

**INCOME
ADC-RELATED BUDGETING METHODOLOGY**

\$30 AND 1/3 EARNED INCOME DISREGARD

Policy: The \$30 and 1/3 Earned Income Disregard (EID) applies when using ADC-related budgeting for employed persons who have received Medicaid under a LIF budget in one out of the four preceding months. ***The \$30 and 1/3 disregard applies when a family with earned income loses LIF eligibility and is not eligible for Transitional Medicaid (TMA).***

After the \$90 work expense is disregarded, the first \$30 plus 1/3 of income remaining is subtracted. Eligible persons are entitled to receive this disregard for four consecutive months. In addition, these persons may receive a \$30 disregard ***per month*** for a period of eight months following this four month period provided the A/R continues to be employed.

Description: The \$30 and 1/3 Earned Income Disregard (EID) is calculated by subtracting the first \$30 of earned income and then subtracting 1/3 of the remaining ***earned*** income.

References:

SSL Sect.	366
Dept. Reg.	352.2 360-4.6(a)(3)
ADMs	90 ADM-3 85 ADM-33 82 ADM-21 81 ADM-55
INF	98 OMM/INF-02

Interpretation: The \$30 and 1/3 or \$30 disregard is applicable only to earned income. ***The*** income earner(s) in the applying household ***is*** entitled to receive the \$30 and 1/3 portion of this disregard if they have received Medicaid under a LIF budget in one of the four preceding months. ***The \$30 and 1/3 or \$30 disregard is applicable regardless of the reason for the loss of eligibility under the LIF program.*** Eligible individuals may receive the \$30 and 1/3 disregard for four consecutive months.

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In addition, these persons are entitled to the \$30 disregard for eight additional months as long as they continue to be employed. The eight-month period continues to run even if the recipient goes off assistance. If the individual reapplies for Medicaid at any time during the eight-month period, the \$30 disregard is deducted from earned income in determining eligibility.

Once the eight-month maximum has been reached, the individual may not receive the \$30 and 1/3 or \$30 disregard again until s/he has been off Medicaid under LIF budgeting for 12 consecutive months.

See page 42 for information about certain groups of people that are eligible for Medicaid as a result of their eligibility remaining in effect from a previous period of time. Because of this automatic eligibility, these persons are not entitled to the \$30 and 1/3 disregard.

When to Verify:

- (a) When the recipient or the case record indicates that the recipient is employed and has received Medicaid under LIF budgeting in one of the four previous months;
- (b) When the A/R indicates that his/her Medicaid case, under LIF budgeting, was closed for a reason other than an increase in income.