INCOME

<u>EARNED</u>

Interpretation: Gross earned income is determined based upon wage verification from the employer. In determining the effect of earnings on prospective income, a number of factors are considered in addition to the current wage verification. Some of these factors may include permanence of employment or position, permanent increase or reduction in hours worked, permanent change in rate of pay and seasonal variations or additional seasonal employment. Although income tax records are not required, in many cases where much of the income does not appear on the wage verification, it is valuable to see the income tax records of the A/R. This is also valuable when it is suspected that the A/R might have an additional source of income (a second job, an employed spouse, etc.). In these instances, it is often necessary to request income tax records, in addition to verification of wages, salary, etc. which can be obtained from pay stubs or from the employer.

Irregular earnings or income from casual employment may be extremely difficult to verify when the A/R declares that this is the method by which s/he supports him/herself. It is necessary to obtain as clear a picture of his/her income as possible. Determining the type of work, frequency of employment and prevailing wages is necessary if verification from employers is not available. In this manner, a reasonable figure consistent with the maintenance picture can be obtained from any other available source, including the A/R, to be used in determining eligibility for Medicaid.

Disposition: When the gross earned income is determined, disregards are deducted to result in the available net income. This, in addition to any other income, is then compared to the appropriate income level in determining eligibility for Medicaid.

The following types of earned income are considered in this section:

   Wages and Salaries
   Tips
   Commissions, Bonuses and Similar Payments
   Self-Employment or Small Business Income
   Income from Roomers (Lodgers) and Boarders