



# Income

# **Application User Guide**

All members of the household who are applying for help paying for health or dental insurance will be asked to provide information about their projected and current income. The responses to the questions in the income section should be completed as directed in this guide.

# **Table of Contents**

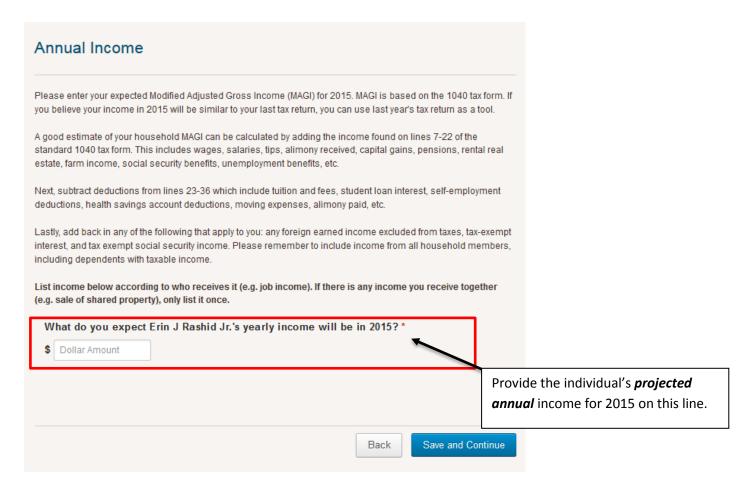
Annual Income	2
Calculating Annual Modified Adjusted Gross Income	3
Current Income	4
Current Income – Job	5
Current Income – Self-Employment	6
Current Income – Social Security Benefits	7
Current Income - Unemployment	8
Current Income – Retirement or Pension	9
Current Income – Capital Gains	10
Current Income - Investment	11
Current Income – Rental or Royalty	12
Current Income – Farming or Fishing	13
Current Income – Alimony	14
Current Income – Other	15
Current Income Details	16
Deductions	17
Income Discrepancies	18
Income Summary	19





#### **Annual Income**

The question, "What do you expect FIRST NAME LAST NAME's yearly income will be in 2015?" is asking the *PROJECTED* income for the *INDIVIDUAL*. Income for other household members should be excluded from this amount.



The next section "Calculating Annual Modified Adjusted Gross Income" may be used to help figure out the annual income for 2015. Please note that the all sources the applicant expects to receive in 2015 must be considered. For example, if the applicant is a seasonal employee and expects to collect unemployment during certain months of the year, they should include the expected unemployment income in the total income.





### Calculating Annual Modified Adjusted Gross Income

#### 1. Add all income

Income Type	Amount (\$)
Taxable Wages/Salary/Tips (before taxes are taken out) – Note pre-tax contributions to	
dependent care accounts, health insurance premiums, flexible spending accounts,	
retirement accounts and commuter expenses are NOT included as income	
Self-employment (profit once business expenses are paid)	
Social Security benefits (taxable and non-taxable) – Don't include SSI income.	
Unemployment benefits	
Alimony received	
Retirement benefits (taxable IRA distributions, pensions, and annuities)	
Interest (including tax-exempt interest)	
Net Capital Gains (profit after subtracting capital losses)	
Dividends	
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 or farm income. Also include	
taxable refunds, credits or offsets of local or state income taxes.	
Foreign earned income	
Total Income	

2. Add all deductions that are allowed to be deducted on your federal income tax return.

Deduction type	Amount (\$)
Self-employment business expenses (Most deductions for self-employed business expenses	
are included in net income (the profit once business expenses are paid) but additional	
deductions can be taken for the deductible part of self-employment tax, self-employed	
SEP, SIMPLE, and qualified plans, and self-employed health insurance deductions.	
Portion of interest on student loans – May be able to deduct a portion of the interest they	
expect to pay on a qualified student loan. Box 1 of the 1098-E Form shows the interest paid	
for the prior year, which may be helpful in projecting student loan interest that will be paid	
during the year	
Alimony paid	
IRA deduction	
Tuition and fees	
Health savings account contributions	
Penalties on early withdrawal of savings	
Certain business expenses of performing artists, reservists, and fee-basis government	
officials	
Moving expenses related to a job change	
Domestic Production Activities deduction	
Total Deductions	

#### 3. Subtract Total Deductions from Total Income

Туре	Amount (\$)
Income	
Deductions	
Total Modified Adjustment Gross Income (MAGI)	

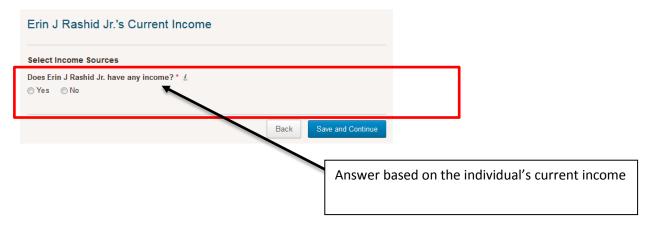




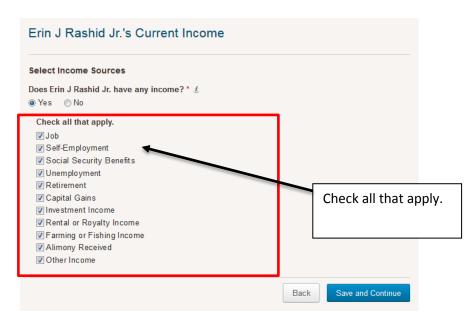
#### **Current Income**

The question "Does FIRST NAME LAST NAME have any income?" should be answered for the *MONTH* in which the application is completed. If the individual has any current income (such as income from a job or other source), the answer should be "Yes".

Select the applicable response and click "Save and Continue".



If the answer to the previous question is "**Yes**", the next question on the screen asks what types of income the person has. The individual can check all the boxes that apply and click "**Save and Continue**"

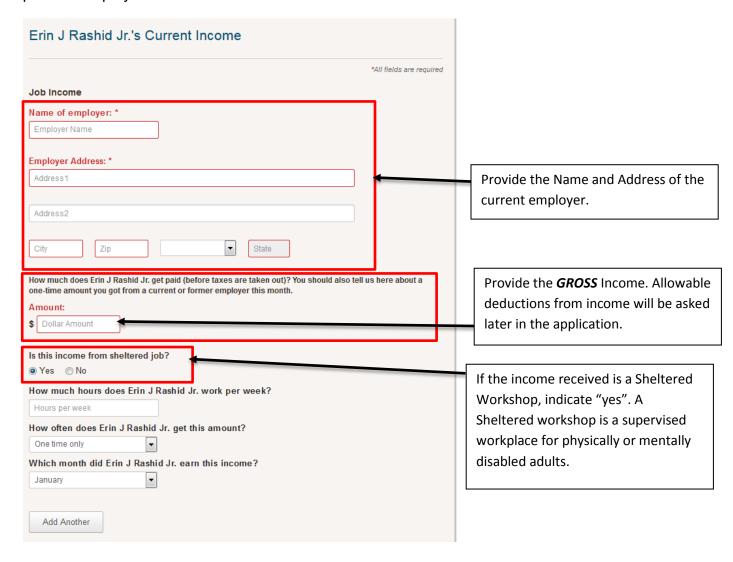






# **Current Income – Job**

If the individual indicates that they have income from a job, he or she will be asked to provide employment information.







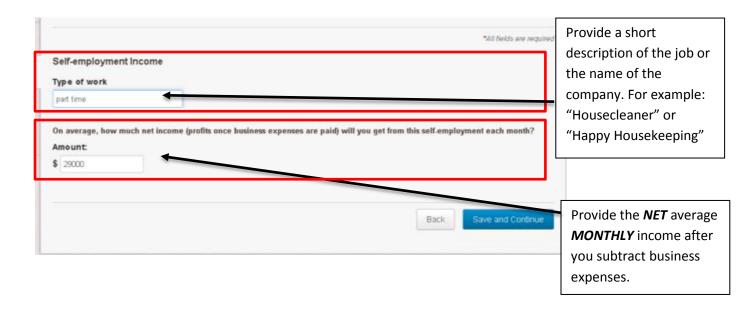
### **Current Income – Self-Employment**

If the individual indicates that they have income from Self-Employment, he or she will be asked to provide details about that income.

Generally, you are self-employed if any of the following apply to you:

- You carry on a trade or business as a sole-proprietor or an independent contractor;
- · You are a member of a partnership that carries on a trade or business; or
- You are otherwise in business for yourself (including a part-time business)

Depending on the type of self-employment, you may have income listed on line 12 or line 17 of your federal income tax return Form 1040.







# **Current Income - Social Security Benefits**

If the individual indicates that they have income from Social Security (SSDI or RSDI), he or she will be asked to provide details about that income. Do not include Supplemental Security Income (SSI).

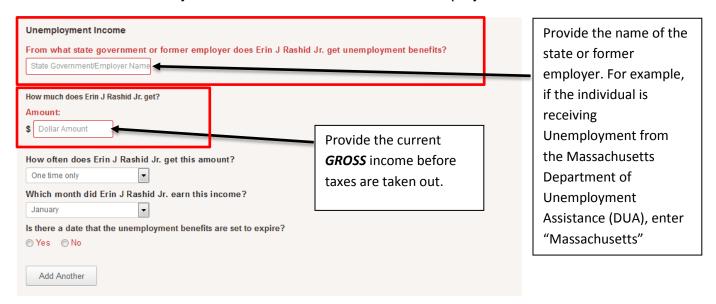






# **Current Income - Unemployment**

If the individual indicates that they have income from Unemployment, he or she will be asked to provide details about that income. The current gross unemployment income should be available on your award letter or most recent unemployment stub.

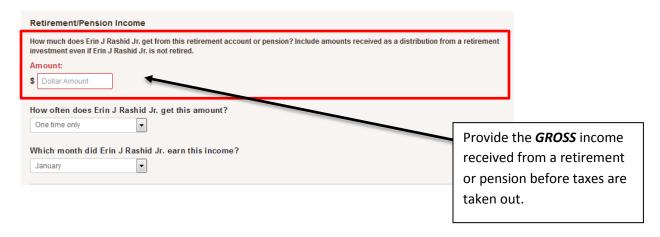






### **Current Income - Retirement or Pension**

If the individual indicates that they have income from a retirement account pension, he or she will be asked to provide details about that income.

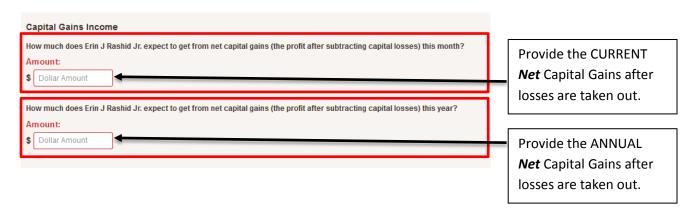






# **Current Income – Capital Gains**

If the individual indicates that they have income from capital gains, he or she will be asked to provide details about that income.



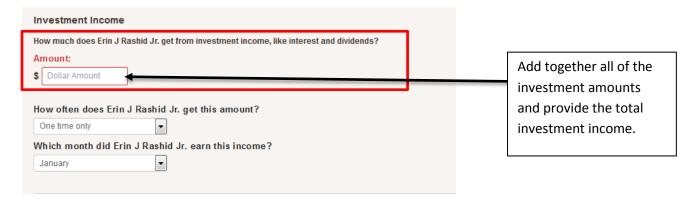




### **Current Income - Investment**

If the individual indicates that they have income from investments, he or she will be asked to provide details about that income. If the recipient has income from multiple investment sources, combine it and include it here. Investments include income from the following sources:

- Interest (including tax-exempt interest)
- Ordinary dividends
- Trust

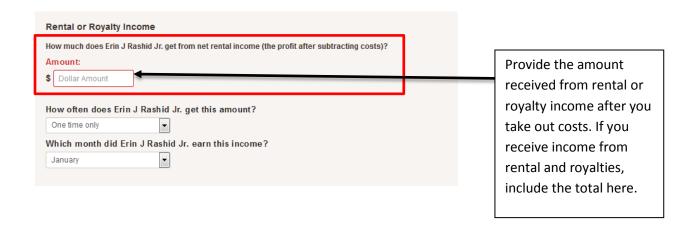






# **Current Income - Rental or Royalty**

If the individual indicates that they have income from rental or royalty income, he or she will be asked to provide details about that income. Income from rental or royalty is usually included on the Federal Income Tax Return – Line 17 of the 1040 and Schedule E.

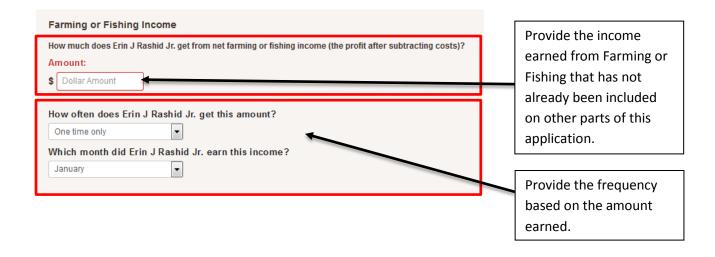






# **Current Income - Farming or Fishing**

If the individual indicates that they have income from farming or fishing, he or she will be asked to provide details about that income.

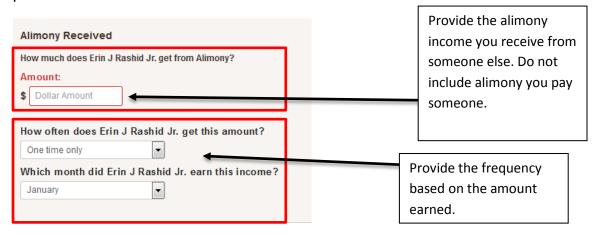






# **Current Income – Alimony**

If the individual indicates that they have income from alimony, he or she will be asked to provide details about that income.







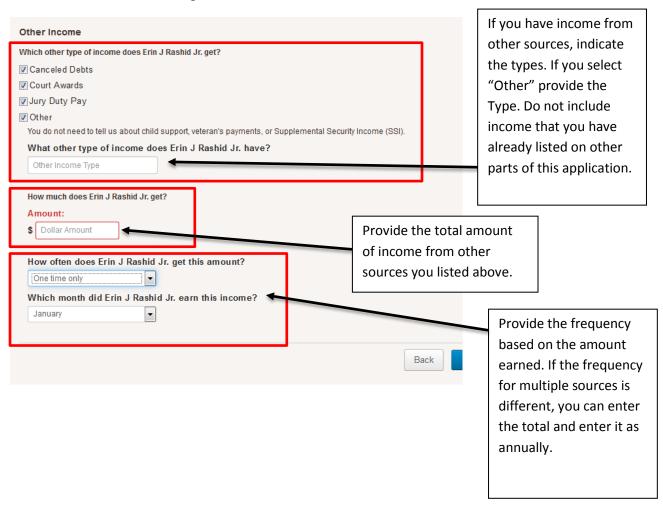
### **Current Income - Other**

If the individual indicates that they have income from other sources, he or she will be asked to provide details about that income.

Other income includes taxable income from the following sources:

- Canceled debts
- Court awards
- Jury duty pay not given to an employer
- Cash support
- Gambling, prizes, or awards
- Taxable refunds, credits, or offsets of local or state income taxes

Please also include Foreign earned income.







### **Current Income Details**

The "Current Income Details" screen lists the person's current monthly income based on information entered on the previous screens. The monthly income will be used to calculate eligibility for MassHealth, Health Safety Net (HSN), and Children's Medical Security Plan (CMSP).

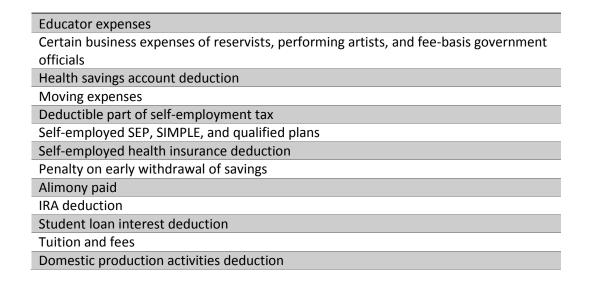
Total Income	\$106.67 /Month
Job:ABC Company	\$.83 /Mont
Self-Employment: gardening	\$10 /Mont
Social Security Benefits:	\$10 /Mont
Unemployment: State Government	\$10 /Mont
Retirement:	\$21.67 /Mont
Capital Gains:	\$10 /Mont
Investment Income:	\$.83 /Mont
Rental or Royalty Income:	\$.83 /Mont
Farming or Fishing Income:	\$21.67 /Mont
Alimony Received:	\$.83 /Mont
Other Income:	\$20 /Mont

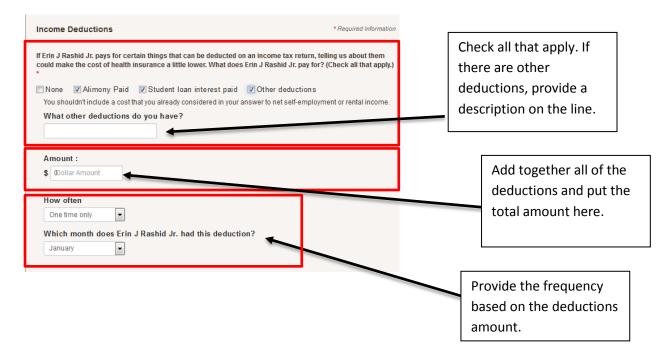




### **Deductions**

Certain deductions can lower the income used to calculate eligibility. You should only include deductions that are allowed to be deducted on your federal income tax return. Allowable deductions on the federal income tax return include the following:



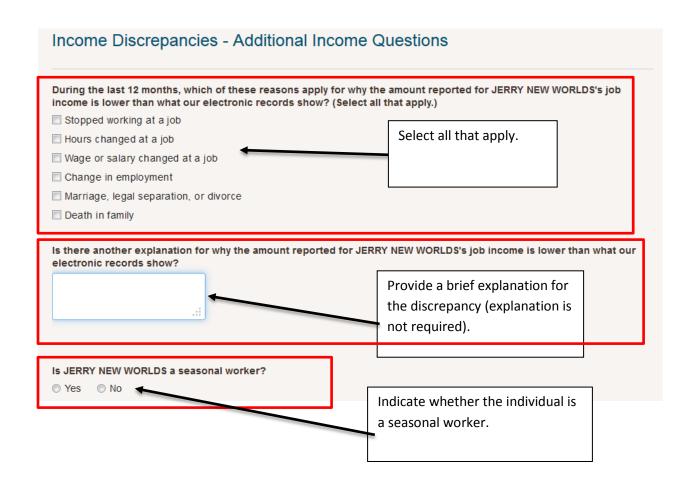






# **Income Discrepancies**

If there is a difference between the total current income provided on the application and the available data we will ask the applicant to provide a reason for the discrepancy. This section does not impact eligibility. If verification is required, we will ask for documents at the end of the application.







### **Income Summary**

The information on the Income Summary will list all income received for the members of the household.

If there is monthly income available, monthly will be shown. If there is no monthly income, the projected annual income will be shown.

