

**INCOME****LIF BUDGETING METHODOLOGY****EARNED INCOME DISREGARD**

GIS            08 MA/022  
                  07 MA/012  
                  06 MA/007  
                  05 MA/021  
                  00 MA/008

**Interpretation:**

The earned income disregard is computed as follows:

- (a) Subtract the \$90 work expense disregard from the gross earned income;
- (b) Multiply the remainder by the appropriate percentage; and
- (c) Subtract that amount from the net income.

**When to Verify:**

- (a) When the A/R or the case record indicates that the A/R is employed and has received Medicaid under LIF budgeting in one of the four previous months;
- (b) When the A/R's earned income is equal to or less than the Medicaid Standard, (and MBL Living Arrangement Chart, as appropriate).