

**Policy Clarifications –
Medicaid – All
PMA-19110-312**

Submitted: 8/29/2018

Agency: CAOs

Subject: Income Calculation for Quarterly Department of Labor and Industry (DLI) Wage Hits

Question: Current Reasonable Compatibility policy states that the worker should divide the quarterly DLI wage match by three to establish the monthly average. Is it permissible to divide the quarterly income by 13 weeks then multiply it by four to follow the 4.0 multiplier income adjustment rules if it's more beneficial to the individual or household?

Response By: Division of Health Services

Date: 9/21/18

Yes, if it is more beneficial, the CAO will divide the quarterly income by 13 and multiply it by four to calculate the monthly income. Dividing by three is still appropriate in the situation where it is known that an individual is paid once a month or twice per month.

Example: The CAO receives a DLI Quarterly Wage hit for Becky in the amount of \$4,500.00.

DLI Quarterly Income Hit	Monthly Average
\$4,500.00 / 3	\$1,500.00

DLI Quarterly Income Hit	Monthly Amount
$(\$4,500.00 / 13) * 4$	\$1,384.60

Dividing by three results in an average monthly income that is \$115.40 higher than what Becky's actual monthly income is. In this example, dividing by three would make Becky ineligible for MG 91 for a 1-person household, but dividing by 13 and multiplying by four would make her eligible.

If information is known by the CAO that the quarterly hit does not include the full 13 weeks, either because the individual began or stopped working during the quarter, the CAO will divide the quarterly amount by the number of weeks worked in the quarter.

If the recipient supplies paystubs, the paystubs should be taken as income verification over the DLI quarterly hit.