

Health Care Finance and Administration	Section: Financial Eligibility Requirements
Policy Manual Number: 110.030	Chapter: ABD Unearned Income

ABD UNEARNED INCOME

Legal Authority: 20 CFR 416.1120; 20 CFR 416.1121; 20 CFR 416.1123; 20 CFR 416.1124; Public Law 113–295; Tenn. Code Title 71, Chapter 4, Part 8

1. Policy Statement

Unearned income is money an individual receives that is not the result of current work efforts, but accrues to an individual as the result of investment, inheritance, previous work efforts, etc. Unearned income for the ABD TennCare Medicaid categories is counted according to the Social Security Administration (SSA) Supplemental Security Income (SSI) financial methodology.

2. Unearned Income

<p>Achieving a Better Life Experience (ABLE) Accounts</p>	<p>ABLE accounts or 529A accounts are tax-advantaged savings accounts for individuals with disabilities that are established under a qualified ABLE program. The funds within an ABLE account are intended to cover the individual’s Qualified Disability Expenses (QDEs) related to her blindness or disability.</p> <p>All contributions and ABLE account earnings in an ABLE account are excluded as income, except that contributions are not deducted from countable income of the individual making the contribution. Distributions from an ABLE account are not income of the designated beneficiary in any month regardless of whether the distribution is for non-housing QDEs, housing QDEs or non-qualified expenses. Distribution from an ABLE account is the conversion of a resource from one form to another.</p> <p>QDEs include, but are not limited to: education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, and funeral and burial expenses, and basic living expenses.</p>
<p>Adoption Subsidies</p>	<p>Title IV adoption subsidies are intended to pay for general living expenses and are countable unearned income to the child.</p> <p>When the adoption subsidy is a reimbursement for child care while the adult responsible for the child is at work or seeking employment, or is for medical expenses, it is excluded. Document the excluded reimbursement amount in case notes.</p>
<p>Alimony Received</p>	<p>Countable. Payments an individual receives from a spouse that he no</p>

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	longer lives with, or a former spouse, if paid as part of a divorce agreement, separation agreement or court order.
Annuity Payments	<p>Annuities are contracts or agreements that, in exchange for a lump sum payment or series of payments, provide income at regular intervals (i.e., monthly, quarterly, annually). Annuities establish a source of income for a future period, and are often used in retirement planning.</p> <p>Annuity payments count as unearned income the month received when the annuity is an excluded resource, except when the payments are from a State annuity. Payments to an individual or spouse from a State annuity are excluded if the annuity is paid by a state based on a determination that the individual is a veteran who is aged, blind or disabled.</p> <p>If an annuity is an excluded resource, the periodic payments are countable unearned income, unless specifically excluded by under this policy. See the <i>ABD Countable and Excluded Resources</i> policy for resource treatment of an annuity.</p>
Assistance from Other States	<p>Financial assistance provided by another state to the household to help pay for necessary items such as food, clothing, housing, utilities and other basic needs.</p> <p>Financial assistance is countable. However if a household is receiving assistance from another state benefit program, Tennessee residency must be verified.</p>
Canceled Debts	Excluded. The amount of a debt an individual is no longer required to pay or that is forgiven.
Capital Gains	Countable. Income an individual receives when a capital asset is sold and an individual makes a profit from the sale. Capital assets include a home, household furnishings and stocks and bonds held in a personal account. When a capital asset is sold, the difference between the amount paid for the asset and the amount it is sold for is the capital gain or loss.
Cash Support	Count regular contributions made directly to the individual as unearned income unless they can be excluded as irregular or infrequent income.

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Care and Contribution in Exchange for a Transferred Asset	If the individual has transferred an asset and part or all of the compensation he received included a provision for lifetime total care and support, the value of the care and support contribution is unearned income, and is countable.
Child Support Arrearage	Child support arrearages received, whether received on a regular monthly schedule or as a one-time payment, are countable.
Child Support	<p>Child support payments are countable to the child(ren) the payments are intended to support. If the support order does not indicate the amount per child, assume the amount received is equally distributed among all of the non-custodial parent's children for whom the payment is made.</p> <p>When determining eligibility for a disabled child under age 18, and the child support payment is countable to the child, exclude 1/3 of the child support amount. The remaining 2/3 value is counted as unearned income in the month of receipt.</p> <p>The value of support payments is counted in its entirety for individuals age 21 and older as unearned income in the month of receipt.</p> <p>If child support is being paid for a child under age 21 who is in the home, exclude up to \$50 per month per family. If support is paid out of a benefit (e.g., VA, SSA) it does not retain its benefit status and the \$50 deduction is allowed. If the support is paid directly to the child or to a representative payee who turns it over to the court, it is not considered Child Support.</p> <p>Verification</p> <p>Use one of the following to verify the value and frequency of support payments:</p> <ul style="list-style-type: none"> • Copy of the child support award agreement; or • Written statement from the individual paying the support and a copy of the most recent support check or receipt.
CSIMA/DIMA	The Community Spouse Income Maintenance Allowance (CSIMA) and the Dependent Income Maintenance Allowance (DIMA) are income allocations made to certain spouses and dependents of individuals eligible in an Institutional Medicaid category. When an institutionalized individual has a community spouse or dependent

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	<p>living in the home, a portion of the individual’s income is allocated to the community spouse or dependent in order to cover the necessary costs of living in the home.</p> <p>The CSIMA and/or DIMA are countable unearned income for applicants ONLY when the institutionalized individual is NOT in the community spouse’s or dependent’s household.</p> <p>If the applicant is a deemed member of the institutionalized individual’s household, the CSIMA and/or DIMA is excluded.</p>
Death Benefit	<p>A death benefit is received as the result of another’s death. Examples of death benefits include:</p> <ul style="list-style-type: none"> • Proceeds of life insurance policies received due to the death of the insured; • SSA, Veterans Affairs (VA) or Railroad retirement lump sum death benefits; • Inheritances in cash or in-kind; and • Cash or in-kind gifts given by relatives, friends or a community group to “help out” with expenses related to the death, etc. <p>Recurring survivor benefits such as those received under Social Security Title II, private pension programs, etc. are not death benefits.</p> <p>Death benefits are income to an individual if the total amount exceeds the expense of the deceased person’s last illness and burial paid by the individual to whom the death benefit is issued.</p>
Education Income Not Work Study	<p>Excluded. Income received through Federal Student Aid, such as grants and loans, except for income received through Work Study programs.</p>
Federal Emergency Management Agency (FEMA) Payments	<p>Payment from FEMA due to a Disaster or Emergency</p> <p>Excluded. FEMA payments issued as a result of a presidentially declared emergency or major disaster are excluded. Payments made by comparable disaster assistance programs by states, local governments and disaster assistance organizations are also excluded.</p> <p>Payment from FEMA NOT due to a Disaster or Emergency</p>

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	<p>Countable. FEMA payments which are made to a household to pay for rent, food and utility assistance when there is NO major disaster or emergency declaration are countable.</p>
Gambling, Prizes and Awards	<p>The value of a prize or award is unearned income in the month the individual receives it and is countable.</p> <p>A prize is something won in a contest, lottery or game of chance. If the individual is offered a choice between an in-kind prize or cash, the cash offered is counted as unearned income even if the individual chooses the in-kind item and regardless of the value of the in-kind item.</p> <p>An award is received as the result of a decision by a court, board of arbitration, etc. Secure from the applicant any of the following types of verification:</p> <ul style="list-style-type: none"> • Award letter; or • Copy of the check received; or • Contest advertisement; or • Income tax return for the year the prize or award was claimed.
General Assistance	<p>Countable. General assistance, or income based on need, is assistance provided under a program which uses income as a factor of eligibility, and is funded wholly or partially by the federal government or a nongovernmental agency. General assistance is counted, unless it is totally excluded by statute (e.g., SNAP payments) or excluded under PASS.</p>
Gifts	<p>A gift is received by a household member without the giver's legal obligation or as repayment for goods or services. The value of a gift, either cash or in-kind, is counted as unearned income in the month of receipt. The cash gifts value is counted in whole the month of receipt, unless it can be excluded as infrequent or irregular income.</p> <p>The value of in-kind gifts is equal to the item's current market value. A gift of a house which is used as shelter is not counted as income and is exempted as a homestead. A gift of a house which is not used as shelter is not counted as income and is valued as a resource at its current market value.</p> <p>Gifts of commercial travel tickets for domestic travel are excluded from income if they are not converted to cash.</p>

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	<p>Use any of the following methods to verify the type, amount and date of receipt of a gift:</p> <ul style="list-style-type: none"> • Photocopy of the check; or • A written or verbal statement from the donor regarding the gift's value and date given; or • In the absence of the first two verification types listed, the individual's sworn statement.
Income Not Pursued	<p>Countable. Income not pursued includes payments for which an individual could apply on an ongoing or one-time basis and may include annuities, pensions, retirement benefits or disability benefits.</p> <p>Note: This may decrease household size for other individuals in the household and the applicant may be found not eligible due to failure to apply for other benefits.</p>
Income Producing Resource	<p>Income earned off of an income-generating resource is counted or excluded based on the treatment of the resource. Income generating resources include:</p> <ul style="list-style-type: none"> • Annuities; • Contract for Deeds; and • Promissory Notes. <p>Income generated by a resource that is excluded is countable unearned income. Income generated by a resource that is countable is excluded as income.</p>
Interest Bearing Resource	<p>An interest bearing resources includes any of the following:</p> <ul style="list-style-type: none"> • Certificate of Deposit; • Checking Account; • Life Insurance Policy; • Mutual Funds; • Retirement Account; • Savings Account; and • Stocks and Bonds. <p>In general, the interest earned on a countable resource is excluded as unearned income. Interest earned on an excluded resource is countable as income. See the <i>ABD Countable and Excluded Resources</i> policy for determining when a resource is countable or excluded.</p>

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Cash Inheritance	The value of inherited cash is counted as income in the month of receipt and if the individual retains it, as a resource in the months thereafter. The month of receipt for an inheritance composed of cash is the month the individual receives that money.
In-Kind Unearned Income or In-Kind Support and Maintenance	<p>Unearned in-kind income in the form of food and/or shelter is referred to as In-kind Support and Maintenance (ISM). ISM may be countable or excluded and is subject to certain rules that determine the countable or excluded value.</p> <p>Unearned in-kind income that is not in the form of food or shelter, e.g. clothing, is excluded.</p> <p>ISM is only considered unearned income in the following categories: SSI Cash Recipients; Pickle Passalong; Disabled Adult Child (DAC); and Widow/Widowers.</p> <p>1. The following policy applies to:</p> <ul style="list-style-type: none"> • Unearned in-kind payments of food and shelter outside of an employee/employer relationship; and • In-kind payments of food and shelters: <ul style="list-style-type: none"> ○ To certain agricultural employees; ○ To domestic employees; ○ For service not in the course of the employer’s trade or business; ○ For service by certain home workers; ○ For Members of the Uniformed Services; and ○ Provided on the employer’s business premises, for the employer’s convenience, and in the case of shelter received, its acceptance by the employee is a condition of employment. <p style="text-align: center;">See Earned In-Kind Income for more information on the individuals listed above.</p> <p>2. Definitions</p> <p>In-kind Support and Maintenance (ISM): ISM is counted as unearned income or used to reduce the income standard for an individual when she receives food and/or shelter from sources inside or outside the household.</p> <p>Maintenance: Maintenance is shelter. Shelter means living</p>

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	<p>quarters for an individual and any shelter items such as mortgage payments, property insurance, rent, utilities and real property taxes.</p> <p>Support: Support is food items received by the individual for which he has no liability.</p> <p>Presumed Maximum Value (PMV): The PMV is the highest value that can be assigned to the ISM when an individual receives either food or shelter. It is equal to one third of the full SSI-FBR, based on household size, plus \$20.</p> <p>Value of One-Third Reduction (VTR): The VTR is equal to one-third of the full FBR for an individual or a couple. The VTR is used to reduce the income standard for an individual who lives in another person's house and receives both food and shelter from others living in that household.</p> <p>3. Establishing the Existence of ISM</p> <p>If an individual cannot establish ownership interest, rental liability, or that she equally shares household expenses, it must be determined if she receives both support and maintenance in-kind. An individual's contributions towards household expenses cannot be a token amount. If her contributions are less than the current market value of an item or less than her share of the items the expenses is intended to cover, ISM must be determined.</p> <p>Example: An individual shares a house with another person and pays \$10 a month towards rent and utilities, which average \$150 per month. The individual's contribution does not cover his share and ISM must be determined.</p> <p>4. Value of ISM: When to use PMV and when to use VTR</p> <p>Presumed Maximum Value: The PMV is equal to one-third of the SSI-FBR, plus \$20. Use the PMV when an individual receives:</p> <ul style="list-style-type: none"> • Both food and shelter from a source outside the household; or • Food or shelter from a source either inside or outside the household. <p>Use the PMV to value in-kind income unless the individual can</p>
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	<p>substantiate that:</p> <ul style="list-style-type: none"> • The CMV of the item received, minus any payment the individual makes for them, is less than the PMV; or • The actual amount someone else pays for the food and shelter is less than the PMV. <p>Determine the countable value of the in-kind income by dividing the CMV by the number of people who received the ISM. The result is the individual's share of the ISM. Reduce the ISM by any contribution that he made to the item. Compare to the PMV and use the lesser amount as the ISM.</p> <p>Value of One-Third Reduction: When an individual or couple lives in another person's home and receives both food AND shelter from others living in that household, use the VTR as the income standard instead of the SSI-FBR. To obtain the VTR, subtract 1/3 of the FBR for an individual/couple from the full FBR for an individual/couple.</p> <p>The VTR is not counted as unearned income, and it is not subject to the \$20 income exclusion.</p> <p>The VTR does not apply in the following situations:</p> <ul style="list-style-type: none"> • Individual lives in his own house; • Individual is an owner, renter or pays equal share of the household's foods and shelter expenses; • Individuals lives in another's house, but does not receive both food and shelter; • Individual is homeless or lives in an residential institution (ISM will not count while someone is confined to a medical institution); • Individual does not live in another person's home throughout the month; or • Individual lives alone. <p>If any of the above conditions are met, use the PMV to assign value to the ISM and use the full SSI-FBR as the income standard.</p> <p>5. Exceptions to Charging ISM</p> <p>Do not charge ISM to an applicant/enrollee when he receives food</p>
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	<p>or shelter that:</p> <ul style="list-style-type: none"> • Is specifically excluded by Federal law (excluded income); • Can be excluded as infrequent or irregular income; • Has no current market value; • Is provided under a governmental medical or social service program; • Is assistance based on need from a state or political subdivision; • Is provided by someone in the household whose income is deemed available to the applicant; • Is received at school by a child under age 22, who receives food or shelter only at school and is temporarily absent from her parental household. • Is provided during a temporary absence; • Replaces lost, damaged or stolen resources; • Is excluded under PASS; • Is received because of payments made under the terms of a credit life or credit disability policy; or • Is received during medical confinement in an institution.
In-kind Unearned Income Not Food or Shelter	<p>Unearned in-kind payments to the household for any goods or services that are not food or shelter are excluded.</p> <p>An unearned in-kind payment may occur when an individual or organization outside of the household makes a direct payment to a person or organization providing a service to the household.</p>
Interest Income	<p>Interest income and dividends are a return on a capital investment such as stocks, bonds, mutual funds or savings accounts. A cash gift or incentive payment to open an account is considered interest income.</p> <p>Interest income and dividends can be countable or excluded, depending on the treatment of the source of the interest or dividend. If the interest-bearing resource is counted, the interest income is excluded. If the interest-bearing resource is excluded, the interest income is counted. Interest bearing resources include the following:</p> <ul style="list-style-type: none"> • Certificate of Deposit; • Checking Account; • Life insurance; • Mutual Funds; • Retirement account;

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	<ul style="list-style-type: none"> • Savings account; and • Stocks and Bonds. <p>If interest income is countable, count it at the earliest of the following:</p> <ul style="list-style-type: none"> • Income is credited to an individual's account and is available for use; or • Income is set aside for the individual's use; or • When the income is actually received by the individual.
Irregular or Infrequent Income	<p>Exclude up to \$60 per calendar quarter per household of unearned income that is received either irregularly or infrequently. In order to be excluded, the income need only be irregular or infrequent.</p> <p>Income is considered to be irregularly received if an individual cannot reasonably expect to receive it. Income is received infrequently if an individual receives it only once during a calendar quarter from a single source and the individual did not receive that type of income in the previous month or in the month following the month in which the money was received. A single source of unearned income is an individual, a household, an organization or an investment (single financial account, life insurance policy, rental property or other resource providing a return to its owner).</p> <p>The \$60 deduction from this income type should be documented in case notes.</p>
Jury Duty	<p>Jury duty is countable unearned income in the month it is received. Any jury duty pay that is turned over to an individual's employer is excluded. Countable jury duty pay does not include expense money provided during jury duty participation.</p>
Lump Sum	<p>Lump sum payments are countable income in the month received, if they are not from an excluded source.</p>
Long Term Care Insurance Payout	<p>Long-Term Care (LTC) insurance policies are treated as Third Party Liability. The LTC policy must be assigned to the nursing home or the HCBS lead agency and any payments received must be assigned to the nursing home or the lead HCBS agency. Payments made to either the nursing home or HCBS agency are not treated as income.</p> <p>If an individual receives an LTC Insurance payout, and does not use the benefit to pay the nursing facility or the Managed Care Organization, the payout will be counted as unearned income in the</p>

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	month received.
Military Allotments	Certain allowances paid to service members and their families are countable as unearned income. The Family Subsistence Supplemental Allowance (FSSA) and the Military Basic Allowance for Housing (BAH) are counted as unearned income.
Pension	Recurring pension payments are countable unearned income.
Plan for Achieving Self Support (PASS)	A PASS is an agreement between a person with a disability or blindness and the SSA which allows the individual to set aside income and resources to reach a work goal. The income the individual uses to pursue the PASS is excluded. Individuals with PASS plans are SSI cash recipients during the PASS contract period.
Protective Payee	<p>Funds received by a protective payee (conservator, authorized representative or representative payee) and used for the care and maintenance of a third party beneficiary (adult or child) who may or may not be a member of the protective payee's household are excluded as income to the protective payee. Any part of the payment that is retained by the protective payee for his own use is countable income to the protective payee. Even if the protective payee retains a fee her services, the entire payment issued to the beneficiary is countable income to the beneficiary.</p> <p>As a condition of eligibility, applicants and enrollees must take necessary steps to obtain all countable income to which they may be entitled. Therefore, the total amount intended for the beneficiary is counted to the beneficiary even if she is not actually receiving the income from the protective payee.</p>
Rental or Lease Income	<p>Rent is payment for the use of real or personal property, such as land, housing or machinery. Rental income is considered unearned when the individual is not a real estate or property owner in the business of buying, selling and/or renting property for a profit.</p> <p>Count the net rental income in determining income eligibility. Gross income from rent is subject to deductions for paid expenses necessary for the production or collection of income. See Self-Employment.</p>
Railroad Retirement Benefits	Railroad Retirement Board benefits are countable unearned income in the month received.
Rehabilitation	Count rehabilitation payments made under Services to the Blind,

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	<p>Vocational Rehabilitation (VR) or other such programs as unearned income.</p> <p>Deduct the costs of expenses (specified by the rehabilitation agency) from the gross amount of the rehabilitation payment used by an individual for expenses required to participate in the program. The expenses are usually designated by the VR agency and include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Transportation costs to and from the training facility, doctor or clinic based on current state mileage rate; • Books, tools, equipment, etc. not furnished by the facility; • Supplies such as pens, pencils, notebooks, etc. not furnished by the facility; • Required occupational clothing, noon meals (within a set limit); • Laundry and cleaning expenses related to training; • Incidental expenses; and • Initial outlay items (e.g., suitcase) not furnished by VR when the training facility is located in a different town.
Reimbursements	<p>Reimbursements are any payments to reimburse past or future expenses that do not exceed the actual expenses and are excluded income to the extent that they do not exceed actual expenses.</p> <p>Examples of excluded reimbursements include:</p> <ul style="list-style-type: none"> • Reimbursements for job or training-related expenses (travel, per diem, transportation); • Reimbursements for out-of-pocket expenses of volunteers incurred during the course of volunteer work; and • Medical and dependent care reimbursements.
Royalties	<p>Royalties are countable unearned income when the individual receives payment based on the use of a natural resource for which he owns the usage rights.</p>
Settlements and Restitutions	<p>The following settlements and restitution payments are excluded as unearned income:</p> <ul style="list-style-type: none"> • Agent Orange Settlement Payments (payments and interest are excluded as unearned income but counted when determining patient liability for institutionalized individuals); • Disaster Relief Assistance received under the Disaster Relief Act of 1974;

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	<ul style="list-style-type: none"> • Distribution of perpetual judgment funds to Indian tribes under the following: <ul style="list-style-type: none"> ○ Indian Judgment Funds Distribution (P.L 93-134) ○ Black Feet and Gros Ventre Tribes (PL 92-254) ○ Grand River Band of Ottawa Indiana in Indian Claims Commission Docket No. 40-K; ○ Tribes of groups under PL 93-134; ○ Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (PL 94-433); and ○ Receipts from land held in trust by the Federal government and distributed to certain Indian tribes under PL 94-114. • Factor VIII or IX Concentrate Blood Products Litigation. The settlement payments (and interest from payments) made as a result of the class action lawsuit to hemophilia patients infected with HIV through blood plasma products; • Filipino Veterans Compensation Fund Payments: Lump sum payments (and interest from payments) made to certain veterans and spouses of veterans who served in the military of the Government of the Commonwealth of the Philippines during WWII; • Japanese-American and Aleutian Restitution Payments (and interest from payments); • Payments made to individuals because of their status as victims of Nazi persecutions (and interest from payments); • Payments to children born of Vietnam veterans diagnosed with spina bifida (and interest from payments); • Payments made under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (interest is not excluded); • Revenues from the Alaska Native Fund paid under section 21(a) of the Alaska Native Claims Settlement Act; and • State funds paid to crime victims.
Sick and Disability Pay	<p>Sick or disability payments made by an employer 6 months or more after the last month the individual worked are considered unearned income in the month of receipt.</p> <p>Verify the amount and date of receipt of these payments using one of the following documents:</p> <ul style="list-style-type: none"> • Secure recent check stubs; or • Secure written statement from the employer or insurer indicating the amount of the payment, date paid, and related

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	information concerning continued payments.
Social Security Benefits	<p>Old Age and Survivor Disability Income (OASDI) or “Social Security” payments are countable unearned income in the month received.</p> <p>The applicant must provide the amount of benefit prior to any deductions, such as Medicare premiums, income tax withholding, overpayments, child support or alimony.</p>
SSI	SSI is excluded unearned income.
Social Services	<p>A social service is any service (other than medical) which is intended to assist a handicapped or socially disadvantaged individual to function in society on a level comparable to that of an individual who does not have such a handicap or disadvantage.</p> <p>Cash received in conjunction with a social service is typically excluded unearned income. Social service programs include programs authorized under:</p> <ul style="list-style-type: none"> • Title XX of the Social Security Act; • Title IV-B of the Act (Child Welfare); • Title V of the Act (Maternal and Child Health and Crippled Children’s Services); and • The Rehabilitation Act of 1973.
Temporary Disability Insurance	Income is countable as unearned income to the extent it is not a reimbursement for specific costs and is paid directly to the household.
Trusts	<p>Dividends, interests, rents and other income generated by a trust fund, unless otherwise excluded, that can be paid to the beneficiary or to a third party on the beneficiary’s behalf are countable income to the beneficiary for the period the fund is intended to cover, beginning the month the funds become available, regardless of whether the income is actually paid out to the beneficiary. When funds are withdrawn irregularly, the payments are countable in the month received.</p> <p>Monies withdrawn from the principal of an accessible (countable) trust fund are excluded as income to the beneficiary, because an accessible trust fund is a countable resource. Money cannot be considered income and a resource in the same month.</p> <p>Monies disbursed from the principal of an inaccessible trust fund are</p>

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	<p>counted as income because an inaccessible trust fund is an excluded resource.</p> <p>Monies received by the trustee of a trust and used for the care and maintenance of a third party beneficiary (adult or child) are excluded as income for the trustee.</p>
Unemployment Compensation	<p>Count the full value of unemployment compensation benefits as available unearned income in the month of receipt. Unemployment compensation includes any amount you receive under an unemployment compensation law of the United States or a state.</p> <p>Verification</p> <p>If verification is required, verify the amount of unemployment benefits received with one of the following:</p> <ul style="list-style-type: none"> • Documentary evidence from the TN Department of Labor; • Access through data matches available in the system; or • Documentary evidence from the state of issue of unemployment if benefits are from another state.
Veterans Affairs (VA) Benefits	<p>The Department of Veteran’s Affairs (VA) has numerous programs that make payments to individuals and their families. Treatment of VA payments depends on the nature of the payment.</p> <p>Potentially eligible VA payment recipients include:</p> <ul style="list-style-type: none"> • Veterans; • The child or spouse of a disabled or deceased service person or veteran; • The unmarried widow/widower of deceased service person or veteran; and • Certain parents of a deceased service person or veteran. <p>The most common types of VA payments are:</p> <p>a. VA Pensions</p> <p>Payments made to wartime veterans age 65 and older, or veterans under age 65 who are permanently disabled. VA pension payments are based on financial need, and not on a service-connected disability.</p>

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	<p>The VA may take dependents' needs into account in determining a pension. However, the VA does not typically make a pension payment directly to a dependent during the lifetime of the veteran. Instead, the amount of the veteran's basic pension is increased based on the number of dependents. This is called an augmented payment. A VA pension payment made directly to the dependent of a living veteran is called an apportioned benefit.</p> <p>VA pension payments are countable unearned income, with the following exceptions:</p> <ul style="list-style-type: none"> • Aid and attendance allowances; • Payments resulting from unreimbursed medical expenses; and • Medal of Honor pension payments. <p>Note: Any part of a veteran's pension that is attributable to aid and attendance (A&A) is excluded as income for the purpose of eligibility determinations. However, any portion of VA Aid and Attendance that exceeds \$90.00 will be considered for post eligibility treatment of income; i.e. the amount in excess of \$90.00 will be considered available income.</p> <p>VA pension payments are not subject to the \$20 general income exclusion, with the exception of pensions that are provided under a special act of Congress.</p> <p>Verifying VA Pension Payments</p> <p>Assume that a VA pension is needs-based unless there is an indication that the pension was provided under a special act of Congress. Use an award letter or other document in the individual's possession to verify the payee and the gross amount of the payment. Verify frequency of the payment using an award letter or bank statement. If the individual is unable to provide an award letter or other proof of payment, contact the Regional VA office for assistance.</p> <p>The VA Regional Office for Tennessee is located at 110 Ninth Avenue South, Nashville, TN 37203. Telephone: 1-800-827-1000.</p>
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	<p>If the individual is unable to provide an award letter or other proof of payment, and the Regional VA office has been contacted but unable to provide assistance or verification, count the gross VA Pension payment. For institutionalized individuals, if counting the gross VA pension payment results in income ineligibility, advise the applicant to establish a QIT. See QIT policy in <i>ABD Trusts</i> policy.</p> <p>b. VA Compensation</p> <p>Veteran’s Compensation payments are paid to veterans who are at least 10% disabled as a result of their military service. Compensation can potentially be paid to any veteran, regardless of age.</p> <p>Compensation payments are countable as unearned income.</p> <p>c. VA Dependency and Indemnity Compensation (DIC)</p> <p>Dependency and Indemnity Compensation (DIC) is a benefit paid to eligible survivors of military service members who died in the line of duty or eligible survivors of Veterans whose death resulted from a service-related injury or disease.</p> <p>DIC payments are countable as unearned income.</p> <p>d. VA Death Benefit</p> <p>A VA Death Benefit is countable as unearned income to an individual if the total amount exceeds the expense of the deceased person’s last illness and burial paid by the individual to whom the death benefit is issued. Last illness and burial expenses include, but are not limited to:</p> <ul style="list-style-type: none"> • Related hospital and medical expenses; and • Funeral, burial plot and internment expenses. <p>e. Augmented and Apportioned VA Benefits</p> <p>The VA may consider the number of dependents a veteran has in determining the amount of the VA benefit. Benefits which are increased because of dependents in VA or SSA records do not necessarily mean the VA payment will be augmented. When a benefit is augmented, the benefit may be included in</p>
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	<p>the payment to the veteran or widow, or a payment may be made by apportionment (i.e., separate check to the dependent). Count as income to the individual only that portion of a countable VA benefit attributable to that individual.</p> <p>Pensions, compensation and educational assistance payments may be augmented. Count income based on the nature of the payment.</p>
Workers Compensation	Payments an individual receives for occupational sickness or injury, and that are paid under a workers' compensation act or statute in the nature of the worker's compensation act, are excluded.

Document Title	ABD Unearned Income				
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Revision History					
Revision Date	Section	Section Title	Page Number(s)	Reason for Revision	Reviser
12.2.2015	2. Unearned Income	In-Kind Unearned Income or In-Kind Support and Maintenance	9	Policy Clarification	LW
11.01.2016	2. Unearned Income	ABLE Accounts	1	Policy Change	AJ
11.01.2016	2. Unearned Income	Annuity Payments	1	Policy Clarification	AJ