

DATE: October 31, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:23-21  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY MEDS LIAISONS

SUBJECT: Treatment of Interest and Dividend Payments from Assets after January 1, 2024.

Reference: [22 CCR § 50507\(a\)\(19\)-\(20\)](#), [ACWDL 92-25](#), [ACWDL 94-73](#), [ACWDL 96-48](#), [ACWDL 99-31](#), [ACWDL 05-17](#); [ACWDL 09-54](#), [ACWDL 12-07](#)

### **Purpose and Background**

The purpose of this All-County Welfare Directors Letter (ACWDL) is to provide counties with guidance regarding the treatment of interest and dividend income payments received from property after the implementation of the elimination of assets for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs, effective January 1, 2024, as enacted by [Assembly Bill \(AB\) 133 \(Chapter 143, Statutes of 2021\)](#).

It is important to clarify that AB 133 did not make any changes to the income methodology used to determine eligibility for Non-MAGI Medi-Cal programs. AB 133 only changed the resource methodology, and no longer considers property in the Non-MAGI Medi-Cal eligibility determination. As a result, there will be no change to how interest and dividend income are treated for purposes of Non-MAGI Medi-Cal eligibility effective January 1, 2024.

### **Treatment of Interest & Dividend Income Effective January 1, 2024**

Interest or dividend income received from the following assets/unspent payments are **excluded** income and **not counted** in the Non-MAGI Medi-Cal eligibility determination:

- Achieving a Better Life Experience (ABLE) Accounts
- Advanced Earned Income Tax Credit Payments
- Agent Orange Settlement Payments
- Austrian Social Insurance Payments
- Burial Funds/Burial Spaces
- Child Tax Credits (Federal only)

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- Corporation for National and Community Service (CNCS) (Formerly ACTION) Program Payments
- Dedicated Financial Institution Accounts
- Disaster Assistance
- Earned Income Tax Credits (Federal only)
- Educational Assistance—Grants, Scholarships, Fellowships, Gifts
- Energy Employees Occupational Illness Compensation Program (EEOICP) payments
- Federal Tax Refunds and Advanced Tax Credits
- Filipino Veterans Equity Compensation Fund (FVECF) Payments
- German Social Insurance Payments Under ZRBG (“Ghetto Pensions” Law)
- Individual Development Accounts (IDAs)—TANF Funded
- Individual Development Accounts (IDAs)—Demonstration Project
- Japanese-American and Aleutian Restitution Payments
- Life Insurance
- Low Income Energy Assistance
- Payments to Repair/Replacement of Lost, Damaged, or Stolen Resources
- Payments to Victims of Nazi persecution
- Netherlands WUV Payments to Victims of Persecution
- Department of Defense (DOD) Payments to Certain Persons Captured and Interned by North Vietnam
- Prepaid Burial Contracts
- Radiation Exposure Compensation Trust Fund (RECTF) Payments
- Ricky Ray Hemophilia Relief Fund Payments
- State Annuities for Certain Veterans
- Payments to Veterans’ Children with Certain Birth Defects

Interest or dividend income received from the following assets/unspent payments are **not excluded** and shall count as **unearned income** in the Non-MAGI Medi-Cal eligibility determination:

- Interest income received on unspent payments from clinical trial participation.
- Interest income from unspent proceeds from gifts to children with life threatening conditions.
- Interest income received on unspent proceeds from the sale of an excluded home.

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- Income from Indian Land Held in Trust or Restricted: for any member of a federally recognized Indian tribe, up to \$2,000 per year in proceeds from restricted lands or other property held in trust by the federal government, including interest and dividend payments, is exempt and not counted as income. Any income, including interest/dividend income, over this \$2,000 amount shall be counted as unearned income.
  - For a list of federally recognized Indian tribes, please refer to the link to the [Federal Register](#).
- Interest earned on unspent relocation assistance payments.
- Interest earned on unspent payments of retroactive Supplemental Security Income (SSI) and Retirement, Survivors and Disability Income (RSDI) payments.
- Interest earned on unspent restitution payments for misused benefits.
- Interest earned on unspent victims' compensation payments.

As a reminder, if an individual reports the receipt of interest/dividend income from any of the above mentioned assets/unspent payments, counties shall evaluate if the payment meets the criteria for an irregular/infrequent income exemption under [22 CCR § 50542](#).

### **Verification of Interest and Dividend Payments**

If an individual reports receiving interest/dividend income at application, renewal or change in circumstance, the county shall request verification of the payments.

Examples of acceptable verification include:

- Current bank statement showing the deposit of interest/dividend income.
- Tax documents showing the amount of interest/dividend income paid to the individual for the prior tax year.
- A sworn statement detailing the amount and how often the interest/dividend income is received.

If you have any questions, or if we can provide further information, please contact Sara McDonald, by phone at (916) 345-8061 or by email at [Sara.McDonald@dhcs.ca.gov](mailto:Sara.McDonald@dhcs.ca.gov)

Sincerely,

Theresa Hasbrouck  
Chief, Policy Development Branch  
Medi-Cal Eligibility Division  
Department of Health Care Services