

3435.00.00 BUDGETING LUMP SUM INCOME

A lump sum is a non-recurring payment that includes such items as retroactive RSDI or VA benefits, refunds of Medicare Part B premiums, insurance settlements, **13th PERF checks** and inheritances. An SSI lump sum is disregarded as income in the month of receipt.

For MED 1, 2 and 4 budgeting, any lump sum payment received in a month prior to the month in which authorization of the application takes place, is income in the month of receipt. However, for an active AG, an unanticipated, non-recurring lump sum payment does not affect eligibility in the month of receipt, and Medicaid benefits paid during the month of receipt are not recoverable. Any portion of the lump sum remaining after the month of receipt is a resource. Recurring lump sum payments are budgeted as income.

For MED 3, under MAGI-based income methodology, an amount received as a lump sum is counted as income only in the month received.⁶

⁶ <https://www.irs.gov/credits-deductions/individuals/qualified-ed-expenses>