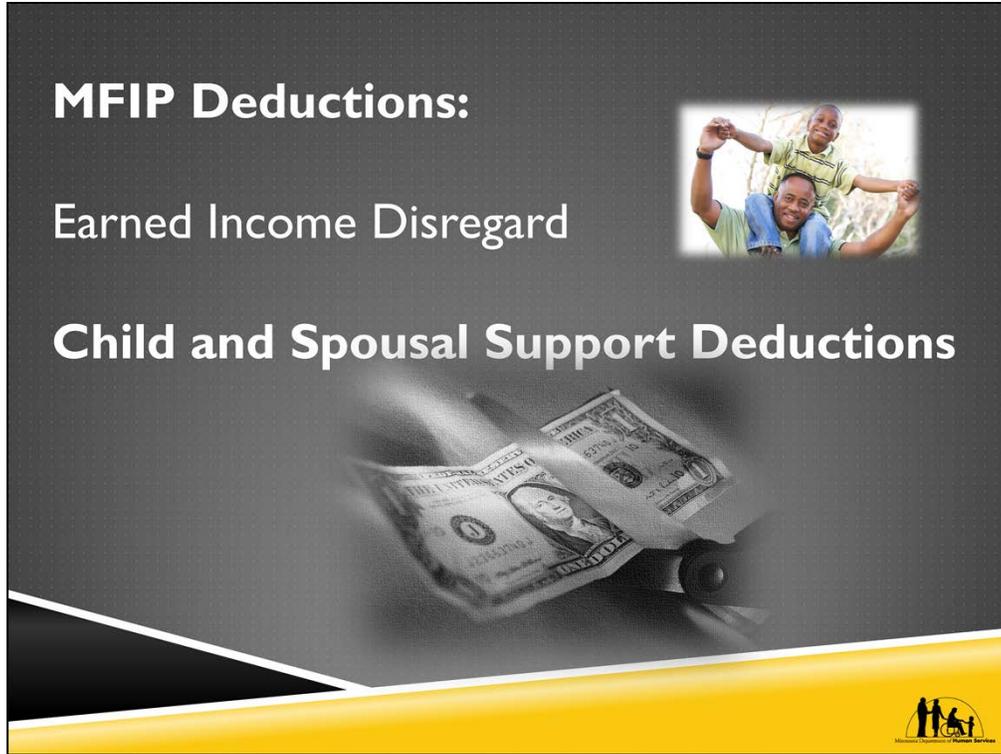
Disregard means earned income that is not counted when determining initial or ongoing eligibility and calculating the amount of the assistance payment for participants.

For MFIP households with earned income, 50% of the unit's gross earned income will be disregarded when determining net income for monthly benefits.

MFIP Deductions:

Earned Income Disregard

Child and Spousal Support Deductions



The second deduction allows for Child and Spousal Support.

Deduct child support, spousal support, child care support, and medical support that a unit member pays to another household.



The third allowable deduction is called Allocation.

Allocation is a deduction allowed from a person's income for the maintenance needs of dependents not in the assistance unit. We can deduct part of a caregiver's income to cover the unmet needs of an ineligible spouse and /or and ineligible child under the age of 21 who lives with the caregiver. This deduction is allowed if the caregiver lives with and is financially responsible for the person.

MFIP SIGNIFICANT CHANGE:



- A supplement allowed when income is at least 50% less than the amount used to determine the grant .
- Limited to 2 in a 12 month period.

Significant Change

MFIP has a significant change policy to address a decline of income. If a family experiences a decline in gross earned or unearned income of 50% or more, a supplement may be issued. The client must request this recalculation to be done by the financial worker and can only receive this supplement twice in a 12-month period.

The key for you as a job counselor is to refer your clients to the financial worker when there is a possible significant change situation.



MFIP policy incorporates certain “work incentives” for participants.

The first is the \$5000 Asset limit.

Assets are defined as real and personal property owned wholly or in part by the client. When a participant applies for MFIP, their assets must be below \$2000.

Once on MFIP, a family can accumulate a total of \$5,000 in assets, which is much higher than other assistance programs.

Why do you think MFIP allows a higher asset limit before participants become ineligible for this reason?

This allows clients to save up “emergency funds” for when they are off of assistance. This way, if their car breaks down or they have extra expenses that make it difficult to pay rent this month, they could have some savings to dip into instead of having to apply for MFIP again right away.



Another work incentive is **Subsidized Child Care**.

Subsidized child care is available for MFIP participants through the MFIP Child Care Program. You will learn more about the Child Care Assistance Program during the MFIP Employment Services training.

MFIP WORK INCENTIVES

- \$5000 Asset Limit
- Subsidized Child Care
- **50% Earned Income Disregard**



And finally there is the **50% earned income disregard**.

Families are always better off financially when they work. In addition to the earned income disregard, working families can also receive both a federal earned income credit and the Minnesota Working Family Credit (MWFC) when they file their taxes.

Many families are getting back \$2000 - 4,000 in tax credits. Encourage your clients to file taxes every month, February through April when the IRS Volunteer Income Tax Assistance (VITA) sites are open. A mom with 2 kids gets only 6,384 (532 x 12) all year on MFIP, so these tax credits are a big part of their annual income. They can file back 3 years for credits, too. These credits are available to clients on each paycheck or as a refund at the end of the year when they file income taxes.

Now that we have discussed the grant standards and the earned income disregard, let's look at an example.

MFIP GRANT EXAMPLE



- Household Size of 2
- Earned Income = \$400/mo.
- No unearned income

| MFIP GRANT - PRACTICE CALCULATION | |
|--|---|
| (Fill in the blanks.) | |
| Household Size = 2 Earned Income = \$400/mo. | |
| 1 | Gross Earnings \$400 |
| 2 | Minus 43% of Line 1 172 |
| 3 | Equals Net Earnings = 228 |
| 4 | MFIP Family Wage Level (HH of 2) |
| 5 | Minus Net Earnings 228 |
| 6 | Equals DIFFERENCE = |
| 7 | MFIP Transitional Standard (HH of 2) |
| 8 | Monthly Amount (smaller of Line 6 or 7) = |
| 9 | Minus Unearned Income (if any) 0 |
| 10 | Equals Grant Amount = |
| 11 | Food Portion |
| 12 | Cash Portion |
| Gross Income \$ _____ + Grant \$ _____ = | |
| \$ _____ Total HH Income | |
| <small>If not working, this family would have only received the Transitional Standard of \$766 for a household of two.</small> | |

Here's an example of a family of two with earned income.

Take out the MFIP Grant Practice Calculation handout and your MFIP Assistance Standards handout.

Complete the practice grant calculation for this example using a household size of two with earned income of \$400 a month. They receive no unearned income.

| MFIP Grant Calculation Steps | Amounts |
|--|---------|
| 1. Gross Earnings | \$400 |
| 2. Minus 50% (from line 1) | - \$200 |
| 3. Equals Net Earnings for MFIP | = \$200 |
| 4. MFIP Family Wage Level (HH2) | |
| 5. Minus Net Earnings | - \$200 |
| 6. Equals Difference | = |
| 7. MFIP Transitional Standard (HH2) | |
| 8. Monthly Grant Amount | |
| 9. Minus Unearned Income (if any) | - \$0 |
| 10. Equals MFIP Grant Amount | = |
| 11. MFIP Food Portion | |
| 12. MFIP Cash Portion | |
| Gross Income \$ + MFIP Grant \$ = \$ for total HH income. | |

Take a few minutes now to complete this form.

The first few lines are given to you. Remember to use the row for an eligible unit size of 2.

| MFIP Grant Calculation Steps | Amounts |
|-------------------------------------|----------------|
| 1. Gross Earnings | \$400 |
| 2. Minus 50% (from line 1) | - \$200 |
| 3. Equals Net Earnings for MFIP | = \$200 |
| 4. MFIP Family Wage Level (HH2) | \$829 |
| 5. Minus Net Earnings | - \$200 |
| 6. Equals Difference | = \$629 |
| 7. MFIP Transitional Standard (HH2) | \$754 |
| 8. Monthly Grant Amount | \$629 |
| 9. Minus Unearned Income (if any) | - \$0 |
| 10. Equals MFIP Grant Amount | = \$629 |
| 11. MFIP Food Portion | \$317 |
| 12. MFIP Cash Portion | \$312 |

Gross Income \$400 + MFIP Grant \$629 = \$1,029 for total HH income.

MFIP Grant Calculation Steps

Here are the MFIP grant calculation steps with the answers filled in. Compare your answers to what is shown here. As you can see on your handout, you are given the information that this is a household size of two with earned income of \$400 a month. Because this family has earned income, we will be using the **Family Wage Level** column of the Assistance Standards chart.

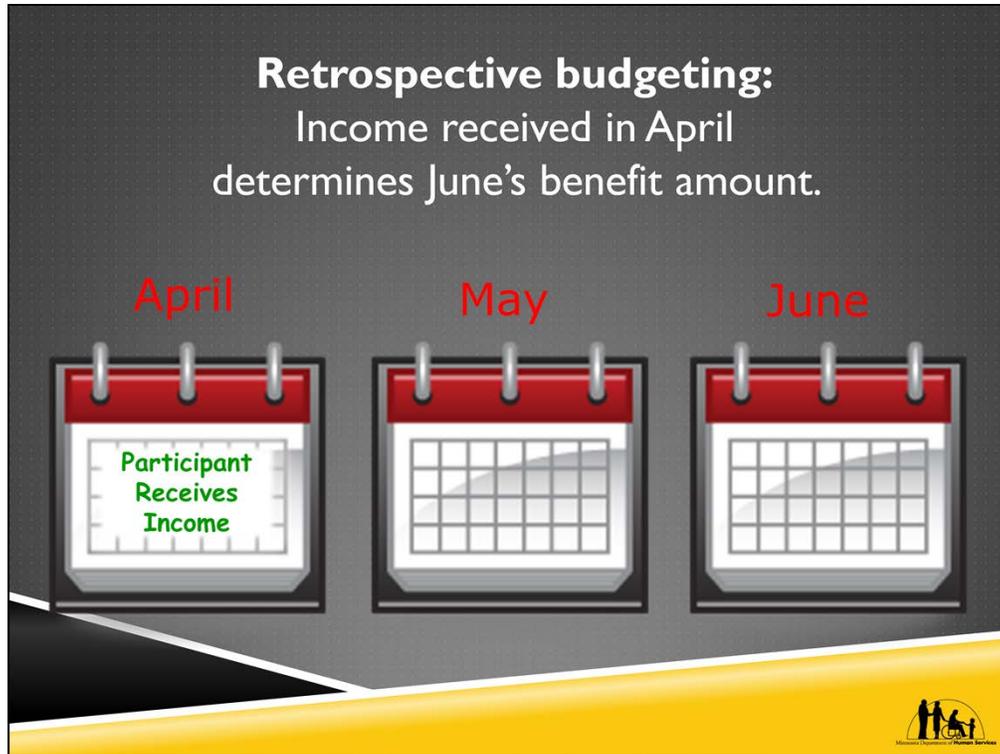
1. They have gross earnings of \$400 a month. This information is already filled in for you on the worksheet.
2. 50% of this amount, or \$400 times .50, equals \$200. This is the Earned Income Disregard.
3. When we subtract the earned income disregard from the gross earnings, we get the net earnings for this household of \$200.
4. Record the MFIP Family Wage Level for a HH of 2. You get this information from the Assistance Standards Chart for a household of 2. It is \$829.
5. For line 5, we have just copied the net earnings into this field.
6. Calculate the difference between the Family Wage Level and the Net Earnings for line 6. This is \$629.
7. Record the MFIP Transitional Standard for a HH of 2. This is \$754.
8. Fill in for line 8 – Monthly Amount (smaller of Line 6 or 7).
9. There is no unearned income for this household, so this field will be zero.
10. Fill the grant amount we calculated – from line #8 -- \$629.
11. Record the Food Portion from the chart for a household of 2.
12. Calculate the Cash Portion. We do this by subtracting the food portion from the calculated full grant amount. This is the amount of cash remaining.

Gross Income of \$400 + an MFIP Grant of \$629 = \$1,029 for total household income for that month! Compare this against the maximum grant amount they would have been able to receive if there was no earned income – that would have been \$754 per month.



Financial Workers must calculate the family's income for a specific calendar month in order to determine eligibility and the MFIP grant amount. This is called "budgeting."

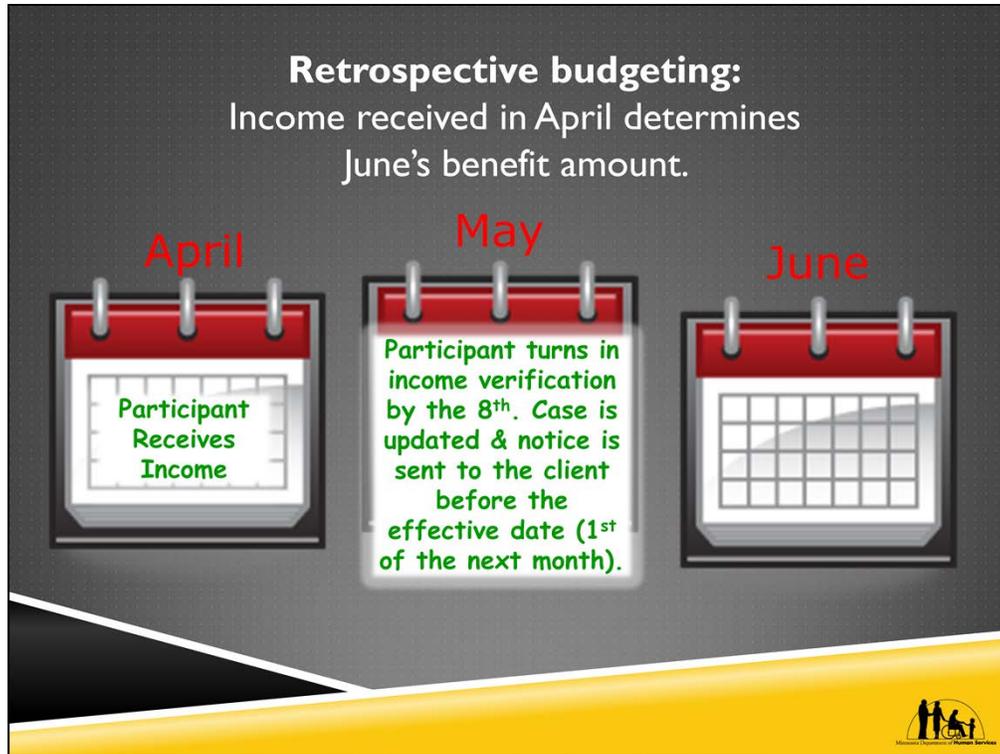
We'll talk about two types of budgeting: retrospective budgeting and prospective budgeting.



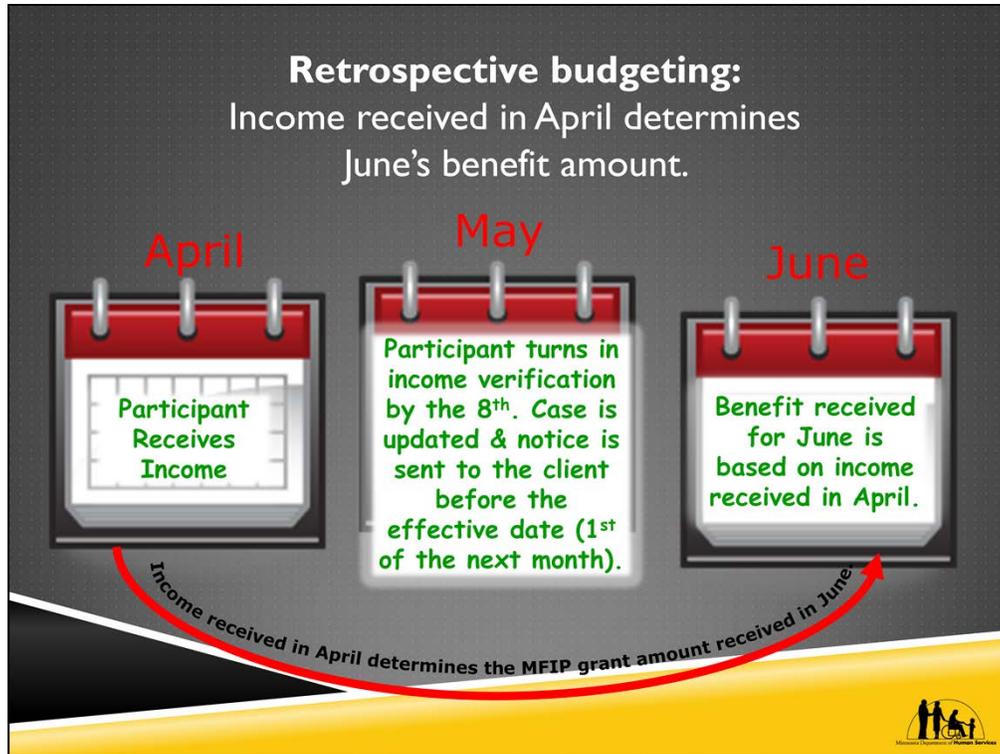
Retrospective budgeting determines the monthly benefit amount by using actual verified income received one month to determine the grant amount for a future month.

For example, you would use April's income to determine June's benefit amount.

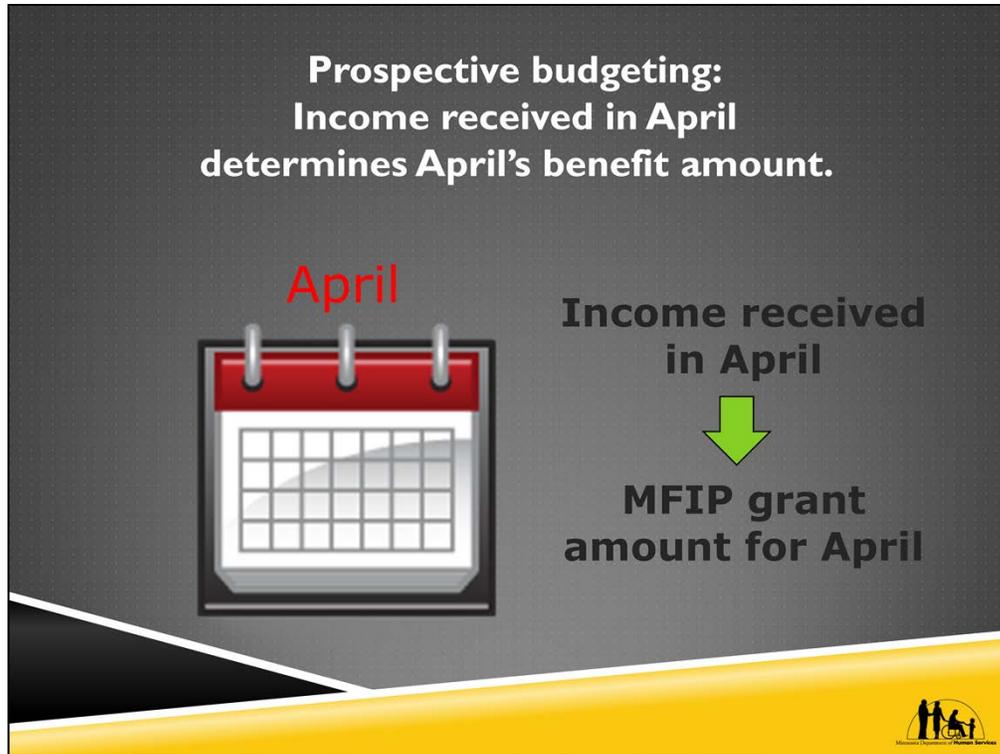
The participant would submit verification of all income received during the month of April by the 8th of May (or the month after it is received).



In May, the Financial Worker will receive the verifications and update the case file and computer. Adequate notice must be given before the end of the month notifying the client of the MFIP grant amount to be received for June.



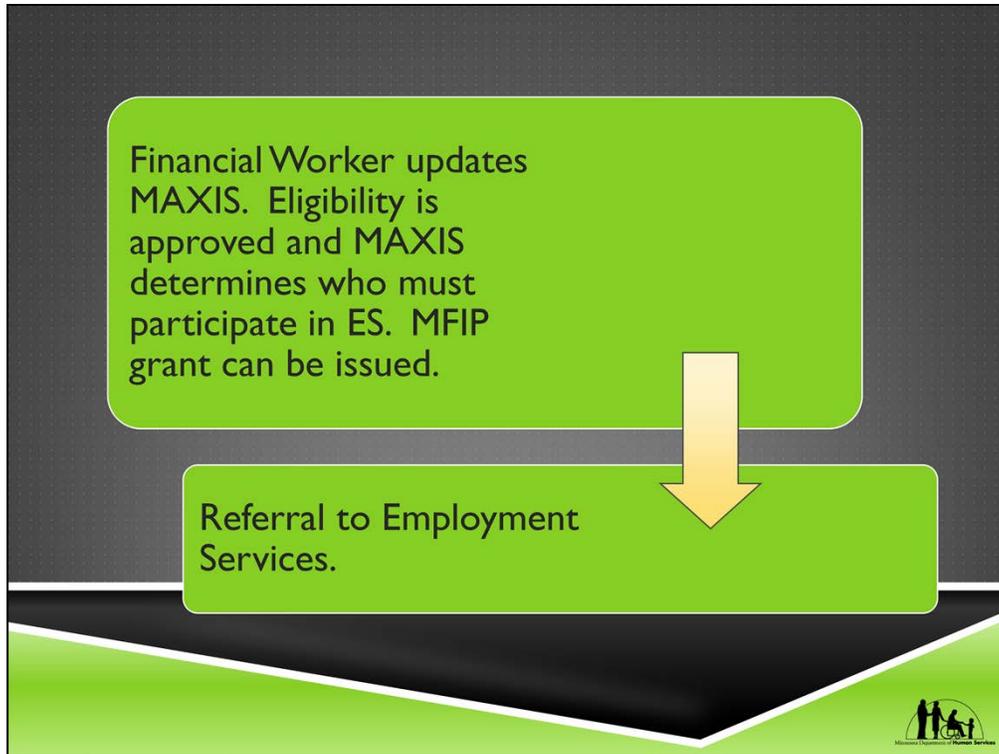
The MFIP grant amount that the family receives in June is determined by the income they verified for April.



Prospective budgeting is always used for the first two months of eligibility.

Prospective budgeting is determining the client's income eligibility and benefit level using anticipated income for the payment month. This is used primarily for new applicants during the first and second months. Prospective budgeting is also used for homeless units and migrant and seasonal farm worker units, which are exempt from monthly reporting.

In prospective budgeting, an anticipated or actual income from the budget month is used to determine MFIP benefits for the same month. For example, the amount of income received in April will determine the MFIP benefit amount for April.



The ES referral process begins when the County Financial Worker enters and updates information in the MAXIS computer system. MFIP is then approved and it determines must participate in ES.

Once MFIP eligibility is approved, and the MFIP grant is ready to be issued, a referral is made to Employment Services.

THIS COMPLETES PART THREE OF THE MFIP BASICS FOR ES PROVIDERS COURSE.

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Congratulations!

You have completed the MFIP BASICS FOR EMPLOYMENT SERVICES PROVIDERS series!

MFIP EMPLOYMENT SERVICES TRAINING

MFIP Employment Services Training Schedule at DHS
You must register for **all** training(s) through **TrainLink**.

Need to update your information? [Click this link for the Unique Key Request Form.](#)

Note: If you are a DHS (SO/SIC) employee, use your employee ID as your unique key. Do not request a new unique key.

Learning Centers: Select a link below to access a Learning Center with program specific course offerings. Centers are unavailable for system maintenance from 7:00 a.m. to 8:30 a.m. every Friday.

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- [Contact Us](#)
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- 3 days
- 8:30 - 4:00 each day
- Register through TrainLink

Next step:

Learn more about Employment Services for MFIP participants!