

Policy Clarifications – Medicaid - All PMA 17039-350 REVISED 3/12/14

Submitted: Agency: CAOs

Subject: Social Security Retirement, Survivor's, Disability Insurance (RSDI) Income of Tax Dependents for Modified Adjusted Gross Income (MAGI) based Medical Assistance (MA) determinations.

Question:

Is Social Security RSDI received by a tax dependent/child countable for MAGI based MA determinations?

Response by: Division of Health Services

If the tax dependent/child has no other source of income **and resides with a parent (biological, step, adopted)**, the Social Security RSDI income is excluded. RSDI of a tax dependent/child is countable only if the tax dependent/child has OTHER income that meets the IRS tax filing threshold for tax dependents **or if the child does not reside with a parent.**

Note: The filing threshold is applied based on whether the individual *should* file a tax return. If the individual does not file, the threshold still applies.

The current (2013) IRS tax filing thresholds for tax dependents are:

- \$6100 annually for EARNED income
- \$1000 annually for UNEARNED income

Note: RSDI does NOT count toward the unearned threshold.

Note: In some situations, an adult can be claimed as a tax dependent. Please refer to Attachment 4 of Ops 13-09-04 for detailed information about who can be claimed as a dependent.

eCIS currently counts all RSDI benefits for MAGI based MA determinations. For RSDI income that of a tax dependent/child that is not countable, the CAO must enter exclusion code "01-Exempt for Medical Assistance" for the RSDI income on the Unearned Income screen.

Note: If both MAGI and Non-MAGI MA are being evaluated and the RSDI would be countable for the Non-MAGI category, the RSDI should be data entered **without** the exclusion code. The MAGI MA budget must be built using a system override.

Please refer to the [Attachment](#) for examples.

This Policy Clarification supersedes all previous guidance regarding RSDI income for tax dependents/children.