

**INCOME****LUMP SUM PAYMENTS**

**Interpretation:** After allowable deductions, countable lump sum payments are considered income in the month received. The lump sum is combined with any other countable income. Allowable disregards are subtracted. The remaining income is compared to the appropriate income level (See **REFERENCE MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS**). Any excess income is considered available to meet the cost of medical care and services.

**When to Verify:** When the A/R indicates that s/he recently received a benefit award, bonus, year-end profit share, retroactive pay increase, or other lump sum.

When the A/R indicates that s/he is anticipating a lump sum payment.

When the record indicates that the A/R has applied for a benefit and may be eligible for a retroactive payment.

When the Resource File Integration (RFI) report indicates that the A/R has income.

**Verification/  
Documentation:**

Sufficient to establish an audit trail:

- Lump sum payments are verified. State computer matches are reviewed to determine the source of income.
- The amount, date and source of all lump sums are documented. The preferred forms of verification/documentation are checks, check stubs, award letters, or other written statements from the payer of the lump sum.

**INCOME****WINDFALLS**

**Description:** Windfall payments are one time only payments. They include, but are not limited, lottery winnings, gifts and court settlements.

**Policy:** Treatment of windfall payments, in the month of receipt, varies depending on the category of the A/R. When determining eligibility for LIF and ADC-related A/Rs, windfall payments are generally considered countable resources in the month received. When determining eligibility for SSI-related and S/CC A/Rs, windfall payments are considered countable income in the month received.

Essential expenses incurred when attaining a payment are deducted from that payment. Essential expenses are deducted from the first and any subsequent payments until the expenses are met. From a payment received for damages in connection with an accident: legal, medical, and other expenses connected with the accident are allowable deductions.

When any or all of a windfall payment is retained beyond the month of receipt, it is considered a resource, regardless of the A/R's category.

**References:** SSL Sect. 366.2.

ADMs OMM/ADM 97-2  
92 ADM-11

**Disposition:** For LIF and ADC-related A/Rs, in the month of receipt and thereafter (if the windfall or part of it is retained), the amount of the windfall payment is combined with the A/R's other countable resources and compared to the appropriate resource level. (See **RESOURCES EXCESS RESOURCES** for rules regarding the treatment of excess resources).

For SSI-related and S/CC A/Rs, windfall payments are considered income in the month of receipt. The windfall is combined with any other countable income. Allowable disregards are subtracted. The remaining income is compared to the appropriate income level.