

Policy Clarifications – MA – All PMA 17393312

Submitted: Agency: CAOs

Subject: Income Excluded for Modified Adjusted Gross Income (MAGI) Medical Assistance (MA) determinations.

Question: Are there any changes to the way we treat certain types of incomes, such as gifts, loans, inheritances, cash support when determining eligibility for MAGI-related MA?

Response By: Division of Health Services

Date:

When determining eligibility for MAGI-related MA, gifts, inheritances and loans (such as student loans, bank loans and personal loans) are not counted income types.

To be considered a gift, a monetary gift must be infrequent and nonrecurring.

Example: A grandmother gives her grandson \$500 as a Christmas gift in December. The caseworker will exclude the \$500 from the income determination for MAGI MA.

If the money is provided on a frequent and regular basis, the County Assistance Office will consider the payment to be cash support and will count the payment as unearned income the following way:

- In full, if support is provided by a non-responsible relative.

Example: The father gives \$200 every month to his twenty-five-year old son, who lives separately. The father does not claim the son as a tax dependent. The father does not expect his son to repay this money. The caseworker will count \$200 as the son's unearned monthly income.

- The full amount after the first \$50, if support is provided by a person claiming the individual (other than a spouse or a biological, adopted, or step child) as a tax dependent.

Example: The daughter gives \$200 every month to her elderly mother, who she claims as a tax dependent. The daughter does not expect her mother to repay this money. The caseworker will count \$150 as the mother's unearned monthly income.

Note: Both voluntary and court-ordered child support are excluded from MAGI MA eligibility determinations.

Spousal support is counted in full for MAGI eligibility determinations.