

**INCOME  
LIF BUDGETING METHODOLOGY**

**EARNED INCOME DISREGARD**

**Description:**

An earned income disregard will be applied to the earnings of each income earner in families who have earned income. A percentage of earned income will be disregarded from the earnings of each income earner for families who:

1. pass the three tests
  - 185% of Medicaid Standard,
  - 100% of poverty level test (See **INCOME LOW INCOME FAMILY (LIF) BUDGETING METHODOLOGY: 185% MAXIMUM INCOME TEST** and **100% MAXIMUM INCOME TEST**),
  - 100% of Medicaid Standard, or
2. pass the 185% Medicaid Standard, the 100% poverty level test and received LIF in one out of the four previous months.

No time limit is applied to the earned income disregard.

The earned income disregard will be adjusted annually to reflect changes in the poverty level guidelines. The annual earned income disregard percentages can be found in **REFERENCE EARNED INCOME DISREGARD**.

**Policy:**

After the \$90 work expense is deducted from gross income, the current earned income disregard percentage is applied to the remaining income to determine the amount of the earned income disregard. The earned income disregard is then deducted from gross income.

**References:**

SSL Sect.      366

ADMs            05 ADM-09  
                     OMM/ADM 97-2