

Income and Income Deduction Sources

Income Source	MAGI: Medicaid/CHIP	Non-MAGI: Medicaid	MAGI: Exchange
Employee compensation: (Wages, salary, tips, bonuses, awards, and fringe benefits)	Count 1040 line 7	Count 1040 line 7	Count 1040 line 7
Interest income: (Taxable and non-taxable)	Count 1040 line 8a & 8b*	Count 1040 line 8a and 8b	Count 1040 Line 8a and 8b*
Ordinary dividends:	Count 1040 line 9a	Count 1040 line 9a	Count 1040 Line 9a
Taxable refunds, offsets:	Count 1040 line 10	Not counted	Count 1040 line 10
Alimony received:	Count 1040 line 11	Count 1040 line 11	Count 1040 line 11
Business income: (Sole proprietorship)	Count 1040 Line 12 (Sch. C or C-EZ)	Count 1040 Line 12 (Sch. C or C-EZ)	Count 1040 Line 12 (Sch. C or C-EZ)
Capital gains: (Sale of non-business assets)	Count 1040 Line 13 (Sch. D)	Not counted as income Treated as conversion of assets/property	Count 1040 Line 13 (Sch. D)
Other gains: (Sale of assets used in trade or business)	Count 1040 Line 14 (Form 4797)	Not counted as income Treated as conversion of assets/property	Count 1040 Line 14 (Form 4797)
IRA distributions:	Count 1040 line 15b	Count 1040 line 15b	Count 1040 line 15b
Pension & Annuities:	Count 1040 line 16b	Count 1040 line 16b	Count 1040 line 16b

- Note: MAGI includes counting both taxable and non-taxable interest income, IRC, Section 36B(d)(2)(B)(ii)

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Rental real estate: (AI/AN exemptions, page 6)	Count 1040 line 17 (Sch. E)	Count 1040 line 17 (Sch. E)	Count 1040 line 17 (Sch. E)
Royalties: (AI/AN exemptions, page 6)	Count 1040 Line 17 (Sch. E)	Count 1040 line 17 (Sch. E)	Count 1040 Line 17 (Sch. E)
Partnerships:	Count 1040 Line 17 (Sch. E)	Count 1040 line 17 (Sch. E)	Count 1040 Line 17 (Sch. E)
S-Corporations:	Count 1040 Line 17 (Sch. E)	Count 1040 line 17 (Sch. E)	Count 1040 Line 17 (Sch. E)
Trusts: (AI/AN exemptions, page 6)	Count 1040 line 17 (Sch. E)	Count 1040 line 17 (Sch. E)	Count 1040 Line 17 (Sch. E)
Farm income: (AI/AN exemptions, page 6)	Count 1040 line 18 (Sch. F)	Count 1040 line 18 (Sch. E)	Count 1040 Line 18 (Sch. F)
Unemployment compensation:	Count 1040 line 19	Count 1040 line 19	Count 1040 line 19
Social Security benefits: (Taxable and non-taxable)	Count 1040 line 20a*	Count 1040 line 20a Note: Some programs exempt disability payments	Count 1040 line 20a*
Other income: (Gambling winnings, gifts, prizes, cancellation of debt, jury duty pay, foreign earned income)	Count 1040 line 21 Might consider some sources as lump sum (gambling, prizes, cancellation of debt)	Count 1040 line 21	Count 1040e 21

* Note: Public Law No. 112-56, Section 401, signed November 21, 2011, amends Section 36B(d)(2)(B) of the IRC to modify the calculation of MAGI to include counting Social Security benefits which are not taxed. This treatment applies to all Insurance Affordability Programs. This is noted in the pre-amble of the Final Eligibility Rule, page 17153.

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Tax exempt foreign earned income:	Count non-taxable foreign earnings identified on Form 2555 1040 line 21	Count non-taxable foreign earnings identified on Form 2555 1040 line 21	Count non-taxable foreign earnings identified on Form 2555 1040 line 21
Veteran's disability benefits:	Not counted	Count Exempt aid & attendance	Not counted
Veteran's pension benefit:	Not counted	Count	Not counted
Veteran's education benefit:	Not counted	Various treatments (VEAP, MGIB, 911 MGIB)	Not counted
Child support received:	Not counted	Count Income deductions apply	Not counted
Worker's compensation	Not counted	Count	Not counted
Railroad retirement benefits:	Count	Count	Count
SSI benefits	Not counted	Not counted. Note: Lump sum retroactive payments are exempt. ACWDL 09-61 provides instructions.	Not counted
Welfare benefits and other public assistance payments: (Payments based on need, victims of crime, disaster relief)	Not counted	Not counted	Not counted
Foster Care and Adoption Assistance payments:	Generally not counted Count payment to maintain a room for emergency foster care.	Generally not counted Count payment to maintain a room for emergency foster care.	Generally not counted Count payment to maintain a room for emergency foster care
Military allowances: (BAH/BAS)	Not counted	Count	Not counted
Holocaust victims restitution	Not counted	Not counted	Not counted

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Income Source	MAGI: Medicaid/CHIP	Non-MAGI: Medicaid	MAGI: Exchange
Lump sum income: (Gambling winnings, prizes, cancellation of debt, surviving spouse receives salary or wages from decedent's employer)	Count in month received 1040 line 21	Count in month received	Count as annual income 1040 line 21
Lump sum income: (Retroactive Social Security and Railroad Retirement benefits)	Count in month received 1040 Line 20a	Count Railroad Retirement benefits in the month received. 1040 Line 20a Note: Lump sum retroactive Social Security benefits are exempt. ACWDL 09-62 provides instructions.	Count as annual income 1040 line 20a
Education scholarships, awards, fellowship grants: (AI/AN exemptions, page 6)	Count if used for living expenses	Count if used for living expenses	Not counted
AI/AN exemptions: See list page 6	Income not counted	Income not counted	Income counted

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<i>Income Deduction Source</i>	<i>MAGI: Medicaid/CHIP</i>	<i>Non-MAGI: Medicaid</i>	<i>MAGI: Exchange</i>
Educator expenses:	1040 line 23	Not deducted	1040 line 23
Business expenses of reservists, performing artists, etc.:	1040 line 24 Form 2106/2061 EZ	Not deducted	1040 line 24 Form 2106/2061 EZ
Health Savings Account:	1040 line 25 Form 8889	Not deducted	1040 line 25 Form 8889
Moving expenses:	1040 line 26 Form 3903	Not deducted	1040 line 26 Form 3903
Deductible part of self-employment tax:	1040 line 27 Form SE	Not deducted	1040 line 27 Form SE
Self-employed SEP, Simple, and qualified deduction:	1040 line 28	Not deducted	1040 line 28
Self-employed health insurance deduction:	1040 line 29	Deducted	1040 line 29
Penalty on early withdrawal of savings:	1040 line 30	Not deducted	1040 line 30
Alimony paid:	1040 line 31a	Deducted	1040 line 31a
Child support paid:	Not deducted	Deducted	Not deducted
IRA deduction:	1040 line 32	Not deducted	1040 line 32
Student loan interest:	1040 line 33	Not deducted	1040 line 33
Tuition and fees:	1040 line 34 Form 8917	Deducted	1040 line 34 Form 8917
Domestic production activities:	1040 line 35 Form 8903	Not deducted	1040 line 35 Form 8903

Income and Income Deduction Sources

American Indian/Alaska Native Exemptions (435.603 (e)(3):

- Distributions from Alaska Native Corporations and Settlement Trusts
- Distributions from any property held in trust, subject to federal restrictions, located within the most recent boundaries of a prior Federal reservation, or otherwise under the supervision of the Secretary of the Interior
- Distributions and payments from rents, leases, rights of way, royalties, usage rights, or natural resource extraction and harvest from:
 - Rights of ownership or possession in any lands located within the most recent boundaries of a prior Federal reservation, or otherwise under the supervision of the Secretary of the Interior
 - Federally protected rights regarding off-reservation hunting, fishing, gathering, or usage of natural resources
- Distributions resulting from real property ownership interests related to natural resources and improvements:
 - Located on or near a reservation or within the most recent boundaries of a prior Federal reservation; or
 - Resulting from the exercise of federally-protected rights relating to such real property ownership interests
- Payments resulting from ownership interest in or usage rights to items that have a unique religious, spiritual, traditional, or cultural significance or rights that support subsistence or a traditional lifestyle according to applicable Tribal Law or custom
- Student financial aid provided under the Bureau of Indian Affairs education programs