

Medicaid MAGI and Vermont Household Income (see below for statutory definition) - Comparison

Medicaid MAGI (by filer)	Household Income (by household member)
AGI +tax-exempt interest +nontaxable social security +foreign income	AGI +tax-exempt interest (B) +nontaxable social security (B)  <b>+business, passthrough, and capital gain losses (A)</b> <b>-employment or self employment taxes paid (B)</b>  +alimony received, child support, and support money (B) +gifts over \$6,500 (B) +cash public assistance and relief (B) +cost of living allowance paid to federal employees (B) +allowances received by dependents of servicemen and women (B) +nontaxable Roth IRA distributions from earnings (B) +nontaxable SSI, disability, railroad retirement, and veterans' benefits (B) +federal pension and annuity benefits (B) +nontaxable bond income (B) +loss of time insurance and workers comp (B)  -child support paid (B)  -first \$6,500 of any dependent who is disabled or full-time student (C) -income from the cancellation of debt (C)  +educator expenses (D) +Self-employed SEP, Simple, and other qualified retirement plans (D) +moving expenses for members of the armed forces (D) +penalty on early withdrawal of savings (D) +IRA deduction (D) +student loan interest deduction (D)  +any interest and dividends over \$10,000 if household member is younger than 65 (E)

**32 V.S.A. § 6061**

- (4)(A) "Household income" means modified adjusted gross income
- (5) "Modified adjusted gross income" means "federal adjusted gross income":

(A) Before the deduction of any trade or business loss from a sole proprietorship, loss from a partnership, loss from a limited liability company or "subchapter S" corporation, loss from a rental property, or capital loss, except that in the case of a business which sells a business property with respect to which it is required, under the Internal Revenue Code, to report a capital gain, a business loss incurred in the same tax year with respect to the same business may be netted against such capital gain, and except that a business loss from a sole proprietorship may be netted against a business gain from a sole proprietorship, as long as the loss and the gain are incurred in the same tax year with respect to different business.

(B) With the addition of the following, to the extent not included in adjusted gross income: alimony, support money other than gifts, gifts received by the household in excess of a total of \$6,500.00 in cash or cash-equivalents, cash public assistance and relief (not including relief granted under this subchapter), cost of living allowances paid to federal employees, allowances received by dependents of servicemen and women, the portion of Roth IRA distributions representing investment earnings and not included in adjusted gross income, railroad retirement benefits, payments received under the federal Social Security Act, all benefits under Veterans' Acts, federal pension, and annuity benefits not included in adjusted gross income; nontaxable interest received from the state or federal government or any of its instrumentalities, workers' compensation, the gross amount of "loss of time" insurance, and the amount of capital gains excluded from adjusted gross income, **less** the net employment and self-employment taxes withheld from or paid by the individual (exclusive of any amounts deducted to arrive at adjusted gross income or deducted on account of excess payment of employment taxes) on account of income included under this section, less any amounts paid as child support money if substantiated by receipts or other evidence that the Commissioner may require.

(C) Without the inclusion of: any gifts from nongovernmental sources other than those described in subdivision (B) of this subdivision (5); surplus food or other relief in kind supplied by a governmental agency; or the first \$6,500.00 of income earned by a full-time student who qualifies as a dependent of the claimant under the federal Internal Revenue Code; the first \$6,500.00 of income received by a person who qualifies as a dependent of the claimant under the Internal Revenue Code and who is the claimant's parent or adult child with a disability; any income attributable to cancellation of debt; or payments made by the State pursuant to 33 V.S.A. chapters 49 and 55 for foster care, or payments made by the State or an agency designated in 18 V.S.A. § 8907 for adult foster care or to a family for the support of a person who is eligible and who has a developmental disability. If the Commissioner determines, upon application by the claimant, that a person resides with a claimant who has a disability or was at least 62 years of age as of the end of the year preceding the claim, for the primary purpose of providing attendant care services (as defined in 33 V.S.A. § 6321) or homemaker or companionship services, with or without compensation, which allow the claimant to remain in his or her home or avoid institutionalization, the Commissioner shall exclude that person's modified adjusted gross income from the claimant's household income. The Commissioner may require that a certificate in a form satisfactory to him or her be submitted which supports the claim.

(D) Without the inclusion of adjustments to total income except certain business expenses of reservists, one-half of self-employment tax paid, alimony paid, deductions for tuition and fees, health insurance costs of self-employed individuals, and health savings account deductions.

(E) With the addition of an asset adjustment of 1 x the sum of interest and dividend income included in household income above \$10,000.00 for claimants under age 65, regardless of whether that dividend or interest income is included in federal adjusted gross income.