

23.10 INCOME**A. TRANSFERS OF INCOME**

The transfer of resources policy does not apply to M-WIN.

B. INCOME SOURCES

The income sources in Section 10.3 are treated the same as for SSI-Related Medicaid.

C. BUDGETING METHOD

The method used to anticipate monthly countable income is the same as the one use for AFDC Medicaid in Section 10.7,A.

D. INCOME DISREGARDS AND DEDUCTIONS

NOTE: RSDI COLA's are disregarded in determining eligibility through March of the year they become effective.

The following disregards and deductions are applied, if applicable.

1. Earned Income

NOTE: These disregards and deductions apply only to earned income. Any unused portion of the disregards or deductions is not applied to unearned income.

- SSI \$20 Disregard: The remainder of the \$20 income disregard. See Unearned Income below.
- SSI Earned Income Disregard: \$65 and ½ of the remainder are subtracted from earned income and from gross profit from self-employment earnings. See item E below.
- Impairment-Related Work Expenses: Expenses for items or services which are directly related to enabling a person with a disability to work and which are necessarily incurred by the individual due to a physical or mental impairment. The individual must be:
 - Disabled, but not blind; and
 - Under age 65

Medicaid Work Incentive

In addition, the severity of the impairment must require the individual to purchase or rent items and services in order to work and the expense must be reasonable and not reimbursable from another source, such as, but not limited to, Medicare or private insurance. The payment must be made with income received for a month in which the person both worked and received the services or used the item, or the payment may be made before the earned income is received when the person is working.

Examples of impairment-related work expenses include, but are not limited to, attendant care services both at home and at work, drugs and medical supplies and devices, federal, state and local income taxes and FICA, service animals, fees such as union dues, mandatory contributions such as pensions, meals consumed during work hours, work-related equipment or services, physical therapy, prosthesis, structural modifications to the person's home, transportation to and from work and vehicle modification.

- SSI Work-Related Expenses (Blind Persons Only): A deduction for impairment-related expenses necessary for employment is allowed, such as a guide dog, cane training, purchase of special equipment needed to perform or advance on the job, etc.
- Earnings Diverted to a PASS: Any earnings diverted to a PASS are deducted from income.
- SSI Student Child Earned Income Disregard: \$1,370 per month, but no more than \$5,520 in
- a calendar year, is disregarded when the child meets the following criteria:
 - Is under age 22, unmarried and not head of a household; and
 - Takes one or more courses of study and attends classes as follows:
 - In a college or university at least 8 hours a week; or
 - In grades 7-12 at least 12 hours a week; or
 - In a course of training to prepare for a paying job for at least 15 hours a week, if shop practice is involved, or 12 hours a week, if shop practice is not involved; or

Medicaid Work Incentive

- For less than the amount of time indicated above for reasons beyond the student's control, such as illness, if circumstances justify a reduced load or attendance.

This applies to homebound students when a disability requires home school and a home visitor or tutor from school directs the study.

2. Unearned Income

- SSI \$20 Disregard: A \$20 Disregard is applied to the total gross unearned income. If unearned income is less than \$20, the remainder is subtracted from earned income, prior to the application of any other earned income disregards and deductions.

NOTE: The SSI \$20 disregard is not applied to any unearned income received which is based on need. This includes, but is not limited to, VA benefits based on need. See VA Benefits in Section 10.3.

- Unearned Income Diverted to a PASS. Any unearned income diverted to a PASS is deducted from income.
- For SSI-Related Children Only: 1/3 of the child support intended for the SSI-Related child is disregarded.
- 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.

E. DETERMINING ELIGIBILITY

Eligibility is determined in a two-part process.

1. UNEARNED INCOME TEST

NOTE: RSDI COLA's are disregarded in determining eligibility through March of the year they become effective.

The first step is the unearned income test. If the client fails this test, he is ineligible.

Step 1: Determine the amount of non-excluded unearned income

Step 2: Subtract the \$20 SSI Disregard

Medicaid Work Incentive

Step 3: Compare the remainder to the current SSI payment for 1 person.

If the remainder exceeds the SSI payment, the individual is ineligible and no additional calculations are required.

If the remainder is equal to or less than the SSI payment, additional calculations are required to determine countable income. See item 2 below.

2. DETERMINING COUNTABLE INCOME

Countable income is determined by subtracting any allowable disregards and deductions in Item D above from the total non-excluded gross income. Countable income is determined as follows:

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, 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 250% FPL for one person.

If the net countable monthly income is equal to or less than 250% FPL the individual is financially eligible.

F. 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 10.7,D.

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

No income is deemed.

5. Strikers

The presence of a striker has no effect on M-WIN.

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.

Medicaid Work Incentive

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 are disregarded.

10. Unstated Income

Unstated income is income that has not been reported by the household, and is not otherwise known to the agency, but is determined to exist because the client's paid living expenses exceed income from known sources.

The amount of unstated income is the difference between the known monthly income and the monthly paid living expenses.

When the information in the client's record, including statements of the client or third-parties, indicates that paid expenses exceed the stated income, the existence of unstated income must be explored. The client must complete form ES-IN-1, Statement of Monthly Living Expenses.

If insufficient or conflicting evidence exists, the Worker must question the client about the possibility of unstated income and allow him the opportunity to explain how his expenses are met. If the client provides a satisfactory explanation, the Worker records the explanation.

If the client's explanation of how the expenses are met is inadequate, the Worker makes a recording of the explanation and then determines the amount of unstated income to count. To determine the amount of unstated income to count, the Worker compares the usual amount of monthly living expenses with the client's reported income, taking into consideration any other reasonable explanations the client provides. The difference is unstated income and is counted as unearned income.

11. Spenddown

Spenddown provisions do not apply.

12. Unavailable Income

Income intended for the client, but received by another person with whom he does not live, when the individual receiving this income refuses to make it available, is excluded.

13. Income Received For A Non-Income Group Member

Income received by a member of the Income Group, which is intended and used for the care and maintenance of an individual, whose income is not used in determining the eligibility AG, is excluded as income.