

About Income and Assets

Income

Allowable Income is determined based on a formula generated by multiplying the Federal Poverty Level (FPL) by 200%. The table below shows the current annual FPL for single claimants and for couples and families. It also shows the maximum allowable annual income (200%), and the maximum allowable monthly income for MGL Chapter 115 Veterans Benefits claimants. If your countable income exceeds these limits, you may still qualify for a *Medical Only* budget. If you are concerned that you may not qualify, contact your VSO and ask. Better safe than sorry.

| 2012 HHS Poverty Guidelines - Allowable Income | | | |
|--|--------------|--------------|-------------|
| Persons in Family Unit | FPL | 200% FPL | Monthly |
| 1 | \$ 11,170.00 | \$ 22,340.00 | \$ 1,862.00 |
| 2 | \$ 15,130.00 | \$ 30,260.00 | \$ 2,522.00 |

Countable Income, for the purposes of MGL Chapter 115, is basically all income that you derive from any source, although persons still working are allowed to earn up to \$200.00 per month (after allowable deductions) which will not be counted, **however**, this income **must still be declared** to the VSO as earned income.

Generated/Earned Income is income that is generated/earned through the efforts of your labor. If you generate **income from self employment** efforts, even if not on a regular basis, you must report this income when it is generated. What does that mean? If you play in a band once every couple of months and are paid for your efforts, it must be declared. If you are occasionally paid to sing at funerals in your church, it must be declared. If you sell balloons along the parade route only on holidays, you must declare the income. You may be required to provide forms such as the IRS 1099 or Schedule C Form 1040 tax claim. If you work full time, part time, regularly, or irregularly; all income counts. Claimants who are not retired or disabled are required to accept any bona fide employment available regardless of wages paid, to include minimum wage employment.

Unearned Income, such as dividends from investments, must be counted. If you receive an annuity payment, it must be counted. If you own income property, income generated from that property, such as rent, must be counted. (The property must be counted as an asset).

Benefits Derived Income such as Social Security Retirement Benefits, Social Security Disability Benefits, Supplemental Security Income, Department of Veterans' Affairs Compensation and/or Pension are all counted.

All Income must be declared. There is no such thing as non-reportable income. **Any income from any source must be declared.** Failure to declare/report any income is considered an attempt to conceal earnings/assets, which is a form of **Fraud and Deceit**.

Assets

Assets are those items that can be liquidated to provide cash to the claimant.

Countable Assets are all those assets not identified as **Exempt Assets**.

Assets Limits have been established for all Countable Assets.

Exempt Assets include the **home you own and live in** (for multiple family homes, this applies only to the portion of the building in which you live), and the **primary vehicle** of the claimant (and of the spouse if filing as a couple).

Determining what are Exempt Assets is not that difficult. If you own a multiple family home, the portion that you do not live in is considered an asset, and would need to be counted as such. Income generated from any portion of the property that was rented would have to be declared as income. If you have filed a claim as a single individual you may have one primary vehicle that is not counted as an asset, and if filing as a couple you may have two primary vehicles that are not counted; any vehicles above that number would be considered assets, to include any vehicles used as part of a self employment business.

Determining what are Countable Assets is not that difficult either. Countable Assets include bank accounts, IRAs, Certificates of Deposit, Life Insurance policies that may be converted to cash, and available on hand cash. Items such as mobile homes, campers, boats, and recreational vehicles are considered assets. Items owned as tools of self employment efforts (e.g. an ice cream cart) are also considered as assets.

Asset Limits for Countable Assets have been established, and are recalculated and republished periodically. The table below shows the maximum allowable assets levels for several situations. Find the description in the left hand column that best describes your situation, and look to the right hand column to find out what amount is your maximum allowable asset level. Life insurance is considered to be insurance that may be converted to cash, such as a whole life policy.

| TABLE 4 | |
|---|-------------------------|
| MAXIMUM ASSET ALLOWANCE | |
| Number in Family and relationship | Maximum Asset Allowance |
| Combined assets of a single applicant | \$1,600.00 |
| Combined assets of a single applicant with no life insurance | \$3,200.00 |
| Combined assets of veteran and spouse | \$3,200.00 |
| Combined assets of a veteran and dependant with no life insurance | \$7,000.00 |
| Combined assets of a veteran, spouse with Minor children | \$3,600.00 |
| Combined assets of a widow, with a minor children | \$2,000.00 |
| Combined assets of applicant and one eligible parent | \$3,200.00 |
| Combined assets of a veteran, spouse and one eligible parent | \$4,800.00 |
| Combined assets of a veteran, spouse and two eligible parents | \$6,400.00 |
| Combined assets of the veteran and two eligible parents | \$4,800.00 |
| Combined assets of a veteran, spouse, children, one eligible parent | \$5,200.00 |
| Combined assets of a veteran, spouse, child or children, two eligible parents | \$6,800.00 |
| Combined assets of children with no parents | \$2,000.00 |

Reimbursed Expenses

Changes in circumstance regarding any reimbursed expensed must be reported to the local VSO. This includes changes in regular medical or shelter expenses, such as changes in rent, fees, mortgage, fire insurance, or taxes that are charged to the claimant of benefits; or changes in the claimant's share of such expenses if the claimant begins sharing this cost with another. The claimant must also report increases or decreases in medical insurance premiums or other regular health care costs, within one month of the change occurring as claims are based on reported costs.

Fraud and Deceit

Fraud and Deceit becomes a factor in cases where it is determined that an attempt has been made to conceal earnings and/or assets, or changes in reimbursed expenses.

Consequences for Fraud and Deceit

If/when Fraud or Deceit are detected, the claimant is placed in **Refund Status** for the amount of benefits paid to that person over the period that they were enrolled in the program, and they will be required to repay that amount. In addition, no further benefits would be paid to that individual.

Although most claimants do not intentionally attempt to defraud the community and state, failure to disclose information about assets and/or income, or changes in reimbursed expenses, can lead to benefits being discontinued and possible action to recover benefits already paid. **"I didn't know" is not** a viable excuse.