

Understanding Income



Medi-Cal

This information is provided to assist in filling out the income-related sections of Medi-Cal forms such as the **Single Streamlined Application (SSApp)** or the **Medi-Cal Renewal form**.

What is Income?

Definition: Income is any money you get or earn, such as wages, disability benefits or payments from Social Security. There are two types of income: earned and unearned.

- **Earned Income:** Money from work activities, including wages, tips and self-employment.



- **Unearned Income:** Money you get from sources other than a job, such as funds from a retirement account, pension or Social Security; income other than money in exchange for a service; or money from a rental property.



Types of Income

Gross Income: Your total earnings before any deductions or taxes.

Net Income: The money remaining after all deductions and taxes are subtracted.

**GROSS
INCOME**

BEFORE



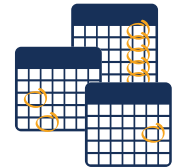
**NET
INCOME**

AFTER



Timing of Income

Income Frequency: How often you receive your income – weekly, monthly, annually, etc.



Income Consistency: Some people have fluctuating income, meaning that they make a different amount each time they are paid or they are not paid the same amount or within the same pay period.

Example: A person works every year from May through September and receives unemployment from October through April. If that person does not expect changes, can reasonably predict their future income based on their past income.

Deductions

Deductions can help lower your total income amount that is used to see if you qualify for Medi-Cal.

The deductions you get depend on the type of Medi-Cal you have. For most Medi-Cal programs, you may be able to use deductions like money you put in a health savings account or interest you pay on student loans. For other programs, like for people aged 65 or older or those with disabilities, you might use different deductions, like money you pay for other health care coverage or your Medicare premium.

If you have questions about your deductions, your local county Medi-Cal office can help.

Verifying Your Income

Why It's Important: When you apply for or renew your Medi-Cal, the county may request proof of your income to see if you qualify.

Ways to Verify Your Income:

- **Proof of Earned Income:**
Could include recent pay stubs or an employment contract.
- **Proof of Unearned Income:**
Could be a benefits letter or an unemployment statement.



Providing Reasonable Explanation: When you tell Medi-Cal about your income, they will review that information. If the income information you reported cannot be verified through Medi-Cal's electronic sources, you may be asked to provide an explanation.

There are many reasons why they may not match up, including life changes like getting married or job loss. You can provide an explanation through your online account, in person, over the phone or by mail.

If you need help getting proof, contact your local Medi-Cal office. They may be able to take a sworn statement to verify your income.

Still Have Questions?

It's important to have a clear understanding of your income, its sources, and any deductions or adjustments, when you're filling out healthcare applications. If you have questions, always seek professional advice or other resources to ensure you're answering questions accurately.



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