

Karen House, Manager CAF SSP Medical
Programs

Authorized Signature

Number: SS-AR-09-007

Issue Date: 09/15/2009

Topic: Medical Benefits

Due Date: 09/15/2009

Subject: New Making Work Pay Tax Credit Exclusion

Applies to (check all that apply):

- | | | | |
|--------------------------|-------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | All DHS employees | <input type="checkbox"/> | County Mental Health Directors |
| <input type="checkbox"/> | Area Agencies on Aging | <input type="checkbox"/> | Health Services |
| <input type="checkbox"/> | Children, Adults and Families | <input type="checkbox"/> | Seniors and People with Disabilities |
| <input type="checkbox"/> | County DD Program Managers | <input checked="" type="checkbox"/> | Other (please specify): CAF SSP transmittal group |

Action Required: Begin using Making Work Pay earned income exclusion.

Reason for Action: The economic stimulus act (officially “The American Recovery and Reinvestment Act of 2009” or “ARRA”) includes a Making Work Pay tax credit. The ARRA states that the tax credit must not be treated as available income for medical programs. Under the new law:

- Clients receiving SSI, SSDI, SSB, Railroad Retirement, Veterans Disability and Veterans Pension payments qualify for a \$38 exclusion from their earned income each month through December 2009.
- Clients who do not receive SSI, SSDI, SSB, Railroad Retirement or Veterans payments qualify for \$100 earned income exclusion each month through December 2009.
- All applicants with earned income with a date of request on or after July 15 should have the earned income exclusion.

Each person with countable earned income is entitled to either the \$38 or the \$100 earned income exclusion each month through December 2009. In 2010 the amount of the Making Work Pay tax credit exclusion will be revised. A new transmittal will be sent in December.

For additional information about the Making Work Pay policy, see the *American Recovery and Reinvestment Act of 2009* [SPD-PT-09-016](#) transmittal.

Field/Stakeholder review: Yes No

If yes, reviewed by:

If you have any questions about this action request, contact:

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