

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

200.02 WHAT IS INCOME

Income is defined as any item an individual receives in cash (or in some cases in-kind) that can be used to meet his/her needs for food or shelter.

NOTE: Effective March 9, 2005, clothing is no longer considered a basic need for SSI purposes.

200.02.01 RELATIONSHIP OF INCOME TO RESOURCES

The following must be considered in determining the relationship of income to resources:

- Anything received in a month, from any source is income to an individual, subject to the SSI definition of income.
- Anything the individual owned prior to the month under consideration is subject to resource counting rules.
- The same item cannot be counted as both a resource and income in the same month. An item received for the current month is income for the current month only. If held by the individual until the following month, that item is subject to resource counting rules. Any exceptions are noted in the discussion of the particular type of income involved.

Example: Mr. Jones receives his Social Security check in March. It is directly deposited into his checking account. Count the Social Security check as income in March and subtract the deposit from the checking account to determine how much he has in resources for March.

If Mr. Jones carries all or part of the check into April, the remaining amount is counted as a resource.

200.02.02 TYPES OF INCOME

Income is either earned or unearned. Different rules apply to each type. Some examples of the types of income are listed below.

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TYPES OF INCOME (Continued)

TYPES OF EARNED INCOME
Earned income consists of the following types of payments: <ul style="list-style-type: none">• Wages• Net earnings from self-employment (NESE)• Payments for services performed in a sheltered workshop or work activities center• Royalties earned by an individual in connection with any publication of his work and any honoraria received for services rendered
TYPES OF UNEARNED INCOME
Unearned income consists of the following types of payments: <ul style="list-style-type: none">• Annuities, pensions, and other periodic payments• Alimony and support payments• Dividends, Interest and royalties (except for royalties mentioned above)• Rents• Benefits received as the result of another’s death to the extent that the total amount exceed expenses of the deceased last illness and burial paid by the beneficiary• Prizes and awards• In-kind support and maintenance

200.02.03 FORMS OF INCOME

Whether earned or unearned, income may be received in either of two forms:

- **Cash** – Currency, checks, money orders or Electronic Funds Transfers (EFT), such as:
 - Social Security
 - Unemployment Compensation
 - Wages
- **In-kind** – Items such as:
 - Shelter
 - Food
 - Clothing (Before March 9, 2005)
 - Non-cash wages (such as room and board as compensation for employment)

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200.02.04 EFFECT OF GARNISHMENT OR SEIZURE

A garnishment or seizure is a withholding of an amount from earned or unearned income in order to satisfy a debt or legal obligation. Amounts withheld from earned or unearned income to satisfy a debt or legal obligation are income for Medicaid purposes.

Example: Ms. Jones' wages are being garnished to repay a delinquent debt. The amount withheld for the garnishment is countable income.

200.02.05 WHEN INCOME IS COUNTED

Generally, count income in the earliest month it is:

- Received by the individual;
- Credited to an individual's account; or
- Set aside for an individual's use.

For Medicaid eligibility purposes, all income is determined monthly and counted in the month the income is received.

NOTE: For institutional clients, income that varies in amount or frequency is averaged to determine Medicaid Income provided the client is income-eligible for Medicaid in the month the payment is received without averaging.

Exceptions to Counting Income in the Month of Receipt

Occasionally, a periodic payment (like wages, Title II or VA benefits) is received in a month other than the month of normal receipt. As long as there is no intent to interrupt the regular payment schedule, the funds are considered to be income in the normal month of receipt.

The most common types of situations where this would apply are:

- **Advance Dated Checks** - When the payer advance dates a check because the regular payment date falls on a weekend or holiday, there is no intent to change the normal delivery date. When this occurs, consider the check income in the normal month of receipt.
- **Electronic Funds Transfer** – When an individual's money goes to a bank by direct deposit, the funds may be posted to an account before or after the month they are payable. When this occurs, treat the electronically transferred funds as income in the month of normal receipt.

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200.02.06 INCOME DETERMINATIONS INVOLVING AGENTS

Monies received by an individual in his capacity as an agent on another's behalf (such as a representative payee) are not income to him. However, monies a person receives for his own use (not paid on behalf of another) must be evaluated under regular income rules.

Example: Mr. Jones is receiving a Social Security check as the payee for his disabled child. This check is counted as income for the child, not Mr. Jones.

200.02.07 INCOME DERIVED FROM JOINT BANK ACCOUNTS

The following explains how to charge income in situations involving joint bank accounts held by Medicaid applicants/recipients with other individuals:

Eligible with Ineligible

When an applicant/recipient and an ineligible individual hold a joint bank account, the full amount of any deposit, regardless of the source of the deposit, is income to the applicant/recipient unless:

- The ineligible individual is a deemor (parent or spouse) for income and/or resource purposes. In which case the deposits are income to the person actually receiving them, but the ineligible's income or resources will be deemed to the eligible.
- The ineligible is a legal guardian or conservator of the eligible and legal documents allow deposits to be treated otherwise.
- The deposit can be excluded under some other provision.
- Spousal impoverishment rules apply.

Eligible with Other Eligibles

When Medicaid-eligibles are joint account holders, a deposit by one Medicaid-eligible is not income to the other eligible person. Deposits are counted as income to the eligible person actually receiving the benefit or entitled to the payment. Interest payments are allocated equally among the joint holders.

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INCOME DERIVED FROM JOINT BANK ACCOUNTS (Continued)

Rebuttal Situations

If an eligible individual or deemor has successfully rebutted ownership of a portion of the funds in a joint bank account, deposits made by the other account holders will not be counted as income and interest will be charged in proportion to the amount of funds in the account which are owned by the eligible individual or deemor. Refer to the chapter on Resources for policy governing rebuttal of a joint bank account.

If an eligible individual or deemor has successfully rebutted ownership of all of the funds held in a joint bank account, no deposits by other account holders or interest credited to the account are counted as income to the eligible individual or deemor.

Income from Trusts/Conservatorships

Generally, if the client has a right to the income from the principal of a trust or conservatorship, it is income to him as it becomes available. If the client has no right to the income from the trust/conserved funds, then only the payments actually paid from the trust would be income.

The income/resource rules that apply to a trust or conservatorship depend on when the trust or conservatorship was established. Refer to the chapter on Resources for a complete discussion of applicable income/resource rules.