

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

CHAPTER 200 – Income: Aged, Blind and Disabled (ABD) Categories

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200.07 SOURCES AND TREATMENT OF UNEARNED INCOME

The following sections list different sources of unearned income and how they are treated in the eligibility process.

200.07.01 ANNUITIES, PENSIONS, RETIREMENT AND DISABILITY PAYMENTS

An annuity is a sum paid yearly or at other specific times in return for the payment of a fixed sum. Annuities may be purchased by an individual or by an employer.

Pensions and retirement benefits are payments to a worker following retirement from employment. These payments may be paid directly by a former employer, by a trust fund, an insurance company or other entity.

Disability benefits are payments made because of injury or disability.

Annuities, pensions, retirement benefits and disability benefits are counted as unearned income. One exception is certain accident disability benefits paid within the first 6 months after the month an employee last worked are treated as earned income. Refer to the Earned Income section for the discussion of these benefits.

Verify the source, type, amount and frequency of these payments by award letters, other documents in the individual's possession or contact with the organization making the payment.

200.07.02 TITLE II/RETIREMENT, SURVIVORS AND DISABILITY INSURANCE (RSDI)

Retirement, Survivors and Disability Insurance monthly benefits are counted as unearned income. Special age 72 benefits, also known as Prouty benefits, are also counted as unearned income.

The amount of Title II is determined based on the following factors:

- The amount of premiums deducted from RSDI for the optional Supplemental Medical Insurance (SMI) premium under Medicare or Medicare Part D is unearned income. Refunded SMI/Medicare Part D premiums are not income.