TEXAS Health and Human Services

Form H1042
July 2015-E

Modified Adjusted Gross Income (MAGI) Worksheet: Medicaid and CHIP

To calculate monthly income for an individual under the MAGI rules, follow the five steps outlined below. Complete this form only for individuals in the MAGI household applying for benefits.

EDG:	Case Name:

Step 1: Determine an individual's household composition. (*See bulletin on MAGI household composition*.)

1. List all of the people in the individual's MAGI household:
2. List the number of people in the MAGI household:

Step 2: Calculate income for each person listed in step 1 in the individual's MAGI household.

Part 1: Earned/Unearned Income

	Person 1	*Person 2*	*Person 3*	*Person 4*	
1. Names					
2. Wages/tips					
3. On-the-job training income					
4. Welfare-to-work income					
5. Total Earnings (Add lines 2 to 4)					A
6. Military allotment					
7. Vacation pay					
8. Capital gains					
9. Interest					
10. Note interest					
11. Dividends					
12. Royalties					
13. Award prizes					
14. Alimony received					
15. Retirement, Survivors and Disability Insurance (RSDI)					
16. Unemployment compensation					
17. Pension/retirement					
18. Railroad retirement					
19. Annuity					
20. Canceled debts					
21. Court awards					
22. Jury duty pay					
23. Life estate					
24. Trust payments					
25. Gift or contribution (Use Table 2 on page 3 to calculate this amount.)					
26. Total Unearned Income (Add lines 6 to 25)					B
27. Total Income (Add lines 5 to 26)					C

Part 2: Recoupment of Overpayments

	Person 1	*Person 2*	*Person 3*	*Person 4*	
1. Names					
2. RSDI overpayment amount					
3. Unemployment overpayment amount					
4. Total Overpayment (Add lines 2 and 3)					D

Part 3: Self-Employment Income

	Person 1	*Person 2*	*Person 3*	*Person 4*	
1. Names					
2. Rental					
3. Farming/fishing					
4. Sales					
5. Construction/repair work					
6. Commission					
7. Odd jobs					
8. Contract/seasonal work					
9. Other					
10. Total Self-Employment Income (Add lines 2 to 9)					E

Part 4: Expenses

	Person 1	*Person 2*	*Person 3*	*Person 4*	
1. Names					
2. Alimony paid					
3. Educational expenses/student loan interest					
4. Moving expenses					
5. Tuition or GI Bill (military)					
6. Educator expenses					
7. Expenses of reservists, performing artists and fee-basis government officials					
8. Health savings account					
9. Deductible part of self-employment tax					
10. Self-employed individual retirement account (IRA), Simple IRA and qualified plan deductions					
11. Self-employed health insurance					
12. Penalty on early withdrawal of savings deduction					
13. IRA deduction					
14. Domestic production activities deduction					
15. Total Expenses (Add lines 2 to 14)					F

Part 5: American Indian/Alaskan Native (AI/AN) Disbursements (if applicable)

	Person 1	*Person 2*	*Person 3*	*Person 4*
1. Names				
2. Distributions from Alaska Native corporations and settlement trusts				
3. Distributions from property held in trust, in the boundaries of a prior federal reservation				
4. Distributions and payments from rents, leases, rights of way, royalties, usage rights, or using natural resources from land under the supervision of the Secretary of the Interior or rights to off-reservation hunting, fishing, gathering or natural resource usage				
5. Payments from ownership/usage rights to items that are religious, spiritual, traditional or cultural, or rights that support subsistence/traditional lifestyle according to tribal law or custom				
6. Student financial assistance from the Bureau of Indian Affairs education program				
7. Total Disbursement (Add lines 2 to 6)				
8. Is the individual's Native American/ Alaskan Native status verified?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
* Note: If the individual's American Indian/Alaskan Native status is verified, the total disbursement is exempt. Do not count as income.				

G*

Table 1: Exempt Income Types

The following types of income are not counted under Modified Adjusted Gross Income (MAGI) methodologies.
Do not include in Parts 1, 2, 3, 4 or 5.

● Child support	● Educational work study
● Child support arrears	● Domestic Volunteer Service Act Amendments of 1993 income
● Supplemental Security Income (SSI)	● Temporary census income
● Educational scholarships, fellowships or grant monies	● Workforce Innovation and Opportunity Act wages

Table 2: Calculating Gift or Contribution Income

Use this table to calculate gift or contribution income before entering any amount on page 1, Part 1, line 25.
Do not include any amount less than $50.

	Person 1	*Person 2*	*Person 3*	*Person 4*
Gift or contribution amount				
Is the person with the gift or contribution income 1) a spouse, or 2) a biological, adopted or step child who expects to be claimed as a tax dependent by another taxpayer?	☐ Yes* ☐ No**	☐ Yes* ☐ No**	☐ Yes* ☐ No**	☐ Yes* ☐ No**
	* If yes, **do not** add the amount to page 1, Part 1, line 25. ** If no, add the amount to page 1, Part 1, line 25.			

Step 3: Determine if any person's income is exempt.

1. Within the individual's MAGI household, is anyone a child under age 19 who is included in the MAGI household of a parent? If **yes**, list each person in the box below.

Names:

2. Within the individual's MAGI household, is anyone a tax dependent included in the MAGI household of the taxpayer who claims that person? If **yes**, list each person in the box below. If included in line 1, do not list in line 2.

Names:

3. If there are individuals in the MAGI household not listed in lines 1 or 2 above, write the individuals' names next to **Name** in step 4 on page 8, below one of the **Person** labels.

4. If there are no individuals identified in lines 1 or 2, **stop** and proceed to step 4 on page 8.

5. If all of the individuals identified in lines 1 and 2 do not have any income, **stop** and proceed to step 4 on page 8.

Complete lines 6 to 10 on the following pages for each individual identified in lines 1 and 2 above.

Name: _____

6. Unearned Income Comparison

If:	Then:
Total monthly unearned income (*insert **B** from page 1, Part 1, line 26*): _____ is **more** than the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____	The individual's income is counted. Proceed to line 10.
Total monthly unearned income (*insert **B** from page 1, Part 1, line 26*): _____ is **less** than the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____	Proceed to line 7 below.

7. Earned Income Comparison

If:	Then:
Total monthly earned income (*insert **A** from page 1, Part 1, line 5 + **E** from page 2, Part 3, line 10*): _____ is **more** than the tax filing threshold for **earned income** (*insert tax filing threshold for **earned income** from tax filing threshold table*): _____	The individual's income is counted. Proceed to line 10.
Total monthly earned income (*insert **A** from page 1, Part 1, line 5 + **E** from page 2, Part 3, line 10*): _____ is **less** than the tax filing threshold for **earned income** (*insert tax filing threshold for **earned income** from tax filing threshold table*): _____	Proceed to line 8 below.

8. Combination Earned/Unearned Income Comparison

If:	Then:
Total monthly MAGI countable income (*add **C** from page 1, Part 1, line 27; **E** from page 2, Part 3, line 10; and **G** from page 3, Part 5, line 7*): _____ + _____ + _____ = _____ is **more** than the **larger** of: ● the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____ **or** ● **total earnings** (*insert **A** from page 1, Part 1, line 5*): _____ + $25 = _____	The individual's income is counted. Proceed to line 10.
Total monthly MAGI countable income (*add **C** from page 1, Part 1, line 27; **E** from page 2, Part 3, line 10; and **G** from page 3, Part 5, line 7*): _____ + _____ + _____ = _____ is **less** than the **larger** of: ● the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____ **or** ● **total earnings** (*insert **A** from page 1, Part 1, line 5*): _____ + $25 = _____	Proceed to line 9 below.

9. Exceptions

If:	Then:
The individual is a child under age 19 whose parent is included in the child's MAGI household (*name appears in line 1 on page 4, step 3*)	The child's income is not counted in any MAGI household in which the child is included, including the child's own MAGI household. Proceed to line 10 below.
The individual is a tax dependent included in the MAGI household of the taxpayer who claims the individual (*name appears in line 2 on page 4, step 3*)	The individual's income is not counted in the MAGI household of the taxpayer who claims the individual, but is counted in all other MAGI households the individual is included in, including the individual's own MAGI household. Proceed to line 10 below.

10. Does the individual's income count? (Yes/No)

Income Counted? (Y/N)	If:	Then:
☐ Yes	Yes	Write the individual's name next to **Name** in step 4 on page 8, below one of the **Person** labels.
☐ No	No	Do not include in step 4 on page 8.

Repeat steps 6 to 10 (on a new page) for the next individual identified in lines 1 or 2 on page 4, step 3.

If no other individuals are identified in lines 1 or 2, proceed to step 4 on page 8.

Name: _____

6. Unearned Income Comparison

If:	Then:
Total monthly unearned income (*insert **B** from page 1, Part 1, line 26*): _____ is **more** than the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____	The individual's income is counted. Proceed to line 10.
Total monthly unearned income (*insert **B** from page 1, Part 1, line 26*): _____ is **less** than the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____	Proceed to line 7 below.

7. Earned Income Comparison

If:	Then:
Total monthly earned income (*insert **A** from page 1, Part 1, line 5 + **E** from page 2, Part 3, line 10*): _____ is **more** than the tax filing threshold for **earned income** (*insert tax filing threshold for **earned income** from tax filing threshold table*): _____	The individual's income is counted. Proceed to line 10.
Total monthly earned income (*insert **A** from page 1, Part 1, line 5 + **E** from page 2, Part 3, line 10*): _____ is **less** than the tax filing threshold for **earned income** (*insert tax filing threshold for **earned income** from tax filing threshold table*): _____	Proceed to line 8 below.

8. Combination Earned/Unearned Income Comparison

If:	Then:
Total monthly MAGI countable income (*add **C** from page 1, Part 1, line 27; **E** from page 2, Part 3, line 10; and **G** from page 3, Part 5, line 7*): _____ + _____ + _____ = _____ is **more** than the **larger** of: ● the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____ **or** ● **total earnings** (*insert **A** from page 1, Part 1, line 5*): _____ + $25 = _____	The individual's income is counted. Proceed to line 10.
Total monthly MAGI countable income (*add **C** from page 1, Part 1, line 27; **E** from page 2, Part 3, line 10; and **G** from page 3, Part 5, line 7*): _____ + _____ + _____ = _____ is **less** than the **larger** of: ● the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____ **or** ● **total earnings** (*insert **A** from page 1, Part 1, line 5*): _____ + $25 = _____	Proceed to line 9 below.

9. Exceptions

If:	Then:
The individual is a child under age 19 whose parent is included in the child's MAGI household (*name appears in line 1 on page 4, step 3*)	The child's income is not counted in any MAGI household in which the child is included, including the child's own MAGI household. Proceed to line 10 below.
The individual is a tax dependent included in the MAGI household of the taxpayer who claims the individual (*name appears in line 2 on page 4, step 3*)	The individual's income is not counted in the MAGI household of the taxpayer who claims the individual, but is counted in all other MAGI households the individual is included in, including the individual's own MAGI household. Proceed to line 10 below.

10. Does the individual's income count? (Yes/No)

Income Counted? (Y/N)	If:	Then:
☐ Yes	Yes	Write the individual's name next to **Name** in step 4 on page 8, below one of the **Person** labels.
☐ No	No	Do not include in step 4 on page 8.

Repeat steps 6 to 10 (on a new page) for the next individual identified in lines 1 or 2 on page 4, step 3.

If no other individuals are identified in lines 1 or 2, proceed to step 4 on page 8.

Name: _____

6. Unearned Income Comparison

If:	Then:
Total monthly unearned income (*insert **B** from page 1, Part 1, line 26*): _____ is **more** than the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____	The individual's income is counted. Proceed to line 10.
Total monthly unearned income (*insert **B** from page 1, Part 1, line 26*): _____ is **less** than the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____	Proceed to line 7 below.

7. Earned Income Comparison

If:	Then:
Total monthly earned income (*insert **A** from page 1, Part 1, line 5 + **E** from page 2, Part 3, line 10*): _____ is **more** than the tax filing threshold for **earned income** (*insert tax filing threshold for **earned income** from tax filing threshold table*): _____	The individual's income is counted. Proceed to line 10.
Total monthly earned income (*insert **A** from page 1, Part 1, line 5 + **E** from page 2, Part 3, line 10*): _____ is **less** than the tax filing threshold for **earned income** (*insert tax filing threshold for **earned income** from tax filing threshold table*): _____	Proceed to line 8 below.

8. Combination Earned/Unearned Income Comparison

If:	Then:
Total monthly MAGI countable income (*add **C** from page 1, Part 1, line 27; **E** from page 2, Part 3, line 10; and **G** from page 3, Part 5, line 7*): _____ + _____ + _____ = _____ is **more** than the **larger** of: ● the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____ **or** ● **total earnings** (*insert **A** from page 1, Part 1, line 5*): _____ + $25 = _____	The individual's income is counted. Proceed to line 10.
Total monthly MAGI countable income (*add **C** from page 1, Part 1, line 27; **E** from page 2, Part 3, line 10; and **G** from page 3, Part 5, line 7*): _____ + _____ + _____ = _____ is **less** than the **larger** of: ● the tax filing threshold for unearned income (*insert tax filing threshold for **unearned income** from tax filing threshold table*): _____ **or** ● **total earnings** (*insert **A** from page 1, Part 1, line 5*): _____ + $25 = _____	Proceed to line 9 below.

9. Exceptions

If:	Then:
The individual is a child under age 19 whose parent is included in the child's MAGI household (*name appears in line 1 on page 4, step 3*)	The child's income is not counted in any MAGI household in which the child is included, including the child's own MAGI household. Proceed to line 10 below.
The individual is a tax dependent included in the MAGI household of the taxpayer who claims the individual (*name appears in line 2 on page 4, step 3*)	The individual's income is not counted in the MAGI household of the taxpayer who claims the individual, but is counted in all other MAGI households the individual is included in, including the individual's own MAGI household. Proceed to line 10 below.

10. Does the individual's income count? (Yes/No)

Income Counted? (Y/N)	If:	Then:
☐ Yes	Yes	Write the individual's name next to **Name** in step 4 on page 8, below one of the **Person** labels.
☐ No	No	Do not include in step 4 on page 8.

Repeat steps 6 to 10 (on a new page) for the next individual identified in lines 1 or 2 on page 4, step 3.

If no other individuals are identified in lines 1 or 2, proceed to step 4 on page 8.

Step 4: Determine the individual's MAGI household income. (*Calculate using steps 2 and 3 on pages 1 to 7.*)

	Person 1	Person 2	Person 3	Person 4
	Name:	*Name:*	*Name:*	*Name:*
1. C — Total Income (page 1, Part 1, line 27)				
Add	+	+	+	+
2. E — Total Self-Employment Income (page 2, Part 3, line 10)				
Add	+	+	+	+
3. G — Total Disbursement* (page 3, Part 5, line 7)				
Equals	=	=	=	=
4. MAGI Countable Income (Add C+E+G*)				
Subtract	-	-	-	-
5. D — Total Recoupment of Overpayments (page 2, Part 2, line 4)				
Subtract	-	-	-	-
6. F — Total MAGI Expenses (page 2, Part 4, line 15)				
Equals	=	=	=	=
7. MAGI Individual Income (MAGI Countable Income minus Overpayments minus MAGI Expenses)				
8. Total Eligibility Determination Group (EDG) MAGI Income Add MAGI Individual Income totals (page 8, step 4, line 7) for all persons.	+	+	+	= H

9. Standard MAGI Disregard (See standard MAGI disregard table for applicable family size.)		
10. MAGI Household Income MAGI Income (**H** from page 8, step 4, line 8) minus Standard MAGI Disregard (page 8, step 4, line 9)	-	= I

** **G** is only counted as income if the individual's American Indian/Alaskan Native status is not verified.*

Step 5: Determine MAGI financial eligibility.
(MAGI household income must be less than or equal to the income limit of the applicable Medicaid program or Children's Health Insurance Program (CHIP) for the applicable MAGI household composition size.)

1. Individual's MAGI Household Size (Insert household composition size from page 1, step 1, line 2)	=
2. Income Limit (Applicable income limit based on program and MAGI household composition size)	=
3. MAGI Household Income (Insert **I** from page 8, step 4, line 10)	=
4. Determine MAGI Eligibility	If line 3 is less than or equal to line 2, individual is financially eligible.
	If line 3 is greater than line 2, individual is not financially eligible.

Medically Needy with Spend Down Amount *(Determine spend down amount. Only include income from the individual eligible for Medically Needy with Spend Down, and the individual's parents and spouse if they are included in the applicant's MAGI household and their incomes have not been determined exempt.)*

5. MAGI Household Income (Insert **I** from page 8, step 4, line 10)	$
Subtract	-
6. Excluded MAGI Individual Incomes (Add incomes of excluded individuals from page 8, step 4, line 7)	
Subtract	-
7. Medically Needy Income Limit	
Equals	=
8. Spend Down Amount (Round down)	