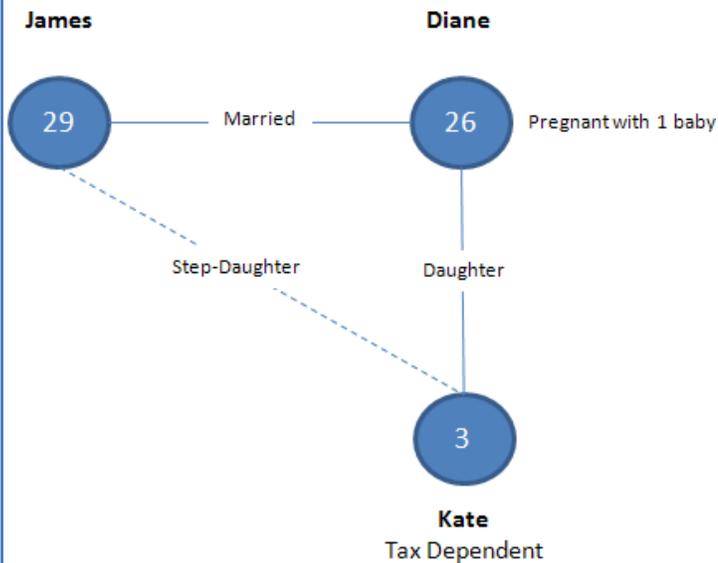


## MAGI Individual Budget Unit (IBU) Examples

### Example 1: Married couple with one child. Mom is pregnant.

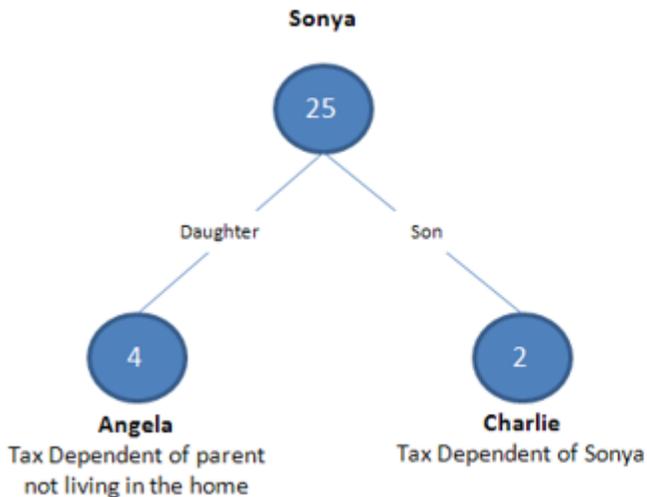


James and Diane are married and file jointly. No one else claims James or Diane as dependents. They claim Diane's daughter Kate as a tax dependent. Diane is pregnant with 1 baby.

- **James**
  - Plans to file a tax return
  - No one else will claim him as a dependent
  - Therefore, his household includes himself, Kate because she is claimed as a dependent, and his wife, Diane.
- **Diane**
  - Plans to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself, Kate because she is claimed as a dependent, and her husband, James. Also, because she is pregnant with one baby, her baby is added to her household size.
- **Kate**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, her household includes herself and her parents who are the taxpayers

Household Members	James	Diane	Kate	Household Size
James	X	X	X	3
Diane	X	X + 1	X	4
Kate	x	X	X	3

## Example 2A: Single mom with two children. Only claiming one child.

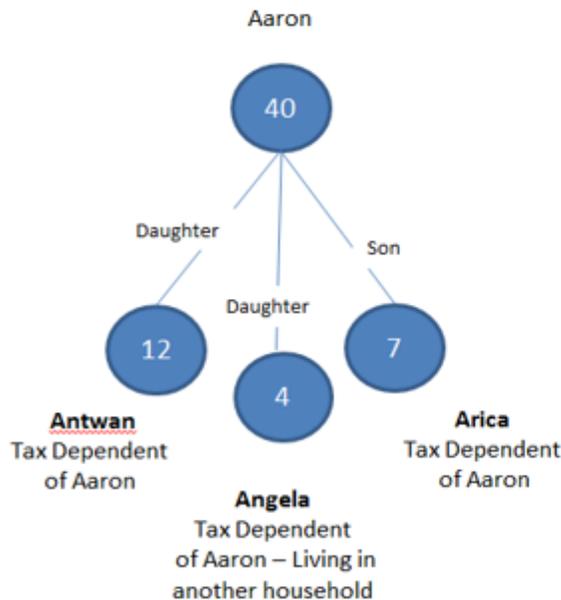


Sonya files taxes, but only claims one of her children on her tax return. No one else claims Sonya as a dependent. Angela is claimed by her father who isn't living in the home.

- **Sonya**
  - Plans to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself and Charlie because he is claimed as a dependent.
- **Angela**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #3 – under age 19 and claimed as a dependent of a parent not in the home. Therefore, her household includes herself, her mother, and her sibling Charlie.
- **Charlie**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, his household includes himself, and his mother. Angela is not included in Charlie's IBU because their mother doesn't claim her as a tax dependent.

Household Members	Sonya	Angela	Charlie	Household Size
Sonya	X		X	2
Angela	X	X	X	3
Charlie	x		X	2

**Example 2B:** From Example 2A – Angela’s father applies for medical assistance for himself, and two other children that live with him.

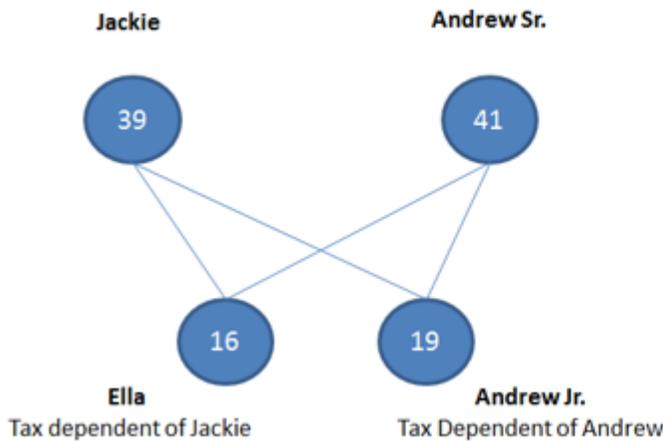


Angela’s dad Aaron has two children who live with him. Angela’s brother Antwan and her sister Arica. He claims all three of them on his tax return. Angela lives with her mother Sonya. No one else claims Aaron as a dependent.

- **Aaron**
  - Plans to file a tax return
  - No one else will claim him as a dependent
  - Therefore, his household includes himself, and his three children that he claims as dependents.
- **Antwan**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, his household includes himself, his father, and his two siblings because they are all part of the tax household.
- **Arica**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, her household includes herself, her father, and her two siblings because they are all part of the tax household.
- **Angela**
  - Is not living in this home
  - Even though Aaron claims Angela as a tax dependent, he cannot apply for her because she doesn’t live with him.

Household Members	Aaron	Angela	Antwan	Arica	Household Size
Aaron	X	X	X	X	4
Angela		Not receiving coverage on this case			
Antwan	X	X	X	X	4
Arica	X	X	X	X	4

**Example 3:** Unmarried couple living together with two children. They file separately and each claim one child.

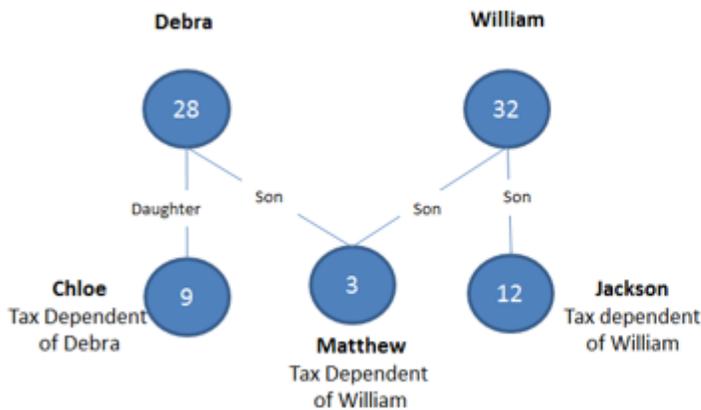


Jackie and Andrew are not married but have two children together. They file their taxes separately. Jackie claims Ella on her taxes and Andrew claims Andrew Jr on his.

- **Jackie**
  - Plans to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself and Ella because she is claimed as a dependent.
  - Andrew Sr. is not included in Jackie’s IBU because they are not married.
- **Andrew**
  - Plans to file a tax return
  - No one else will claim him as a dependent
  - Therefore, his household includes himself and Andrew Jr because he is claimed as a dependent.
- **Ella**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #2 – Claimed as a dependent by one parent, but living with both parents who won’t file taxes together
  - Therefore, her household includes herself, her parents, and sibling
- **Andrew Jr.**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #2 – Claimed as a dependent by one parent, but living with both parents who won’t file taxes together
  - Therefore, his household includes himself, his parents, and sibling

Household Members	Jackie	Andrew	Ella	Andrew Jr	Household Size
Jackie	X		X		2
Andrew		X		X	2
Ella	X	X	X	X	4
Andrew Jr.	X	X	X	X	4

## Example 4: Unmarried couple with one mutual child. Each parent has their own child.

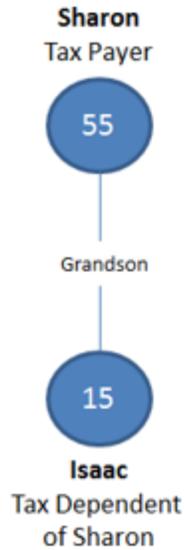


Debra and William are not married. They have one child together, Matthew. They also each have one child of their own living in the home. William claims both Jackson and Matthew on his taxes. Debra claims Chloe.

- **Debra**
  - Plans to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself and Chloe because she is claimed as a dependent.
- **William**
  - Plans to file a tax return
  - No one else will claim him as a dependent
  - Therefore, his household includes himself, Matthew and Jackson because they are claimed as his dependents.
- **Chloe**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, her household includes herself and her mother because that is her mother's tax household.
- **Matthew**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #2 – Claimed as a dependent by one parent, but living with both parents who won't file taxes together
  - Therefore, his household includes himself, his parents, and siblings
- **Jackson**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, his household includes himself, his father and his brother Matthew because that is his father's tax household.

Household Members	Debra	William	Chloe	Matthew	Jackson	Household Size
Debra	X		X			2
William		X		X	X	3
Chloe	X		X			2
Matthew	X	X	X	X	X	5
Jackson		X		X	X	3

## Example 5: Grandparent applying for Grandson

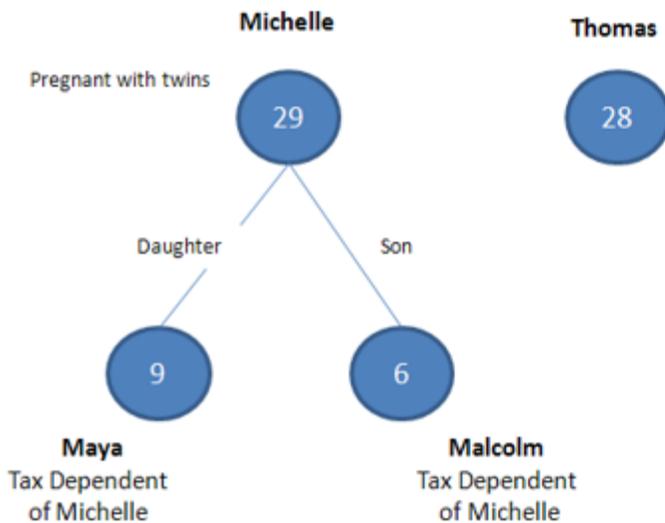


Sharon is raising her grandson, Isaac.  
She claims him as her tax dependent.

- **Sharon**
  - Plans to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself and Isaac because she is claimed as a dependent.
- **Isaac**
  - Does not plan to file a tax return
  - Is being claimed as a dependent by his grandmother
  - Meets exception #1 – Someone other than his parent is claiming him as a dependent.
  - Therefore, his household includes only himself.

Household Members	Sharon	Isaac	Household Size
Sharon	X	X	2
Isaac		X	1

## Example 6: Pregnant Woman with 2 children. Boyfriend in the home.

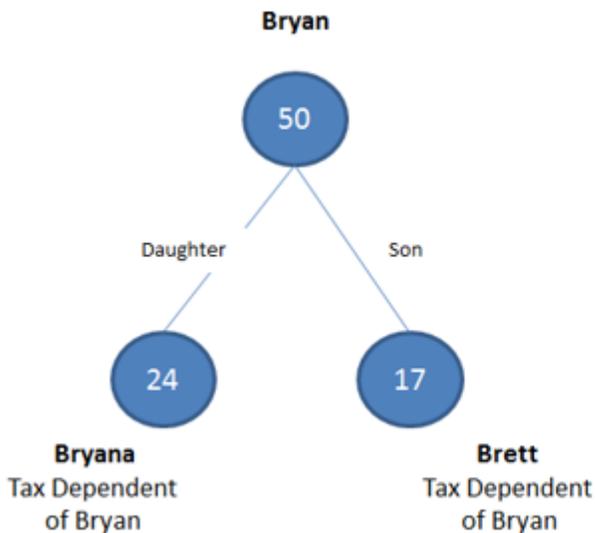


Michelle is pregnant with twins. She is not married to her boyfriend, Thomas who is the father of her babies. Michelle also has two other children. Thomas and Michelle file taxes separately. She claims both of her children on her taxes. Thomas does not have any dependents.

- **Michelle**
  - Plans to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself, her children, and the two babies she is pregnant with
- **Thomas**
  - Plans to file a tax return
  - No one else will claim him as a dependent
  - He doesn't have any dependents; therefore, his household includes only himself
- **Maya**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, her household includes herself, her mother and sibling
- **Malcolm**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, his household includes himself, his mother and sibling

Household Members	Michelle	Thomas	Maya	Malcolm	Household Size
Michelle	X + 2		X	X	5
Thomas		X			1
Maya	X		X	X	3
Malcolm	X		X	X	3

## Example 7: Dad with 2 children, one is a disabled adult.

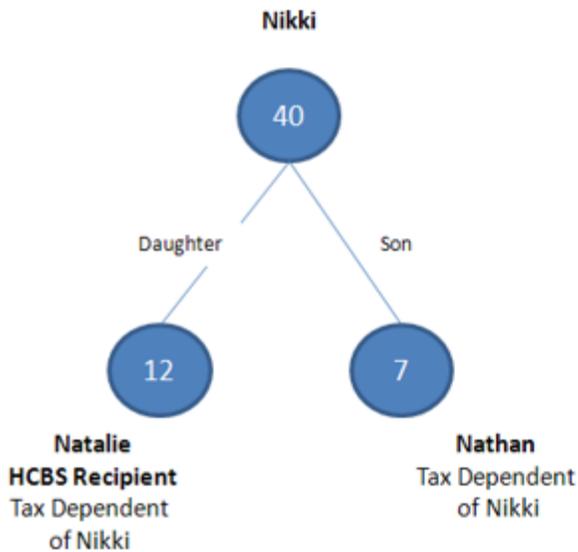


Bryan is a single parent of two children. Both Brett and Bryana live with Brian. Bryana is a disabled adult in the care of her father. Bryan claims both as dependents. Bryana is receiving SSI and has SI medical, so Bryan is not applying for her.

- **Bryan**
  - Plans to file a tax return
  - No one else will claim him as a dependent
  - Therefore, his household includes himself and two children because he is claiming them as dependents
- **Brett**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, his household includes himself, his father and sibling because she is being claimed as a dependent

Household Members	Bryan	Bryana	Brett	Household Size
Bryan	X	X	X	3
Bryana	Receives SSI and Medicaid. Not a MAGI determination			
Brett	X	X	X	3

## Example 8: Mom with 2 children, one child is on HCBS.

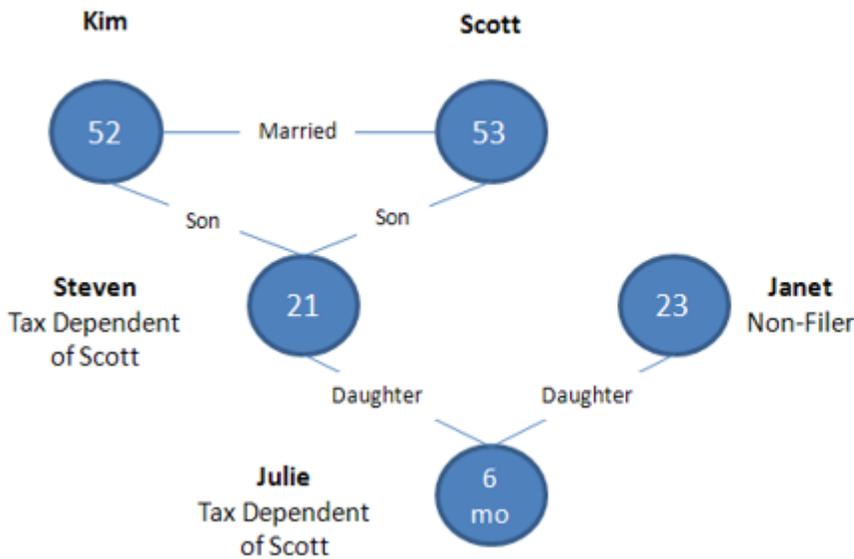


Nikki is a single parent of two children. She claims both Natalie and Nathan as tax dependents. Natalie is receiving HCBS.

- **Nikki**
  - Plans to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself and two children because they are claimed as dependents.
- **Nathan**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, his household includes himself, his mother and sibling

Household Members	Nikki	Natalie	Nathan	Household Size
Nikki	X	X	X	3
Natalie	Receives HCBS Medicaid. Not a MAGI determination.			
Nathan	X	X	X	3

**Example 9:** Unmarried couple with one child. They live with the father’s parents. The father and baby are claimed as dependents on the father’s parent’s tax return.



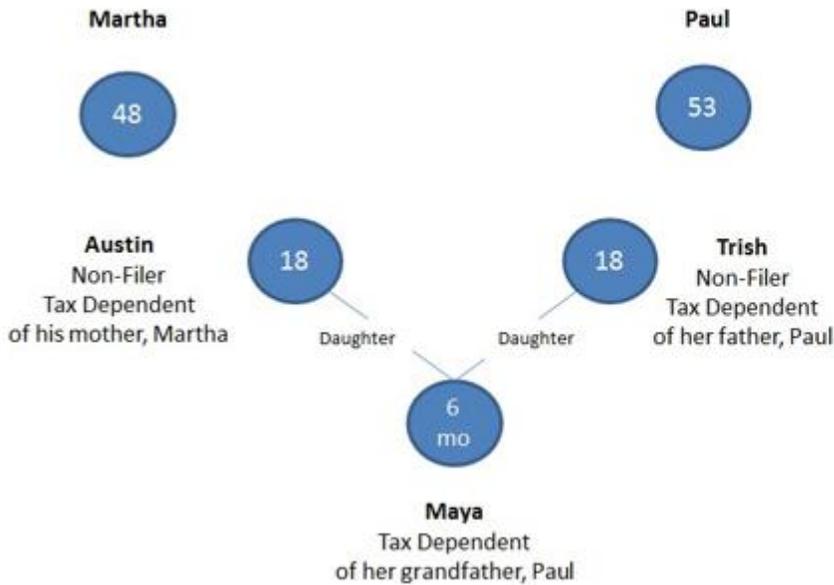
Steven files an application for himself, his girlfriend Janet and their child Julie. They live with Steven’s parents. Steven’s parents claim both Steven and the baby, Julie, as tax dependents.

Steven files taxes, but Janet does not. Janet is also not claimed as a dependent of anyone else.

- **Steven**
  - Plans to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, his household is himself, his parents, and his child as they are all a part of the tax household.
- **Janet**
  - Does not plan to file a tax return
  - No one else will claim her as a dependent
  - Therefore, her household includes herself and her child
- **Julie**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #1 – Claimed as a dependent by someone other than her parent
  - Therefore, her household includes herself and her parents

Household Members	Steven	Janet	Julie	Kim	Scott	Household Size
Steven	X		X	X	X	4
Janet		X	X			2
Julie	X	X	X			3

**Example 10:** Unmarried couple under age 19 with one child. They live alone. The father is claimed as a dependent of his mother. The mother and baby are claimed as dependents of her mother.



Austin files an application for himself, his girlfriend, Trish, and their child, Maya. They live together in their own household.

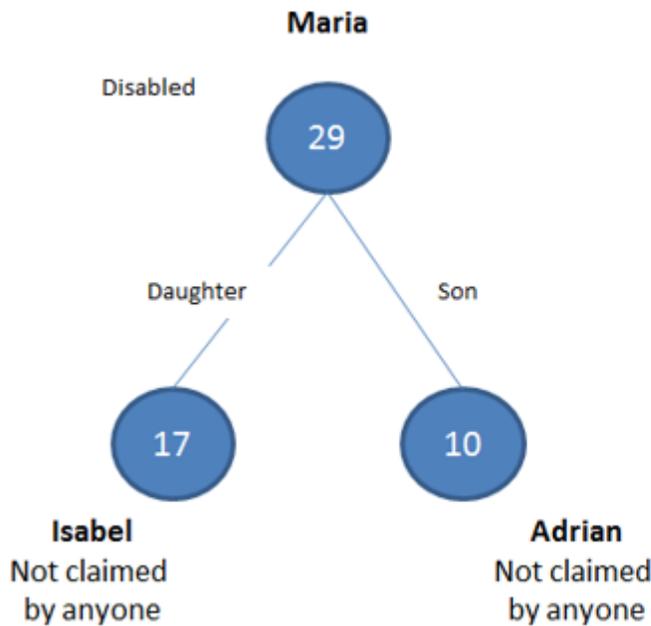
Austin and Trish are each claimed by their parents on taxes. The baby, Maya, is claimed as a tax dependent by her grandfather, Paul.

**Note:** Clarification on the MAGI Household flowchart: Non-filers under the age of 19 shall include all individuals referenced: spouse, children, parents, and siblings when living in the home.

- **Austin**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #3 – Claimed as a dependent by a parent living out of the home
  - Therefore, his household includes himself and his child.
- **Trish**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #3 – Claimed as a dependent by a parent living out of the home
  - Therefore, her household includes herself and her child.
- **Maya**
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Meets exception #1 – Claimed as a dependent by someone other than her parent
  - Therefore, her household includes herself and her parents.

Household Members	Austin	Trish	Maya	Household Size
Austin	X		X	2
Trish		X	X	2
Maya	X	X	X	3

**Example 11:** Mother and two children. The mother is not filing taxes and no one is claiming either of the children as tax dependents.



Maria is disabled and does not file taxes.

Isabel has a job and does plan to file taxes.

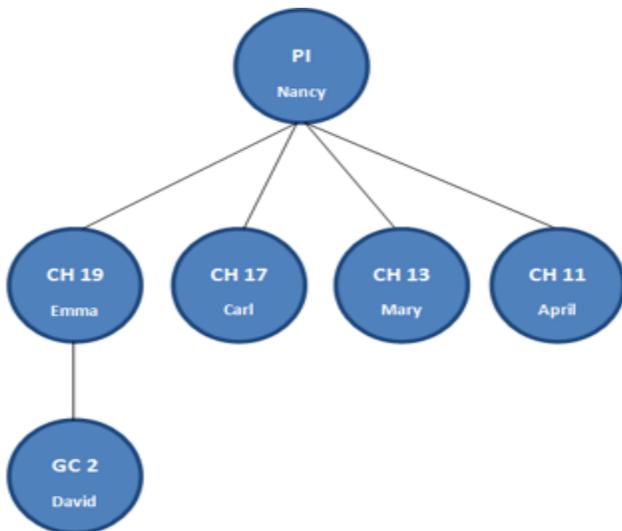
There is no one that is claiming either Isabel or Adrian as tax dependents.

**Note:** If the MAGI flowchart is followed, Isabel is in her own household. However, that was not the intention of CMS when this was designed. Because Isabel is a minor child, we shall follow the non-filer rules.

- **Maria**
  - Does not plan to file a tax return
  - Is not being claimed as a dependent
  - Therefore, her household includes herself, and her two children.
- **Isabel**
  - Plans to file a tax return
  - Is not being claimed as a dependent
  - Special Rule for a minor child who files taxes but isn't claimed as a tax dependent
  - Therefore, her household includes herself, her mother, and her sibling.
- **Adrian**
  - Does not plan to file a tax return
  - Is not being claimed as a dependent
  - Therefore, his household includes himself, his mother and his sibling.

Household Members	Maria	Isabel	Adrian	Household Size
Maria	X	X	X	3
Isabel	X	X	X	3
Adrian	X	X	X	3

**Example 12:** Mother with 1 adult child & 3 Minor children claimed as dependents. Also a grandchild that is not claimed as a dependent



Nancy is filing taxes and claims Emma, Carl, Mary and April as dependents. Grandchild, David, who is the son of Emma also lives in the home. David's father, who does not live in the home, claims David as a dependent

Coverage has been requested for all individuals.

- Nancy
  - DOES plan to file a tax return
  - Is not being claimed as a dependent
  - Therefore, her household includes herself, and her four children because they are her dependents.
- Emma (Dependent adult child of Nancy)
  - DOES NOT plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, her household includes herself, Nancy because she is the taxpayer claiming her, and her 3 siblings because they are also Nancy's dependents.
- Carl, Mary, and April (Dependent minor children of Nancy)
  - Does not plan to file a tax return
  - Is being claimed as a dependent
  - Does not meet any of the exceptions (Numbers 1, 2, and 3 in the middle box)
  - Therefore, their households include themselves, their mother Nancy because she is the taxpayer, and their 3 other siblings because they are also Nancy's dependents.
- David (non-dependent Grandchild of Nancy)
  - David must be applied for by Emma
  - Nancy may not apply for David because she is not the primary caregiver of David.
  - Even if Nancy had claimed David as a dependent, she still could not apply for him in this situation because the child's mother, an adult, is in the home.

Household Members	Nancy	Emma	Carl	Mary	April	David	Household Size
Nancy	X	X	X	X	X		5
Emma	X	X	X	X	X		5
Carl	X	X	X	X	X		5
Mary	X	X	X	X	X		5
April	X	X	X	X	X		5
David			Emma must apply for David				N/A