

- h. Penalty on early withdrawal of savings
- i. Alimony paid
- j. IRA deduction
- k. Student loan interest deduction
- l. Tuition and fees

3. Required Additions to AGI:

To complete the calculation of MAGI for the individual, add the following income sources that may or may not be considered taxable by the Internal Revenue Service (IRS):

- a. Foreign earned income and housing cost as defined in 26 USC §911
- b. Any interest received that would normally be excluded from taxes
- c. The portion of the individual's Title II Social Security benefits typically excluded from taxation, as described in 26 USC §86(d).
- d. Self-Employment/Farming income, after accounting for depreciation and operating losses. In cases where the business or farm operated at a loss, the worker must subtract the amount of the loss from the income calculation. See the methodology established in 10.8,G,1 for calculating self-employment income.
- e. For individuals who expect to be claimed as a tax dependent by a grandparent, another relative, or another individual who is not a parent or step-parent, their household income includes cash support provided by the person claiming them as a tax dependent, **if over \$50 per month.**
- f. Lump Sum Income must be included, but it must only be counted in the month that it is received.

E. MAGI INCOME DISREGARD

The only allowable income disregard is an amount equivalent to 5 percent of the applicable MAGI income when countable income exceeds the FPL limit for WV CHIP eligibility.