

- Death Benefits: The portion of a lump sum payment received as a result of the death of an individual, which is used to pay the expenses of the last illness and burial of that individual, is deducted.

C. DETERMINING ELIGIBILITY

Countable income is determined by subtracting any allowable disregards and deductions in Section A above from the total non-excluded gross income. Deemed income is addressed in item D,4,a.

Countable income is determined as follows:

NOTE: When income is deemed from **an** ineligible spouse, the ineligible spouse's **deemable** income is added to client's income in Steps 1 and 2. When income is deemed from a parent(s), the predetermined deemed amount is added to the child's unearned income in Step 1.

Step 1: Determine the total non-excluded gross unearned income and subtract the \$20 Disregard, if applicable.

Step 2: Determine the total non-excluded earned income. Subtract the following in order:

- Remainder of SSI \$20 Disregard
- SSI \$65 Earned Income Disregard
- SSI Impairment-Related Expenses
- One-half of Remaining Earned Income
- SSI Work-Related Expense Deductions (Blind persons only)
- Earnings Diverted to a PASS

Step 3: Add unearned income from Step 1 above.

Step 4: Subtract unearned income diverted to a PASS account, the Death Benefits deduction and, for children, the child support disregard.

The result is the total monthly countable income.

Step 5: Compare the amount in Step 4 to the MNIL for the appropriate number of persons. See item D,4,a below.

If the net countable monthly income is equal to or less than the appropriate MNIL, the AG is eligible without a spenddown. If it is in excess of the appropriate MNIL, the AG must meet a spenddown. See item D,11 below.

D. SPECIAL SITUATIONS

1. Self-Employment

Gross profit is determined the same way it is for AFDC Medicaid. See Section 10.7,D. The gross profit may be earned or unearned income. See Section 10.3.

2. Annual Contract Employment

Annual contract employment is treated the same way it is for AFDC Medicaid. See Section 10.7,D.

3. Educational Income

Educational Income is counted the same way it is for AFDC Medicaid. See Section 10.7,D.

4. Deeming

NOTE: For **the** definition of eligible child or ineligible child, see Section 10.1.

When determining income to be deemed to an eligible individual, certain income sources are not deemed. These sources are outlined in items a and b below.

a. Public Assistance Maintenance Income

Public assistance maintenance income, as defined by SSA, not by **DFA**, of the spouse or parent from whom income is deemed is excluded from the deeming process, i.e., it is not deemed. In addition, any income, which was considered (counted or excluded) in computing the amount of such income maintenance payments, is also excluded.

These public assistance income maintenance payments are:

- WV WORKS

Income

- SSI
- Needs-based payments resulting from the Refugee Act of 1980
- Payments from the Disaster Relief and Emergency Assistance Act
- Payments from general assistance programs of the Bureau of Indian Affairs
- State or local government assistance programs based on need. EITC payments and tax refunds are not considered to be based on need.
- Payments from the U.S. Department of Veterans Affairs programs when such payments are based on need. See Section 10.3.

b. Other Income Sources

Other sources excluded for determining are:

- Any portion of a grant, scholarship or fellowship used to pay tuition and fees
- Money received for providing foster care to an ineligible child
- The value of Food Stamp **benefits** or Department of Agriculture donated foods
- Home produce for personal consumption
- Tax refunds on income, real property or food purchased by the family
- Income used to fulfill an approved PASS
- Income used to comply with the terms of court-ordered support or support payments enforced under Title IV-D
- Periodic payments made by a state under a program established before 7/1/73 and based solely on duration of residence and attaining age 65. Only Alaska makes such payments.

- Infrequent or irregular income
- Work expenses of a blind individual
- Income of the ineligible individual or parent which is paid under a federal, State or local program to provide chore, attendant or homemaker services to the eligible individual
- Home energy assistance
- The earned income of a student child, up to \$1,510 a month, but not more than \$6,100 per year, is excluded **from** the income of an ineligible child for purpose of determining the ineligible child allocation

When the ineligible spouse's non-excluded income, as shown above and in Section 10.3, minus only the needs of ineligible children in the home, is greater than the Allocation Standard, the ineligible spouse's income is added to the eligible spouse's income. These are the SSI deeming provisions, which also require use of the couple income limit to determine eligibility for the individual when income is deemed. If the SSI-Related individual is a child, the income of the parent(s) is also deemed, and the above exclusions are applied to their income.

NOTE: The income of separated spouses is not counted or deemed beginning in the month following the month in which the couple separates.

c. Deeming From Ineligible Spouse to SSI-Related Spouse

The deeming calculations are as follows:

Step 1: Determine the ineligible spouse's total non-excluded unearned income.

Step 2: Subtract the needs of all ineligible dependent children. See Section 10.1 for the definition of ineligible child.

The need of each ineligible child is determined separately by subtracting the child's income from the Allocation Standard. The difference, if any, represents the child's needs.

EXAMPLE: SSI payment level for 1 and 2 persons is \$623 and \$934.

The Allocation Standard is \$311. Child #1's income is \$315. Because the child's income exceeds \$311, there is no deduction for Child #1's needs. Child #2's income is \$125. The allocation for this child's needs is \$186.

After a separate determination is made for each ineligible child, the allocations are added together and then subtracted from income.

- Step 3: Determine the ineligible spouse's total gross non-excluded earned income.
- Step 4: Subtract the remainder of the needs of all ineligible children which could not be subtracted in Step 2.
- Step 5: Add together the ineligible spouse's remaining earned and unearned income.
- Step 6: Compare the amount from Step 5 to the Allocation Standard.

When the remaining amount is less than the Allocation Standard, no income is deemed from the ineligible spouse and the individual income limit is used.

When the remaining amount is in excess of the Allocation Standard, the ineligible spouse's **remaining** earned income **from Step 4** is added to the SSI-Related spouse's earned income, and the ineligible spouse's **remaining** unearned income **from Step 2** is added to the SSI-Related spouse's unearned income. The income limit for 2 persons is used, even though only one spouse is in the AG.

- d. Deeming From Parent(s) to SSI-Related Child(ren) See Section 10.1 **for the definition of child.**

The deeming calculations are as follows:

Income

Step 1: Determine the total non-excluded gross unearned income of the eligible and ineligible parents.

Step 2: Subtract the needs of all ineligible children. The need of each ineligible child **is** determined separately by subtracting the child's own income from the Allocation Standard.

After a separate determination is made for each ineligible child, the allocations are added together and then subtracted from income.

Step 3: Determine the total non-excluded gross earned income of the eligible and ineligible parents.

Step 4: Subtract the needs of the ineligible children, which were not subtracted in Step 2.

Step 5: Subtract the SSI \$20 Disregard from the amount in Step 2.

Step 6: Subtract any remainder of the SSI \$20 Disregard from the amount in Step 4.

Step 7: Apply the SSI \$65 + $\frac{1}{2}$ Earned Income Disregard to the amount remaining from Step 6.

NOTE: When the person from whom income is deemed receives RSDI based on disability or received that benefit prior to becoming age 65, Impairment-Related Work Expenses, if appropriate, are deducted after the \$65, but prior to deducting the remaining $\frac{1}{2}$. See Section 10.22,B,1.

Step 8: Add together the amounts from Steps 5 and 7.

Step 9: Subtract the Parental Living Allowance. See Section 10.1, Definitions.

The remaining amount is deemed to the SSI-Related child as unearned income. If there is more than one SSI-Related child, divide the remaining amount equally among the SSI-Related children.

e. Deeming From Ineligible Spouse and Eligible/Ineligible Parent to SSI-Related Spouse and SSI-Related Child

The deeming calculations are as follows:

Step 1: Determine the ineligible spouse's total gross non-excluded unearned income.

Step 2: Subtract the needs of all ineligible children. The needs are determined separately by subtracting the child's own income from the Allocation Standard.

After a separate determination is made for each child, the allocations are added together and then subtracted from income.

Step 3: Determine the ineligible spouse's total non-excluded gross earned income.

Step 4: Subtract the needs of the ineligible children, which were not subtracted in Step 2.

Step 5: Add the remaining amount from Step 2 to the remaining amount from Step 4.

NOTE: If the amount in Step 5 is equal to or less than the Allocation Standard, no income is deemed to the spouse or child. If it is greater, continue.

Step 6: Add the SSI-Related spouse's unearned income to the amount in Step 2.

Step 7: Subtract the SSI \$20 Disregard from the Step 6 amount.

Step 8: Add the SSI-Related spouse's earned income to the amount in Step 4.

Step 9: Subtract the amount of the SSI \$20 Disregard which was not subtracted in Step 7.

Step 10: Apply the SSI \$65 + $\frac{1}{2}$ Earned Income Disregard to the amount in Step 9.

NOTE: When the person from whom income is deemed receives RSDI based on disability or received that benefit prior to becoming age 65, Impairment-Related Work Expenses, if appropriate, are deducted after the \$65, but prior to deducting the remaining $\frac{1}{2}$. See Section 10.22,B,1.

Step 11: Add the amounts from Steps 7 and 10.

NOTE: If the amount from Step 11 is equal to or less than the maximum SSI payment for a couple, no income is deemed to the SSI-Related Child. If it is greater, continue.

Step 12: Subtract the maximum SSI payment for a couple from the Step 11 amount.

The amount remaining after Step 12 is deemed to the SSI-Related child as unearned income. If there is more than one SSI-Related child, divide the amount equally among the SSI-Related children.

5. Strikers

The presence of a striker has no effect on SSI-Related Medicaid.

6. Irregular Income

Regardless of the source, irregular income is excluded because it cannot be anticipated.

7. Lump Sum Payments

Lump sum payments are treated as unearned income in the month received.

8. Withheld Income

a. From Earned Income

Earnings withheld to repay an advance payment are disregarded if they were counted in the month received. If not counted in the month received, the withheld earnings are income. No other earned income is excluded just because it is withheld by the employer.

b. From Unearned Income

All withheld unearned income is counted, unless an amount is being withheld to repay income that was previously used to determine Medicaid eligibility.

9. Funds Diverted To A PASS

Funds diverted to a PASS account are disregarded.