

Aged & Disabled Federal Poverty Level Program Worksheet and Explanation for An Adult with an Ineligible Spouse and/or children

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 eligibility is determined following “medically needy” rules. “Ineligible spouse” usually means the husband or wife is not 65 years of age or older or does not have a disability under Social Security rules. If both spouses have a disability or are 65 or older but they cannot qualify as an eligible couple but one of them could qualify as an individual, the spouse who most needs zero share of cost Medi-Cal the most can elect to be the applicant and the other spouse the “ineligible spouse.”

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. As explained under Step 4, earned income put in a cafeteria plan does not count as income at all. You can deduct any out-of-pocket health plan premiums for you (such as a dental or vision insurance) or for any other members of the family.

If there are children in the family, then the ineligible spouse and children, if not eligible for no-share-of-cost Medi-Cal under another program, would be eligible for Medi-Cal (MN) program using the income counting rules of the Aged-Blind-Disabled (ABD) MN program which counts earned income after first deducting \$65 and 50% of the remainder. See steps 6 and 9 below.

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. (If you are eligible for any Medi-Cal program, Medi-Cal will pay for your Medicare premiums directly.) Unearned income includes interest, annuities, pensions, state disability insurance and unemployment benefits. You combine income even if the ineligible spouse has no income.

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 the ineligible spouse also provides IHSS services to the applicant, that income is not counted. If you are self-employed, your gross earned income means your adjusted gross income – that is, your gross income receipts less IRS allowable deductions.¹ Earned income includes any income on which Social Security taxes are paid or are payable. Earned income also includes 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.²

Step 5:

Deduct the balance (any amount left over) of the \$20 any income. 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

¹ 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 adjusted 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.- [\(Return to Main Document\)](#)

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

are under age 65 and have a disability. 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.

Step 8:

Enter the subtotal after deducting the unused portion of the \$20 any income deduction (Step 5), the \$65 earned income deduction (Step 6), and 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 premiums paid for anyone in the household. Department of Health Services (DHS) All-County Letter (ACL) 01-18; MC 176 Aged/Disabled FPL group spreadsheet (10-17-00)

Step 13:

Deduct a maintenance need allowance (MNL) for family members other than the eligible spouse, 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. A family of two parents and three children would be a family of five. Exclude the spouse seeking A&D FPL benefits and you have a family of four. You would deduct \$1100 as the MNL for a family of four.

Step 14:

The remainder is the countable income of the spouse seeking Medi-Cal under the A&D FPL program for purposes of determining eligibility.

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 an
Adult with an Ineligible Spouse

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 for eligible spouse.		
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 ³ .		
Step 13.	Deduct the applicable MNL based on family size minus the spouse seeking A&D FPL.		
Step 14.	Income counted for determining eligibility of spouse seeking A&D FPL Medi-Cal.		

Is the amount in Step 14 equal to or less than \$1,242 for 2018? That amount is 100% of the FPL (\$1,012 in 2018) for an individual plus \$230. If yes, then you qualify for Medi-Cal with no share of cost.

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

³ 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.- [\(Return to Main Document\)](#)