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INCOME

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UNEARNED INCOME

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**A. GENERAL**

Unearned income is all income that is not earned income.

The monthly amount of any unearned income must be determined and verified for all applicants and recipients except in cases where ineligibility results from another factor of eligibility. Verification of unearned income will normally be by documentation from the source of the unearned income.

Another means of verification may be used only if the source and the amount of unearned income can be clearly established. The case record will clearly show the method and particulars of the verification used to establish the unearned income.

**B. AMOUNT OF  
UNEARNED  
INCOME**

The amount of unearned income which must be counted in determining eligibility for Medicaid is the gross amount due the client. The exception to this rule is that the gross amount of unearned income may be reduced by certain expenses incurred to obtain that income. The most common expenses of this type are attorney fees; however, there are others. Fees for medical examinations, legal papers, proofs of relationship, birth and death, filing fees, etc., can be involved in securing income and diminish the amount which is countable. Proof of having incurred the expense (bills, canceled checks, money orders, etc.) is required.

Deduct excludable expenses from the first and subsequent payments until completely offset. Excludable expenses may occur in periods prior to the receipt of income. All excludable expenses can be offset against the income when it is actually or constructively received.