INCOME
LIF BUDGETING METHODOLOGY

EARNED INCOME DISREGARD

Description:

An earned income disregard will be applied to the earnings of each income earner in families who have earned income. A percentage of earned income will be disregarded from the earnings of each income earner for families who:

1. pass the three tests

   185% of Public Assistance Standard of Need (see page 141)

   100% of poverty level test (see page 142)

   100% of Public Assistance Standard of Need (see page 143)

   OR

2. pass the 185% Public Assistance Standard of Need test, the 100% poverty level test and received LIF in one out of the four previous months.

No time limit is applied to the earned income disregard.

The earned income disregard will be adjusted annually to reflect changes in the poverty level guidelines.

Effective June 1, 2000	***47%***
Effective June 1, 2001	***49%***

Policy:

After the $90 work expense is deducted from gross income, the current earned income disregard percentage is applied to the remaining income to determine the amount of the earned income disregard. The earned income disregard is then deducted from gross income.

References:

SSL Sect.	366
ADMs	OMM/ADM 97-2
GIS	00 MA/008

Interpretation:

The earned income disregard is computed as follows:

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EARNED INCOME DISREGARD

(a) Subtract the $90 work expense disregard from the gross earned income;

(b) Multiply the remainder by the appropriate percentage; and

(c) Subtract that amount from the net income.

When to Verify:

(a) When the A/R or the case record indicates that the A/R is employed and has received Medicaid under LIF budgeting in one of the four previous months;

(b) When the A/R's earned income is equal to or less than the Public Assistance Standard of Need.