

# Medi-Cal Program Guide Letter (MPG) #758

July 25, 2012

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**Subject** **POST 9/11 VETERANS EDUCATIONAL ASSISTANCE ACT**

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**Effective** Upon receipt

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**Reference** All County Welfare Directors Letter (ACWDL) 12-15

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**Purpose** The purpose of this letter is to provide staff with guidance regarding the treatment of Post 9/11 GI Bill veterans' educational benefits received by Medi-Cal beneficiaries.

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**Background** The Veterans Administration (VA) currently provides educational benefits under three educational assistance programs; Veterans Educational Assistance Program (VEAP), GI Bill, and the new Post 9/11 GI Bill.

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**Highlighted Changes** The Post 9/11 Veterans Educational Assistance Act expands educational benefits for military veterans who served since September 11, 2001. The original Post 9/11 GI Bill provisions went into effect on August 1, 2009.

Payment changes include a new reduced housing stipend for online (distance learning) learners and prorates housing allowance payments based on the number of enrolled units taken by the veteran.

There are three payments associated with the Post 9/11 GI Bill:

- Tuition and Fees
  - Monthly Housing Allowance
  - Annual Books and Supplies Stipend of \$1,000
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**Treatment of Post 9/11 Payments** The Post 9/11 payments are treated as follows:

Type of Payment	Treatment
<b>Tuition and Fees</b> Tuition and fees are paid directly to the educational institution	These payments are not counted as income to the veteran. This treatment applies to all Medi-Cal programs.

<p><b>Monthly Housing Allowance</b> The monthly housing allowance is paid directly to the veteran on a monthly basis.</p>	<p>The monthly housing allowance is treated as <b>unearned</b> income for all Medi-Cal programs.</p>
<p><b>Annual Books and Supplies Stipend</b> The annual books and supplies stipend of \$1,000 is paid directly to the veteran on a proportional basis based on enrolled units.</p>	<p>Two different treatments apply:</p> <ul style="list-style-type: none"> <li>• Aid to Families with Dependent Children/Medically Needy (MN), 1931(b) and Medically Indigent (MI) treatment. The annual books stipend is excluded to the extent that the proceeds are used to meet the non-tuition educational expenses.</li> <li>• Aged Blind and Disabled/MN treatment. The annual books stipend is excluded as income.</li> </ul>

**Required Action**

Workers may have incorrectly exempted the monthly housing allowance. Therefore, workers shall re-evaluate eligibility and share-of-cost (SOC) for future months only as appropriate and issue corrected notices of action whenever:

- A case was assessed an incorrect SOC and it becomes known to the county
- A case is processed at reapplication, a change in circumstances or annual redetermination
- When reopening a case that was closed since August 1, 2009

This policy shall not be applied retroactively.

**Automation Impact**

**Entering Income in CalWIN**

Countable payments associated with the Post 9/11 GI Bill shall be recorded in the **Collect Unearned Income Detail** window under *Veterans Education GI Bill*.

**Forms Impact**

No impact

**ACCESS Impact**

ACCESS agents shall ensure that the changes outlined in this letter and the procedures detailed in [MPG Article 10, Section 2](#) and [MPG Article 10, Section 3](#) are applied.

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**Imaging  
Impact**

No impact

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**CalWORKs  
Program  
Impact**

Please refer to [CPG 44-100 F. Income/Benefits Excluded or Exempt from Consideration as Income – Student Loans and Grants](#) for information about the treatment of student loan and grant payments for the CalWORKs program.

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**CalFresh  
Program  
Impact**

Please refer to [CFPG 63-223.3](#) for information about the treatment of Veterans Educational Assistance payments for the CalFresh program.

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**QA/QC  
Impact**

Quality Assurance will cite the appropriate error on any case that does not comply with the requirements outlined in this letter.

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**Summary of  
Changes**

The table below shows the changes made in the MPG cites.

<b>Section</b>	<b>Summary of Changes</b>
<a href="#">Article 10, Section 2</a>	<ul style="list-style-type: none"><li>• Info mapped the article</li><li>• Added Veterans Educational Benefits under Gross Unearned income</li></ul>
<a href="#">Article 10, Section 3</a>	<ul style="list-style-type: none"><li>• Added the Post 9/11 GI Bill income treatment criteria</li></ul>

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**Approval for  
Release**



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## Article 10 Section 2 – Earned/Unearned Income

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## 10.02.01 Earned/Unearned Income

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**A. General** It is necessary to determine whether income is earned or unearned in order to apply the correct exemptions and deductions to compute share-of-cost. Once earned and unearned income has been identified, it must be evaluated for exempt status. ([See Article 10, Section 3.](#))

This section provides a listing of earned and unearned income. Additionally, required income verifications are detailed.

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## 10.02.02 Gross Earned Income

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**A.  
Overview**

Gross earned income includes, but is not limited to:

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- a. Wages, salaries, bonuses and commissions from an employer or business enterprise

Waitresses, cooks, busboys, etc., often have the cost of meals included in the gross income. The meal cost is added to wages by the employer for tax purposes, but may not always be identified as meal allowance on the pay stub. The total gross income, including the meal allowance is to be used in the income computations.

- b. Net profit from self-employment. See [MPG Article 10, Section 5.03](#) for determining net profit from self-employment.
- c. Earnings under Title 1 of the Elementary and Secondary Education Act
- d. Payments under the Job Training Partnership Act (JTPA)

**Exception:** Payments which are identified by the local JTPA office as an incentive payment or training allowance will be considered as gross **unearned** income. Additionally, see [MPG Article 10, Section 3.13](#) for regulations regarding exempt JTPA payments.

- e. Payments under the Economic Opportunity Act
- f. Training incentive payments and work allowances under ongoing manpower programs
- g. Income received for having provided IHSS (e.g., homemaker) services

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**Exception:** In-home caregiver wages received by a spouse or parent for care of a spouse or minor child in receipt of federal, state or local government in-home services program shall be exempt as income. See [MPG Article 10, Section 3.37](#) regarding exemption.

- h. Net income from real or personal property which is the result of continuous and appreciable effort on the part of the applicant or beneficiary. This includes income from:
- Room and board
  - The rental of rooms which requires daily effort on the part of the beneficiary
  - A business enterprise
  - The sale of produce, livestock, poultry, dairy products and other similar items

Please see [MPG Article 10, Section 5.2](#) for the treatment of Income from Property.

- i. Earnings from public service employment. This includes Census Income.
- j. Strike benefits paid to union members who are **required** to perform a union function, such as picketing, to receive these benefits. As these benefits are contingent upon the performance of some union function, the striker cannot be required to obtain such benefits. (See [below](#), for regulations regarding treatment of strike benefits as unearned income.)
- k. Therapeutic wages of persons in Long Term Care. (See [MPG Article 1](#) for definition.)
- l. Post-Adoptive Services Payments are considered earned income if received by a beneficiary as a service provider unless documentation can be provided to show that it is a reimbursement of expenses.

MPG LTR 616 (09/07)

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**B.  
Tips**

Tips actually received for the performance of work activities, in spite of the amount calculated by the employer for tax withholding purposes is considered earned income (See [MPG Article 10, Section 4, Appendix B](#) for an example of how to calculate income from tips).

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Tips are added to gross wages to calculate federal income tax

withholding. When tips are added to the wages and the same amount is a deduction on the pay stub, the tip amount on the pay stub is not income. Instead the applicant/beneficiary's actual tips reported will be used to calculate total earnings. This is true whether the applicant/beneficiary reports more or less tips than are entered by the employer on the pay stubs. The applicant/beneficiary must complete a sworn statement to describe the reason for any discrepancy between the pay stubs and the amount actually reported.

MPG LTR 528 (05/04)

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**C.  
EITC**

Actual Earned Income Tax Credit (EITC) payments received either as a tax refund or an advance payment are earned income in the month received **ONLY FOR ABD CASES.** This is exempt income for AFDC-MN and MI cases.

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**D.  
Temporary  
Worker's  
Compensa-  
tion (TWC)**

Temporary Worker's Compensation (TWC) payments are treated as earned income when received by a person who:

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- Is not an ABD-linked MN person and is either an AFDC-linked MN/MI person or in the same MFBU with an AFDC-linked MN/MI person; and
- Continues to be employed by the employer for whom he/she was working when the injury causing the TWC payments was incurred

**NOTE:** The following deductions may be applied against TWC income:

- \$90 Work Expense
  - Student Exemption
  - \$30+1/3 and
  - Dependent Care
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**E.  
State  
Disability  
Insurance  
(SDI)**

State Disability Insurance (SDI) Payments are treated as earned income when received by an eligible or ineligible AFDC-MN/MI person in the MFBU.

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**NOTE:** The following deductions may be applied against SDI income:

- \$90 Work Expense
- Student Exemption
- \$30+1/3 and
- Dependent Care

MPG LTR 347 (03/96)

## 10.02.03 Gross Unearned Income

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### A. Overview

Gross unearned income includes, but is not limited to:

- a. Retirement, Survivors, and Disability Insurance (RSDI) payments from the Social Security Administration
- b. Annuities, which are sums paid yearly or at other specific intervals in return for payment of a fixed sum by the annuitant
- c. Pensions
- d. Retirement payments
- e. Disability payments from any source, other than State Disability Insurance Benefits (SDI/DIB) are to be considered unearned income
- f. Railroad Retirement and any other payments made by the Railroad Retirement Board
- g. Unemployment Insurance Benefits.

**NOTE:** If items a through g, listed above, are received in a lump sum payment, the retroactive benefits are **personal property**. Retroactive SSI and SSA benefit payments are not included in the property reserve for a period of six months after the month in which they are received.

- h. Proceeds from a life insurance policy received by the beneficiary upon death of the insured, which are in excess of the lesser of:
  - \$1,500; or
  - The amount expended on the insured person's last illness and burial expenses
- i. Other insurance payments
- j. Loans which **do not** require repayment. Loans which **do** require repayment, that are not exempt, are considered property in the month received rather than income.
- k. Gifts
- l. Child/spousal support **received**, whether provided voluntarily or by court order
- m. Inheritances which are in the form of cash, securities, stocks,

bonds, mutual funds, CSV of life insurance policies, savings accounts (including IRA, Keogh, CD, T-Bills), or other liquid assets

n. Contributions from any source. A contribution is any benefit in cash or in-kind for which the contributor has no legal liability.

o. Prizes and awards

p. Net income from the rental of real or personal property which is not considered gross earned income as stated [above](#)

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q. Dividends are considered unearned income, with the following exception:

Effective August 1, 2005, dividends are exempt for the purpose of determining eligibility for ABD Medi-Cal and Medicare Savings Programs when the interest or dividends are paid to an individual from his or her property, which has been counted in the property reserve. ([See MPG Article 10, Section 3.35.](#))

r. Interest payments from any source, including trust accounts, trust deeds and contracts of sale are considered unearned income, with the following exception:

Effective August 1, 2005, interest is exempt for the purpose of determining eligibility for ABD Medi-Cal or Medicare Savings Programs when the interest or dividends are paid to an individual from his or her property, which has been counted in the property reserve. ([See MPG Article 10, Section 3.35.](#))

s. Royalties, including, but not limited to, payments to:

- A holder of a patent or copyright, for the use of the invention
- The owner of a mine, oil well or similar holding, for the extraction of the product or other use

t. The portion of a Public Assistance recipient's income which is NOT used to determine their own grant

u. Incentive payments or training allowances under the Job Training Partnership Act (JTPA). (See [MPG Article 10, Section 3.13](#) for regulations regarding exempt JTPA payments.)

v. Strike benefits paid to union members **who are not required** to perform any union function to receive these benefits, or to persons who perform union functions voluntarily. These benefits are unconditionally available income and strikers are required to take all action necessary to obtain them. (See item

[above](#), for regulations regarding treatment of strike benefits as earned income.)

**NOTE:** If items H through V, listed above, are received in a lump sum payment, the retroactive benefits are unearned income in the month received and property in the following month.

- w. Proceeds from the sale of blood are considered unearned income, unless the income meets exemption criteria for irregular or infrequent income ([See MPG Article 10, Section 3.22](#)).
- x. Cash payments from non-governmental agencies such as the American Red Cross, Easter Seals and The Shriners may be partially counted as property and partially counted as unearned income.

The amount specifically for medical and social services is considered property and is exempt in the month following the month of receipt. The excess is counted as unearned income in the month of receipt ([See MPG Article 9, Section 6.25](#)).

MPG LTR 562 (05/04)

MPG LTR 579 (08/05)

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**B.  
Workers  
Compensation  
Payments**

Worker's Compensation payments are counted as unearned income when received by an ABD-linked MN person, or a person who does not meet the earned income requirement [above](#).

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If received in a lump sum payment, the retroactive benefits are personal property.

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**C.  
Veteran's  
Payment**

The following Veteran's payments are treated as unearned income:

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- Pensions based on need
- Compensation payments
- Education assistance

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**D.  
Veterans  
Educational  
Benefits**

The Veterans Administration (VA) currently provides educational benefits under three educational assistance programs; Veterans Educational Assistance Program (VEAP), GI Bill, and the [Post 9/11 GI Bill](#).

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**GI Bill**

Eligible veterans who served on active duty in the military prior to January 1, 1977 are entitled to receive educational benefits from the VA

under the GI Bill. The entire amount of educational benefits received under the GI Bill is considered unearned income for educational purposes.

**Post 9/11 GI Bill**

The Post 9/11 GI Bill expands educational benefits for military veterans who served since September 11, 2001. There are three payments associated with the Post 9/11 GI Bill:

- Tuition and Fees
- Monthly Housing Allowance
- Annual Books and Supplies Stipend of \$1,000.

**Treatment of Post 9/11 Payments:**

<b>Type of Payment</b>	<b>Treatment</b>
<p><b>Tuition and Fees</b> Tuition and fees are paid directly to the educational institution.</p>	<p>These payments are not counted as income to the veteran. This treatment applies to all Medi-Cal programs.</p>
<p><b>Monthly Housing Allowance</b> The monthly housing allowance is paid directly to the veteran on a monthly basis.</p>	<p>The monthly housing allowance is treated as unearned income for all Medi-Cal programs.</p>
<p><b>Annual Books and Supplies Stipend</b> The annual books and supplies stipend of \$1,000 is paid directly to the veteran on a proportional basis based on enrolled units.</p>	<p>Two different treatments apply:</p> <ul style="list-style-type: none"> <li>• Aid to Families with Dependent Children/Medically Needy (MN), 1931(b) and Medically Indigent (MI) treatment. The annual books stipend is excluded to the extent that the proceeds are used to meet the non-tuition educational expenses.</li> <li>• Aged Blind and Disabled/MN treatment. The annual books stipend is excluded as income.</li> </ul>

**Verification:**

Post-9/11 GI Bill payments are identified as VA-CH 33 payments. The VA award letter is acceptable evidence to be used to document type, amount, and frequency of payments.

The annual books and supplies stipend will be verified in accordance with [MPG Article 4, Section 7 – Verification/Documentation](#)

[Procedures.](#)

**Veterans' Educational Assistance Program (VEAP)**

The Veterans' Educational Assistance Program (VEAP) is a contribution matching program for persons entering active military service after December 31, 1976. Persons on active military duty voluntarily contribute to the VEAP educational fund. Upon discharge from the military, eligible veterans are entitled to receive educational benefits from the Veterans Administration (VA).

The VEAP program consists of the government contributing \$2 for every \$1 contributed by active military personnel to an educational fund.

Two-thirds of the benefits received under the VEAP (Post Vietnam Veterans Educational Assistance) program are considered unearned income for educational purposes. The remaining one-third is exempt.

**Verification:**

The worker will verify receipt of payments under the VEAP program by completing form CW 5. On form CW 5, the worker must include a request for the VA to identify under which program educational benefits are being issued.

The veteran may elect to withdraw his or her contribution, but forfeits entitlement to matching funds from the VA. When a veteran voluntarily withdraws his or her own contribution, the money received should not be counted as income because the funds are a return of the veteran's own money.

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The veteran's unused contribution to VEAP is counted as property upon withdrawal, since the withdrawal from VEAP means that the funds are no longer earmarked specifically for educational purposes.

**NOTE:** See [MPG Article 10, Section 3.24](#) and [MPG Article 10, Section 3.25](#) for regulations regarding exemption of Veterans Aid and Attendance payments and certain pension payments to LTC veterans.

If received in a lump sum payment, the retroactive benefits from the VA are **personal property**.

## 10.02.04 Income Verification

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### A. Use of Federal Income Tax Return

A photocopy of the previous year's federal income tax return (IRS 1040 and/or 1040EZ) is acceptable verification of income if the income tax return reflects the income reported on the statement of facts. When using form 1040/1040EZ, the following procedures will be followed:

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- Income reported on the tax return that is no longer being received will not be counted.
- Positive gross amounts (that are still being received), reported in the Income Section (Lines 1-21) of the tax return (before taxes are applied), will be counted. ([See Appendix A.](#))
- Negative amounts, reported in the Income Section, will be treated as zero.
- The positive income amounts, divided by 12 (or the number of months the income was actually received), are the average monthly gross income figures.
- The average monthly gross income figures will be used to compute the correct level of benefits unless there is a discrepancy with the income reported on the statement of facts.
- Small discrepancies, which are due to a pay increase or cost of living adjustment, may be clarified over the phone and a case comment will be entered. The most accurate income amount will be used (between the amount reported on the 1040 and the amount reported on the statement of facts).
- Current information will be requested to clarify significant discrepancies, other than those due to a pay increase or cost of living adjustment.

**NOTE:** When an applicant/beneficiary is reporting self-employment income, procedures for self-employment income verification using Schedule C or F will be followed according to [MPG Article 10, Section 5.3](#).

**Example 1:** Elaine applies for Medi-Cal on November 5<sup>th</sup>. She reports income from a job that she has had for several years and income from alimony checks. Her statement of facts indicates that she earns \$2,000 per month and receives \$165 per month in alimony. She provides her previous year's tax return as verification of income. Therefore, her tax return is used to compute eligibility as follows:

Step	Action	Calculation
1	Review Line 7 (Wages, salaries, tips, etc) on IRS Form 1040	\$24,000
2	Review Line 11 (Alimony received) on IRS Form 1040	\$2,000
3	Calculate gross earnings by dividing each line by 12:	<ul style="list-style-type: none"> <li>Gross earned income = \$2,000 per month</li> <li>Gross unearned income = \$166.66</li> </ul>

**Example 2:** Jerry applies for Medi-Cal and his statement of facts indicates that he currently earns \$4,000 per month. He provides his previous year's tax return as verification of income. The tax return reflects both earnings and unemployment benefits. Jerry explains that he received unemployment benefits for one month and received income from employment for the remainder of the year (11 months). He continues to work at the same job. Therefore, his tax return is used to compute eligibility as follows:

Step	Action	Calculation
1	Review Line 7 (Wages, salaries, tips, etc) on IRS Form 1040	\$46,000
2	Review Line 19 (Unemployment compensation) on IRS Form 1040	\$200
3	Calculate gross earnings by dividing Line 7 by 11 (the number of months he had earnings)	<ul style="list-style-type: none"> <li>Gross earned income = \$4,181.81 per month.</li> <li>Because the unemployment benefits have stopped, they will not be counted toward determining his Medi-Cal share of cost.</li> </ul>

MPG LTR 469 (10/01)

**B.  
Verifying  
Earned  
Income**

Earned income will be verified as follows:

- Only one pay stub is required to verify income. The pay stub submitted does not have to be dated within the last 30 days, but must be the most recent available to the applicant/beneficiary. As long as the pay stub accurately reflects the amount reported

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on the statement of facts, there is not a requirement for the pay stub to be dated within a certain time period.

- Additional pay stubs may be requested if income reported is inconsistent with that of the submitted pay stub. A discrepancy does not exist if income reported on the application is clearly “NET” earnings. If additional pay stubs are requested, a case comment is required.
- A copy of last year’s federal income tax return that accurately reflects current income
- Signed letter from the employer, form 07-21 HHSA, that shows gross amount and date of paycheck
- If verification cannot be obtained by one of the above, see [MPG Article 4, Section 7.10.C](#) regarding the use of the statement of facts or a sworn statement.

MPG LTR 469 (10/01)

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**C.  
Verifying  
Earned  
Income from  
Self-  
Employment**

Self-employment income will be verified by viewing a photocopy of one of the following and documenting in case comments:

- Receipts showing gross earnings and expenses
- Business records (profit/loss). These records are not required to be for the entire year
- Copy of the most recent federal income tax return and appropriate schedules:
  - Schedule C – Profit or Loss from Business
  - Schedule D – Capital Gains and Losses
  - Schedule F – Profit or Loss from Farming.

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Please see MPG Article 10, Section 2.4.A [above](#) for information on how to use the federal income tax return.

**NOTE:** Workers have flexibility in accepting bookkeeping records that are available to the applicant or additional records, which the applicant feels will more accurately reflect the net income of the business. (See [MPG Article 10, Section 5.3.C](#) for examples.)

MPG LTR 528 (05/04)

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**D.  
Verifying  
Earned  
Income In-  
Kind**

Verification is only required if the applicant/beneficiary claims the amount is lower than the allowed standard. A written statement from the provider of the need item is acceptable.

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MPG LTR 528 (05/04)

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**E.  
Verifying  
Tips**

Acceptable verifications of tip income are:

- Amount reported on stub, or
- Amount actually reported by applicant/beneficiary

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If discrepancy exists in the amount of tips reported, the applicant/beneficiary may sign a sworn statement about the reason for the discrepancy.

MPG LTR 528 (05/04)

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**F.  
Verifying  
Unearned  
Income**

Unearned income will be verified by viewing any of the following:

1. Award letter or most recent COLA increase notice
2. IEVS/PVS printout. See [MPG Article 4, Section 7.11.B](#) for more information about verification through automated systems
3. Current bank statement if direct deposit (**NOTE:** amount shown may be net amount if Medicare premiums are being deducted or an overpayment is being collected). The applicant/beneficiary should be asked if they are paying for Medicare or repaying an overpayment and this clarification should be entered in case comments. Verification of this amount may be necessary if IEVS is not available.
4. Copy of check or check stubs (**NOTE:** amount shown may be net amount if Medicare premiums are being deducted or an overpayment is being collected). The applicant/beneficiary should be asked if they are paying for Medicare or repaying an overpayment and this clarification should be entered in case comments. Verification of this amount may be necessary if IEVS is not available.
5. Signed statement from person or organization providing the income
6. See [MPG Article 4, Section 7.10.C](#) regarding the use of the statement of facts or a sworn statement for income received from the United States Government. This statement shall constitute verification pending receipt by the county department of verification from the appropriate government agency, when the verification in 1) through 5) cannot be provided.

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**EXCEPTION:** Unearned income in-kind is not to be verified unless the applicant/ beneficiary states that the actual value is less than the standard value shown in [MPG Article 10, Section 5.1.E](#) and [Appendix A-1](#). When appropriate, unearned income in-kind should be verified on

form MC 210 S-I, however, a written statement from the provider of the need item is acceptable.

**NOTE:** Many types of unearned income are taxable under certain conditions. Examples of unearned income which may be taxable are pensions, annuities, RSDI, alimony, prizes, lottery and other gambling winnings. Workers must be alert to the possibility of taxes being withheld on unearned income and assure that the actual gross amount is verified and used in the share of cost computation.

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MPG LTR 528 (05/04)

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## Appendix A

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The income reported on Lines 7 through 21 is treated in accordance with Medi-Cal regulations. Remember any negative amount should be treated as zero.

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- If individual is reporting self employment, use either IRS 1040 and Schedule C/F or 3 months Profit and Loss to determine gross amount, instead of the amount reported here.
- When computing unearned income, use the amounts before taxes are taken (15a, 16a & 20a).

For the year Jan. 1–Dec. 31, 2011, or other tax year beginning \_\_\_\_\_, 2011, ending \_\_\_\_\_, 20

Your first name and initial \_\_\_\_\_ Last name \_\_\_\_\_

If a joint return, spouse's first name and initial \_\_\_\_\_ Last name \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. \_\_\_\_\_ Apt. no. \_\_\_\_\_

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name \_\_\_\_\_ Foreign province/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**See separate instructions.**  
**Your social security number** \_\_\_\_\_  
**Spouse's social security number** \_\_\_\_\_

**▲ Make sure the SSN(s) above and on line 6c are correct.**

**Presidential Election Campaign**  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

**Filing Status**

1  Single  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. ▶  
 4  Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶  
 5  Qualifying widow(er) with dependent child

Check only one box.

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, do not check box 6a . . . . .  
 b  Spouse . . . . .

**Boxes checked on 6a and 6b** \_\_\_\_\_  
**No. of children on 6c who:**  
 • lived with you \_\_\_\_\_  
 • did not live with you due to divorce or separation (see instructions) \_\_\_\_\_  
**Dependents on 6c not entered above** \_\_\_\_\_  
**Add numbers on lines above ▶**

c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)
(1) First name	Last name			
				<input type="checkbox"/>

If more than four dependents, see instructions and check here

d Total number of exemptions claimed \_\_\_\_\_

**Income**

7	Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	7
8a	Taxable interest. Attach Schedule B if required . . . . .	8a
b	Tax-exempt interest. Do not include on line 8a . . . . .	8b
9a	Ordinary dividends. Attach Schedule B if required . . . . .	9a
b	Qualified dividends . . . . .	9b
10	Taxable refunds, credits, or offsets of state and local income taxes . . . . .	10
11	Alimony received . . . . .	11
12	Business income or (loss). Attach Schedule C or C-EZ . . . . .	12
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> . . . . .	13
14	Other gains or (losses). Attach Form 4797 . . . . .	14
15a	IRA distributions . . . . .	15a
b	Taxable amount . . . . .	15b
16a	Pensions and annuities . . . . .	16a
b	Taxable amount . . . . .	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	17
18	Farm income or (loss). Attach Schedule F . . . . .	18
19	Unemployment compensation . . . . .	19
20a	Social security benefits . . . . .	20a
b	Taxable amount . . . . .	20b
21	Other income. List type and amount . . . . .	21
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶	22

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

**Adjusted Gross Income**

23	Educator expenses . . . . .	23
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ . . . . .	24
25	Health savings account deduction. Attach Form 8889 . . . . .	25
26	Moving expenses. Attach Form 3903 . . . . .	26
27	Deductible part of self-employment tax. Attach Schedule SE . . . . .	27
28	Self-employed SEP, SIMPLE, and qualified plans . . . . .	28
29	Self-employed health insurance deduction . . . . .	29
30	Penalty on early withdrawal of savings . . . . .	30
31a	Alimony paid b Recipient's SSN ▶ . . . . .	31a
32	IRA deduction . . . . .	32
33	Student loan interest deduction . . . . .	33
34	Tuition and fees. Attach Form 8917 . . . . .	34
35	Domestic production activities deduction. Attach Form 8903 . . . . .	35
36	Add lines 23 through 35 . . . . .	36
37	Subtract line 36 from line 22. This is your adjusted gross income ▶	37

## 10.03.41 Post 9/11 GI Bill

### A. General

The Post 9/11 Veterans Educational Assistance Act of 2008 expands educational benefits for military veterans who served since September 11, 2001. These changes took effect October 1, 2011.

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Payment changes include a new reduced housing stipend for online (distance learning) learners and prorates housing allowance payments based on the number of enrolled units taken by the veteran.

There are three payments associated with the Post 9/11 GI Bill:

- Tuition and Fees
- Monthly Housing Allowance
- Annual Books and Supplies Stipend of \$1,000.

MPG LTR 758 (07/12)

### B. Treatment of Post 9/11 Payments

The Post 9/11 payments are treated as follows:

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Type of Payment	Treatment
<b>Tuition and Fees</b> Tuition and fees are paid directly to the educational institution	These payments are not counted as income to the veteran. This treatment applies to all Medi-Cal programs.
<b>Monthly Housing Allowance</b> The monthly housing allowance is paid directly to the veteran on a monthly basis.	The monthly housing allowance is treated as unearned income for all Medi-Cal programs.
<b>Annual Books and Supplies Stipend</b> The annual books and supplies stipend of \$1,000 is paid directly to the veteran on a proportional basis based on enrolled units.	Two different treatments apply: <ul style="list-style-type: none"><li>• Aid to Families with Dependent Children/Medically Needy (MN), 1931(b) and Medically Indigent (MI) treatment. The annual books stipend is excluded to the extent that the proceeds are used to meet the non-tuition educational expenses.</li><li>• Aged Blind and Disabled/MN treatment. The annual books stipend is excluded as income.</li></ul>

Post-9/11 GI Bill payments are identified as VA-CH 33 payments. The VA award letter is acceptable evidence to be used to document type,

amount, and frequency of payments.

The annual books and supplies stipend will be verified in accordance with [MPG Article 4, Section 7 – Verification/Documentation Procedures](#)

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