**ABD FPL Worksheet**

**Adult with an Ineligible Spouse and/or Children**

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

“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.

TIP: If both spouses have a disability or are 65 or older but they cannot qualify for Medi-Cal with no share of cost as couple, then one of the spouses could qualify as an individual. The spouse who has the highest medical needs, meaning the spouse that needs zero share of cost Medi-Cal the most, can elect to be the ABD FPL applicant and the other spouse the “ineligible spouse.”

To be eligible for the ABD FPL program, as under the Federal Poverty Level programs for children and pregnant women, you cannot exceed the allowable income limits set by the state. You cannot “spend down” excess income on medical expenses to qualify as you can under the medically needy programs. However, there are exclusions and deductions, for instance, you can deduct any health plan premiums, such as a dental, health or vision policy.

TIP: If there are children in the family, then screen the ineligible spouse and children for a different no-share-of-cost Medi-Cal under program, such as Pickle or the 250% Working Disabled Program. If they are not eligible for another no-share-of-cost Medi-Cal program, then they should be eligible for Medi-Cal (MN) program using the income counting rules of the Aged-Blind-Disabled (ABD) MN program. See steps 6 and 9 below.

**Step 1:**

Enter the combined total of the spouses’ unearned income before any deductions for health insurance premiums or tax withholding. Unearned income includes pensions, state disability insurance and unemployment benefits. You combine income even if the ineligible spouse has no income.

TIP: 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 \textit{before} any Medicare premium deduction.

However, if you are eligible for:
- The ABD 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 for that month

\textbf{Then Medi-Cal will pay your Medicare premium directly that month. Step 2:}
Deduct the $20 unearned income deduction.

\textbf{Step 3:}
Enter the balance, if any. This balance is the total countable unearned income.

\textbf{Step 4:}
Enter the gross earned income from both spouses before any deductions. Gross income \textit{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. If the ineligible spouse also provides IHSS services to the applicant, that income is not counted. Earned income includes any income on which Social Security taxes are paid or are payable, honoraria, and book royalties.

TIP: If you are self-employed, your gross earned income means your adjusted gross income – that is, your gross income receipts less IRS allowable deductions.

\textbf{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.

\textbf{Step 6:}
Deduct the $65 earned income work incentive deduction.

\textbf{Step 7:}
Deduct any Impairment Related Work Expenses or IRWEs from the applicant’s earnings. 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.
TIP: 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.

**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.

TIP: For example, if your combined earned income is $1000 per month and you have an IRWE that costs you $50 per month (Note: in this example, you have $0 unearned income), then your math for Step 4 through Step 10 looks like this:

- **Step 4:** $1000
- **Step 5:** $1000 - $20 (any income deduction) = $980
- **Step 6:** $980 - $65 (earned income deduction) = $915
- **Step 7:** $915 - $50 (IRWE) = $865
- **Step 8:** $865
- **Step 9:** $865 / 2 = $432.50
- **Step 10:** $432.50 (total countable income)

**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. Do not deduct Medicare Part B premiums.

TIP: Additional information may be found on the Department of Health Care Services (DHCS) All-County Letter (ACL) 01-18; MC 176 Aged/Disabled FPL group spreadsheet (10-17-00)

**Step 13:**
If there are any other people in the Medi-Cal Family Budget Unit (MFBU) that are not applying or eligible for Medi-Cal, including children in the family, deduct a maintenance need allowance (MNL) using the figures in the Maintenance Need Allowance below. For the MNL deduction for one adult and one child, (Note: a person is a child if they are under 18, or, if 18, 19 or 20, if they are full-time students), deduct $750 which is listed below as 2*.

*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

TIP: A family of two parents and three children would be a family of five. Exclude the spouse seeking ABD 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, after deducting the MNL for any adults or children in the MFBU that are not applying for or eligible for Medi-Cal, is the couple’s countable income for purposes of determining eligibility under the ABD FPL program.

TIP: Follow the example above in Step 10 – the example shows that $432.50 is total countable income. If income remained the same and the household consisted of only you and your spouse, who is not applying for Medi-Cal under the ABD FPL program, then Step 13 and 14 looks like this:
Step 13: $432.50 - $600 (MNL for non-applicant spouse) = - $167.50
Step 14: - $167.50 is less than $0 so your income = $0

TIP: If the couple’s countable income is too high to qualify for the ABD FPL program as a couple, then they can apply for the ABD FPL program separately
or one individual can apply for the ABD FPL program and the other individual 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.

Blank ABD FPL Worksheet for an Adult with an Ineligible Spouse

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1.</td>
<td>Total unearned income from both spouses before any Medicare or other deductions.</td>
</tr>
<tr>
<td>Step 2.</td>
<td>Less $20 any income deduction. - 20.00</td>
</tr>
<tr>
<td>Step 3.</td>
<td>Total countable unearned income for couple.</td>
</tr>
<tr>
<td>Step 4.</td>
<td>Gross earned income from both spouses before any deductions.</td>
</tr>
<tr>
<td>Step 5.</td>
<td>Less balance of the $20 any income deduction from step (2) above, if any.</td>
</tr>
<tr>
<td>Step 6.</td>
<td>Less $65 earned income deduction. - 65.00</td>
</tr>
<tr>
<td>Step 8.</td>
<td>Subtotal.</td>
</tr>
<tr>
<td>Step 9.</td>
<td>Less 50% of the subtotal in step (5) as an additional work incentive deduction.</td>
</tr>
<tr>
<td>Step 10.</td>
<td>Total Countable Earned Income for couple.</td>
</tr>
<tr>
<td>Step 11.</td>
<td>Add together the total countable unearned income (step 3) and total countable earned income (step 10) for total countable income.</td>
</tr>
<tr>
<td>Step 12.</td>
<td>Deduct any health insurance premium payments except Medicare premiums.</td>
</tr>
<tr>
<td>Step 13.</td>
<td>Deduct the applicable MNL based on family size minus the spouse seeking A&amp;D FPL.</td>
</tr>
</tbody>
</table>
Is the amount in Step 14 equal to or less than $1,294 for 2020? That amount is 100% of the FPL ($1,064 in 2020) 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