

## **How Alabama Medicaid Counts Stimulus Income Payments for Applicants and Recipients**

As a result of the American Recovery and Reinvestment Act of 2009, also known as the Economic Stimulus bill, some people will receive additional income. The information below tells about the type of income that may be received and how that income will be counted when Medicaid determines eligibility.

### **One-time payment of \$250**

Throughout the month of May 2009, the Department of the Treasury will issue a separate one-time payment of \$250 to certain individuals who were eligible for monthly Social Security benefits (Title II insurance benefit payments), SSI cash benefits, Railroad Retirement Benefits, and Veterans Disability Compensation or Pension Benefits at any time during the months of November 2008, December 2008 or January 2009.

This one-payment will not be counted as income for any Medicaid program. For Medicaid programs that consider resources, the one-time payment will not count as a resource in the month it is received and for the nine months following.\* Any payment amount that is held longer than the time allowed will be added to the amount of resources already owned. A payment given away during this exemption period will not be considered a transfer of a resource. However, any amount given away after the exemption period will be considered a transfer of a resource and will be subject to a penalty.

### **Additional \$25 per week in unemployment benefits**

Beginning March 2009, the Alabama Department of Industrial Relations (DIR) began issuing an additional payment of \$25 per week to unemployed workers who qualified for unemployment compensation benefits. This additional monthly income will not count as income for any Medicaid program. For Medicaid programs that consider resources, any income received in one month and held or not spent by the first day of the next month is counted as a resource.\* Any payment amount that is held until the first day of the next month will be added to the amount of resources already owned.

### **Tax credit**

For tax years 2009 and 2010, eligible individuals will receive a tax credit for the lesser of the following amounts: 6.2 per cent of earned income or \$400 for an individual return (or \$800 in the case of a joint return).

A payment from the tax credit will be treated as a refund. Any credit or refund allowed will not count as income for any Medicaid program. For Medicaid programs that consider resources, the stimulus tax credit or refund amount will not count as a resource in the month it is received and for the two months following.\* Any income from the tax credit that is held longer than the time allowed will be added to the amount of resources already owned.

Any amount given away during this exemption period will not be considered a transfer of a resource. However, any amount given away after the exemption period will be considered a transfer of a resource and will be subject to a penalty.

\*Medicaid programs that count resources include the Nursing Home, ICF/MR or other institutional programs; Waiver programs; and SSI-related programs such as Disabled Adult Child; Widow/Widower, Pickle or Continuous Medicaid or Grandfathered Children programs.