

DATE: September 17, 2025

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:25-17
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: UPDATE TO THE TREATMENT OF STUDENT EARNED INCOME
EXCLUSION (References: All County Welfare Directors Letters [81-51](#), [00-57](#), [14-17](#))

The purpose of this letter is to inform counties of an update to the Student Earned Income Exclusion (SEIE) in accordance with California Code of Regulations, Title 22, [Section 50551](#), effective January 1, 2025.

Effective January 1, 2025, the SEIE is \$2,350 per month, up to an annual maximum of \$9,460.

Note: The SEIE, effective January 1, 2024, through December 31, 2024, was \$2,290, up to an annual maximum of \$9,230.

Background

Effective April 1, 2005, [Section 432](#) of the Social Security Protection Act extended SEIE to all individuals on a record who are working students under the age of 22, including those who meet the Supplemental Security Income (SSI) program's definition of a child as established in [Federal Code of Regulations, title 20, section 416.1101](#). SEIE figures are adjusted yearly, based on the current cost of living adjustment (COLA).

Eligibility Requirements for the Student Earned Income Exclusion

In California, to be eligible for the student earned income deduction, the student must be in the Medi-Cal Family Budget Unit (MFBU) of an individual who is aged, blind, or disabled. The deductions shall be applied to the earned income of each student who meets the following criteria:

- Is under the age of 22, and

- Is regularly attending school, as defined by the Social Security Administration (SSA):
 - The individual is enrolled in one or more classes at a college or university, for at least 8 hours per semester or quarter, or
 - The individual is enrolled in a training course that prepares them for the workforce for at least 15 hours per week when the course requires practical application of skills. If the course does not require practical skills, the attendance requirement is 12 hours per week.

The monthly and annual student earned income deductions limits shall be in accordance with the table below.

Maximum Monthly and Annual Exclusion Limits

Maximum Monthly and Annual Exclusion Limits for Year	Monthly Exclusion	Maximum exclusion for calendar year
2025	\$2,350	\$9,460
2024	\$2,290	\$9,230
2023	\$2,220	\$8,950
2022	\$2,040	\$8,230
2021	\$1,930	\$7,770
2020	\$1,900	\$7,670
2019	\$1,870	\$7,550
2018	\$1,820	\$7,350

Maximum Monthly and Annual Exclusion Limits for Year	Monthly Exclusion	Maximum exclusion for calendar year
2017	\$1,790	\$7,200
2016	\$1,780	\$7,180
2015	\$1,780	\$7,180
2014	\$1,750	\$7,060
2013	\$1,730	\$6,960
2012	\$1,700	\$6,840
2011	\$1,640	\$6,600
2010	\$1,640	\$6,600
2009	\$1,640	\$6,600
2008	\$1,550	\$6,240
2007	\$1,510	\$6,100
2006	\$1,460	\$5,910
2005	\$1,410	\$5,670
2004	\$1,370	\$5,520

Maximum Monthly and Annual Exclusion Limits for Year	Monthly Exclusion	Maximum exclusion for calendar year
2003	\$1,340	\$5,410
2002	\$1,320	\$5,340
2001	\$1,290	\$5,200
2000 and earlier	\$400	\$1,620

Application of SEIE

SEIE is to be applied in any month in which an eligible student receives earned income. Counties should exclude no more than the monthly maximum each month that the student receives earned income until the annual maximum has been reached

Examples of Application of SEIE

- If a student earns \$1000 in one month, then a SEIE of \$1000 will be excluded from the gross earned income each month, until the annual maximum of \$9460 is reached.
- If a student earns \$2500 in one month, then a SEIE of \$2350 will be excluded from the gross earned income each month, until the annual maximum of \$9460 is reached.

When the member has reached the maximum SEIE, the deduction is no longer included as part of the Aged, Blind, and Disabled Federal Poverty Level (ABD FPL) and Medically Needy (MN) eligibility determinations.

SEIE for the ABD FPL and MN Programs

ABD FPL Program

When completing the ABD FPL Program Income Eligibility Form (MC 176AD), the SEIE is calculated as part of the Aged and Disabled Medically Needy Deductions (Line item 18) as part of Net Nonexempt Income and Eligibility Determination.

MN Programs

When determining the Medically Needy share of cost (SOC), the SEIE is calculated as part of the ABD Income Deductions (Line item 6) on the Allocation/Special Deduction Worksheet A (MC 176 W).

County Responsibility

As a continued requirement since the issuance of ACWDL 14-17, counties are reminded of their ongoing responsibility to apply these provisions retroactively to any Medi-Cal member who meets the above-mentioned criteria without requiring the applicant or member to initiate the request. Counties shall:

- 1) Implement these changes at application, redetermination, fair hearing or whenever a case is brought to the county's attention.
- 2) Conduct a review of county systems to locate and correct any ineligibility or share of cost (SOC) where the exemption of SEIE would have made a person eligible or reduced the SOC.
- 3) Retroactively reinstate any denied or discontinued cases, retroactively correct SOC's as appropriate.
- 4) Reissue notices of action as appropriate.
- 5) Issue Letters of Authorization (MC 180), as appropriate, and assist applicants/members in obtaining reimbursement for Medi-Cal covered services.

If you have any questions regarding the information provided in this letter, please contact the Non-MAGI unit at NonMAGIInbox@dhcs.ca.gov. County questions regarding policy guidance should be sent to MCED-Policy@dhcs.ca.gov.

Sincerely,

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Sarah Crow, Chief
Medi-Cal Eligibility Division