

**Aged & Disabled Federal Poverty Level Program  
Worksheet and Explanation for  
Eligible Couples not living in Board & Care**

The Step numbers below correspond to the steps listed on the blank worksheet. The Aged & Disabled Federal Poverty Level (A&D FPL) Medi-Cal program follows SSI income rules but follows Medically Needy rules when determining eligibility.

Under the A&D FPL program, as under the Federal Poverty Level programs for children and pregnant women, you qualify only if your income is within allowable limits. You cannot “spend down” excess income on medical expenses to qualify as you can under the medically needy programs. However, you can deduct any health plan premiums, such as a dental, health or vision policy.

**Step 1:**

Enter the combined total of the husband’s and wife’s unearned income before any deductions for health insurance premiums or tax withholding. For instance, if either or both receive Social Security benefits from which Medicare premiums are deducted, the Medi-Cal program counts the amount of Social Security benefits *before* any Medicare premium deduction. (However, if you are eligible for the A&D FPL program or any other Medi-Cal program without a share of cost or if you qualify for Medi-Cal with a share of cost but you meet your share of cost, Medi-Cal will pay your Medicare premium directly.) Unearned income includes pensions, state disability insurance and unemployment benefits.

**Step 2:**

Deduct the \$20 any-income deduction.

**Step 3:**

Enter the balance, if any. The balance is the total countable unearned income.

**Step 4:**

Enter the combined total of the husband’s and wife’s gross earned income before any deductions. If you are self-employed, your gross earned income means your adjusted gross income – that is, your gross income receipts less

IRS allowable deductions.<sup>1</sup> Earned income includes any income on which Social Security taxes are paid or are payable, honoraria, and book royalties. Gross income *does not* include earned income put into a cafeteria plan for child care or medical expenses, because that income is not subject to Social Security taxes.<sup>2</sup>

**Step 5:**

Deduct the balance (any amount left over) of the \$20 any income deduction. Look at Step 2 and see if any part of the \$20 deduction was unused.

**Step 6:**

Deduct the \$65 earned income work incentive deduction.

**Step 7:**

Deduct any Impairment Related Work Expenses or IRWEs from the applicant's earnings. IRWEs are out-of-pocket expenses you have both because you work and you have a disability. Examples include attendant care for help before, after and during work; transportation when you cannot use or reliably use public transportation because of your disability. IRWEs also include out-of-pocket medical expenses needed to work even if you would have the same expenses if you were not working. You are eligible to take this deduction if you are under age 65. If you are age 65 or older, you can take this deduction if you qualified for Medi-Cal or other benefits on the basis of disability before you were 65.

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<sup>1</sup> You estimate what your current monthly income is based on last year's income tax return and the comparison between last year's adjusted gross income and last year's gross receipts. If last year your adjusted gross income was 50% of your gross receipts (i.e., \$20,000 based on receipts of \$40,000), Social Security in determining your income this year will presume that this year your monthly adjusted gross income would be 50% of your total receipts.- [\(Return to Main Document\)](#)

<sup>2</sup>20 CFR § 416.1110(a); Social Security Program Operations Manual System (POMS) SI 00820.100-C.1.- [\(Return to Main Document\)](#)

**Step 8:**

Enter the subtotal after deducting the unused portion of the \$20 any income deduction (Step 5) and the \$65 earned income deduction (Step 6), any IRWE deductions from the gross earned income (Step 7).

**Step 9:**

Deduct 50% of the subtotal entered at Step 8. This is an additional work incentive deduction.

**Step 10:**

Enter the balance after deducting the amount in Step 9 from the amount in Step 8. This is your total countable earned income. The amounts in Steps 9 and 10 should be the same.

**Step 11:**

Add together your total countable unearned income and your total countable earned income.

**Step 12:**

Deduct any health insurance premium payments paid including Medi-Gap, dental or vision insurance. Department of Health Services (DHS) All-County Letter (ACL) 01-18; MC 176 Aged/Disabled FPL group spreadsheet (10-17-00)

**Step 13:**

If there are children in the family, deduct a maintenance need allowance (MNL) for the children using the figures in the Maintenance Need Allowance chart below. Children are included if they are under 18, or, if 18, 19 or 20, if they are full-time students.

**Step 14**

The remainder, after deducting the MNL for any children in the family, is the couple's countable income for purposes of determining eligibility under the A&D FPL program.

**Note:**

If the couple's countable income is too high to qualify for the A&D FPL program as a couple, they can apply for the A&D FPL program separately or one individual can apply for the A&D FPL program and the other individual

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may apply for the ABD MN program or another Medi-Cal program. Look at Worksheet #3 for an individual with an “ineligible” spouse.

*Authority:* Welfare & Institutions Code § 14005.40; DHS ACLs Nos. 00-57, 00-68, 01-18, 02-38.

*Maintenance Need Allowances – Maintenance Need Level (MNL)  
(unchanged since July 1, 1989):*

1 - \$600, 2 - \$750, 2 adults - \$934, 3 - \$934, 4 - \$1100, 5 - \$1259, 6 - \$1,417,  
7 - \$1,550, 8 - \$1,692

Blank A&D FPL Worksheet for Couples

Step 1.	Total unearned income from both Husband & Wife before any Medicare or other deductions		
Step 2.	Less \$20 any income deduction	- 20.00	
Step 3.	Total countable unearned income for couple		
Step 4.	Gross earned income from both Husband and Wife before any deductions		
Step 5.	Less balance of the \$20 any income deduction from step (2) above, if any	-	
Step 6.	Less \$65 earned income deduction	- 65.00	
Step 7.	Less any Impairment Related Work Expenses	-	
Step 8.	Subtotal		
Step 9.	Less 50% of the subtotal in step (5) as an additional work incentive deduction	-	
Step 10.	Total Countable Earned Income for couple		
Step 11.	Add together the total countable unearned income (step 3) and total countable earned income (step 10) for total countable income.		
Step 12.	Deduct any health insurance premium payments except Medicare premiums <sup>3</sup>		
Step 13.	Deduct the applicable MNL based on the number of children in family		
Step 14.	Income counted for determining eligibility of couple seeking A&D FPL Medi-Cal		

Is the amount in Step 14 equal to or less than \$1,682? That amount is 100% of the FPL (\$1,372 in 2018) for a couple plus \$310. If yes, then you qualify for Medi-Cal with no share of cost. If your income is above the couple ceiling,

<sup>3</sup> The Medi-Cal program will pay for your Medicare Part B premium directly if you qualify. You will then get your full Social Security check without any deduction for Medicare.- [\(Return to Main Document\)](#)

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see the coversheet on alternatives for those whose countable income is above the A&D FPL ceiling.