

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

200.07.25 WORK-RELATED UNEARNED INCOME

The following work-related payments are counted as unearned income:

- Certain in-kind items provided as remuneration for employment, e.g., in-kind payments of food or shelter to domestic employees;
- Money paid to a resident of a public institution when no employer/employee relationship exists;
- Tips under \$20 per month;
- Jury fees, i.e., fees for services, not expense money.

200.07.26 SICK PAY AS UNEARNED INCOME

Any payments on account of sickness and accident disability paid more than six full months after work stopped because of that sickness or disability are unearned income.

200.07.27 DEATH BENEFITS

A death benefit is something received as the result of another's death. Examples include:

- Proceeds of life insurance policies received due to death of the insured;
- Lump sum death benefits from SSA;
- RR burial benefits;
- VA burial benefits;
- Inheritances in cash or in kind;
- Cash or in-kind gifts given by relatives, friends, or a community group to "help out" with expenses related to death.

NOTE: Recurring survivor benefits such as those received under Title II, private pension programs, etc., are not death benefits.

Death benefits are counted as income to the extent the total amount exceeds the expenses of the deceased person's last illness and burial paid by the recipient of the benefit. Last illness and burial expenses include: related hospital and medical expenses; funeral, burial plot and interment expenses, and other related expenses. If an expense is incurred but not paid, assume the individual will pay the expense unless there is reason to question the situation. No follow-up is required if the assumption is applied.

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DEATH BENEFITS (Continued)

To determine the income derived from death benefits, subtract the total expenses for the last illness and burial from the total death benefits. Charge the income in the month the death benefit(s) is received. If death benefits are received in more than one month, assume that the funds first received are the first spent.

Example: Last illness and burial expenses total \$10,000. Two death benefits are received - \$5,000 in January and \$6,000 in February. Charge the remaining \$1,000 of the death benefit received in February as income in February.

Death benefits that are not income are also not a resource for one calendar month following the month of receipt. This allows time for the death benefit to be used for last illness/burial expenses. Death benefits retained into the second calendar month following receipt are countable resources.

200.07.28 INHERITANCE

An inheritance is cash, a right or a noncash item(s) received as the result of someone's death. An inheritance is a death benefit.

NOTE: Until an item or right has a value (i.e., can be used to meet the heir's need for food or shelter), it is neither income nor a resource. The inheritance is income in the first month it has a value and can be used.

An inheritance is not income to a person if the inheritance is something that was considered that person's resource (either as a member of an eligible couple or through deeming of resources) immediately before the death.

NOTE: The proceeds of a life insurance policy were not a resource before the death.

200.07.29 CHOCTAW TRIBAL BONUS

Recurring lump sum payments, such as the Choctaw Tribal bonus, are considered income in the month of receipt for Medicaid eligibility purposes. In post-eligibility budgeting to determine Medicaid Income, these payments are averaged if the client is income-eligible in the month the payment is received without averaging. Refer to the Institutional chapter for more information.