

Conversion is accomplished by multiplying an actual or average amount as follows:

- Weekly amount x 4.3
- Bi-weekly amount x 2.15
- Semi-monthly amount x 2

Proration of the income is accomplished by dividing the amount received or expected to be received by the number of time periods it is intended to cover as follows:

- Bi-monthly amount ÷ 2
- Quarterly amount ÷ 3
- Semi-annual amount ÷ 6
- Annual amount ÷ 12
- 6-week amount ÷ 6 and converted to monthly by using x 4.3
- 8-week amount ÷ 8 and converted to monthly by using x 4.3

**NOTE:** When the client is not expected to receive a full month's income from a source, the averaged amount of income from that source is multiplied by the number of times it is anticipated to be received.

**EXAMPLE:** A woman begins working on the 2nd Monday of a month. She earns \$200/week and is paid every Friday. Her average weekly pay is \$200. For the first month she has earnings, she expects to be paid 3 times. Her income for the month is  $\$200 \times 3 = \$600$ .

Step 5: Add together all converted and/or prorated earned income from all sources to determine the monthly total countable earned income.

Step 6: Add together all converted and/or prorated unearned income from all sources to determine the monthly total countable unearned income.

**EXAMPLE:** A family applies for Medicaid and Food Stamps on March 22nd. The family consists of a man, a woman and their 2 children, ages 4 and 10. The man receives RSDI benefits of \$730/month and the woman works part-time. The woman earns \$5.15/hr. and is paid every Friday. For March, she has already received gross pays as follows: March 5th = \$154.50; March 12th = \$180.25; March 19th = \$113.30. She has obtained a much better job and was let go from her current one so she could be replaced as soon as possible. Therefore, she will have no more earnings for March. When the new job starts in April, she will be paid monthly and earn a salary of \$1,850/mo. Her first pay at this rate will be received on April 15th.

In determining WV CHIP eligibility, the Worker uses the income already received in the month of application and the income expected to be received. The average weekly earnings ( $\$154.50 + \$180.25 + \$113.30 = \$448.05 \div 3 = \$149.35$ ) is converted to the amount the client expects to receive for the month. Weekly average of  $\$149.35 \times 3$  (since only 3 pays will be received in March) =  $\$448.05$ . March earnings of  $\$448.05 +$  monthly unearned income of  $\$730 = \$1,178.05$ . The children are eligible for 12 continuous months of WV CHIP coverage beginning April 1st, regardless of any income changes anticipated after March.

In determining FS eligibility, the Worker must look at anticipated income. For FS eligibility for March, the income is treated the same way it is for WV CHIP eligibility in the preceding paragraph. However, the income for April must be anticipated for determining eligibility beginning in April. Therefore, the FS income for April is based on: the woman's  $\$1,850$  earnings + the man's  $\$730$  RSDI =  $\$2,580$ . The family fails the FS gross income test beginning in April, but WV CHIP eligibility continues.

D. CATEGORICAL ELIGIBILITY, EXPEDITED SERVICE, DESTITUTE AGs AND MIGRANT FARM WORKERS

Receipt of WV CHIP coverage does not qualify the family for Categorical Eligibility for Food Stamps.

The Food Stamp requirements of Expedited Service, Destitute AGs and Migrant Farm Workers have no bearing on WV CHIP.

E. INCOME DISREGARDS AND DEDUCTIONS

The following disregards and deductions are applied to the income of the WV CHIP child's Income Group and are used in the order listed.

1. Earned Income

- AFDC Medicaid Standard Work Deduction: The **\$90** deduction is applied to the earned income or gross profit from self-employment of each working person. The amount of the deduction must not exceed the amount of earned income or gross profit of each person.
- AFDC Medicaid Dependent Care Deduction: When the employed member(s) of the Income Group must pay for dependent care to accept or continue employment or training, the deduction is applied.

The amount is applied as paid, up to the **following** maximum amounts:

- **Dependent under age 2 - \$200**
- **Dependent age 2 or over - \$175**

The dependent is not required to be in the AG or Needs Group for the deduction to be applied.

## 2. Unearned Income

The first \$50 of child support is disregarded. This is the only disregard of unearned income.

When more than one child in the Needs Group receives child support, the disregard amount is divided by the number of children in the Needs Group who receive support. The resulting amount is deducted from each child's support amount to determine each child's countable child support.

**EXAMPLE:** Four blood-related siblings live in the same home and receive the following amounts of child support: Child A receives \$150/month; Child B receives \$200; Child C receives \$50; Child D receives \$100. The \$50 disregard of child support is divided by 4 and each child receives a disregard of \$12.50.

### Child A

\$200.00	Child Support
<u>- 12.50</u>	Disregard
\$187.50	Countable Child Support

### Child B

\$150.00	Child Support
<u>- 12.50</u>	Disregard
\$137.50	Countable Child Support

### Child C

\$50.00	Child Support
<u>-12.50</u>	Disregard
\$37.50	Countable Child Support

Child D

\$100.00	Child Support
<u>- 12.50</u>	Disregard
\$ 87.50	Countable Child Support

## F. DETERMINING INCOME ELIGIBILITY

**NOTE:** The AFDC Medicaid 185% and 100% of Need tests are not applied.

Countable income is determined by subtracting allowable disregards and deductions from the total gross non-excluded income. The net monthly countable income of the Income Group must not exceed the amount shown in Step 5 below and in Appendix A, Chapter 10.

- Step 1: Determine the amount of monthly gross non-excluded earned income of the Income Group. Do not include the income of any sibling of the WV CHIP child.
- Step 2: Subtract the AFDC Medicaid Standard Work Deduction for each employed person.
- Step 3: Subtract the AFDC Medicaid Dependent Care Deduction up to the maximum allowable amounts. Eligibility for and the maximum amounts of the deduction are determined as for AFDC Medicaid. See Section 10.7,B,1,d.
- Step 4: Add the non-excluded gross unearned income of the Income Group. This includes the child's countable child support. Do not include the income of any sibling of the WV CHIP child.
- Step 5: The resulting figure is the countable income against which income eligibility is tested.

The FPL (200%) for the number of people in the Needs Group is used. See Appendix A, Chapter 10. If countable income is equal to or less than the maximum income levels, the child is income eligible as a WV CHIP child.

**G. SPECIAL SITUATIONS****1. Self-Employment**

Self-employment income is treated the same way it is for AFDC Medicaid. See Section 10.7,D,4.

**2. Annual Contract Employment**

Annual contract employment is treated the same way it is for AFDC Medicaid. See Section 10.7,D,6.