

## Position Statement on Minnesota Income and Assets Limitations

### Position Statement

People with intellectual and developmental disabilities should have the opportunity, like other citizens, to earn wages or income from a job or business, accumulate assets, save for retirement, and live in dignity without having to stay in poverty just because they happen to need supports that help them be members of their communities. As a state, we must move towards a society where individuals who need home and community-based services can enjoy the benefits of living in the community freed from forced poverty. A good start would be to raise income standards to 100% of the poverty limit and raise the limit on assets to \$10,000.

### Issue

Nearly 12,000 Minnesotans with disabilities and older Minnesotans are subject to income “spend down” rules that require them to live in life-long poverty in order to access community services they need. In Minnesota, an individual with a disability who has income above the federal poverty level of \$990 per month must spend down to 80% of poverty or \$792 per month in order to remain eligible for Medical Assistance. This is the total amount of income the person is allowed to have to pay for all expenses. After paying the monthly cost of rent, food, utilities, medicine, and other bare essentials, people do not have enough income to live in dignity. There is no public policy justification for forcing these people to live below the poverty level in order to receive the services they need. The income standard of 80% of poverty level was raised in Minnesota in 2015 from the prior standard of 75% of poverty. Prior to that, there had not been a change to the income standard since the 1990s

Not only are these individuals with disabilities forced to live in poverty, the \$3,000 limit on assets has not changed since the 1980s. This leaves little incentive or funds to save for emergencies, future goals, or retirement.

Because of their disability, some people cannot work. Others would like to do some work but cannot find employment. Minnesota’s income and asset rules discussed above apply only to individuals with disabilities who do not have income from employment. There are higher asset limitations (MA-EPD Program) for people with disabilities who earn some wages, and they are also not subject to the spend down. Spend down rules also do not apply to single adults without disabilities and parents, who qualify for public health insurance programs at 138% of poverty thanks to the Affordable Care Act. People with disabilities who cannot work are treated unfairly and unequally.

There are numerous unintended consequences when people are forced to live in poverty their whole lives so they can receive home and community-based services. Many families have disinherited individuals with disabilities so as not to jeopardize the services they have need even with a small inheritance. In order to ensure that people with disabilities remain impoverished, millions of dollars are spent to monitor their income and assets through various government agencies. By requiring the spend down, Minnesota is taking a substantial percentage of SSI or SSDI income intended by the federal government for the support the person and uses it to cut state expenditures instead.

*Approved by The Arc Minnesota Position Statements Task Force, July 18, 2016.*

*Approved by The Arc Minnesota Public Policy Committee, July 20, 2016.*

*Approved by The Arc Minnesota Board of Directors, August 13, 2016.*

*Approved by delegates at The Arc Minnesota Annual Meeting, September 23, 2016.*