



Policy Directive 2021-08-01

Title: MAGI Filing Threshold

Date: Aug. 25, 2021

Effective: Sept 1, 2021

From: Erin Kelley, Senior Manager

Program(s) Impacted: Family Medical Programs

The purpose of this document is to provide an update to the current MAGI filing thresholds for earned and unearned income types used to determine countability of children's income. The direction provided here is effective upon release and may be applied retroactively where applicable, i.e. prior medical and redetermination requests. It supersedes and/or supplements information found in [PM2014-01-01](#), [PM2016-05-01](#), [PM2017-08-02](#), and [KC-7016 Applying Income Rules for Children and Tax Dependents](#). Going forward the threshold amounts will be updated annually and included on the F-8 Kansas Medical Assistance Standards chart.

Income Compared to the Threshold (Review)

The Internal Revenue Service (IRS) establishes tax filing thresholds annually that determine at what income level an individual is required to file taxes. For MAGI eligibility determinations, taxable income and all SSA income for non-dependent adults over the age of 18 (i.e. 19 and older) and children living with non-parental caretakers is always countable regardless of whether or not they are required to file taxes. Examples follow:

- A 24-year-old tax filer
- A 19-year-old who is not filing and not claimed on anyone else's taxes
- A child living with an aunt/uncle (regardless of tax status)

The income for children living with their parent(s) and for tax dependents over the age of 18 (i.e. 19 and older) claimed by a parent in their Individual Budget Unit (IBU) is only countable when it exceeds the MAGI tax filing threshold for earned and/or unearned income. Examples follow:

- A 16-year-old living with a parent
- A 19-year-old who is claimed as a dependent by a parent who is part of their IBU

Updates to the MAGI Tax Filing Threshold

The prior tax year filing threshold will always be used for current year processing as it is the most current information available. For example, when determining eligibility in July 2021, the

2020 tax filing thresholds will be used to determine whether a child's income is counted toward the household income (MAGI).

For tax year 2020, the following filing thresholds apply:

- Earned income - \$12,400 per year or \$1,033.33 per month
- Unearned income - \$1,100 per year or \$91.67 per month

KEES has been updated with the 2020 amounts effective on EDBC's run on or after September 1, 2021 beginning with the benefit month of April 2021. When processing a case that includes child or tax dependent income, all income may be entered into the KEES Income Detail screen, and KEES should accurately apply the threshold to determine countability; however, the income used by KEES should always be reviewed for accuracy prior to case completion.

SSA Income

Although SSA is considered countable unearned income, it is only countable for children living with parental caretakers if their other taxable income from earnings and/or interest and dividends (including capital gain distributions) exceeds the earned/unearned income thresholds. Currently we do not apply SSA income to the tax filing threshold to determine if a child's income is countable. If other income types exceed the threshold, the SSA is counted in full, including the non-taxable portion.

Note: There may in some cases be a taxable portion of SSA income that would be applied to the tax filing threshold by IRS rules and calculations; however, as these cases are rare and would not typically affect eligibility, we do not at this time consider the taxable portion of SSA when comparing income to the tax filing threshold.

For questions or concerns related to this document, please contact the KDHE Medical Policy Staff at kdhe.medicaideligibilitypolicy@ks.gov.

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Questions regarding any KEES issues are directed to the KEES Help Desk at KEES.HelpDesk@ks.gov.