

**DEPARTMENT OF HEALTH SERVICES**

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(916) 657-2941



June 21, 1996

Letter No.: 96-29

TO: All County Welfare Directors  
All County Administrative Officers  
All County MEDS Coordinators  
All County Medi-Cal Program Specialists/Liaisons

**GAMMA V. BELSHÉ: IMPLEMENTATION** (Revising Sneede v. Coye Procedures)

This All County Welfare Directors Letter revises Sneede v. Coye (Sneede) procedures pursuant to the United States (U.S.) District Court order in Gamma v. Belshé (Gamma). On November 16, 1995, the court in Gamma ruled that current Sneede deeming procedures violated federal law. The court ordered the Department of Health Services (DHS) to develop a plan to remedy the problem. This letter contains the plan for remedying the problem that was presented to the court. At a hearing on April 22, 1996, the court approved this plan and verbally ordered DHS to implement in accordance with the timeframes contained in this letter. These are mandated changes.

Implementation begins no later than July 22, 1996 for all new applications. Re-evaluation of Sneede cases from November 1995 forward must be completed no later than July 22, 1997. (See the section: Effective Date for Re-evaluation, for details.) The actual changes to existing Sneede procedures are minimal to implement. The enclosure with this letter contains implementing instructions and examples.

**BACKGROUND:**

Under the U.S. District Court's order in Sneede dated January 5, 1990, DHS was prohibited from including the income and resources belonging to persons other than a spouse or natural/adoptive parent when determining Medi-Cal eligibility and share of cost (SOC) for anyone applying for or receiving Medi-Cal benefits.

The specific class members identified in this lawsuit were:

- a stepparent,
- an unmarried couple with mutual child(ren),
- a child with his/her own income or resources, and
- a caretaker relative who wants Medi-Cal and who chooses to be in the same Medi-Cal Family Budget Unit (MFBU) with the children for whom care is provided.

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The Gamma lawsuit challenged the validity of specific aspects of the procedures enacted by DHS to comply with court orders issued in the case of Sneede. The impetus of the Gamma lawsuit was that in some circumstances, individuals who have had their SOC determined under the Sneede procedures are negatively impacted (i.e., the total of all the mini budget units' [MBU's] SOC was higher under the Sneede procedures than under Pre-Sneede). To minimize the Sneede impact, one of the plaintiffs argued that DHS should not deem income from a financially responsible relative to a child in a separate MBU until a sufficient amount of the responsible relative's income has been allocated to meet his or her own needs. The court agreed.

On November 16, 1995, the U.S. District Court issued an order in Gamma concluding that current Sneede methodology does not contain reasonable standards that take into account only that income which is available to children with separate income in an MBU. According to the court income deemed to a child under current procedures is not "available" to the child to the extent that it includes income that should have been allocated to first meet the parent's needs.

#### **ACTION:**

In order to allow each parent a deduction for his/her needs prior to the allocating of income to the remaining family members for whom they are responsible, the enclosed instructions must be implemented no later than July 22, 1996 for new applicants.

This means that:

*Each parent will be allowed a \$600 income deduction for his/her needs [which represents the maintenance need income level (MNIL) for 1] prior to equally allocating income to the family members for whom he/she is responsible (excluding himself/herself). The parent will not receive any portion of the allocation. The \$600 or the parent's total net income if less than \$600 will be used in determining the share of cost for the parent's MBU.*

#### **FORMS REVISION:**

We have enclosed a copy of the pen-and-ink modifications to the MC 175-3I. Revisions of this form will be available in the DHS Warehouse in the near future. We will inform you when this occurs.

#### **EFFECTIVE DATE FOR RE-EVALUATION:**

The Gamma order was effective November 16, 1995. All Sneede cases from

All County Welfare Directors  
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November 1995 forward shall be re-evaluated under Sneede methodology as modified by the Gamma methodology. The re-evaluation of those cases impacted shall occur at or before redetermination and/or reapplication, but no later than July 22, 1997.

Discontinued cases impacted by the Gamma order shall be re-evaluated no later than July 22, 1997.

Each case may have multiple MBUs and each MBU within the case may be impacted differently by the Gamma order. Some MBUs may have a reduced SOC, others may have an increased SOC, while others may have no impact on the SOC.

A. MBUs Which Have a Lower SOC in the Months of Re-evaluation:

Those MBUs which have a lower SOC due to the Gamma order should have their SOC reduced by:

1. Having future SOC amounts adjusted; or
2. Seeking reimbursement from the provider.

Follow procedures outlined in Medi-Cal Procedures Manual Section 12-C (Processing Cases When a SOC Has Been Reduced Retroactively).

B. MBUs Which Have a Higher SOC in the Months of Re-evaluation

No action shall be taken on those MBUs which have a higher SOC due to the Gamma order during the reevaluation period.

If you have any questions, please contact Marge Buzdas at (916) 657-0726 or Kathy Harwell at (916) 657-0146.

Sincerely,

ORIGINAL SIGNED BY

FRANK S. MARTUCCI, CHIEF  
Medi-Cal Eligibility Branch

Enclosures

ATTACHMENT - SNEEDE V. COYE (SNEEDE) PROCEDURES AS MODIFIED BY  
GAMMA V. BELSHE (GAMMA)

The following are the procedures and examples that counties should follow in implementing Gamma.

PROCEDURAL CHANGES FOR THE MC 175 - 31 (REV. 8/91)

1. There is no change to current Sneede procedures regarding when Sneede rules apply or to the establishment of mini-budget units (MBUs). That is, continue to establish the separate MBU based upon certain family relationships or whether a child has income of his or her own per the Sneede order.
2. Continue to determine the nonexempt total countable income of each family member (line 19).
3. Pursuant to Gamma, allow each parent with income in the MFBU a parental/spousal (p/s) needs deduction in the allocation determination, line 26.
4. Pursuant to Gamma, enter in line 27/28 the number of persons for whom Parent A/Parent B is responsible, **except DO NOT** include the parent to whom the income belongs.
5. Pursuant to Gamma, on lines 30/31 strike out the word "self".
6. Pursuant to Gamma, strike out the box on line 30 for parent A.
7. Pursuant to Gamma, strike out the box on line 31 for parent B.
8. Enter on line 34 the parent's/spouse's total net nonexempt income which is line 25 minus line 26 plus line 30 and line 31.
9. There are no other changes to current Sneede procedures, e.g., the determination of Maintenance Need Income Levels (MNILS) for the MFBUs are the same as in current Sneede procedure.

## EXAMPLE 1

A family of four, (mother-Jane, father-John, their mutual child-Joy and the mother's separate child-June) are receiving Medi-Cal. The mother has unemployment benefits of \$700 per month and father has unemployment benefits of \$800 per month. The children (ages 15 and 16) have no income. Since the family has a SOC based on MNIL of \$1,100, Sneede rules (as modified by Gamma) would apply.

### Mother

Total Countable Income		\$ 700.00
Less parental /spousal (p/s) needs deduction	-	<u>\$ 600.00</u>
Mother's income to be allocated		\$ 100.00

Number of persons for whom Mother is responsible (Father, mutual child, and Mom's separate child)	3
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Mother's equal allocation to spouse and natural/adopted children	\$ 33.34 each
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### Father

Total Countable Income		\$ 800.00
Less parental/spousal needs (p/s) deduction	-	<u>\$ 600.00</u>
Father's income to be allocated		\$ 200.00

Number of persons for whom Father is responsible (Mother, mutual child)	2
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Father's equal allocation to mother and natural/adopted children	\$ 100.00 each
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### MBU #1

(Mother, Father, Mutual Child)

Mother's Own Share	\$ 600.00
Mother's Allocation from Father	100.00
Father's Own Share	600.00
Father's Allocation from Mother	33.34
Child's Allocation from Mother	33.34
Child's Allocation from Father	<u>+100.00</u>
Total	\$1,466.68
Minus MNIL for 3	<u>-934.00</u>
SOC	\$ 533.00

### MBU #2

(Separate Child)

Allocation from Mother	<u>\$33.34</u>
Total Income	33.34
Minus MNIL	<u>-375.00</u>
SOC	\$ 0.00

**EXAMPLE #1**  
**SNEEDE V. KIZER****NET NONEXEMPT INCOME DETERMINATION**

CASE NAME <b>JANE DOE</b>	COUNTY DISTRICT <b>50</b>	COUNTY USE
CASE NUMBER <b>123456-1</b>	EFFECTIVE DATE MO. <b>7</b> YR. <b>96</b>	

**Instructions:**

- \* **Child/Spousal Support Payments Received:** Child support is income to the child, not to the parent or caretaker relative.  
**For AFDC-MN/MI only:** Divide the \$50 per month child/spousal support deduction by the # of persons for whom the income is intended. Any unused remainder will be prorated among the remaining persons who still have support payments to apply against the deduction.  
**For ABD-MN only:** Each ABD-MN child for whom absent parent support payments are intended will receive a 1/3 deduction from this income.
- \*\* **Unearned In-Kind Income:** Prorate the unearned in-kind income among the persons who receive the income. Example: MFBU of 4 gets free housing. Use in-kind income for 4 and each person gets 1/4 of the in-kind income. Add an unborn's share of in-kind income to the pregnant woman's share. If pregnant woman is PA/Other PA and not in the MFBU, give unborn's share to father of the unborn if he is in the MFBU.
- \*\*\* **ABD-MN Deductions:** Allow each ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.  
Allow each ABD-MN adult, or spouse of an ABD-MN adult, or parent of an ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.

I. ENTER NAME OF EACH MFBU MEMBER (Do not list unborns)	<b>JANE</b>	<b>JOHN</b>	<b>JOY</b>	<b>JUNE</b>
PERSON TYPE	<input checked="" type="checkbox"/> Parent A or <input type="checkbox"/> Caretaker Rel.	<input checked="" type="checkbox"/> Parent B or Spouse	<input checked="" type="checkbox"/> Child	<input checked="" type="checkbox"/> Child

<b>A. NONEXEMPT UNEARNED INCOME: AFDC-MN/MI and/or ABD-MN</b>				
1. RSDI				
2. Net Income from Property				
3. *Net Child/Spousal Support Received				
4. **In-kind Income				
5. Income available from PA or other PA (MC 175-6, line A. 4)				
6. <b>Unemployment Benefits</b>	<b>700</b>	<b>800</b>		
7.				
8. Total (add 1 thru 7)	<b>700</b>	<b>800</b>	<b>0</b>	<b>0</b>
9. ***ABD-MN \$20 Any Inc. Deduction (skip if AFDC-MN/MI)				
10. Countable Unearned Income (8 minus 9; also enter on section D, line 16)	<b>700</b>	<b>800</b>	<b>0</b>	<b>0</b>

<b>B. ***NONEXEMPT EARNED INCOME - ABD-MN or spouse/parent of ABD-MN</b>				
11. Gross Earned Income				
12. \$65 Earned Inc. Deduction PLUS \$ unused \$20 (line 9)				
13. Remainder (11 minus 12)				
14. Countable earned income (divide line 13 by 2) (enter on section D, line 17)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>C. NONEXEMPT EARNED INCOME - AFDC-MN/MI ONLY</b>				
15. Net Earned Income (MC176W, Part IV, Line 10) (enter on section D, line 17)				

ENTER COMPUTATION FOR CHILD/SPOUSAL SUPPORT and/or UNEARNED IN-KIND INCOME:

**NOTE:**

If any of the following deductions apply, complete MC 176W, Part VI before completing Sections A or B.

Educational Expenses	Section 50547
Student Deduction	Section 50551
\$30 plus 1/3	Section 50551.1
Work Expenses for the Blind	Section 50551.4
Income for Self-Support	Section 50551.5

D. TOTAL COUNTABLE INCOME: AFDC-MN/MI and/or ABD-MN	NAME: <b>JANE</b>	NAME: <b>JOHN</b>	NAME: <b>JOY</b>	NAME: <b>JUNE</b>
16. Countable unearned income (from line 10)	<b>700</b>	<b>800</b>	<b>0</b>	<b>0</b>
17. Countable earned income (from line 14 or 15)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
18. Income allocated from LTC/B&C person to family members at home (from MC176W, Part B OR from MC 175-7, line C. 2)				
19. Total countable income (add lines 16, 17, 18)	<b>700</b>	<b>800</b>	<b>0</b>	<b>0</b>

E. OTHER DEDUCTIONS: AFDC-MN/MI and/or ABD-MN				
20. Health Insurance				
21. Child Support/Alimony Paid				
22. Income to determine PA Eligibility (MC 175-6, line B. 3 or B. 4)				
23.				
24. Total deductions (add 20 through 23)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25. Total net countable income (line 19 minus line 24) Enter this on MC 175-4 if no parent in MFBU; otherwise continue.	<b>700</b>	<b>800</b>	<b>0</b>	<b>0</b>

F. PARENTAL/SPOUSAL (P/S) ALLOCATION: AFDC-MN/MI and/or ABD-MN (skip if no parent in MFBU)	<b>700</b> <b>-600(pls)</b> <b>100</b>	<b>800</b> <b>-600(pls)</b> <b>200</b>		
26. Parent's income to be allocated: Total net nonexempt income less p/s needs deduction, less in-kind income and income from PA/Other PA, LTC, or B&C spouse (line 25 minus lines 4, 5, 18, and p/s needs)	<b>100</b>	<b>200</b>		
27. Number of persons for whom Parent A is responsible. (Section A of MC175-2) DO NOT COUNT PARENT A.	<b>3</b>			
28. Number of persons for whom Parent B is responsible. (Section A of MC175-2) DO NOT COUNT PARENT B.		<b>2</b>		
29. Child's natural/adoptive parent (see MC175-2) (circle A or B, or both)			<b>(A) (B)</b>	<b>(A) B</b>
30. Parent A's allocation to <del>self</del> , spouse (if any) & natural/adopted children (divide Parent A's line 26 by line 27) (Enter in each applicable box.) Do not enter under Parent B if unmarried.		<b>33.34</b>	<b>33.34</b>	<b>33.34</b>
31. Parent B's allocation to <del>self</del> , spouse (if any) & natural/adopted children (divide Parent B's line 26 by line 28) (Enter in each applicable box.) Do not enter under Parent A if unmarried.	<b>100.00</b>		<b>100.00</b>	
32. Enter child's net countable income (from line 25)			<b>0</b>	<b>0</b>
33. Child's total net nonexempt income (add lines 30, 31, 32). Enter on MC 175-4			<b>133.34</b>	<b>33.34</b>
34. Enter the parent's total net nonexempt income (line 25 minus line 26 plus line 30 and line 31.)	<b>700</b>	<b>633.34</b>		

Go to MC 175-4 next.

ELIGIBILITY WORKER SIGNATURE <b>K. Jones</b>	WORKER NUMBER <b>XYZ</b>	COMPUTATION DATE <b>7/1/96</b>
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## EXAMPLE 2

Compute the share of cost for a family of two (mother - Barbara and daughter - Beverly). The Mother has unemployment benefits of \$350 per month. Daughter (age 17) receives child support of \$530 per month. Since the family has a SOC based on MNIL of \$750, Sneed rules (as modified by Gamma) would apply.

### Mother

Total Countable Income	\$350.00
Less parental/spousal (p/s) needs deduction -	<u>\$600.00</u>
Mother's income to be allocated	\$ 0.00

Number of persons for whom Mother is responsible (daughter)	1
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Mother's allocation to spouse (if any) and natural/adopted children	\$ 0.00
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### MBU #1

(Mother)

Mother's own share	<u>\$ 350.00</u>
Total Income	\$ 350.00
Minus MNIL	- <u>600.00</u>
SOC	\$ 0.00

### MBU #2

(Child)

Child's own net nonexempt income after child support deduction	<u>\$ 480.00</u>
Total Income	\$ 480.00
Minus MNIL	- <u>375.00</u>
SOC	\$ 105.00



**EXAMPLE #2**  
**SNEEDE V. KIZER**

**NET NONEXEMPT INCOME DETERMINATION**

CASE NAME <b>Barbara Brock</b>	COUNTY DISTRICT <b>50</b>	COUNTY USE
CASE NUMBER <b>1234567-1</b>	EFFECTIVE DATE MO. <b>7</b> YR. <b>96</b>	

**Instructions:**

- \* **Child/Spousal Support Payments Received:** Child support is income to the child, not to the parent or caretaker relative.  
For AFDC-MN/MI only: Divide the \$50 per month child/spousal support deduction by the # of persons for whom the income is intended. Any unused remainder will be prorated among the remaining persons who still have support payments to apply against the deduction.  
For ABD-MN only: Each ABD-MN child for whom absent parent support payments are intended will receive a 1/3 deduction from this income.
- \*\* **Unearned In-Kind Income:** Prorate the unearned in-kind income among the persons who receive the income. Example: MFBU of 4 gets free housing. Use in-kind income for 4 and each person gets 1/4 of the in-kind income. Add an unborn's share of in-kind income to the pregnant woman's share. If pregnant woman is PA/Other PA and not in the MFBU, give unborn's share to father of the unborn if he is in the MFBU.
- \*\*\* **ABD-MN Deductions:** Allow each ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.  
Allow each ABD-MN adult, or spouse of an ABD-MN adult, or parent of an ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.

I. ENTER NAME OF EACH MFBU MEMBER (Do not list unborns)	<b>Barbara</b>		<b>Beverly</b>	
PERSON TYPE	<input checked="" type="checkbox"/> Parent A or <input type="checkbox"/> Caretaker Rel.	<input type="checkbox"/> Parent B or Spouse	<input checked="" type="checkbox"/> Child	<input type="checkbox"/> Child

<b>A. NONEXEMPT UNEARNED INCOME: AFDC-MN/MI and/or ABD-MN</b>				
1. RSDI				
2. Net Income from Property				
3. *Net Child/Spousal Support Received			<b>480</b>	
4. **In-kind Income				
5. Income available from PA or other PA (MC 175-6, line A. 4)				
6. <b>Unemployment Benefits</b>	<b>350</b>			
7.				
8. Total (add 1 thru 7)	<b>350</b>		<b>480</b>	
9. ***ABD-MN \$20 Any Inc. Deduction. (skip if AFDC-MN/MI)				
10. Countable Unearned Income (8 minus 9; also enter on section D, line 16)	<b>350</b>		<b>480</b>	

<b>B. ***NONEXEMPT EARNED INCOME-- ABD-MN or spouse/parent of ABD-MN</b>				
11. Gross Earned Income				
12. \$65 Earned Inc. Deduction PLUS \$ unused \$20 (line 9)				
13. Remainder (11 minus 12)				
14. Countable earned income (divide line 13 by 2) (enter on section D, line 17)	<b>0</b>		<b>0</b>	

<b>C. NONEXEMPT EARNED INCOME-- AFDC-MN/MI ONLY</b>				
15. Net Earned Income (MC176W, Part IV, Line 10) (enter on section D, line 17)				

**NET COMPUTATION FOR CHILD/SPOUSAL SUPPORT and/or UNEARNED IN-KIND INCOME:**

**NOTE:**

If any of the following deductions apply, complete MC 176W, Part VI before completing Sections A or B.

Educational Expenses	Section 50547
Student Deduction	Section 50551
\$30 plus 1/3	Section 50551.1
Work Expenses for the Blind	Section 50551.4
Income for Self-Support	Section 50551.5

D. TOTAL COUNTABLE INCOME: AFDC-MN/MI and/or ABD-MN	NAME: <b>Barbara</b>	NAME:	NAME: <b>Beverly</b>	NAME:
16. Countable unearned income (from line 10)	<b>350</b>		<b>480</b>	
17. Countable earned income (from line 14 or 15)	<b>0</b>		<b>0</b>	
18. Income allocated from LTC/B&C person to family members at home (from MC176W, Part B OR from MC 175-7, line C. 2)				
19. Total countable income (add lines 16, 17, 18)	<b>350</b>		<b>480</b>	

E. OTHER DEDUCTIONS: AFDC-MN/MI and/or ABD-MN				
20. Health Insurance				
21. Child Support/Alimony Paid				
22. Income to determine PA Eligibility (MC 175-6, line B. 3 or B. 4)				
23.				
24. Total deductions (add 20 through 23)	<b>0</b>		<b>0</b>	
25. Total net countable income (line 19 minus line 24) Enter this on MC 175-4 if no parent in MFBU; otherwise continue.	<b>350</b>		<b>480</b>	

F. PARENTAL/SPOUSAL (P/S) ALLOCATION: AFDC-MN/MI and/or ABD-MN (skip if no parent in MFBU)	<b>350</b> <b>-600 (p/s)</b> <b>0</b>			
26. Parent's income to be allocated: Total net nonexempt income less p/s needs deduction, less in-kind income and income from PA/Other PA, LTC, or B&C spouse (line 25 minus lines 4, 5, 18, and p/s needs)	<b>0</b>			
27. Number of persons for whom Parent A is responsible. (Section A of MC175-2) DO NOT COUNT PARENT A	<b>1</b>			
28. Number of persons for whom Parent B is responsible. (Section A of MC175-2) DO NOT COUNT PARENT B				
29. Child's natural/adoptive parent (see MC175-2) (circle A or B, or both)			<b>(A)</b> B	A B
30. Parent A's allocation to <del>self</del> , spouse (if any) & natural/adopted children (divide Parent A's line 26 by line 27) (Enter in each applicable box.) Do not enter under Parent B if unmarried.				
31. Parent B's allocation to <del>self</del> , spouse (if any) & natural/adopted children (divide Parent B's line 26 by line 28) (Enter in each applicable box.) Do not enter under Parent A if unmarried.				
32. Enter child's net countable income (from line 25)			<b>480</b>	
33. Child's total net nonexempt income (add lines 30, 31, 32). Enter on MC 175-4			<b>480</b>	
34. Enter the parent's total net nonexempt income (line 25 minus line 26 plus line 30 and line 31.)	<b>350</b>			

Go to MC 175-4 next.

ELIGIBILITY WORKER SIGNATURE <b>K. Jones</b>	WORKER NUMBER <b>XYZ</b>	COMPUTATION DATE <b>7/1/96</b>
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### EXAMPLE 3

Compute the share of cost for a family of three, (mother- Sandy, spouse- Steve, and the mother's separate child- Sadie) who are receiving Medi-Cal. The family receives free housing, valued at \$450.00 per month. The mother has unemployment benefits of \$700 per month and in-kind housing of \$150 per month. The mother has a health insurance payment of \$30.00 per month. The mother's spouse has unemployment benefits of \$700 per month and in-kind housing of \$150 per month. The mother's separate child has in-kind housing of \$150 per month. Since the family has a SOC based on MNIL of \$934, Sneede rules (as modified by Gamma) would apply.

#### Mother

Total Countable Income	\$ 850
Less Health Insurance	- 30
Total Net Countable Income	\$ 820
Less in-kind income	150
Less parental/spousal (p/s) needs deduction	-600
Mother's income to be allocated	\$ 70

Number of persons for whom Mother  
is responsible (spouse and daughter) 2

Mother's allocation to spouse and  
natural/adoptive children \$ 35.00 each

#### Spouse

Total Countable Income	\$ 850
Less in-kind income	150
Less parental/spousal (p/s) needs deduction	-600
Spouse's income to be allocated	\$ 100

Number of persons for whom spouse  
is responsible (wife) 1

Spouse's allocation to spouse \$ 100

#### MBU #1

(Mother and Spouse)

Mother's Own Share	\$ 600.00
Mother's in-kind income	150.00
Mother's allocation from spouse	100.00
Spouse's Own Share	600.00
Spouse's in-kind income	150.00
Spouse's allocation from mother	+ 35.00
Total	\$1,635.00
Minus MNIL for 2	- 934.00
SOC	\$ 701.00

#### MBU #2

(Separate Child)

Child's own net nonexempt income	\$ 150.00
Allocation from mother	+ 35.00
Total Income	\$185.00
Minus MNIL	- 375.00
SOC	\$ 0.00

**NET NONEXEMPT INCOME DETERMINATION**

CASE NAME <b>Sandy Smith</b>	COUNTY DISTRICT <b>50</b>	COUNTY USE
CASE NUMBER <b>1234567-1</b>	EFFECTIVE DATE MO. <b>7</b> YR. <b>96</b>	

**Instructions:**

- \* **Child/Spousal Support Payments Received:** Child support is income to the child, not to the parent or caretaker relative.  
**For AFDC-MN/MI only:** Divide the \$50 per month child/spousal support deduction by the # of persons for whom the income is intended. Any unused remainder will be prorated among the remaining persons who still have support payments to apply against the deduction.  
**For ABD-MN only:** Each ABD-MN child for whom absent parent support payments are intended will receive a 1/3 deduction from this income.
- \*\* **Unearned In-Kind Income:** Prorate the unearned in-kind income among the persons who receive the income. Example: MFBU of 4 gets free housing. Use in-kind income for 4 and each person gets 1/4 of the in-kind income. Add an unborn's share of in-kind income to the pregnant woman's share. If pregnant woman is PA/Other PA and not in the MFBU, give unborn's share to father of the unborn if he is in the MFBU.
- \*\*\* **ABD-MN Deductions:** Allow each ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.  
 Allow each ABD-MN adult, or spouse of an ABD-MN adult, or parent of an ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.

I. ENTER NAME OF EACH MFBU MEMBER (Do not list unborns)	<b>Sandy</b>	<b>Steve</b>	<b>Sadie</b>	
PERSON TYPE	<input checked="" type="checkbox"/> Parent A or <input type="checkbox"/> Caretaker Rel.	<input checked="" type="checkbox"/> Parent B or Spouse	<input type="checkbox"/> Child	<input type="checkbox"/> Child

A. NONEXEMPT UNEARNED INCOME: AFDC-MN/MI and/or ABD-MN				
1. RSDI				
2. Net Income from Property				
3. *Net Child/Spousal Support Received				
4. **In-kind Income	<b>150</b>	<b>150</b>	<b>150</b>	
5. Income available from PA or other PA (MC 175-6, line A. 4)				
6. <b>Unemployment Benefits</b>	<b>700</b>	<b>700</b>		
7.				
8. Total (add 1 thru 7)	<b>850</b>	<b>850</b>	<b>150</b>	
9. ***ABD-MN \$20 Any Inc. Deduction (skip if AFDC-MN/MI)				
10. Countable Unearned Income (8 minus 9; also enter on section D, line 16)	<b>850</b>	<b>850</b>	<b>150</b>	

B. ***NONEXEMPT EARNED INCOME - ABD-MN or spouse/parent of ABD-MN				
11. Gross Earned Income				
12. \$65 Earned Inc. Deduction PLUS \$ unused \$20 (line 9)				
13. Remainder (11 minus 12)				
14. Countable earned income (divide line 13 by 2) (enter on section D, line 17)				

C. NONEXEMPT EARNED INCOME - AFDC-MN/MI ONLY				
15. Net Earned Income (MC176W, Part IV, Line 10) (enter on section D, line 17)				

ENTER COMPUTATION FOR CHILD/SPOUSAL SUPPORT and/or UNEARNED IN-KIND INCOME:

**NOTE:**

If any of the following deductions apply, complete MC 176W, Part VI before completing Sections A or B.

Educational Expenses	Section 50547
Student Deduction	Section 50551
\$30 plus 1/3	Section 50551.1
Work Expenses for the Blind	Section 50551.4
Income for Self-Support	Section 50551.5

D. TOTAL COUNTABLE INCOME: AFDC-MN/MI and/or ABD-MN	NAME: <i>Sandy</i>	NAME: <i>Steve</i>	NAME: <i>Sadie</i>	NAME:
16. Countable unearned income (from line 10)	<i>850</i>	<i>850</i>	<i>150</i>	
17. Countable earned income (from line 14 or 15)	<i>0</i>	<i>0</i>	<i>0</i>	
18. Income allocated from LTC/B&C person to family members at home (from MC176W, Part B OR from MC 175-7, line C. 2)				
19. Total countable income (add lines 16, 17, 18)	<i>850</i>	<i>850</i>	<i>150</i>	

E. OTHER DEDUCTIONS: AFDC-MN/MI and/or ABD-MN				
20. Health Insurance	<i>30</i>			
21. Child Support/Alimony Paid				
22. Income to determine PA Eligibility (MC 175-6, line B. 3 or B. 4)				
23.				
24. Total deductions (add 20 through 23)	<i>30</i>	<i>0</i>	<i>0</i>	
25. Total net countable income (line 19 minus line 24) Enter this on MC 175-4 if no parent in MFBU; otherwise continue.	<i>820</i>	<i>850</i>	<i>150</i>	

F. PARENTAL/SPOUSAL (P/S) ALLOCATION: AFDC-MN/MI and/or ABD-MN (skip if no parent in MFBU)	<i>820</i> <i>-150</i> <i>-600(P/S)</i> <i>70</i>	<i>850</i> <i>-150</i> <i>-600(P/S)</i> <i>100</i>		
26. Parent's income to be allocated: Total net nonexempt income less p/s needs deduction, less in-kind income and income from PA/Other PA, LTC, or B&C spouse (line 25 minus lines 4, 5, 18, and p/s needs)	<i>70</i>	<i>100</i>		
27. Number of persons for whom Parent A is responsible. (Section A of MC175-2) DO NOT COUNT PARENT A	<i>2</i>			
28. Number of persons for whom Parent B is responsible. (Section A of MC175-2) DO NOT COUNT PARENT B		<i>1</i>		
29. Child's natural/adoptive parent (see MC175-2) (circle A or B, or both)			<i>(A)</i> B	A B
30. Parent A's allocation to self, spouse (if any) & natural/adopted children (divide Parent A's line 26 by line 27) (Enter in each applicable box.) Do not enter under Parent B if unmarried.		<i>35</i>	<i>35</i>	
31. Parent B's allocation to self, spouse (if any) & natural/adopted children (divide Parent B's line 26 by line 28) (Enter in each applicable box.) Do not enter under Parent A if unmarried.	<i>100</i>			
32. Enter child's net countable income (from line 25)			<i>150</i>	
33. Child's total net nonexempt income (add lines 30, 31, 32). Enter on MC 175-4			<i>185</i>	
34. Enter the parent's total net nonexempt income (line 25 minus line 26 plus line 30 and line 31.)	<i>850</i>	<i>785</i>		

Go to MC 175-4 next.

ELIGIBILITY WORKER SIGNATURE <i>K. Jones</i>	WORKER NUMBER <i>XYZ</i>	COMPUTATION DATE <i>7/1/96</i>
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**SNEEDE V. KIZER**

CASE NAME	COUNTY DISTRICT	COUNTY USE
CASE NUMBER	EFFECTIVE DATE MO. YR.	

**Instructions:**

- \* **Child/Spousal Support Payments Received:** Child support is income to the child, not to the parent or caretaker relative.  
**For AFDC-MN/MI only:** Divide the \$50 per month child/spousal support deduction by the # of persons for whom the income is intended. Any unused remainder will be prorated among the remaining persons who still have support payments to apply against the deduction.  
**For ABD-MN only:** Each ABD-MN child for whom absent parent support payments are intended will receive a 1/3 deduction from this income.
- \*\* **Unearned In-Kind Income:** Prorate the unearned in-kind income among the persons who receive the income. Example: MFBU of 4 gets free housing. Use in-kind income for 4 and each person gets 1/4 of the in-kind income. Add an unborn's share of in-kind income to the pregnant woman's share. If pregnant woman is PA/Other PA and not in the MFBU, give unborn's share to father of the unborn if he is in the MFBU.
- \*\*\* **ABD-MN Deductions:** Allow each ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.  
Allow each ABD-MN adult, or spouse of an ABD-MN adult, or parent of an ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.

I. ENTER NAME OF EACH MFBU MEMBER (Do not list unborns)				
PERSON TYPE	<input type="checkbox"/> Parent A or <input type="checkbox"/> Caretaker Rel.	<input type="checkbox"/> Parent B or Spouse	<input type="checkbox"/> Child	<input type="checkbox"/> Child

<b>A. NONEXEMPT UNEARNED INCOME:</b> <b>AFDC-MN/MI and/or ABD-MN</b>				
1. RSDI				
2. Net Income from Property				
3. *Net Child/Spousal Support Received				
4. **In-kind Income				
5. Income available from PA or other PA (MC 175-6, line A. 4)				
6.				
7.				
8. Total (add 1 thru 7)				
9. ***ABD-MN \$20 Any Inc. Deduction (skip if AFDC-MN/MI)				
10. Countable Unearned Income (8 minus 9; also enter on section D, line 16)				

<b>B. ***NONEXEMPT EARNED INCOME--</b> <b>ABD-MN or spouse/parent of ABD-MN</b>				
11.	Gross Earned Income			
12.	\$65 Earned Inc. Deduction PLUS \$ _____ unused \$20 (line 9)			
13.	Remainder (11 minus 12)			
14.	Countable earned income (divide line 13 by 2) (enter on section D, line 17)			

C. NONEXEMPT EARNED INCOME-- AFDC-MN/MI ONLY				
15.	Net Earned Income (MC176W, Part IV, Line 10) (enter on section D, line 17)			

ENTER COMPUTATION FOR CHILD/SPOUSAL SUPPORT and/or UNEARNED IN-KIND INCOME:

**NOTE:**  
If any of the following deductions apply, complete MC 176W, Part VI before completing Sections A or B.

Educational Expenses	Section 50547
Student Deduction	Section 50651
\$30 plus 1/3	Section 50651.1
Work Expenses for the Blind	Section 50651.4
Income for Self-Support	Section 50651.5

D. TOTAL COUNTABLE INCOME: AFDC-MN/MI and/or ABD-MN	NAME:	NAME:	NAME:	NAME:
16. Countable unearned income (from line 10)				
17. Countable earned income (from line 14 or 15)				
18. Income allocated from LTC/B&C person to family members at home (from MC176W, Part B OR from MC 175-7, line C. 2)				
19. Total countable income (add lines 16, 17, 18)				

E. OTHER DEDUCTIONS: AFDC-MN/MI and/or ABD-MN				
20. Health Insurance				
21. Child Support/Alimony Paid				
22. Income to determine PA Eligibility (MC 175-6, line B. 3 or B. 4)				
23.				
24. Total deductions (add 20 through 23)				
25. Total net countable income (line 19 minus line 24) Enter this on MC 175-4 if no parent in MFBU; otherwise continue.				

F. PARENTAL/SPOUSAL (P/S) ALLOCATION: AFDC-MN/MI and/or ABD-MN (skip if no parent in MFBU)				
26. Parent's income to be allocated: Total net nonexempt income less p/s needs deduction, less in-kind income and income from PA/Other PA, LTC, or B&C spouse (line 25 minus lines 4, 5, 18, and p/s needs)				
27. Number of persons for whom Parent A is responsible. (Section A of MC175-2) DO NOT COUNT PARENT A				
28. Number of persons for whom Parent B is responsible. (Section A of MC175-2) DO NOT COUNT PARENT B				
29. Child's natural/adoptive parent (see MC175-2) (circle A or B, or both)			A B	A B
30. Parent A's allocation to self, spouse (if any) & natural/adopted children (divide Parent A's line 26 by line 27) (Enter in each applicable box.) Do not enter under Parent B if unmarried.				
31. Parent B's allocation to self, spouse (if any) & natural/adopted children (divide Parent B's line 26 by line 28) (Enter in each applicable box.) Do not enter under Parent A if unmarried.				
32. Enter child's net countable income (from line 25)				
33. Child's total net nonexempt income (add lines 30, 31, 32). Enter on MC 175-4				
34. Enter the parent's total net nonexempt income (line 25 minus line 26 plus line 30 and line 31.)				

Go to MC 175-4 next.

ELIGIBILITY WORKER SIGNATURE	WORKER NUMBER	COMPUTATION DATE