CHAPTER M07

FAMILIES AND CHILDREN INCOME

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TN #DMAS-17	7/1/20	Table of Contents, page i
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CHAPTER M07
FAMILIES AND CHILDREN INCOME

SUBCHAPTER 10

GENERAL F & C INCOME RULES

M0710 Changes

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TN #DMAS-17	7/1/20	Appendices 2 and 3
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TN #DMAS-2	10/1/16	Appendices 2 and 3
UP #11	7/1/15	Appendix 5
TN #100	5/1/15	Table of Contents pages 1-8 Pages 9-13 were deleted. Appendices 1, 2 and 3 Appendices 4-7 were removed.
TN #98	10/1/13	pages 1-4, 8, 9 Page 1a was added. Appendices 1, 3, 5
UP #9	4/1/13	Appendix 6, pages 1, 2 Appendix 7
UP #7	7/1/12	Appendix 1, page 1 Appendix 3, page 1 Appendix 5, page 1
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TN #96	10/01/11	Appendix 6, page 1
UP #5	7/1/11	Appendix 1, page 1 Appendix 3, page 1 Appendix 5, page 1
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M0710.000 GENERAL-- F&C INCOME RULES

M0710.001 OVERVIEW

A. Introduction

Medicaid is a needs based program. Two financial criteria, income and resources, are used to determine if a person is in need and is financially eligible for Medicaid. The income eligibility policies that are used for the eligibility determination depend on the individual's covered group, as well as the date of the determination.

1. Use Policies in Chapter M07

The policies in **chapter M07** apply for **all initial applications, reapplications and renewals** for the Families & Children (F&C) Medically Needy (MN) covered groups.

2. Use Policies in Chapter M04 and Chapter M07 as Directed

The income policies, procedures and income limits for Modified Adjusted Gross Income (MAGI) contained in **chapter M04** apply to the covered groups listed below.

- CN Pregnant Women & Newborn Children;
- Plan First;
- CN Child Under Age 19 (FAMIS Plus);
- Low Income Families With Children (LIFC);
- Individuals Under Age 21;
- Special Medical Needs Adoption Assistance;
- *MAGI Adults*.

The income types and verification procedures in chapter M07 are used with MAGI methodology as directed in chapter M04.

3. Use Other Policies

Income eligibility for Medicaid is not determined by the local DSS for the following F&C covered groups:

- IV-E Foster Care or IV-E Adoption Assistance Recipients;
- BCCPTA.

See subchapter M0330 for additional information about these covered groups.

B. Use of Family Units/Budget Units

Family Units (FUs) are formed to establish whose income and resources are counted in determining financial eligibility. If financial eligibility does not exist at the family unit level for one or more persons for whom Medicaid was requested and if budget unit (BU) rules permit, form BUs.

Financial eligibility is determined at the BU level for each person for whom Medicaid was requested and who was financially ineligible in the FU determination. Eligibility is not determined for an individual who was found eligible in the FU determination.

See M0520 for F&C Family Unit/Budget Unit (FU/BU) policy and procedures.

C. Individual Income Eligibility

An individual's income eligibility is based on the total countable income available to his/her FU/BU.

Each source of income received by a member of the FU/BU is evaluated and the countable amount determined based on the policy in this chapter. The countable amount of each FU/BU member's income is added to the countable amount of the income of all other FU/BU members. That total is used to determine the income eligibility of each individual within that FU/BU. The FU/BU's total countable income is compared to the income limit that is applicable to the individual's classification and to the number of members in the FU/BU.

D. Policy Principles

1. Income

Everything an individual owns and all monies received are assets. Monies received are income in the month received when the monies are cash or its equivalent.

Income may be either earned or unearned. See M0720 for earned income and M0730 for unearned income.

2. Verification

The agency must utilize online systems information verifications that are available to the agency without requiring verifications from the individual or family. The agency has ready access to Supplemental Nutrition Assistance Program (SNAP) and TANF records, some wage and payment information, and information from SSA through SVES or SOLQ-I. Verification of income from available sources, including the VEC, may be used if it is dated within the previous 12 months. See M0130.001.B.3.

For all case actions effective October 26, 2019, if the income attested to by the applicant is within 10% of the income information obtained from electronic sources OR both sources are below the applicable income limit, no additional verification is required. If the reasonable compatibility standard is not met, request verification of income and allow a minimum of 10 days to return.

All income other than Workforce Investment Act and the earned income of a student under age 19 must be verified. When attempts to verify income are unsuccessful because the person or organization who is to provide the information cannot be located or refuses to provide the information to both the applicant/recipient and the eligibility worker, a third party statement, a collateral contact, or as a last resort, the applicant's/recipient's written statement can be used as verification and to determine the amount of income to be counted.

Failure of the applicant/enrollee to verify his income results in the agency's inability to determine Medicaid eligibility and the applicant/enrollee's Medicaid coverage must be denied or canceled.

3. Converted Income

For the ongoing evaluation period, all income received more frequently than monthly must be converted to a monthly amount.

- Weekly income is multiplied by 4.3
- Bi-weekly income is multiplied by 2.15
- Semi-monthly income is multiplied by 2.

4. Available Income

Retroactive period –available income is the gross income actually received in each month in the retroactive period.

Application month and ongoing months - available income is the average gross monthly income that is expected to be received in the application and ongoing months. The applicant's actual gross income received in the application month may be used to determine eligibility for that month if the application is processed after the month has passed and the person is eligible only when using the actual gross income for the month.

5. MN - Ongoing 6 Month Income Determination Period

MN income eligibility for the ongoing period is based on income that is anticipated to be received within the six month period beginning with the month of application.

6. MN - Retro 3 Month Income Determination Period

MN income eligibility for the retroactive period is based on income that was actually received in the three-month period immediately prior to the month of application.

7. Countable Income

Assets that meet the definition of income minus the exclusions allowed by policy are countable income. Only countable income is used to determine income eligibility. See M0720 Earned Income, M0730 Unearned Income.

8. Whose Income is Counted

The total countable income of all FU members is used in determining the income eligibility of each FU member. The total countable income of all BU members is used in determining the income eligibility of each BU member.

9. Income Eligibility

If the total amount of the FU/BU's countable income is equal to or less than the income limit for the evaluation period, income eligibility exists.

10. Excluded Income

State and federal policy require that certain types of income or portions of income be excluded (not counted) when determining income eligibility. See:

- Earned Income Exclusions, M0720.500
- Unearned Exclusions, M0730.099

11. F&C MN Income Limits

Refer to M0710, Appendix 2 for the grouping of localities and M0710, Appendix 2 for the MN income limits.

M0710.*002* NET COUNTABLE INCOME

A. Policy Principle

Income is

- cash, or
- its equivalent unless specifically listed in M0715 as not being income.

B. Available Income

Retroactive period –available income is the gross income actually received in each month in the retroactive period.

Application month and ongoing months - available income is the average gross monthly income that is expected to be received in the application and ongoing months. The applicant's actual gross income received in the application month may be used to determine eligibility for that month if the application is processed after the month has passed and the person is eligible only when using the actual gross income for the month.

C. Net Countable Income

Net countable income is all money, both earned and unearned, which is available to the members of the FU/BU, after portions specifically excluded and all amounts that are not income are subtracted.

M0710.*003* INCOME EXCLUSIONS

A. Introduction

Medicaid eligibility is based on countable income. See M0710.003 for the definition of countable income. In determining countable income, apply any income exclusions. Some exclusions totally negate the amount of income received. Other exclusions reduce the amount counted.

B. Definition

Excluded income is an amount which is income but does not count in determining eligibility.

C. Policy Principles

Some Federal laws other than the Social Security Act prohibit counting some income for Medicaid purposes. Section 402(a) of the Social Security Act provides for several income exclusions in determining countable income for Medicaid purposes.

D. References

- Earned income exclusions, M0720.500
- Unearned income exclusions, M0730.099

M0710.010 RELATIONSHIP OF INCOME TO RESOURCES

A. Policy

In general, anything received in a month from any source is income to an individual, subject to the definition of income in M0710.003.

Anything the individual owns in the month under consideration is subject to the resource counting rules.

An item received in the current month is income for the current month only. If held by the individual until the following month, that item is subject to resource counting rules.

B. References

- Definition of Resources, M0610.100
- Conversion or sale of a resource, M0715.200
- Casualty property loss payments, M0630.650
- Lump sums, M0730.800

M0710.015 TYPES OF INCOME

A. Policy Principle

Income is either earned or unearned, and different rules apply to each.

B. Types of Income

1. Earned Income

Earned income consists of the following types of payments:

- wages;
- salaries, and/or commissions;
- profits from self employment; or
- severance pay.

2. Unearned Income

Unearned income is all income that is not earned income. Some types of unearned income are:

- annuities, pensions, and other periodic payments;
- alimony and support payments;
- dividends, interest, and royalties; or
- rental income.

C. References

- Definition of net countable income, M0710.003
- Earned income, M0720
- Unearned income, M0730

M0710.030 WHEN INCOME IS COUNTED

A. Policy Principles

For applications and reapplications, the income generally to be counted is the income verified for the calendar month prior to the month of application or the most current equivalent (last 4 weekly pays, last 2 bi-weekly pays, or last 2 semi-monthly pays). When evaluating eligibility for a retroactive period, income eligibility is based on income actually received each month in the retroactive period.

For redeterminations, the income generally to be counted is the income verified for the month prior to the month of review or the most current equivalent.

B. Exceptions to Policy Principles

1. Payment Not Received In Normal Month of Receipt

FU/BUs receiving monthly or semi-monthly income, such as state or federal payments or semi-monthly pay checks, must have the income assigned to the normal month of receipt even if mailing cycles, weekends or holidays cause the income to be received in a different month.

EXAMPLE #1: The applicant/enrollee is employed and is paid semi-monthly on the first and sixteenth. Because June 1 falls on a Saturday, the client receives her June 1 paycheck on May 31. The Eligibility Worker will count the paycheck received May 31 as income for June.

2. Self-Employment or Sale of Livestock or Cash Crops

Profit from the sale of livestock or cash crops, such as tobacco or peanuts, or from small businesses, such as but not limited to, vending stands, home beauty shops, or small grocery stores, is prorated on an annual basis or over the number of months in which the income is earned, whichever is appropriate. Federal farm subsidies are prorated over a 12-month period.

3. Contract Income

Guaranteed salaries paid under contract are prorated over the period of the contract even though the employee elects to receive such payments in fewer months than are covered by the contract. When the contract earnings will be received monthly over a period longer than that of the contract, the earnings must be prorated over the number of months the income is anticipated to be received.

C. References Contract Income, M0720.400
Income From Self-Employment, M0720.200

M0710.610 HOW TO ESTIMATE INCOME

A. Monthly Estimates Generally, estimate future income on a monthly basis.

1. Anticipated Income Anticipated income means any income the applicant/*enrollee* and local agency are reasonably certain will be received during the month. If the amount of income or when it will be received is uncertain, that portion of the FU/BU's income that is uncertain is not counted by the local agency. Reasonably certain means that the following information is known:

- who the income will come from,
- in what month it will be received, and
- how much it will be (i.e. rate, frequency and payment cycle).

2. Fluctuating Income When income fluctuates, use the previous months' actual receipts that will provide an accurate indication of the individual's future income situation. Average the income received in no more than 3 previous months.

See section M0720.155 C. for detailed information about how to estimate fluctuating income.

3. Income Expected Less Than Once a Month Determine the specific month(s) of receipt and use the amount(s) estimated for the appropriate month(s).

4. Converting to Monthly Totals To estimate income for an income evaluation, convert to a monthly amount:

- multiply average weekly amounts by 4.3
- multiply average bi-weekly amounts by 2.15
- multiply semi-monthly amounts by 2

5. Partial Month Income If the FU/BU will receive less than a full month's pay, use the exact monthly figure or an average per pay period times the actual number of pays. If actual income is used in any given calculation, adjust the figure for subsequent months if the actual income varies.

6. Examples

a. Example #2

The client's weekly pay for the prior month was:

$220.40
$175.80
$210.00
$195.70

To obtain a monthly amount, multiply the weekly average by 4.3.

$801.90 (total of the pay stubs) divided by 4 (number of paystubs) equals $200.48 (average weekly amount).

$200.48 x 4.3 = $862.06 monthly income.

b. Example #3

The client's bi-weekly pay for the prior month was:

$185.40
$209.50
$394.90

To obtain a monthly amount, multiply the bi-weekly average by 2.15. $394.90 (total of the pay stubs) divided by 2 (number of pay stubs) equals $197.45 (average bi-weekly amount).

$197.45 x 2.15 = $424.52 monthly income.

c. Example #4

The client's salary is $100 weekly. The pay does not vary. The client is paid every Friday.

The client reports she quit her job and will receive a final weekly paycheck on September 3. Since the client was paid for a partial month, the exact amount of $100 will be used.

d. Example #5

The client reports she quit her job on June 21. She will receive a final bi-weekly paycheck on July 5.

For the month of May, she received $190 and $220 for a total of $410. This amount is divided by two (the number of pays) to determine the average bi-weekly pay of $205. $205 is used to calculate her July Medicaid eligibility.

B. Procedure

1. When a Change Occurs

An anticipated change in income occurs when you expect an individual's income to start, to stop, or to come in at a different rate in the future.

2. How to Develop a Change

When you anticipate an increase in income, use only that income which the individual is reasonably certain he will receive.

3. Handling Changes in Income

When a change in income occurs, redetermine Medicaid eligibility. Countable earned and unearned income is only verified if *reasonable compatibility does not exist or* the applicant's attested income *or information from electronic data sources* is over the income limit for his covered group.

C. Documentation

1. What the File Must Contain

If income verification is requested and received, verify and document the case record regarding the rate and frequency of payment (i.e., weekly, biweekly, semi-monthly, monthly, etc.) and the payment cycle (i.e., on what day the client is paid).

The case record must be documented to reflect the method used to arrive at the anticipated income.

2. Who May Provide an Estimate

Estimates of income may come from the applicant/recipient, employer, or representative.

M0710.700 DETERMINING ELIGIBILITY BASED ON INCOME

A. Locality Grouping and Income Limits

The countable income, allowing income exclusions when appropriate, is compared to the MN income limits for the locality and the number of members in the FU/BU.

Refer to M0710, Appendix 2 for the grouping of localities and M0710, Appendix 5 for the MN income limits.

B. Gross Income

Total gross income includes all gross earned income, other than Workforce Investment Act income and/or other earned income of a child under age 19 who is a student. It also includes the unearned income of all FU/BU members and any income deemed available to the family/budget unit.

C. Excluded Income

The following income is excluded when income is compared to *MN* limits:

1. Unearned Income

All unearned income specifically excluded per M0730.099;

2. Earned Income

Earned income is excluded in the following order:

- standard work exclusion of the first $90 of gross earned income for each employed member of the assistance unit whose income;
- is not otherwise exempt per M0720.520;
- child care/incapacitated adult care exclusion per M0720.540.

D. Income Eligibility

If the *verified* countable income (gross income minus above exclusions) is equal to or less than the appropriate MN limit for the locality and the number of members in the FU/BU, the FU/BU is income eligible as MN. If the countable income is in excess of the MN limit, the FU/BU must be placed on an MN spenddown following policy in chapter M13.

GROUPING OF LOCALITIES EFFECTIVE 7/01/17

GROUP I		**GROUP II**	**GROUP III**
Counties	Madison	Counties	Counties
	Mathews		
Accomack	Mecklenburg	Albemarle	Arlington
Alleghany	Middlesex	Augusta	Fairfax
Amelia	Nelson	Chesterfield	Montgomery
Amherst	New Kent	Henrico	Prince William
Appomattox	Northampton	Loudoun	
Bath	Northumberland	Roanoke	
Bedford	Nottoway	Rockingham	Cities
Bland	Orange	Warren	
Botetourt	Page		Alexandria
Brunswick	Patrick		Charlottesville
Buchanan	Pittsylvania	Cities	Colonial Heights
Buckingham	Powhatan		Falls Church
Campbell	Prince Edward	Chesapeake	Fredericksburg
Caroline	Prince George	Covington	Hampton
Carroll	Pulaski	Harrisonburg	Manassas
Charles City	Rappahannock	Hopewell	Manassas Park
Charlotte	Richmond County	Lexington	Waynesboro
Clarke	Rockbridge	Lynchburg	
Craig	Russell	Martinsville	
Culpeper	Scott	Newport News	
Cumberland	Shenandoah	Norfolk	
Dickenson	Smyth	Petersburg	
Dinwiddie	Southampton	Portsmouth	
Essex	Spotsylvania	*Poquoson*	
Fauquier	Stafford	Radford	
Floyd	Surry	Richmond	
Fluvanna	Sussex	Roanoke	
Franklin	Tazewell	*Salem*	
Frederick	Washington	Staunton	
Giles	Westmoreland	Virginia Beach	
Gloucester	Wise	Williamsburg	
Goochland	Wythe	Winchester	
Grayson	York		
Greene			
Greensville			
Halifax	Cities		
Hanover			
Henry	Bristol		
Highland	Buena Vista		
Isle of Wight	Danville		
James City	Emporia		
King George	Franklin		
King & Queen	Galax		
King William	Norton		
Lancaster	Suffolk		
Lee			
Louisa			
Lunenburg			

F&C MEDICALLY NEEDY INCOME LIMITS
EFFECTIVE *7/1/20*

GROUP 1			GROUP II		GROUP III	
Number of Persons in Family/Budget Unit	Semi-Annual Income	Monthly Income	Semi-Annual Income	Monthly Income	Semi-Annual Income	Monthly Income
1	*$1,993.11*	*$332.18*	*$2,299.75*	*$383.29*	*$2,989.69*	*$498.28*
2	*2,537.36*	*422.89*	*2,831.85*	*471.97*	*3,604.37*	*600.72*
3	*2,989.69*	*498.28*	*3,296.31*	*549.38*	*4,062.94*	*677.15*
4	*3,373.00*	*562.16*	*3,679.65*	*613.27*	*4,446.27*	*741.04*
5	*3,756.30*	*626.05*	*4,062.77*	*677.12*	*4,809.18*	*801.53*
6	*4,139.60*	*689.93*	*4,446.24*	*741.04*	*5,212.84*	*868.80*
7	*4,522.89*	*753.81*	*4,809.18*	*801.53*	*5,596.14*	*932.69*
8	*4,982.86*	*830.47*	*5,289.50*	*881.58*	*5,979.45*	*996.57*
9	*5,442.82*	*907.13*	*5,804.70*	*967.45*	*6,534.83*	*1,089.13*
10	*5,979.45*	*996.57*	*6,286.08*	*1,047.68*	*6,976.03*	*1,162.67*
Each add'l person add	*515.11*	*85.85*	*515.11*	*85.85*	*515.11*	*85.85*

F&C 100% STANDARD OF ASSISTANCE EFFECTIVE *7/1/20*

(Used as the F&C Deeming Standard)

Group I

Household Size	Income Limit
1	*$257*
2	*392*
3	*498*
4	*604*
5	*711*
6	*802*
7	*904*
8	*1,011*
Each additional person add	*106*

Group II

Household Size	
1	*$336*
2	*482*
3	*606*
4	*724*
5	*850*
6	*958*
7	*1,073*
8	*1,198*
Each additional person add	*121*

Group III

Household Size	
1	*$506*
2	*716*
3	*830*
4	*974*
5	*1,150*
6	*1,279*
7	*1,423*
8	*1,574*
Each additional person add	*146*

CHAPTER M07
FAMILIES AND CHILDREN INCOME
SUBCHAPTER 15

WHAT IS NOT INCOME

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M0715.000 *F&C* WHAT IS NOT INCOME

M0715.001 WHAT IS NOT INCOME – GENERAL

A. Introduction

Some items that an individual receives are not income because they do not meet the definition of income and others are income but are excluded by federal statutes. In making income determinations, the eligibility worker must distinguish between an asset that is income and an asset which is not income by definition. This subchapter addresses assets that are not income based on federal regulation. Only those items specifically listed in the law and regulations can be excluded from income.

B. Policy

An asset received is not income if it is not cash or its equivalent (check, money order, etc.), or if it is listed in this subchapter.

C. Documentation

Document the receipt of the assets described in this subchapter and the determination that they are not income.

Verification is limited to establishing that the monies received is of a type listed in this chapter. Verify that the money received is one of the types listed in this subchapter.

M0715.050 REIMBURSEMENTS

A. Policy

Reimbursements for out-of-pocket expenses are not countable income.

B. Types of Reimbursements

Reimbursements may include, but are not limited to, reimbursement for travel expenses such as mileage, reimbursement to the caretaker of a child for child care expenses, reimbursement for expenses incurred as a volunteer, etc.

Payments from the Department of Medical Assistance Services to Medicaid registered drivers or Health Insurance Premium Payment (HIPP) participants are reimbursements and are not income.

M0715.100 MEDICAID RECIPIENT IS AN AGENT

A. Policy

Money which belongs to another person that is handled by an individual to pay expenses for that other person is not income to the individual. The individual is acting as an agent for the other person.

B. Examples

Example 1:

Mrs. C. has a son in the Army who is currently in Germany. He sends her $250 a month to pay his car payment of $250 a month. None of this money is considered as income to Mrs. C.

Example 2:

Mrs. X and Mrs. Y live in the same house which is rented in Mrs. X's name. Mrs. Y gives Mrs. X an established portion of the rent each month. Mrs. X adds her portion to Mrs. Y's and pays the rent. Since this is a shared shelter arrangement, Mrs. Y's portion of the rent is not considered income to Mrs. X.

M0715.200 CONVERSION OR SALE OF A RESOURCE

A. Policy

Receipts from the sale, exchange, or replacement of a resource are not income, but are resources that have changed their form.-

This includes cash or in-kind items that are provided to replace or repair a resource that has been lost, damaged, or stolen.

B. Reference

Casualty Property Loss Payments, M0630.130

M0715.270 INCOME TAX REFUNDS *AND CREDITS*

A. Policy

Income tax refunds and Earned Income Tax Credit payments are not income.

Recovery Rebate payments provided under Section 2201 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law No. 116-136) are considered tax credits and are not countable as income.

B. Tax Withheld Prior to Application Date

Income tax refunds are not income even if the income from which the tax was withheld or paid was received in a period prior to application for Medicaid.

M0715.350 PROCEEDS OF A LOAN

A. Introduction

Proceeds of a loan are not income to the borrower because of the borrower's obligation to repay the loan.

B. Policy

1. Loan Not Income

All bona fide loans, regardless of the intended use, are not income. This includes loans obtained for any purpose and may be from a private individual as well as from a commercial institution.

2. Documentation of Bona Fide

A simple statement signed by both parties indicating that the payment is a loan and must be repaid is sufficient to verify that a loan is bona fide.

3. Loan Not Bona Fide

If an individual indicates that money received was a loan but does not provide required verification, the money is to be treated as unearned income in the month received and a resource thereafter.

4. Interest on a Loan

Interest earned on the proceeds of a loan while held in a savings account, checking account, or other financial instrument will be counted as unearned income in the month received and as a resource thereafter.

M0715.370 SHELTER CONTRIBUTED

A. Policy

Shelter that is contributed is not income.

This includes payments for shelter made to a third party (such as a rental agency) in lieu of or in addition to child support, whether *the payments made in lieu of support are* based on a court order, *establishment or pending establishment of a child support order, or* a mutual voluntary agreement between the Medicaid applicant/enrollee. *The payments made to a third party are* ***not*** *counted as income.*

B. Reference

Child/Spousal Support, M0730.400

M0715.400 BILLS PAID BY A THIRD PARTY

A. Policy

Bills paid by a third party directly to a supplier are not income.

EXAMPLE: A church pays the electric company for Mrs. Brown's electric bill. This is a bill paid by a third party and is not income to Mrs. Brown.

B. Exceptions

Pending establishment of a child support obligation by the District Child Support Enforcement Office, payments made to a third party such as a day care provider or telephone company in lieu of or in addition to child support, whether based on a court order or a mutual voluntary agreement between the Medicaid applicant/recipient and the responsible person, are NOT counted as unearned income to the family/budget unit.

Third party payments made by an absent spouse in lieu of spousal support are treated as contributions in kind and are not counted as income.

C. Reference

Child/Spousal Support, M0730.400

CHAPTER M07
FAMILIES AND CHILDREN INCOME

SUBCHAPTER 20

F & C EARNED INCOME

M0720 Changes

Changed With	Effective Date	Pages Changed
TN #DMAS-16	4/1/20	Page 11
TN# DMAS -14	10/1/19	Page 2
TN# DMAS -11	01/01/19	Page 4
TN #DMAS-2	10/1/16	Table of Contents, page i Pages 11, 13, 14 Appendix 1 Pages 15-19 were deleted.
TN #DMAS-1	6/1/16	Page 2
TN #98	10/1/13	Pages 6, 10
TN #94	9/01/10	Pages 5, 6
TN #91	5/15/09	Page 11

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1. M0720.000 F & C EARNED INCOME

2. M0720.001 OVERVIEW

A. Introduction

This subchapter provides policy and procedures for identifying and counting earned income.

B. Policy

1. What Constitutes Earned Income

Earned income may be received in cash and consists of:

- wages
- profit from self-employment

The source and amount of all earned income other than Workforce Investment Act and student income must be verified.

2. Earned Income Exclusions

Earned income exclusions are subtracted from the gross monthly income in determining eligibility.

C. References

- Income From Self-Employment, M0720.200
- Income From Real Property, M0720.250
- Income From Room and Board, M0720.260
- Income From Day Care, M0720.270
- Income From Small Businesses/Cash Crops, M0720.280
- *Income From Uniformed (Military) Services, M0720.290*
- Contract Income, M0720.400
- Earned Income Exclusions, M0720.500

M0720.100 WAGES -- GENERAL

A. Definition

Wages are what an individual receives (before deductions; not "take home" pay) for working as someone else's employee.

NOTE: Under certain circumstances, services performed as an employee are deemed to be self-employment rather than wages.

B. Policy

1. Kinds of Wages

Wages may take the form of:

- contract earnings
- commissions

- pay for jury duty
- severance pay
- tips
- vacation pay
- sick pay from employer or employer-obtained insurance

2. When to Count

Wages are calculated on a monthly basis and counted at the earliest of the following points:

- when they are received, or
- when they are credited to the individual's account, or
- when they are set aside for the individual's use.

Absent evidence to the contrary, if FICA *(Federal Insurance Contributions Act)* taxes have been deducted from an item, assume it meets the definition of wages. Failure to deduct FICA taxes does not mean the income is not wages.

EXAMPLE #1:
Mrs. Green is employed by Mr. Brown who owns a small business. Mr. Brown does not deduct FICA taxes from Mrs. Green's income. Mrs. Green's income from Mr. Brown is wages.

C. Verification

For all case actions effective October 26, 2019, if the income attested to by the applicant is within 10% of the income information obtained from electronic sources OR both sources are below the applicable income limit, no additional verification is required. If the reasonable compatibility standard is not met, request verification of income and allow a minimum of 10 days to return.

Verify wages, salaries, and commissions by pay stubs, pay envelopes, a written statement from the employer, or by the eligibility worker's verbal contact with the employer.

When attempts to verify income are unsuccessful because the person or organization who is to provide the information cannot be located or refuses to provide the information to both the applicant/*enrollee* and the eligibility worker, a third party statement, a collateral contact, or as a last resort, the applicant's/*enrollee*'s written statement can be used as verification and to determine the amount of income to be counted.

Verify tips by a weekly record of the tips prepared by the employed individual.

M0720.105 INCOME FROM A CORPORATION

If a person has incorporated a self-employment enterprise either alone or with other persons and draws a salary from the business, the wages drawn are regular earned income, <u>not</u> self-employment income.

M0720.110 HOW TO COUNT INCOME IN THE RETROACTIVE PERIOD

When evaluating eligibility for a retroactive period, income eligibility is based on income actually received each month in the retroactive period.

M0720.155 HOW TO ESTIMATE EARNED INCOME

A. General

Ongoing income eligibility is determined based on the income that is anticipated (expected) to be received within the ongoing evaluation period. Income received in prior periods is normally used to determine the amount of income to be received in future periods. Income from the prior period is averaged and converted to a monthly amount. That monthly amount is the amount anticipated to be received in each of the future months. New sources of income may be anticipated based on statements from the provider of the income.

B. Definitions

1. Anticipated Income

Income the individual and local agency are reasonably certain will be received during the ongoing evaluation period.

To be reasonably certain that income will be received determine:

- from whom the income will come (the provider);
- in what month and on what dates it will be received (frequency and payment cycle); and
- how much will be received (rate).

2. Fluctuating Income

Fluctuating income is earned income where neither the pay rate nor hours per pay period can reasonably be predicted.

***3.* Income Base Period**

A period of time immediately prior to the month of application/ redetermination that includes one or more pay periods, or the most current equivalent {last four (4) weekly pays, last two (2) bi-weekly pays, or last two (2) semi-monthly pays} that is used to provide an accurate reflection of the individual's future income.

***4.* Monthly Income**

Monthly income is the income received in an average month. An average month contains 4.3 weeks. Income received more frequently than monthly is converted to a monthly figure.

***5.* Pay Period**

The time period covered by each pay check. A pay period may be weekly, bi-weekly, semi-monthly, monthly or longer periods of time.

C. Income Base Period Used

Use the income received in the month prior to the month of application/redetermination unless the prior month's income cannot by itself provide an accurate indication of anticipated income.

When the prior month's income cannot by itself provide an accurate indication of anticipated income, the applicant/recipient must be given the opportunity to provide the additional information necessary to accurately project monthly income.

***1.* Migrant Or Seasonal Farm Worker**

For migrant and seasonal farm workers, the income that is reasonably certain to be received is based on formal or informal commitments for work for an individual, rather than on the general availability of work in an area.

Base income on the information obtained from the income provider and worker judgment to determine the anticipated income. Document the file to support how the income was anticipated.

Do not base income on an assumption of optimum weather or field conditions.

***2.* New or Increased Income**

Use the income provider's statement of the beginning date, the amount of income to be received, the frequency of receipt, and the day/dates of receipt to establish the amount to be received per pay period.

***3.* Terminated Income**

Income from a terminated source must only be verified when it was received in a month in which eligibility is being determined *and information is not compatible with information obtained from online system searches*.

***4.* Decreased Income**

Use the income provider's statement of the beginning date of the decrease, the new amount of income to be received, the frequency of receipt, and the day/date of receipt to establish the amount to be received per income period. Document the file to support how the income was anticipated.

If an employed person anticipates a decrease in wages that is not supported by evidence in the file, the individual must be advised to report the decrease as soon as it can be verified. Adjustments are made when the decrease is verified.

D. Calculating Estimated Monthly Income

1. Average Income

When the income amounts received in each pay period are different, calculate the average amount of income received per pay period. Average the income received in no more than 3 previous months. Use the income received in previous months that provide an accurate indication of the individual's future income situation.

***2.* Full Month's Income**

Total the income received in the Income Base Period. Divide that total by the number of pay periods in the Income Base Period. The result is the average amount to be received per pay period. If the income is received more frequently than monthly, convert the income to a monthly amount.

To convert to monthly income:

- Multiply weekly wage by 4.3; or
- multiply biweekly wage by 2.15; or
- multiply semi-monthly wage by 2.

3. Partial Month's Income — If less than a full month's income is received or expected to be received, do not convert to a monthly amount. Use the actual amount received or expected to be received.

C. References — How to Estimate Income, M0710.610.

M0720.200 INCOME FROM SELF-EMPLOYMENT

A. Policy — Self-employment is defined as a business, farming or commercial enterprise in which the individual receives income earned by his own efforts, including his active engagement in management of property. Self-employment situations include, but are not limited to, domestic workers, day care providers including babysitters, and chore and companion service providers.

1. Salary from Corporation Owned by Individual — *If an individual has incorporated a self-employment enterprise either alone or with other persons (such as an "S-corporation"), and he draws a salary from the corporation, the wages drawn are regular earned income; they are NOT self-employment income. In such a situation, the person's share of the net worth of the corporation is a resource.*

2. Profit is Earned Income — The profit from self-employment is earned income. Profit from self-employment means the total income received, less the allowable business expenses directly related to producing the goods or services and without which the goods or services could not be produced.

B. Business Expenses

1. Definition — Business expenses are expenses directly related to producing goods or services and without which the goods or services could not be produced. *Allowable business expenses* include, but *are* not limited to, the following:

2. Expenses Included

- payments on the interest of the purchase price of, and loans for, capital assets such as real property, equipment, machinery and other goods of a durable nature;
- insurance premiums;
- legal fees;
- expenses for routine maintenance and repairs;
- advertising costs;
- bookkeeping costs.

3. Expenses NOT Included — Business expenses **do not** include:

- payments on the principal of the purchase price of, and loans for, capital assets, such as real property, equipment, machinery and other goods of a durable nature;

- the principal and interest on loans for capital improvements of real property;
- net losses from previous periods;
- federal, state, and local taxes;
- personal expenses, entertainment expenses, and personal transportation;
- money set aside for retirement purposes.
- Depreciation of equipment, machinery, or other capital investments necessary to the self-employment enterprise *are NOT deducted in calculating profit from self-employment for covered groups that are NOT subject to Modified Adjusted Gross Income (MAGI) methodology.*

  Depreciation and capital losses ARE deducted when calculating profit from self-employment for covered groups subject to MAGI methodology (see Chapter M04).

C. Verification

Verification is proof of the gross amount of income received and proof of the business related expenses. Verify gross income received and business related expenses by self-employment bookkeeping or tax records.

M0720.250 INCOME FROM REAL PROPERTY

A. Policy

Income from real property is self-employment income when the individual is actively engaged in the managerial responsibilities of the income producing property. Income from real property is determined on a monthly basis except farm subsidies which are prorated over a twelve month period.

If the individual is not actively involved in the management responsibilities, income received from the property is unearned income. See M0730.505.

When income from real property is received, the case record must clearly indicate the basis for determining whether or not the individual produces it by his own efforts or whether or not he is actively engaged in management.

B. Profit

Deduct the amount of the allowable business expenses from the gross income to determine profit from real property.

M0720.260 INCOME FROM ROOM AND BOARD

A. Policy

Income from room and board is earned income from self-employment if the applicant/recipient produces the income from his own efforts or carries managerial responsibilities. Income from room and board is determined on a monthly basis.

B. Procedure

1. Verify Gross Income

Verify gross income received by self-employment bookkeeping records.

2. Determine Profit

Deduct the amount of allowable business expense from the gross income to determine profit from self-employment.

a. Board

The profit from board is the monthly gross income from boarders less the food allowance for one person living in a group (at 100%) per boarder. See Table I, M0710, Appendix 4.

b. Room Rent

The profit from room rent is 65% of the monthly gross income received if heat is furnished, 75% of gross income if heat is not furnished.

c. Room and Board

The profit from room and board is determined by

- subtracting from the monthly gross income the food allowance for one person living in a group (at 100%) per boarder as in a. above, and
- multiplying the balance by 65% if heat is furnished, 75% if heat is not furnished.

M0720.270 INCOME FROM DAY CARE

A. Policy

Income from day care is earned income from self-employment. Income from day care is determined on a monthly basis.

B. Procedure

1. Day Care Provided in Applicant/Recipient's Home

a. Day Care for Children Living in the Home

Verify gross monthly income by self-employment bookkeeping or tax records or a written statement from the person who pays the day care costs.

Do not deduct the cost of meals and snacks. Profit is sixty-five percent of the gross income from day care.

b. Day Care for Children Not Living in the Home

Verify gross monthly income by self-employment bookkeeping or tax records or a written statement from the person who pays the day care costs.

From the average monthly gross income received, deduct the cost of meals and snacks that are provided for the children. Sixty-five percent of the balance is profit from day care.

The cost of meals is determined using the following method:

- Determine the number of days in the month in which meals were provided for each child and the number of meals provided to each child per day;

- Add to obtain the total number of meals provided for all children during the period;

- Multiply the total meals provided by 40 cents per meal to obtain monthly cost of meals provided for all children.

The cost of snacks is determined using the following method:

- Determine the number of days in the month in which snacks were provided for each child and the number of snacks provided to each child per day;

- Add to obtain the total number of snacks provided for all children during the period;

Multiply the total snacks provided by 20 cents per snack to obtain monthly cost of snacks provided for all children.

2. Day Care Provided Outside Applicant/Recipient's Home

Verify gross monthly income by self-employment bookkeeping or tax records or a written statement from the person who pays the day care costs.

Do not deduct the cost of meals and snacks. Profit is sixty-five percent of the gross income from day care.

M0720.280 INCOME FROM SMALL BUSINESSES/CASH CROPS

A. Policy

Income from the sale of live stock or cash crops, such as tobacco or peanuts, or from federal farm subsidies, or from small businesses, such as but not limited to, vending stands, home beauty shops, or small grocery stores, is earned income from self-employment.

B. Profit

To determine the profit from small businesses and cash crops, deduct the applicable business expenses directly related to producing the goods or services and without which the goods or services could not be produced.

1. Sale of Livestock or Cash Crops

The profit is prorated on an annual basis or over the number of months in which it was earned.

2. Small Businesses

The profit is prorated on an annual basis or over the number of months in which it was earned.

3. Federal Farm Subsidies

The profit is prorated on an annual basis.

C. Verification

Verify gross monthly income by self-employment bookkeeping or tax records.

M0720.290 INCOME FROM UNIFORMED SERVICES (MILITARY)

A. Introduction

Compensation to most members of the Uniformed Services takes the form of earned income and other payments.

If the military employee receives a payment that is not listed below, contact a Medical Assistance Program Consultant for guidance.

B. Earned Income

The following forms of compensation are countable earned income:

- *basic pay,*
- *subsistence allowance (food)*
- *housing allowance (when not also listed as a deduction on the pay stub),*
- *special and incentive pay, such as bonuses, flight pay, overseas pay.*

C. Payments That Are Not Income

The following payments are not countable income for Medicaid eligibility:

- *clothing*
- *hostile fire pay (combat pay).*

Any amount of income received by or made available to household members for deployment or service in a combat zone will not count as income for Medicaid purposes ***unless the payment was received before the deployment****. This exclusion includes items such as, but not limited to, incentive pay for hazardous duty, special pay for imminent duty or hostile fire duty.*

D. Verification

The Leave and Earnings statement (LES) is the pay slip issued to military service members. The LES shows all types of compensation and deductions.

M0720.400 CONTRACT INCOME

A. Introduction

Contract income and guaranteed wages are based on a contract between the employer and the employee. The contract specifies the period it covers and the rate and frequency of the pay the employee will receive.

B. Definitions

1. Contract Earnings

Contract earnings are wages guaranteed by a contract. This does not include work on an hourly or piecework basis or self-employment.

2. Guaranteed Wage

A guaranteed wage is one which is received by an individual employed on a contractual basis and paid over a period of time.

C. Policy

Wages received by an individual employed on a contractual basis are prorated over the period of time the contract covers even though the employee elects to receive such payments in **fewer** months than are covered by the contract.

If the income is received in **more** months than is covered by the contract, the income is prorated over the period the income is anticipated to be received.

EXAMPLES:

1. Months Wages Received = Months In Contract

A contract period is November 1997 - June 1998 (8 months). The individual chooses to receive the contract income over the eight-month period. The contract amount is divided by eight months to arrive at the monthly gross income.

2. Months Wages Received = Fewer Months Than In Contract

A contract period is September 1997 - August 1998 (12 months). The individual chooses to receive the contract income over a 10-month period. The contract amount is divided by the contract period of 12 months to arrive at the monthly gross income.

3. Months Wages Received = More Months Than Covered By Contract

A contract period is September 1997 - January 1998 (5 months). The individual receives the contract income monthly over a 12-month period. The contract amount is divided by the number of months in which the income is received (12).

D. Verification

Verify the terms of the contract by obtaining a copy of the contract.

E. Procedures

1. Additional Earnings

When a contract specifies a set amount to be paid over the contract period, plus additional monies of an uncertain amount if additional work is available and done, only the base contract is prorated. Additional monies earned over and above the base contract are counted as income when they can be anticipated.

2. Decrease in Income

When a contract calls for no pay for those days not worked, the salary for those days should not be counted if it can be anticipated at the time that the prospective determination is made that certain days will be missed. Otherwise, the income calculation is to be based on the maximum salary. If the individual informs the local agency that days are missed, recalculate the countable monthly amount for the entire contract period.

3. Changes in Contract

If the contract amount changes during the contract period, recalculate the amount of income to be received in the contract period. To determine the new monthly income amount, divide the contract amount by the number of months in the original contract period.

EXAMPLES:

a. Decrease In Pay

A school bus driver's 12 month contract states that she will receive $1,250 for the year, but that she will not be paid for days the school is closed or for days she is sick. When she applies on February 10, she has already missed three days for snow in the contract year and she was sick for two days. The contract reads that $10 will be deducted for each day not worked. The case is approved with income of $100 per month.
($1,250 - 50 = $1,200 $1,200 / 12 = $100)

b. Increase In Pay

On December 11, the school bus driver reports that her 12 month contract which began September 1 will be increased by 10% effective January 1. The income that is anticipated to be received is recalculated for the months in the original contract period using the increased figure of $110 ($1,200 X 10% = $120; $1,200 + 120 = $1,320; $1,320 / 12 = $110
$110 will be the contract income for January - August.

EARNED INCOME EXCLUSIONS

M0720.500 GENERAL

A. Policy

The source and amount of all earned income other than Workforce Investment Act and student income must be verified; however, not all earned income counts when determining Medicaid eligibility. Federal and state laws and regulations require that certain types of earned income be totally or partially excluded when determining Medicaid eligibility.

*For covered groups subject to MAGI methodology,the earned income disregards contained in M0720 do **NOT** apply. Follow the policies and procedures in Chapter M04 for determining eligibility for MAGI covered groups.*

B. Earned Income Exclusions

Income exclusions are applied, in the following order, to earned income for family unit/budget unit (FU/BU) members as appropriate to the covered group.

See Families and Children (F&C) Earned Income Exclusions chart in Appendix 1 to this subchapter.

1. Workforce Investment Act Income

Earned income of an eligible child (less than 18, or 18 and expected to graduate prior to 19) derived from employment in a program under the Workforce Investment Act is excluded. Do not request verification of income from employment under the Workforce Investment Act.

2. Student Income

Earned income of an individual under age 19 who is a student is excluded. Do not request verification of student income.

For this exclusion, a student is any individual under age 19 who is attending any type or level of school, part-time or full-time. Do not verify school attendance; declaration of school attendance is sufficient.

3. *2020* Census Income

Income paid by the U.S. Census Bureau to temporary employees specifically hired for the 2020 census is NOT counted when determining eligibility for medical assistance for *F&C Medically Needy covered groups.*

4. Standard Work Exclusion

A standard work exclusion of the first $90 of gross monthly earned income is excluded for each employed member of the FU/BU whose income is not otherwise exempt. See M0720.520.

5. Child Care/ Incapacitated Adult Care Exclusion

Monthly anticipated child care expenses or incapacitated adult care expenses, up to the appropriate maximums, which are paid for by the caretaker-relative must be excluded. See M0720.540.

M0720.505 WORKFORCE INVESTMENT ACT INCOME EXCLUSION

A. Policy

Earned income of any eligible child derived from employment under the Workforce Investment Act is excluded. Do not request verification of earnings under the Workforce Investment Act.

M0720.510 STUDENT EARNED INCOME EXCLUSION

A. Policy

Earned income of a*n individual* under age 19 who is a student is excluded. Do not verify school enrollment or request verification of student earned income.

For this exclusion, a student is any individual under age 19 who is attending any type or level of school, part-time or full-time. Declaration of school attendance is sufficient for the student earned income exclusion.

M0720.520 STANDARD WORK EXCLUSION

A. Policy

The first $90 of gross earned income is excluded for each employed individual in the FU/BU whose income is not otherwise exempt regardless of when it is reported.

B. Procedure

Apply this exclusion to the amount of earned income

M0720.540 CHILD CARE/INCAPACITATED ADULT CARE EXCLUSION

A. Policy

Anticipated child or incapacitated adult care expenses paid or anticipated to be paid by the family/budget unit for children or incapacitated adults in the family unit, up to the appropriate maximums, must be excluded from earned income in determining Medicaid eligibility when the expenses are necessary because of employment or seeking employment.

When both parents are in the household, both parents must be employed or seeking employment to receive the child care/incapacitated adult care exclusion. The child care/incapacitated adult care exclusion is based on a parent's employment status.

When only one parent is employed and the other parent is not employed or seeking employment and is not able to care for the child(ren) or incapacitated adult, the dependent/incapacitated adult care expense exclusion may be granted when:

1) the paid child or incapacitated adult care is necessary, **and**

2) a physician provides a statement that the parent is disabled and unable to care for the child(ren) or incapacitated adult in question. The doctor's statement must also indicate the anticipated length of time that the parent will be unable to care for the child(ren) or incapacitated adult.

B. Definitions

1. Full-time Employment

Full-time employment means employed to work 30 hours or more per week on an on-going basis; or working, or expected to work 120 hours or more per month (for an individual working on a fluctuating basis).

2. Part-time Employment

Part-time employment means employed to work less than 30 hours per week on an on-going basis; or working or expected to work less than 120 hours per month (for an individual working on a fluctuating basis).

3. Not Employed Throughout a Month

Not employed throughout a month means an individual began or terminated employment within the month.

C. Operating Principle

1. Verification

a. Incapacity

Incapacity of the adult who requires care must be supported by a professional determination. The medical examination for Medicaid and GR is used for this purpose, unless incapacity is established by receipt of Social Security Disability benefits.

b. Employment Status

An individual's employment status is verified by either an employer's statement of the number of hours employed to work, or actually worked or by pay stubs. For self-employed individuals, the agency is required to accept the client's statement concerning the number of hours worked, unless the agency has reason to question the validity of the statement.

c. Expenses

Verification of child/incapacitated adult care expenses is not required. Accept the parent/caretaker's declaration of the amount of the child/incapacitated adult care expense.

2. Amount of Exclusion

a. Full-time Employment

For full-time employment, deduct an amount equal to the anticipated cost, not to exceed $175 per month, for care of each child, age 2 and older and/or incapacitated adult in the family unit. In the case of child care for a child under 2 years old, deduct the anticipated cost not to exceed $200 per month.

b. Part-time Employment

For part-time employment, deduct an amount equal to the anticipated cost, not to exceed $120 per month, for care of each child and/or incapacitated adult in the family unit.

c. Not Employed Throughout a Month

1) If an individual has worked, or is expected to work, 120 hours or more in that month, deduct an amount not to exceed the full-time exclusion.

2) If an individual has worked, or is expected to work, less than 120 hours in that month, deduct an amount not to exceed the part-time exclusion.

3. Conversion to Monthly Amount

If child care/incapacitated adult care is payable on a weekly or bi-weekly basis, the amount of the monthly expense may be calculated using the 4.3 (weekly), or 2.15 (bi-weekly), or 2 (semi-monthly) conversion factors.

FAMILIES & CHILDREN EARNED INCOME EXCLUSIONS

EXCLUSION	CRITERIA	LIMITATIONS
Workforce Investment Act M720.505	Child < age 19	None
Student Earnings M720.510	Child < age 19 in school	None
$90 Standard Work M720.520	Available for EACH person in the FU/BU whose earnings are being counted	None
Child Care/ Incapacitated Adult Care M720.540	Allowed for child or adult in FU/BU Amount based on employment status of applicant/recipient and age of child or adult = or >30 hours/week or 120 hours/month <2 years= $200 maximum per child >2 years= $175 maximum per child or adult < 30 hours/week or 120 hours/month $120 per child or adult	Allowed as long as child or adult is in FU/BU For child care, if both parents are in home, both must be employed

CHAPTER M07
FAMILIES AND CHILDREN INCOME

SUBCHAPTER 30

F & C UNEARNED INCOME

M0730 Changes

Changed With	Effective Date	Pages Changed
TN #DMAS-18	1/1/21	Page 3
TN #DMAS-17	7/1/20	Page 7
TN #DMAS-14	10/1/19	Page 1
TN #DMAS-9	7/1/18	Table of Contents Pages 11, 15
TN #DMAS-4	4/1/17	Pages 7, 8
TN #98	10/1/13	Pages 7, 8 Page 8a was removed.
TN #97	9/1/12	Page 10
TN #94	9/1/2010	Pages 7, 8
TN #93	1/1/2010	Page 2
TN #91	5/15/2009	Table of Contents pages 7-8a

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GENERAL

M0730.001 INTRODUCTION TO UNEARNED INCOME

A. Policy - General

Unearned income is all income received by members of the family/budget unit that is not earned income. Unearned income consists of:

- benefits, including public assistance benefits received from another state
- royalties
- child/spousal support
- dividends and interest
- some rental income
- gifts
- some home energy assistance
- contributions
- lump sums

B. Policy - When to Count Unearned Income

Unearned income is counted as income in the earliest month it is:

- received by the individual;
- credited to the individual's account; or
- set aside for the individual's use.

C. Available Income

Retroactive period –available income is the gross income actually received in each month in the retroactive period.

Application month and ongoing months - available income is the average gross monthly income that is expected to be received in the application and ongoing months. The applicant's actual gross income received in the application month may be used if the application is processed after the month has passed and the person is eligible only when using the actual gross income for the month. For all case actions as *of October 26, 2019, attested income may be used if the requirements specified in M0730.001 E. are met.*

D. Policy - What Amount of Unearned Income is Counted

The amount of unearned income received is counted as income.

EXCEPTION: When the Medicare Part B premium is deducted from the Social Security or Railroad Retirement benefits, that amount must be added to the actual benefit being received.

E. Verifications

The agency must utilize online systems information verifications that are available to the agency without requiring verifications from the individual or family. For all case actions effective October 26, 2019, if the income attested to by the applicant is within 10% of the income information obtained from electronic sources OR both sources are below the applicable income limit, no additional verification is required.

If the reasonable compatibility standard is not met, request verification of income and allow a minimum of 10 days to return.

Verify the amount of the unearned income by an award letter or notice, a benefit payment check, or through contact with the source of the unearned income, unless the source of the unearned income is listed in M0730.099 B. Verification of unearned income that is totally excluded is not required.

F. References

What is income, M0710.003
What is not income, M0715.050
When income is counted, M0710.030
How to estimate income, M0710.610

B. Policy Exclusions never reduce unearned income below zero. No unused unearned income exclusion may be applied to earned income.

C. Procedure First determine whether what is received is income. Next apply any appropriate exclusions of unearned income listed in this subchapter.

D. Reference What is not income, M0715.050

M0730.099 GUIDE TO EXCLUSIONS

A. Introduction The following provides a list of exclusions of unearned income:

B. List of unearned income exclusions

1. Home Produce Home produce of the individual utilized for his/her family's own consumption is excluded.

2. *SNAP* *Supplemental Nutrition Assistance Program (SNAP)* (formerly *Food Stamps)* benefits are excluded.

3. Commodities The value of foods donated under the U.S.D.A. Commodity Distribution Program, including those furnished through school meal programs, is excluded.

4. Federal Relocation Assistance Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is excluded.

5. Nutrition Program for the Elderly Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended, are excluded.

6. Grant or Loan Administered by U.S. Secretary of Education Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the U.S. Secretary of Education is excluded. Programs that are administered by the U.S. Secretary of Education include: Pell Grant, Supplemental Educational Opportunity Grant, Perkins Loan, Guaranteed Student Loan, including the Virginia Educational Loan, PLUS Loan, Congressional Teacher Scholarship Program, College Scholarship Assistance Program, and the Virginia Transfer Grant Program.

7. College Work Study Programs Any funds derived from the federal College Work Study Program or any other college work study programs are excluded.

***8.* Educational Scholarships and Grants** All educational scholarships and grants are excluded.

9. Vocational Rehabilitation Training Allowances

Training allowances (transportation, books, required training expenses and motivational allowances) provided by Vocational Rehabilitation for persons participating in Vocational Rehabilitation Programs are excluded.

The exclusion is not applicable to the allowances provided by VR to the family of the participating individual.

10. SSI, TANF or Auxiliary Grant

Any portion of an SSI, TANF and/or Auxiliary Grant payment is excluded. *This includes TANF Relative Support Maintenance payments.*

A VIEW Transitional Payment (VTP) is NOT TANF and is counted as unearned income.

11. VISTA Payments

Payments to VISTA Volunteers under Title I, when the monetary value of such payments is less than minimum wage as determined by the Director of the action office, and payments for services of reimbursement for out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and other programs pursuant to Titles II and III, of Public Law 93-113, the Domestic Volunteer Service Act of 1973 are excluded. The worker must contact the Action Office at the following address or telephone number when VISTA payments are reported; Action Office, 400 N. 8th Street, Richmond, Virginia 23219, (804) 771-2197.

12. VA Educational Allowances

The Veterans Administration educational amount for the caretaker 18 or older is excluded when it is used specifically for educational purposes. Any additional money included in the benefit amount for dependents is counted as income to the individual for whom intended.

13. Foster Care/ Adoption Assistance Payments

Foster care or adoption assistance payments received by anyone in the assistance unit are excluded.

14. Job Corps Payments to Eligible Children

Any unearned income received from Title IV, Part B (Job Corps) of the Job Training Partnership Act (JTPA) by an eligible child (less than 18 or 18 and expected to graduate by the end of the month in which he turns 19) is excluded as an incentive payment. However, any payment received by any other Job Corps participant or any payment made on behalf of the participant's eligible child(ren) is counted as income to the individual.

15. Fuel Assistance Program

Any payment made under the Fuel Assistance Program is excluded.

16. Child Nutrition Act

The value of supplemental food assistance received under the Child Nutrition Act of 1966 is excluded. This includes all school meal programs, the Women, Infants and Children (WIC) Program, the child care food program, and U.S.D.A. reimbursement payments to day care providers which are authorized by the National School Lunch Act.

17. HUD Payments

HUD Section 8 and Section 23 payments are excluded.

18. JTPA Income to Eligible Children

Any unearned income received by an eligible child (less than 18 or 18 and expected to graduate by the end of the month in which he turns 19) under Title II, Parts A and B, and Title IV, Part A of the Job Training Partnership Act (JTPA) is excluded.

19. Certain Funds for Indian Tribes

Any funds distributed to, or held in trust for, members of any Indian tribe under Public Law 92-254, 93-134, 94-540, 98-64, 98-123, 98-124 or 97-458 are excluded. Additionally, interest and investment income accrued on such funds while held in trust, and purchases made with such interest and investment income are excluded.

20. Alaska Native Claims Settlement Act

The following of distributions received from a Native Corporation under the Alaska Native Claims Settlement Act (Public Law 100-241) are excluded:

a. Cash (including cash dividends on stock received from a Native Corporation) to the extent that the total received does not exceed $2,000 per individual per calendar year;

b. Stock (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock);

c. A partnership interest;

d. Land or an interest in land (including land or an interest in land received from a Native Corporation as a dividend or distribution on stock); and

e. An interest in a settlement trust.

21. Income from Submarginal Land

Income derived from certain submarginal land of the United States which is held in trust for certain Indian tribes (Public Law 94-114) is excluded.

22. Child/Spousal Support Payments

The first $50 of total child or child and spousal support payments received by the family/budget unit is excluded. The $50 exclusion is only applicable to current child/spousal support payments received each month. (See M0730.400)

23. DCSE Payments of Excluded Support

Payments sent to the recipient by the State which are identified as excluded support are excluded. See M0730.400.

24. Disaster Relief

Federal major disaster and emergency assistance provided under the Disaster Relief and Emergency Assistance Amendments of 1988 and disaster assistance provided by state and local governments and disaster assistance organizations (Public Law 100-707) is excluded.

25. Certain Payments to Japanese and Aleut

Payments received by individuals of Japanese ancestry under the Civil Liberties Act of 1988, and by Aleut under the Aleutian and Pribilof Islands Restitution Act (Public Law 100-383) are excluded.

26. ESP or VIEW Support Payments

Payments by Employment Services Program or VIEW for support services such as transportation, uniforms, child care, etc. are excluded. *VIEW Transitional Payments (VTP) are NOT excluded; VTP must be counted as unearned income.*

27. Agent Orange Payments

Any payment received from the Agent Orange Settlement Fund or any other fund established in response to the Agent Orange product liability litigation is excluded. To verify whether a payment is an Agent Orange payment, use documents in the individual's possession. If the individual cannot provide verification or the situation is unclear, write to the Agent Orange Veteran Payment Program, P.O. Box 110, Hartford, CT 06104, Attention: Agent Orange Verification. Include in the request the veteran's name and social security number. If a survivor of a qualifying veteran was paid, also provide the survivor's name and social security number.

28. Radiation Exposure Compensation Act Payments

Payment received by individuals under the Radiation Exposure Compensation Act (Public Law 101-426) is excluded.

29. Maine Indians Claims Settlement Act

Funds received pursuant to the Maine Indians Claims Settlement Act of 1980 (Public Law 96-420); and the Aroostook Band of Micmacs Settlement Act (Public Law 102-171) are excluded.

30. Higher Education Act Student Financial Assistance

Student financial assistance received under Title IV of the Higher Education Act. Assistance to be excluded under this provision, whether awarded to an undergraduate or graduate student, includes but is not limited to:

- Pell Grants,
- Supplemental Educational Opportunity Grants,
- State Student Incentive Grants,
- Federal College Work-Study Programs,
- Perkins Loans (formerly National Direct Student Loans), and
- Guaranteed Student Loans (including PLUS loans and Supplemental Loans for Students).

31. Carl D. Perkins Student Financial Assistance

Student financial assistance received under the Carl D. Perkins Vocational and Applied Technology Education Act made available for attendance costs (Public Law 101-392) is excluded. Attendance costs are defined below:

- tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including

costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study; and

- an allowance for books, supplies, transportation, dependent care, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.

32. HUD Self-Sufficiency Program

Funds paid to an escrow account established under the Family Self-Sufficiency Program of the Department of Housing and Urban Development are excluded.

33. BIA Student Assistance

Student financial assistance received under Bureau of Indian Affairs (BIA) student assistance programs is excluded.

34. Interest on Certain Savings Accounts

Interest earned on a savings account for the purpose of paying for tuition, books, and incidental expenses at any elementary, secondary, or vocational school or any college or university for a family member, for making a down payment on a primary residence, or establishing a business is excluded.

35. Up To $2000/yr. Received by Individual Indians

Up to $2,000 per year of income received by individual Indians, which is derived from leases or other uses of individually-owned trust or restricted lands is excluded.

36. Nazi Persecution Payments

Payments received by victims of Nazi persecution under Public Law 103-286 are excluded.

37. First $30 for Special Occasions

The first $30 received by each individual in the family/budget unit per calendar quarter for special occasions, such as birthdays, Christmas, etc. is excluded. See M0730.520.

38. Lump Sum

A lump sum plus all other earned and unearned income that is less than 100% of need in the locality for the number of members in the FU/BU is excluded from countable unearned income when evaluating lump sum income. See M0730.800.

39. Walker v. Bayer Settlement Payments

Section 4735 of the Balanced Budget Act of 1997 (P.L. 105-33) states that payments described in this subsection from the settlement of the Susan Walker v. Bayer Corp., et.al., class action lawsuit are NOT counted as income in determining eligibility for Medicaid. Payments described in this subsection are:

a. payments made from any fund established pursuant to a class settlement in the case of Susan Walker v. Bayer Corp., et.al., 96-C-5024 (N.D.III.); and

b. payments made pursuant to a release of all claims in a case that entered into in lieu of the class settlement of Walker v. Bayer Corp., et.al., and that is signed by all affected parties on or before the later of

- December 31, 1997, or

- the date that is 270 days after the date on which such release is first sent to the persons to whom the payment is to be made.

Information received by claimants in this lawsuit shows that claimants can choose to receive the payment in one of three ways – in a lump sum, a structured settlement, or a special needs trust. Regardless of which form the individual chooses, the payment(s) are excluded if the above requirements are met.

Verify the source of the funds from a letter from the individual's attorney or a copy of the check which identifies the payor as a Walker v. Bayer settlement account.

Any interest earned on these funds is NOT excluded. Any interest earned on these funds must be evaluated as unearned income in the month of receipt and as a resource thereafter.

40. Combat Zone Income

Any amount received by or made available to household members for deployment or service in a combat zone will not count as income for Medicaid purposes unless the payment was received before the deployment. This exclusion includes items such as, but not limited to, incentive pay for hazardous duty, special pay for imminent duty or hostile fire duty or certain re-enlistment bonuses, or special pay for certain occupational or educational skills.

• M0730.100 MAJOR BENEFIT PROGRAMS

A. Policy

Annuities, pensions, retirement benefits, and disability benefits are unearned income. The amount of unearned income actually being received, not the entitlement amount, is counted as income.

EXCEPTION: When the Medicare Part B premium is deducted from the Social Security or Railroad Retirement benefits, that amount must be added to the actual benefit being received.

B. Definitions

1. Annuity — An annuity is a sum paid yearly or at other specific times in return for the payment of a fixed sum. Annuities may be purchased by an individual or by an employer.

2. Pensions and Retirement Benefits — Pensions and retirement benefits are payments to a worker following his retirement from employment. These payments may be paid directly by a former employer, by a trust fund, an insurance company, or other entity.

3. Disability Benefits — Disability benefits are payments made because of injury or other disability.

C. List of Benefits — The following are examples of benefits:

- Social Security Benefits
- VA Payments – certain types not counted under MAGI methodology (see Chapter M04)
- Worker's Compensation – not counted under MAGI methodology (see Chapter M04)
- Railroad Retirement
- Black Lung Benefits
- Civil Service Payments
- Military Pensions
- VIEW Transitional Payments

D. Procedure — Verify entitlement amount and amount being received by documents in the applicant/enrollee's possession, such as an award letter or benefit payment check, or by contact with the entitlement source.

M0730.200 UNEMPLOYMENT COMPENSATION

A. Policy — Unemployment Compensation received by an individual is counted as unearned income. The amount counted is the gross benefit before any taxes or deductions.

B. Procedures

1. General Procedures — Count Unemployment Compensation as unearned income for all covered groups.

2. *Federal Pandemic Unemployment Compensation Program* — *Section 2104 of the Coronavirus Aid, Relief, and Economic Security (Cares) Act (Public Law No. 116-136) provides that under the Federal Pandemic Unemployment Compensation Program, eligible individuals who are collecting certain Unemployment Compensation, including regular unemployment compensation, will receive an additional $600 in federal benefits per week for weeks of unemployment ending on or before July 31, 2020.*

The $600 weekly Pandemic Unemployment Compensation payments (monthly equivalent of $2,580) are disregarded as income.

M0730.210 TRADE ADJUSTMENT ASSISTANCE ACT INCOME

A. Policy

The Trade Adjustment Assistance Act is administered by the Virginia Employment Commission. The Act allows qualified unemployed individuals to receive additional weeks of Unemployment Compensation (UC). UC benefits are counted as unearned income. The amount counted is the gross benefit before any taxes or deductions.

B. Procedure

See M0730.200, above, for procedures to use in counting UC benefits.

M0730.400 CHILD/SPOUSAL SUPPORT

A. Policy

For covered groups subject to Modified Adjusted Gross Income (MAGI) methodology, child support income is **NOT** counted (see chapter M04). However, spousal support (alimony) **is** counted as unearned income.

For covered groups that are not subject to MAGI methodology, support received by an individual, whether it comes directly from the provider or is redirected to the individual by DCSE, **is** unearned income. The support received by the individual is subject to the $50 Support Exclusion. Use the policies and procedures below.

B. Procedures

1. Child Living in Home

Child support payments received for a child who is living in the home is counted as income to the child for a non-MAGI determination.

2. Child Not Living in Home

Child support payments received for a child who is not living in the home are counted a income to the person receiving it for a non-MAGI determination if the money is not given to the child.

M0730.500 DIVIDENDS AND INTEREST

A. Policy

Dividends and interest are only counted as unearned income when earned on a countable resource. Dividend and interest income payments on countable resources are counted as income in the month received or anticipated to be received (even if paid quarterly, annually, etc.), unless the interest is earned on an excluded savings account for education, home purchase or establishing a business per M0630.125.

B. Definition

Dividends and interest are returns on capital investments such as stocks, bonds, certificates of deposit, or savings accounts.

C. Procedure

Verify the amount that is received or is anticipated to be received by documents in the applicant/recipient's possession or through contact with the financial institution where the account or other financial instrument is located.

M0730.505 RENTAL/ROOM AND BOARD INCOME

A. Policy

Net rental/boarder income from the rental of real property, or rooms, or board paid when the applicant/recipient is not engaged in a business enterprise or actively involved in management is unearned income. Rental/room and board income is counted in the month in which it is received.

B. Definitions

1. Rent

Rent is a payment which an individual received for the use of real or personal property, such as land or housing.

2. Net Rental Income

Net rental income is the total amount received less the allowable costs.

3. Board

Board is the amount paid for the provision of meals only.

4. Room

Room is the amount paid to rent a room only.

5. Room and Board

Room and board is the amount paid for room rent and the provision of meals.

C. Calculation of Net Rental/Boarder Income

1. Real or Personal

The net rental income is the total amount received less the tax on the property.

Verify the anticipated income by documents in the applicant's possession or by a statement from the tenant.

Verify the anticipated cost by a tax receipt for the property owned.

2. Room Rent

The net rental income is 65% of the total rent received if heating fuel is furnished by the applicant/recipient. The net rental income is 75% of the total rent received if heating fuel is not furnished.

Verify the rent paid by documents in the applicant/recipient's possession or a statement from the tenant.

3. Boarders

The net rental income is the total board received less the *Supplemental Nutrition Assistance Program (SNAP) benefit allotment for the number of boarders. The SNAP Manual is available at https://jupiter.dss.state.va.us/FoodStampManual/mainpage.jsp#.*

Verify anticipated income from documents in the *individual's* possession or statement from boarder.

4. Roomer/ Boarders

The net rental income from room and board is calculated as follows:

- *Subtract the SNAP benefit allotment for the number of boarders from the monthly gross rental income.*
- *Multiply the balance by .65 (65% of the balance) if heating fuel is furnished or .75 (75% of the balance) if heating fuel is not furnished.*

Verify anticipated income by documents in the applicant/recipient's possession or by a statement from the boarder.

M0730.520 GIFTS

A. Policy

The first $30 received by each individual in the assistance unit per calendar quarter for special occasions, such as birthdays, Christmas, etc. is excluded.

B. Definition

Calendar quarters are:

January - March;
April - June;
July - September;
October - December.

C. Procedure

Any amount in excess of the $30 per calendar quarter anticipated to be received will be counted as unearned income in the month in which it is anticipated to be received.

M0730.522 CONTRIBUTIONS

A. Policy

1. Contribution from agencies or organization

Any cash contribution made directly to the FU/BU by an agency or organization must be counted as unearned income to the FU/BU if such contribution is for any of the following:

- food, including special diets
- clothing
- personal care
- household supplies and equipment
- insurance
- school supplies and expenses
- laundry
- utilities (including telephone)
- housekeeping and personal services
- obligations incurred within the month of application
- guardianship fees
- average shelter costs appropriate to the locality in which the assistance unit resides (including rent, house payments, taxes, fire or comprehensive insurance repairs, installations, water sewage and trash disposal

NOTE: If the contribution to the assistance unit is for one of the items listed above, it is unearned income and counted dollar for dollar. If it is not for one of the items listed above, it is not unearned income.

2. All Other Cash Contributions

All other cash contributions are counted in amount received as unearned income.

3. Income from Crowdsourcing

For contributions or donations received from crowdfunding source(s) see M0730.900

B. Procedure

- Verify with the administering agency or person contributing, the purpose of the contribution; AND
- Verify the amount of the contribution.

M0730.600 HOME ENERGY ASSISTANCE

A. Policy

Payments made directly to a household for home heating or cooling provided by suppliers of home energy, such as electric and gas companies and fuel oil dealers, must be counted as income.

B. Value of Assistance

When payments are received jointly by a household composed of Medicaid and non-Medicaid applicants/recipients, the FU/BU's pro rata share, based on the total number of persons in the household, must be considered as unearned income to the Medicaid FU/BU.

M0730.800 TREATMENT OF LUMP SUM INCOME

A. Policy

The receipt (on or after the month of application for Medicaid) of a nonrecurring lump sum payment is counted as income of the individual who received it. It is counted as income to the individual who received it in the month of receipt. If any of the lump sum is retained beyond the month of receipt, the retained portion is counted as a resource to the individual.

The lump sum is earned income if it meets the definition of earned income, such as an earnings bonus paid annually to an employee. If the lump sum does not meet the definition of earned income, it is unearned income. Most lump sum payments are unearned income.

In the month of receipt, the countable portion of the lump sum (lump sum minus directly related expenses) is added to the individual's other income and counted as income to the individual's family unit and/or budget unit. The countable lump sum amount is also added to all other earned and unearned income in calculating the amount of the deemor parent's income to deem to the F&C child.

B. Definition

A lump sum is one of the following:

- accumulation of benefits for a prior period, including Social Security and Workman's Compensation benefits;
- payments in the nature of a windfall, e.g., inheritances or lottery winnings;
- personal injury awards;
- any portion of a casualty property loss payment which is not used for repair or replacement of the damaged/lost resources;
- life insurance settlement when the policy is owned by someone other than a member of the family/budget unit;
- child support identified as payments paid in excess of public assistance; or
- income from any other nonrecurring source.

NOTE: Money received from the sale or conversion of any real or personal property is not considered a lump sum (see M0610.100, Distinction Between Assets and Resources).

NOTE: A lump sum is a resource if it was received before the month of application for Medicaid or if any amounts are remaining after the period of time it is counted as income. If counted as income, it cannot be counted as a resource even if placed in a savings account for education, home purchase, or establishing a business as described at M0630.125.

C. Procedure

1. Determine Countable Amount of Lump Sum

The gross amount of the lump sum minus directly related expenses, equals the countable amount of the lump sum. The countable amount of the lump sum is income in the month of receipt.

a. Definition of Directly Related Expenses

Directly related expenses are items such as funeral expenses, medical bills, legal fees, or liens against insured property. Expenses for day-to-day living incurred pending receipt of a lump sum are not directly related expenses.

Lump sum payments received as a result of an accumulation of benefits for a prior period, such as Social Security benefits, will have no directly related expense deduction.

b. Documentation of Directly Related Expenses

The applicant/recipient must promptly provide documented evidence of directly related expenses which were incurred prior to or are anticipated to be incurred within 30 days after receipt of the lump sum.

If verification of the payment of directly related expenses is not provided promptly, the lump sum is counted in full. Subsequent provision of verification of the lump sum payment or the payment of directly related expenses will not change the countable amount of the lump sum. The agency must advise the applicant/recipient of the requirement to count the lump sum in full unless the directly related expenses are actually paid.

2. Determine Total Income

Add all countable earned and countable unearned income to the countable portion of the lump sum to determine the individual's total amount of income for the month of receipt.

3. Evaluate Asset Transfer

Evaluate the spending of a lump sum under the asset transfer policy in subchapter M1450 and document the case record with the amount(s) of compensation received.

D. Example--Lump Sum Received By Adult In Family

EXAMPLE #1: Mr. Fox , who lives in a Group II locality, receives a $5000 lump sum on August 2, 1997. There are 5 members of the family unit. Their other countable earned and unearned income for that month is $200. *The family unit's income for August is $200 + $5000 = $5200.*

$1,730 of the lump sum remains in September. The $1,730 is counted as a resource to Mr. Fox in September.

E. Example--Lump Sum Received By *Adult, Stepparent* In Family

EXAMPLE #2: *Mrs. Bear lives in a Group II locality with her husband, Mr. Bear, and her son from a previous relationship, Baby Bear. Baby Bear has been receiving Medicaid as a Medically Indigent Child Under 6. The parents had not requested Medicaid for themselves. On September 3, 1997, Mrs. Bear receives a $5000 lump sum payment (after directly related expenses are deducted). The family has no earned income, but has unearned income of $1300 per month (retirement for Mr. Bear). Mrs. Bear has no other income. The family unit's income for September is $1300 + 5000 = $6300.*

The countable income of the family unit is compared to the MI income limit for three people. $6300 exceeds the MI limit for three people ($1477). Since Baby Bear has a stepparent in the home, budget units must be formed. One budget unit contains Mr. and Mrs. Bear; the other budget unit contains Baby Bear.

Deem a portion of Mrs. Bear's income to Baby Bear:

$5000.00	Mrs. Bear's lump sum income
- 128.50	deeming standard (1/2 of 100% standard of assistance for 2 in Group II)
$4871.50	deemable income

Baby Bear's monthly income for September is $4871.50. That amount exceeds the MI Child Under 6 income limit for a budget unit of one ($874) so Baby Bear is not eligible for Medicaid in September. For October, Baby Bear has no countable income because his mother has no income in October; he is eligible for Medicaid again in October as an MI child under age 6.

M0730.900 TREATMENT OF CROWDSOURCING INCOME

A. Policy

Crowdsourcing or crowdfunding is a practice to raise funds online for donations, funding a project, or underwrite a venture, by requesting small amounts of money by a large number of people. Examples of crowdsourcing websites include GoFundME, YouCaring, Kickstarter, or IndieGoGo.

Treatment of funds received depends on the reason the funds were solicited.

B. Definition

If the individual, or someone on their behalf, is raising donations for medical costs or bills, money raised is considered a gift. See M0730.520.

If there is an exchange of goods or services, the money received is considered earned income.

If it is a fundraiser for investing in an invention and the donor gets a product or a return, it is not taxable income and but would be considered "contribution to capital" as the donor has an equity interest in the product.

C. Procedure

Funds deposited into an account to which an individual has access and control over its use would be countable to the individual in the month received. If any of the funds are retained beyond the month of receipt, the retained portion is counted as a resource to the individual.

"Platform fees"are fees or costs that would not be considered part of the income received if the monies are crowdfunding are being considered as income. Fees may include the cost per transaction or percentage of donation the online host site receives and/or costs to a payment processor.