

[Minnesota Unemployment Insurance \(UI\) Program Home page](#)

Other Income

Income That Reduces or Delays Payment

Certain types of income may delay or reduce weekly benefits. However, the maximum amount of benefits available is not reduced. If you have applied for, or are receiving, any of the following types of income, you must report it to the Minnesota Unemployment Insurance (UI) Program.

Severance pay, wages in lieu of notice, retention pay, or any other payments made because of separation from employment

After separation from employment, you are not eligible for unemployment benefits for the number of weeks of your regular pay the severance payment represents.

Holiday pay

50 percent is deducted from the weekly benefit payment during the week of the holiday.

Vacation / Sick / Personal Time Off (PTO) pay

100 percent is deducted from the weekly benefit payment unless you are permanently separated from the employer, in which case it does not affect benefits.

Pension or 401K payments

If you retire from your base period employer, your **monthly pension payments** will reduce your unemployment benefits dollar for dollar. Example: A pension of \$433 per month = \$100 per week, so UI benefits would be reduced \$100 per week.

If you retire from your base period employer, a **lump-sum pension payment** will be treated similarly to severance pay.

Payments from a 401K or other pension plan, **will not** affect your unemployment benefits if any of these conditions apply:

- You received the payment in a lump sum *and* you are subject to a penalty for early withdrawal
- You received the payment in a lump sum *and* you roll all of it into another retirement fund without taking a payment
- The payment is from a fund that none of your base period employers paid into (in other words, it is a pension from a former employer that has not paid you any wages in the past 15-18 months).

Social Security

Retirement Benefits

If the effective date of the Social Security claim for old age benefits is:

- **Before the start of the base period**, the social security payment does not affect unemployment benefit payments.
- **After the start of the base period**, 50 percent of the weekly social security amount is deducted from the benefit payment.

Disability Benefits

If the effective date of the Social Security disability claim is:

- **Before the start of your base period**, the social security payment does not affect unemployment benefit payments.
- **After the start of the base period**, 50 percent of the current or potential social security disability benefit is deducted from the benefit payment. You must provide medical evidence showing ability to work.

Workers' Compensation or other insurance for loss of wages

100 percent is deducted. If there is a loss of wage claim pending, unemployment benefits may be paid if you are seeking some type of available work and able to do that work. However, if you later receive loss of wage benefits for weeks you received unemployment benefits, you must repay the unemployment benefits.

Note: If you are not seeking or able to accept suitable employment, you are not eligible for unemployment benefits.

Back Pay

100% deductible if the back pay is for a period of time you received unemployment benefits.

The following types of income will NOT reduce benefit payments:

- Earnings for service calls as a volunteer firefighter or volunteer ambulance service personnel (on-call or standby pay does reduce your benefits)
- Earnings from service in the National Guard or a U.S. military reserve unit
- Jury duty or election judge pay
- Supplemental Social Security income (SSI) and survivor's or dependent Social Security benefits
- Investment income (including personal IRAs)
- Rental income from property you own, unless such rental is your primary occupation
- Spousal or child support payments paid to you*
- Income tax and property tax refunds

*Court-ordered [child support](#) payments that you are required to pay may be deducted from your benefit payments and sent to the county child support collection agency.