

**TO:** Local Commissioners, Medicaid Directors

**FROM:** Betty Rice, Director  
Division of Consumer and Local District Relations

**SUBJECT:** SSI-related Income/Resource Changes

**EFFECTIVE DATE:** Noted in GIS

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There are several provisions in the Social Security Protection Act of 2004, Public Law 108-203, which change income and resource rules for Supplementary Security Income (SSI). Since the Medicaid program must be no more restrictive than the SSI program when determining eligibility for persons who are 65 years of age or older, certified blind, or certified disabled, these changes must be used in determining Medicaid eligibility for SSI-related applicants/recipients (A/Rs). The changes and effective dates follow:

#### 1. Uniform 9-Month Resource Exclusion Periods

Retroactive SSI and Social Security benefit payments, federal child tax credit payments, federal earned income tax credit payments, and any advance payment of earned income credit made by an employer, which are received on or after March 2, 2004, are disregarded resources for nine months beginning the calendar month after the month of receipt for SSI-related A/Rs.

Previously, the unspent portion of retroactive SSI and Retirement, Survivors, and Disability Insurance (RSDI) payments was excluded from resources for six calendar months following the month in which the A/R received the benefit. Any unspent federal tax refund from a child tax credit and unspent federal tax refund or payment made by an employer related to an earned income tax credit was excluded from resources only for the month following the month the refund or payment was received.

#### 2. Exclusion from Income for Certain Infrequent or Irregular Income

Effective July 1, 2004, in any calendar quarter, the first \$60 of unearned income and first \$30 of earned income that is received infrequently or irregularly is disregarded for SSI-related A/Rs. This changes the calculation of certain infrequent or irregular income from a monthly to a quarterly basis.

Income is infrequent if the A/R receives it no more than once in a calendar quarter from a single source. It is irregular if the A/R could not reasonably expect to receive it or budget for it due to its unpredictability.

Previously, infrequently or irregularly received income up to \$20 of unearned income per month and \$10 of earned income per month were disregarded for SSI-related A/Rs.

### **3. Treatment of Education-Related Income and Resources**

Effective June 1, 2004, any portion of a grant, scholarship, fellowship, or gift used to pay the cost of tuition and other education-related fees at any educational (including technical or vocational education) institution for an SSI-related A/R is excluded from:

- (a) countable income; and
- (b) countable resources, for nine months beginning the month after the month of receipt.

This resource and income exclusion does not apply to any portion set aside or actually used for food, clothing, or shelter.

Previously, districts have been instructed to treat a gift (or portion of a gift) used to pay the cost of tuition and other education-related fees for an SSI-related A/R as countable unearned income in the month received and as a countable resource, if retained, the month following the month of receipt.

### **4. Elimination of Certain Restrictions on the Application of the Student Earned Income Exclusion**

Effective April 1, 2005, the SSI-related student earned income exclusion applies to an otherwise eligible SSI-related student, regardless of whether he/she is married or the head of a household. The student must be under age 22 and regularly attending a school, college, or training designed to prepare him/her for gainful employment.

Currently, the SSI-related student earned income exclusion has the same criteria, except that the student cannot be married nor head of a household.

With the exception of the revision in the student earned income exclusion, the income/resource changes in this GIS are retroactive. If appropriate, districts must rebudget SSI-related undercare cases at the next client contact or recertification, whichever is earlier. If rebudgeting results in a change to full eligibility or eligibility with a reduced spenddown, consult the New York State Fiscal Reference Manual for Local Departments of Social Services (Volume 1, Chapter 7, pages 15-18, and Volume II, Chapter 5) for procedures regarding processing Medicaid payments and/or reimbursements as a result of an agency redetermination. Appropriate notices must be sent to affected A/Rs.