

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

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

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### **200.09.11 UNIFORMED SERVICES – PAY AND ALLOWANCES**

Military personnel rarely apply for Medicaid; however, spouses and children may apply and the military pay and allowances would be subject to deeming.

Compensation to members of the Uniformed Services takes several forms, chiefly:

- Basic or Base Pay;
- Special and Incentive Pay; and
- Cash Allowances.

Effective September 1, 2008, the Heroes Earnings Assistance and Relief Tax Act of 2008 (the HEART Act) changed how certain cash payments to members of the Uniformed Services are treated. Cash payments, other than for on-base or privatized military housing and hostile fire/imminent danger pay, paid for service as a member of the uniformed service are treated as earned income. A service member's Leave and Earnings Statement (LES) will identify the type of cash payment and the amount for each.

#### **Basic Allowance for Housing (BAH)**

Service members and their families living in on-base housing or privatized military housing may receive a BAH payment or the military may direct a BAH to a housing contractor by way of payroll deduction or allotment. In each case, the BAH is not cash income.

However, if service members and their families who live in private housing receive a BAH payment, it is earned income.

#### **Basic Allowance for Subsistence (BAS)**

A BAS payment for food is earned income. If a deduction is made from the BAS to pay for meals eaten on base (e.g., a meal card), the gross amount of BAS is still earned income.

#### **Clothing Allowance**

A cash payment to purchase clothing is earned income.

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#### **Special and Incentive Pay**

Special and incentive pay is compensation to specific groups of uniformed people for inconveniences or hazard or provides incentives for those with skills in high demand to join or remain in the service. Special pay includes enlistment and reenlistment bonuses, flight pay, sea pay and more than thirty additional types of pay. Special and incentive pay is earned income.

#### **Hostile Fire/Imminent Danger Pay**

Hostile fire pay and imminent danger pay (sometimes referred to as “combat pay”) are types of special pay to a service member who is subject to hostile fire or explosion of hostile mines or on duty in an area in which he/she is in imminent danger of being exposed to hostile fire or explosion of hostile mines and while on duty in that area, other service members in the same area are subject to, killed, injured or wounded by hostile fire, explosion of a hostile mine or any other hostile action. Hostile fire and imminent danger pay is excluded income. If retained, unspent funds are a resource the following month if not otherwise excluded.

#### **Advance Pay**

Advance pay is a cash loan to be repaid in cash installments, usually by payroll deduction, rather than by future work. Advance pay is not income.

#### **Additional Pay**

Additional pay is an extra increment in pay, other than an increase in basic pay. Other than the on-base housing or privatized military housing allowance and hostile fire/imminent danger pay, additional pay is charged as earned income if the income was received after August 31, 2008, and the deemor was not serving in a combat zone when the additional pay was received. If additional pay is not treated as earned income, it is in-kind support and maintenance.