PETE WILSON, Governor

# DEPARTMENT OF HEALTH SERVICES

714/744 P Street
P.O. Box 942732
Sacramento, CA  94234-7320
(916) 657-2941                                    August 1, 1996

Letter No.: 96-40

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

QUALIFIED MEDICARE BENEFICIARY (QMB) AND SPECIFIED LOW-INCOME
MEDICARE (SLMB) INCOME DEEMING RULES

Ref.:  All County Welfare Directors Letter Numbers, 91-09, 92-79

The purpose of this letter is to inform the counties of a revision to the MC 176
QMB/SLMB 2A and 2B forms and instructions.  Counties need to utilize these forms no later
than October 1, 1996 when evaluating new cases or at redetermination.

We revised the MC 176 QMB/SLMB 2A (9/95) and 2B (11/95) to standardize the
language with similar forms such as the TB Program Financial Eligibility Worksheet.  However,
the revision to the QMB/SLMB-2B form and instructions also have a change in methodology with
respect to QMB/SLMB parent to child deeming rules.  This change follows the same change
made in the Supplemental Security Income (SSI) program to simplify how to determine the
amount of the Parental Allocation to the potentially eligible child.

Prior to this change, under the Step II method of determining QMB/SLMB income
eligibility,  parents were allowed a deduction from their income prior to deeming, but the
deduction amount varied according to whether their income was earned, unearned or a
combination.  With this change there is now only a single parental deduction regardless of the
type of income.

The enclosed forms and instructions are now available in the Department of
Health Services' Warehouse located at 1037 North Market Boulevard, Suite 9, Sacramento,
California 95834.  They may be ordered at anytime.

These changes will be sent to you in the near future as part of the QMB procedures which
are being finalized.

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County QMB/SLMB Coordinators
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If you have any QMB questions, please contact Marge Buzdas at (916) 657-0726; for SLMB questions, please call Sylvia Finberg at (916) 657-0080.

Sincerely


ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

# QUALIFIED MEDICARE BENEFICIARY (QMB)/SPECIFIED LOW-INCOME MEDICARE BENEFICIARY (SLMB) INCOME ELIGIBILITY WORK SHEET
## COUPLE OR APPLICANT WITH AN INELIGIBLE SPOUSE, WITH OR WITHOUT CHILD(REN)

Name | County District | County Use

☐ Application ☐ Redetermination ☐ Change in Income ☐ Change in Circumstances

Effective Eligibility Date for this Budget
Mo.     Yr.

| Co. | Aid | State Number 7 Digit Serial No. | MFBU | Pers. No. | Name—First, Middle, Last | Birthdate Mo. Day Yr. | Sex | (1) Social Security No. and (2) Health Insurance Claim No. or Railroad Retirement No. | Other Coverage |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | (1) | |
| | | | | | | | | (2) | |
| | | | | | | | | (1) | |
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| | | | | | | | | (2) | |
| | | | | | | | | (1) | |
| | | | | | | | | (2) | |

**I. INCOME OF POTENTIAL QMB/SLMB INDIVIDUAL; COUPLE APPLYING AS AGED, BLIND, OR DISABLED AND INCOME OF INELIGIBLE SPOUSE WITH(OUT) CHILD(REN).**

**II. ALLOCATION TO MINOR CHILD(REN) FROM THE INELIGIBLE SPOUSE. DO NOT ALLOCATE FROM THE APPLICANT(S). DO NOT INCLUDE QMB/SLMB CHILD(REN), PA OR OTHER PA.**

| A. NONEXEMPT UNEARNED INCOME | a. QMB/SLMB Applicant | b. Eligible or Ineligible spouse | | Child #1 | Child #2 | Child #3 | Child #4 |
|---|---|---|---|---|---|---|---|
| 1. RSDI | | | 1. Name | | | | |
| 2. Net income from property | | | 2. Standard SSI allocation | | | | |
| 3. Other—itemize | | | 3. Subtract ineligible minor child(ren) income (gross). Evaluate for student deduction. | | | | |
| | | | 4. Allocation to ineligible child (2 minus 3) | | | | |
| Total (add 1 through 4) | a. | b. | 5. Total allocation to ineligible children (add 4a., b., c., and d.) | | | | |

6. Allocation to ineligible child(ren) from ineligible spouse (Column II.5) — b. –

Enter the amount from line 5, Section II to line 6.b., Section I.A., only if the remaining income of the ineligible spouse exceeds the standard SSI allocation amount. Use Section III to make this determination.

7. Remainder (line 5.b. minus 6.b.) — b. (1)   b. (2)

8. Combine unearned income (add 5.a. and 7.b.(2)) — $

9. Any income deduction — –$20

10. Countable unearned income (8 minus 9)

**III. INELIGIBLE SPOUSE INCOME EXEMPTION DETERMINATION (THIS SECTION USED FOR EVALUATION PURPOSES ONLY.)**

**B. NONEXEMPT EARNED INCOME**

| | | | |
|---|---|---|---|
| 11. Gross earned income | a. | b. | |

1. Total unearned income (gross) (line 5b., Section I.)

2. Total earned income (gross) (line 11.b., Section I)

12. Unused portion of allocation to ineligible children — b.

3. Total (add 1 and 2) — $

13. Remainder (11.b. minus 12.b.) — b.

4. Allocation to children (line 5, Section II) — $

14. Combined earned income (11.a. plus 13.b.) — $

5. Remainder (subtract 4 from 3) — $

15. Deduct IRWE of potential QMB/SLMB applicant(s) only — –

(If line 5 is less than the current standard SSI allocation amount, this income is exempt; do not complete Section I.A.b. or I.B.b.)

16. Remainder (subtract 15 from 14) — $

**IV. QMB/SLMB ELIGIBILITY DETERMINATION**

1. Total countable income (line 20.b., Section I, rounded) — $

17. $65 earned income deduction plus $_____ of unused $20 — –

2. Current poverty level for _____ — $

18. Remainder (17 minus 16) — $

(If line 1 is less than line 2, individual or couple QMB/SLMB eligible)

19. Countable earned income (divide 18 by 2) — $

20. Total countable income (add 10 plus 19) — $
this amount on line 1, Section IV

NOTE: IF THE INCOME OF THE SPOUSE IS USED, USE THE CURRENT POVERTY LEVEL FOR TWO. IF ONLY THE INCOME OF THE APPLICANT IS USED, USE THE CURRENT POVERTY LEVEL FOR ONE.

Eligibility Worker Signature     Worker Number     Computation Date     County Use

# QUALIFIED MEDICARE BENEFICIARY (QMB)/SPECIFIED LOW-INCOME MEDICARE BENEFICIARY (SLMB) INCOME ELIGIBILITY WORK SHEET COUPLE OR APPLICANT WITH AN INELIGIBLE SPOUSE, WITH OR WITHOUT CHILD(REN)

Form MC 176 QMB/SLMB-2A, Income Eligibility Work Sheet, is used to compute the income (using current Medi-Cal income methodology and incorporating certain criteria which is less restrictive than Medi-Cal methodology) for allocating income from a spouse (eligible or ineligible) with or without a child(ren) to either the applicant and/or a child(ren) who does not qualify using Medi-Cal income rules only. This form is completed at the time of a new application, restoration, application, change in income, or other circumstances affecting the income or correction in the income.

NOTE: The MC 176 QMB/SLMB1 should be completed prior to completion of the MC 176 QMB/SLMB-2A to determine if the applicant(s)/beneficiary(ies) are eligible using Medi-Cal rules.

## Instructions for Completion

### Identification Section

1. Enter: Case name

2. County District: If the county has districts, identify the district.

3. County Use: Make any entries the county department has designated it wants.

4. Check the appropriate box which gives information concerning the reason for the computation. The box "new application" includes restorations and reapplications.

5. Effective Eligibility Date For This Budget: Enter the month in which eligibility will begin with this budget computation.

6. State Number: For family members who are applying as an ABD medically needy (MN) QMB/SLMB application and those included in the MFBU as ineligible members: enter the county code, appropriate aid code, and seven-digit serial number; enter zeros in front of the serial number until there are seven digits. For the family members who are not included in the MFBU as eligible members, enter their status under state number, in accordance with the following:

## DO NOT INCLUDE RECIPIENTS OF A PA IN MFBU.

| | |
|---|---|
| Four-Month or Nine-Month Continuing Eligibility | Family members eligible for Four-Month or Nine-Month Continuing Eligibility are considered as ineligible members of the MFBU. |
| Excluded | For children with income or property of their own who are excluded from the MFBU. |
| I.E. (or county designated I.E. aid code) | For members of the family unit who are not applying for QMB/SLMB benefits. |
| S/P | For family members in the stepparent unit when only the parent and the parent's children are included in the MFBU. |
| Pickle Eligible Member | For Aged, Blind, and Disabled (ABD) family members who were discontinued from Supplemental Security Income/State Supplementary Payment (SSI/SSP) and continue to receive a no-cost Medi-Cal card in accordance with the *Lynch v. Rank* decision. |
| ABD/LTC or ABD/B&C | For an ABD person or the spouse of an ABD person who is in LTC or board and care who will be in a separate MFBU from his/her spouse and/or child(ren) listed on the MC 176M. |

7. Name: Enter the names of all family members living in the home in accordance with the California Code of Regulations (CCR), Title 22, Section 50071, and any ABD person or spouse of an ABD person in LTC or board and care. Enter an unborn child by listing as the name "unborn" and expected date of birth after "unborn."

8. Birthdate: Enter the birthdate of each person listed. Under sex, enter "M" for male or "F" for female for each person listed.

9. Social Security Number: Enter the Social Security number for each person applying as a QMB/SLMB. If a person does not have a Social Security number, he/she is not eligible as a QMB/SLMB. Enter the Medicare or Railroad Retirement claim number, if any. See CCR, Section 50187.

10. Other Coverage Code: Determine the other coverage code in accordance with Section 15.A. of the procedural portion of the Medi-Cal Eligibility Manual.

## Section I. Income of Potential QMB/SLMB Composition

In this section enter all the nonexempt unearned and earned income of the QMB/SLMB applicant(s); and ineligible spouse, if any, who is applying as ABD in Section I.a. and b., providing the spouse or parent is a member of the MFBU (either an eligible or ineligible member). Do not list income which is exempt in accordance with CCR, Sections 50523 through 50544.

NOTE: The ownership of the income determination required by CCR, Section 50512, should be completed prior to the completion of this portion of the form if there is a spouse with LTC status who is in a separate MFBU.

A. Nonexempt Unearned Income

When any of the following deductions apply to a person's income which will be listed in Section I, complete Part VI.A. of the MC 176W instead of lines 1 through 5.

| | |
|---|---|
| · Educational Expenses | Section 50547 |
| Absent Parent Support | Section 50541 |
| Income for Self-Support | Section 50551.5 |
| Court Ordered Child/Spousal Support | Gibbins v. Rank |

1. Enter: Social Security income

2. Net income received from property.

3–4. All other unearned income. If applicable, include SSI/SSP In-Home Supportive Services (IHSS) recipients' available income and income allocated from a Pickle eligible spouse or parent.

5. Total the amounts in Section I, Part A, lines 1.a. through 4.a. This is the total unearned income of the QMB/SLMB applicant of the MFBU. Also, total the amounts in Section I, Part A., lines 1.b. through 4.b. This is the total unearned income of the eligible or ineligible spouse of the QMB/SLMB members of the MFBU.

6. Enter the total amount allocated to the minor child(ren), if any, from the ineligible spouse. Enter the figure computed from Section II, line 5, onto line 6.b. NOTE: Income can only be allocated to a child(ren) from an ineligible spouse.

7. Subtract line 6.b. from line 5.b. and enter this amount on line 7.b.(1). If line 7.b.(1) is a minus figure, enter the minus amount on line 12.b. and enter zero on line 7.b.(2). Otherwise, enter the amount from line 7.b.(1) onto line 7.b.(2).

8. This is the combined unearned income of the ABD member(s) of the MFBU and/or spouse who may be a member of the MFBU (either eligible or ineligible member). (Add line 7.b.(2) and line 5.a.)

9. No entry. This shows the $20 any income deduction.

10. Subtract line 8 from line 7. This is the total countable unearned income. If the countable unearned income is a minus figure, enter zero on line 10 and enter the minus figure, which is the unused portion of the $20 any income deduction, in the blank provided on line 17.

B.    Nonexempt Earned Income

    11.    Enter the gross earned income.

    12.    Enter the amount of any allocation for any ineligible minor child(ren) that is not offset by countable unearned income (Any minus amount on line 7.b.(1)). Otherwise, enter zero in line I.B.12.b.

    13.    Subtract line 12.b. from line 11.b. Enter the remainder on line 13.b. Exception: enter zero on line 13.b. if line 12.b. is greater or equal to line 11.b.

    14.    Add lines 11.a. and 13.b. This is the combined nonexempt earned income of the applicant(s) and ineligible spouse if the ineligible spouse's income is combined with the applicant's.

    15.    Deduct any impairment related work expenses the potential QMB/SLMB applicant(s) may have.

    16.    Subtract line 15 from line 14 and enter this amount on line 16. Exception: enter zero on line 16 if line 15 is greater or equal to line 14.

    17.    Enter the $65 of the $65 and one-half deduction plus any unused portion of the $20 any income deduction.

    18.    Subtract line 17 from line 16 and enter the difference on line 18. If line 17 is greater or equal to line 16, enter zero.

    19.    Divide line 18 by two. This figure equals the countable earned income.

    20.    Add lines 10 and 19. This is the total countable income of the ABD applicant(s) of the MFBU or applicant and his/her spouse who is a member of the MFBU (either eligible or ineligible). Enter this amount on line 20 and on line 1 of Section IV.

## Section II. Allocation to Minor Child(ren) from the Ineligible Spouse (Do Not Allocate From a QMB/SLMB Applicant(s). Do Not Include a QMB/SLMB Child(ren), PA or Other PA.

    ..    Enter: Name(s) of ineligible child(ren). Do not include QMB/SLMB child(ren), PA or other PA.

    2.    Standard SSI allocation: Enter current year's allocation amount for each child (see QMB/SLMB poverty level chart). If no child(ren), enter zero on line 5, and on line I.A.6.b.).

    3.    Income for the ineligible minor child(ren): Enter the income amount for each child, excluding up to $400 per month or $1620 per year if student income.

    4.    Subtract line 3 from line 2 and enter on line 4.

    5.    Total all columns on line 4 . Complete Section III to determine whether this figure is to be entered on line I.A.6.b. If Section III, line 5 is less than the current SSI allocation, stop and do not complete Section I.b.

## Section III. Ineligible Spouse Income Exemption Determination

    1.    Enter: Total gross unearned income of the spouse (potentially eligible or ineligible) from line I.5.b.

    2.    Gross Earned Income: Enter the gross earned income of the spouse from line I.B.11.b.

    3.    Total columns 1 and 2. for combined income of spouse.

    4.    Allocation to minor child(ren): Enter the figure from line II.5.

    5.    Remainder: Subtract line 4 from line 3. If line III.5. is less than the current SSI allocation amount, this income is exempt. Do not complete Section I.b. Do not enter the total allocation to ineligible children from Section II, line 5 to Section I, line A.6.b.

## Section IV. QMB/SLMB Eligibility Determination

1. Total Countable Income: This is the total countable income entered on line I.B.20. This figure was obtained by adding lines I.A.10. and I.B.19.

2. Enter the appropriate current poverty level for either: (a) one, if the income of the ineligible spouse is not combined with the applicant's income; or (b) two, if the ineligible spouse's income is combined with the applicant's income. If line IV.1. is less than line IV.2., the individual or couple is eligible under the QMB/SLMB program.

## Eligibility Worker Signature

The worker enters his/her signature.

## Worker Number

If the eligibility worker has a county number, enter here.

## Date of Computation

The eligibility worker completes the box with the date the form was completed.

## County Use

Optional — to be used in accordance with county policy.

# QUALIFIED MEDICARE BENEFICIARY (QMB)/SPECIFIED LOW-INCOME MEDICARE BENEFICIARY(SLMB) INCOME ELIGIBILITY WORK SHEET
## CHILD APPLYING WITH OR WITHOUT INELIGIBLE PARENT(S)
## (DO NOT INCLUDE QMB/SLMB PARENT(S), PA, OR OTHER PA)

Case Name

County District | County Use

☐ New Application ☐ Redetermination ☐ Change in Income ☐ Change in Circumstances

Effective Eligibility Date for this Budget
Mo. ___ Yr. ___

| Co. | Aid | State Number 7 Digit Serial No. | MFBU | Pers. No. | Name—First, Middle, Last | Birthdate Mo. Day Yr. | Sex | (1) Social Security No. and (2) Health Insurance Claim No. or Railroad Retirement No. | Other Coverage |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | (1) | |
| | | | | | | | | (2) | |
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| | | | | | | | | (1) | |
| | | | | | | | | (2) | |

**I.  INELIGIBLE PARENT(S) INCOME OF POTENTIAL QMB/SLMB CHILD APPLYING AS AGED, BLIND, OR DISABLED.**

| A. | NONEXEMPT UNEARNED INCOME | Ineligible Parent(s) |
|---|---|---|
| 1. | RSDI | |
| 2. | Net income from property | |
| 3. | Other—itemize | |
| | Total (add lines 1 through 4) | $ |
| 6. | Allocation to ineligible child(ren) (Section II line 5) | − |
| 7. | Remainder (line 5 minus line 6) | a. $<br>b. $ |
| 8. | Any income deduction | −$20 |
| 9. | Countable unearned income Put on line 16 unless negative | |
| B. | NONEXEMPT EARNED INCOME | |
| 10. | Gross earned income | |
| 11. | Unused portion of allocation to the ineligible child(ren) | − |
| 12. | $65 earned income deduction plus $____ of unused $20 | − |
| 13. | Remainder | $ |
| 14. | Divide by 2 and subtract | − |
| 15. | Countable earned income | $ |
| 16. | Add countable unearned income (line 9) | + |
| 17. | Total countable income (add lines 15 and 16) | $ |
| 18. | Subtract parent deduction* | − |
| 19. | Allocation to QMB/SLMB child | |

If zero or negative, do not count toward applicant's income determination. Otherwise enter this amount on line 1, Section III.

\* Individual parent deduction amount if any one parent lives with QMB/SLMB child applicant; couple parent deduction amount if both parents live with the child.

**II.  ALLOCATION TO MINOR CHILD(REN) FROM THE INELIGIBLE PARENT(S). DO NOT ALLOCATE FROM THE APPLICANT(S). DO NOT INCLUDE QMB/SLMB CHILD(REN), PA, OR OTHER PA.**

| | | Child #1 | Child #2 | Child #3 | Child #4 |
|---|---|---|---|---|---|
| 1. | Name | | | | |
| 2. | Standard SSI allocation | | | | |
| 3. | Subtract ineligible minor child(ren) income Evaluate for student deduction. | − | − | − | − |
| 4. | Remaining allocation to ineligible child(ren) (line 2 minus line 3) | a. | b. | c. | d. |
| 5. | Total allocation to ineligible child(ren) (add lines 4a., b., c., and d) | | | | |

(Enter the amount from line 5 on line 6, Section I.)

**III.  QMB/SLMB CHILD COMPUTATION**

| 1. | Allocation from parent(s) (line 19., Section I, rounded) | $ |
|---|---|---|
| 2. | Add QMB/SLMB child's own RSDI income | +$ |
| 3. | Add other unearned income | +$ |
| 4. | Total unearned income (add lines 1 through 3) | = |
| 5. | Subtract any income deduction | −$20 |
| 6. | Remainder (line 4 minus line 5) | = |
| 7. | Child(ren) countable earned income | −$ |
| 8. | Subtract I.R.W.E. | − |
| 9. | Subtract $65 earned income deduction plus $____ of unused $20 | − |
| 10. | Remainder (subtract lines 8 and 9 from line 7) | $ |
| 11. | Countable earned income (divide line 10 by 2) | =$ |
| 12. | Net nonexempt income (add lines 6 and 11) | $ |
| 13. | Current QMB/SLMB poverty level for one | $ |

(If line 12 is less than line 13, the child is income eligible for QMB/SLMB.)

Eligibility Worker Signature

Worker Number | Computation Date | County Use

# INSTRUCTIONS
## QUALIFIED MEDICARE BENEFICIARY (QMB)/SPECIFIED
## LOW-INCOME MEDICARE BENEFICIARY (SLMB)
## INCOME ELIGIBILITY WORK SHEET FOR CHILD APPLYING
## WITH INELIGIBLE PARENT(S)
## FORM MC 176 QMB/SLMB 2B

Form MC 176 QMB-2B, Income Eligibility Work Sheet, is used to compute the income (using current Medi-Cal income methodology and incorporating certain QMB/SLMB income criteria which is less restrictive than Medi-Cal methodology) for allocating income from an ineligible parent(s) for a child who is applying under the QMB/SLMB program. This form is used if the child does not qualify using Medi-Cal income rules only. This form is completed at the time of a new application, restoration, reapplication, change in income, or other circumstances affecting the income or correction in the income.

**NOTE:** The MC 176 QMB/SLMB1 should be completed prior to completion of the MC 176 QMB/SLMB-2B to determine if the child is found to be eligible using Medi-Cal rules.

*Instructions for Completion*

*Identification Section*

1. Enter: Case name.

2. County District: If the county has districts, identify the district.

3. County Use: Make any entries the county department has designated it wants.

4. Check the appropriate box which gives information concerning the reason for the computation. The box "new application" includes restorations and reapplications.

5. Effective Eligibility Date for this budget: Enter the month in which eligibility will begin with this budget computation.

6. State Number: For a QMB/SLMB child who is applying as ABD medically needy (MN), enter the county code, appropriate aid code, seven-digit number, MFBU number, and the persons number. If the county does not use a seven-digit serial number, enter zeros in front of the serial number until there are seven digits. For the family members who are not included in the MFBU as eligible members, enter their status under state number, in accordance with the following:

Excluded ............................................................ For children with income or property of their own who are excluded from the MFBU.

I.E. (or county designated I.E. aid code) .................................... For members of the family unit who are not applying for QMB/SLMB benefits.

S/P ............................................................ For family members in the stepparent unit when only the parent and the parent's children are included in the MFBU.

Pickle Eligible Member ........................................... For Aged, Blind, and Disabled (ABD) family members who were discontinued from Supplemental Security Income/State Supplementary Payment (SSI/SSP) and continue to receive a no-cost Medi-Cal card in accordance with the *Lynch v. Rank* decision.

ABD/LTC.................................................
ABD/B&C ........ For an ABD person or the spouse of an ABD person who is in LTC or board and care who will be in a separate MFBU from his/her spouse and/or child(ren) listed on the MC 176M.

7.  Name: Enter the names of all family members living in the home in accordance with the California Code of Regulations (CCR), Title 22, Section 50071, and any ABD person or spouse of an ABD person in LTC or board and care. Enter an unborn child by listing as the name "unborn" and expected date of birth after "unborn."

8.  Birthdate: Enter the birthdate of each person listed. Under sex, enter "M" for male or "F" for female for each person listed.

9.  Social Security Number: Enter the Social Security number for each person applying as a QMB/SLMB. If a person does not have a Social Security number, he/she is not eligible for QMB/SLMB. Enter the Medicare or Railroad Retirement claim number, if any. See CCR, Section 50187.

10. Other Coverage Code: Determine the other coverage code in accordance with Section 15.A of the procedural portion of the Medi-Cal Eligibility Manual.

### Section I. Parent(s) Income of Potential QMB Child Applying as Aged, Blind, or Disabled (ABD)

In this section enter all the nonexempt unearned and earned income of the ineligible parent(s) of the child who is applying as an ABD MN under the QMB/SLMB program. NOTE: "Ineligible parent(s)" refers to the parent(s) of the child who is applying under the QMB/SLMB program. Do not include a parent(s) who is eligible as a QMB/SLMB PA or other PA. Only include the income of an ineligible parent(s).

*NOTE:* The ownership of the income determination required by Section 50512 should be completed prior to the completion of this portion of the form if there is a spouse with LTC status who is in a separate MFBU.

A.  *Nonexempt Unearned Income*

When any of the following deductions apply to a person's income which will be listed in Section I, complete Part VI.A. of the MC 176W instead of lines 1 through 5.

|  |  |
|---|---|
| Educational Expenses | Section 50547 |
| Absent Parent Support | Section 50541 |
| Income for Self-Support | Section 50551.5 |
| Court Ordered Child/Spousal Support | *Gibbins v. Rank* |

1.  Enter: Social Security income.

2.  Net income received from property.

3–4.  Enter the amount of all other unearned income.

5.  Total the amounts in Section I, Part A, lines 1 through 4. This is the total unearned income of the ineligible parent(s) of the potential QMB/SLMB child.

6.  Enter the total amount allocated to a minor child(ren), if any, from the ineligible parent(s). Enter the figure computed from Section II, line 5 onto line 6.b.

7.  Subtract line 6 from line 5, or enter the amount from MC 176W, Part VI.A. on 7a. If this is a minus amount, enter zero on line 7b and the minus amount on Section I, Part B, line 11. Otherwise enter the amount on line 7a onto line 7b.

8.  No entry. This shows the $20 any income deduction.

9.  Subtract line 8 from line 7b. This is the countable unearned income. If the countable unearned income is a minus figure, enter zero on line 16 and enter the minus figure, which is the unused portion of the $20 any income deduction, in the blank provided on line 12.

B. *Nonexempt Earned Income*

When any of the following deductions apply to a person's income which will be listed in Section I, complete Part VI.B. of the MC 176W instead of line 11:

| | |
|---|---|
| Student Deduction | Section 50551 |
| $30 Plus One-Third, or $30˙ | Section 50551.1 |
| Work Expenses for the Blind | Section 50551.4 |
| Income for Self-Support | Section 50551.5 |
| Court Ordered Child/Spousal Support | *Gibbins v. Rank* |

10. Enter the gross earned income.

11. Enter the unused amount of any allocation for ineligible minor child(ren) that was not offset by countable unearned income (I.A.6.). NOTE: If there is no income remaining, either unearned or earned, do not allocate to the QMB child(ren). Enter zero on line 1 of Section III. If there is income, proceed with number 12.

12. Enter the $65 of the $65 and one-half deduction plus any unused portion of the $20 any income deduction.

13. Subtract lines 11 and 12 from line 10 to obtain the remaining earned income of the ineligible parent(s). Enter zero if the remainder is a negative amount.

14. Divide by 2.

15. Subtract line 14 from line 13 to obtain the remaining countable earned income of the ineligible parent(s).

16. Enter countable unearned income from line 9.

17. Add lines 15 and 16. This figure equals the countable income.

18. Enter the parent(s) deduction. Use the parent deduction of a QMB/SLMB child(ren) for an individual, if one ineligible parent lives with the child(ren), or use the parent deduction of a QMB/SLMB child(ren) for a couple, if both ineligible parents live with the potential QMB/SLMB child.

19. Subtract line 16 from line 17 and enter this figure on line 1 of Section III. This is the allocation from the ineligible parent(s) to the potential QMB/SLMB applicant.

## Section II. Allocation to Minor Child(ren) from the Ineligible Parent

1. Enter the name(s) of the ineligible child(ren). Do not include a QMB/SLMB child(ren), PA, or other PA.

2. Enter the standard QMB/SLMB allocation for each child. If no child(ren), enter zero on line 5 of this Section.

3. Enter any income for each minor child(ren), excluding up to $400 per month and up to $1,620 per year if student earned income.

4. Subtract line 3 from line 2.

5. Total all columns on line 4 and enter the total allocation. This figure is also to be entered in Section I, line A.6.

## Section III. QMB/SLMB Child Computation

1. Enter the parent(s) allocation from Section I, line B.19.

2. Enter the potential QMB/SLMB child's own RSDI income.

3. Enter any other unearned income the potential QMB/SLMB child may have.

4. Total lines 1 through 3.

5.  No entry. This shows the $20 any income deduction.
6.  Subtract line 5 from line 4. This is the total remaining countable unearned income.

7.  Enter the potential QMB/SLMB child's countable earned income or amount from line 4, VI.B of the MC 176W. If appropriate, allow the student deduction.

8.  Deduct any impairment related work expenses the potential QMB/SLMB child may have.

9.  Enter the $65 of the $65 and one-half deduction plus any unused portion of the $20 any income deduction.

10. Subtract lines 8 and 9 from line 7 to obtain the remaining earned income of the potential QMB/SLMB child(ren)

11. Divide the amount in line 10 by 2 to obtain the total countable earned income of the potential QMB/SLMB child(ren).

12. Total lines 6 and 11 for the combined net nonexempt income of the potential QMB/SLMB child(ren).

13. Enter the current QMB/SLMB Poverty Level for one. If line 12 is less than line 13, the child is eligible for QMB/SLMB.

### Eligibility Worker Signature

The worker enters his/her signature.

### Worker Number

If the eligibility worker has a county number, enter here.

### Date of Computation

The eligibility worker completes the box with the date the form was completed.

### County Use

Optional — to be used in accordance with county policy.

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