

Part D Low-Income Subsidy (LIS/Extra Help) Income & Resources Cheat Sheet

This cheat sheet is designed to help counselors understand which income and assets always, never, or sometimes count when helping low-income Medicare beneficiaries apply for LIS, and includes links to additional information in the Social Security Program Operations Manual.

INCOME
<p>Income that <u>always</u> counts:</p> <ul style="list-style-type: none"> • Wages, including tips • Social Security benefits, including retirement benefits, SSI and SSDI • Railroad Retirement Board benefits • Income from pensions/annuities • Veteran’s benefits • Alimony • Rental income (net) • Cash from an insurance policy that pays a flat rate benefit without regard to expenses incurred • Payment for services performed in a sheltered workshop/work activity center (for individuals with disabilities) • Incentive payments to encourage a person to utilize specified medical/social service programs • Money from a non bona fide loan • Death benefits that exceed \$1,500 or the cost of the deceased’s last medical and burial expenses paid by the recipient • Special pay and allowances received by uniformed service members—except hostile fire pay, imminent danger pay, and, in deeming situations, other kinds of additional pay that may be received by military personnel serving in a combat zone—count as unearned income (more about these allowances can be found in SI 00830.540)
<p>Income that <u>never</u> counts:</p> <ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program (SNAP or Food Stamps) benefits • HUD or Rural Housing Service housing assistance • Home energy assistance • Income tax refunds • Disaster assistance, including COVID-19 Economic Impact payment • In-kind support or maintenance (ISM)* • General assistance/assistance based on need (ABON) programs • Earned income tax credit payments • Money borrowed under a bona fide loan agreement or received as repayment of principal on a bona fide loan • Medical services or in-kind medical supplies • Any cash provided by a governmental medical/social services program (including that which is disbursed by a nonprofit agency) • Room and board during medical confinement • Bills paid by a third party • Victim’s compensation payments • Scholarships and educational grants • Employer contributions to health or retirement funds, or FICA taxes

- Agent Orange settlement payments
- Alaska Senior Assistance Program, or Alaska Longevity Bonus
- Child care payments provided as part of a social service program
- Any student financial assistance received under Title IV of the Higher Education Act of 1965 (HEA) or Bureau of Indian Affairs (BIA)
- Lump sum payments made under the Energy Employees Occupational Illness Compensation Program Act
- One-time Filipino Veterans Equity Compensation Fund payments
- Japanese-American and Aleutian Restitution Payments
- Value of food provided by Meals on Wheels, congregate dining or other free or reduced cost meal provided under the auspices of a governmental or nonprofit program for the aging
- Payments made to victims of Nazi persecution
- Payments made to individuals captured/interred by North Vietnam
- Payments from the Radiation Exposure Compensation Trust Fund
- Relocation assistance provided to displaced persons by any federal or state project
- Payments from the Ricky Ray Hemophilia Relief Fund

Income that may/may not count:

- AmeriCorps VISTA, RSVP, and other Corporation for National and Community Service program payments typically do not count as income unless their value, adjusted to reflect the hours served, is equivalent to or greater than the state minimum wage
- Dividends and interest on capital investments such as stocks, bonds, or savings accounts may be countable income or excluded, depending on their availability for use by the individual (see [SI 00830.500](#) for more information)
- Austrian social insurance payments (see [SI 00830.715](#) for more information)
- Interest earned on burial funds (see [SI 00830.501](#) for more information)
- The first \$2,000 per calendar year received in compensation from a clinical trial for treatment of a rare disease/condition is not counted; see [SI 00830.735](#) for more information on qualifying trials
- Sale of home produce may count if the individual is not an American Indian; learn more at [SI 00830.700](#)

For more information:

Social Security Program Operations Manual (POMS). HI 03020.055 Income Limits for Subsidy Eligibility:
<https://secure.ssa.gov/apps10/poms.nsf/lrx/0603020055>

Social Security POMS. SI 00830.099: Guide to Unearned Income Exclusions:
<https://secure.ssa.gov/apps10/poms.nsf/lrx/0500830099>

* Public Law (P.L.) 110-275 (The Medicare Improvements for Patients and Providers Act (MIPPA) of 2008) specifies that ISM will not be counted as income for Medicare Part D Extra Help applications:
https://www.ssa.gov/OP_Home/comp2/F110-275.html

COVID-19 financial assistance: <https://www.ssa.gov/coronavirus/categories/monthly-benefits-and-other-financial-help/#no-longer-counts>

RESOURCES

Resources that always count:

- Liquid resources (resources that are cash or can be converted to cash in 20 work days):
 - Bank accounts: savings, checking, Certificates of Deposit
 - Retirement accounts: IRAs, 401ks, 403bs, Roth IRAs
 - Stocks
 - Bonds
 - Annuities
 - Mutual fund shares
 - Mortgages
 - Promissory notes
- Non-home real property, i.e., property other than the primary residence
 - Count the equity value of non-home real property. If the individual does not have an equity value estimate, use instructions in [SI 01140.100](#) to calculate this.
 - If sale of the property would cause undue hardship due to loss of housing for a co-owner, follow the instructions in [SI 01130.130](#)

Resource exclusion:

- Funds of \$1,500 for the individual and \$1,500 for the spouse who lives with the individual if these funds are intended to be used for funeral or burial expenses of the individual and spouse (see [SI 01130.410](#) for more information)

Resources that never count:

- All vehicles (autos, trucks, motorcycles, boats, snowmobiles, etc.)
- Household goods and personal effects
- Irrevocable burial trusts and contracts, and burial spaces
- Retained retroactive SSI or Social Security benefits for nine months after the month they are received
- Cash surrender value of life insurance policies
- Property of a trade or business which is essential to the applicant/spouse's means of self-support
- Nonbusiness property which is essential to the applicant/spouse's means of self-support
- Certain housing assistance
- Refunds of Federal income taxes and advances made by an employer relating to an earned income tax credit for the month following the month of receipt, and refunds of child tax credits for nine months after the month they are received
- Victims' compensation payments, for nine months beginning with the month following the month of receipt
- Relocation assistance from a State or local government, for nine months, beginning with the month following the month of receipt
- Resources transferred to other individuals (no transfer penalty)
- Stock in regional or village corporations held by Alaska Natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act

- Restricted, allotted Indian lands, if the Indian/owner cannot dispose of the land without the permission of other individuals, his/her tribe, or an agency of the Federal government
- Federal disaster relief assistance received on account of a Presidentially declared major disaster, including accumulated interest, or comparable State or local assistance
- Payments or benefits provided under a Federal statute other than title XVI of the Act where exclusion is required by such statute
- Funds received from a government or nongovernmental agency, program, or health insurance policy whose purpose is to provide medical care or medical services or social services and conserved to pay for medical and/or social services
- Retained payments made to individuals because of their status as victims of Nazi persecution excluded pursuant to section 1(a) of the Victims of Nazi Persecution Act of 1994

Resources that may/may not count:

- Trusts:
 - Trusts (regardless of date/whether set up by a third party) are **not counted** as resources when they are irrevocable under applicable State law and the individual does not have the authority to direct the use of the trust assets for his or her support and maintenance or if the individual alleges that he/she cannot access the funds in the trust within 20 workdays (see instructions below for filing a rebuttal in [HI 03030.001G.2.b](#)).
 - A trust **is counted** as a resource if the individual has the legal authority to revoke the trust or to direct the use of the funds in the trust for his or her support and maintenance.

For more information:

Social Security POMS. HI 03030.001 What are Resources for Medicare Part D?
<https://secure.ssa.gov/poms.nsf/lnx/0603030001>

Centers for Medicare & Medicaid Services. Guidance to State on the Low-Income Subsidy (February 2009): <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/LowIncSubMedicarePresCov/Downloads/StateLISGuidance021009.pdf>

NCOA. Asset Tests in Extra Help: The Burial Disregard: <https://ncoa.org/article/differences-in-treatment-of-the-burial-disregard>