Issue 30: INSIDER'S EDGE: DOs and DON'Ts—MAGI is back!

Hold on to your hats, Insiders! Today we're going to do a little time travel all the way back to *Issue 7: Are the Rumors True?* when we first covered MAGI.

Sadly, Michael J. Fox and Christoper Lloyd <u>*won't*</u> *be joining us for our journey….*

Back in Issue 7, I introduced you to a concept that should hopefully be plenty familiar by now—"modified adjusted gross income" or "MAGI". Now that we are well into open enrollment, it should come as no surprise that Maryland Health Connection uses MAGI to evaluate eligibility for insurance affordability programs, including Medicaid. MAGI is rooted in IRS definitions of income developed to help people file their annual federal income tax returns.

DO's and DON'Ts

So what are some of most common types of income that *do* and *don't* count under MAGI?

Counts	Does NOT Count
Taxable wages/salary (before taxes are taken out) *Exclude pre-tax contributions to dependent care accounts, transportation accounts, flexible spending accounts, and retirement accounts*	Temporary Assistance to Needy Families (TANF) and other government cash assistance
Self-employment (profit once business expenses are paid)	Child support received
Social Security benefits	Supplemental Security Income (SSI)
Unemployment benefits	Veterans benefits
Alimony received	Worker's compensation payments
Most retirement benefits	Proceeds from life insurance, accident insurance, or health insurance
Interest (including tax-exempt interest)	Federal tax credits and Federal income tax refunds
Net capital gains (profit after subtracting capital losses)	Gifts and loans

Most investment income, such as interest and dividends	Inheritances
Rental or royalty income (profit after subtracting costs)	
Other taxable income, such as canceled debts, court awards, jury duty pay not given to an employer, cash support, and gambling, prizes, or awards	
Foreign earned income	

That's it for now! Have a question? Send it my way, dhmh.medicaidmarge@maryland.gov.