

May 22, 2026

GENERAL LETTER NO. 8-L-49

ISSUED BY: Bureau of Medicaid Eligibility Policy
Division of Community Access and Eligibility

SUBJECT: Employees' Manual, Title 8, Chapter L, **Aliens**, 26 and 27, 35-37, revised.

Summary

This chapter is revised to

- Reflect the increase in earnings required to qualify for a quarter of coverage for social security benefits to \$1,890.
- Reflect the 2.8 percent Social Security cost-of-living increase.

Effective Date

January 1, 2026.

Material Superseded

Remove the following pages from Employees' Manual, Title 8, Chapter L, and destroy them:

Page	Date
26 and 27, 35-37	April 25, 2025

Additional Information

Refer questions about this general letter to your area eligibility determinations manager.

- Is indigent. This exception applies for 12 months from the date it is determined that the person is indigent. See [Indigent Aliens](#).
- Is a “lawfully residing” child under age 21 as allowed by 42 U.S.C. Section 1396b(v)(4)(A)(ii).

In addition, end sponsor deeming:

- When the sponsored alien dies or permanently leaves the United States (Deeming stops effective with the month the change occurs.)
- For SSI-related Medicaid, if the sponsored alien becomes blind or disabled (at any age) after admission to the United States as an LPR. (Deeming stops effective with the month the person’s disability or blindness begins.)
- For SSI-related Medicaid, three years after the date the sponsored alien was admitted to the United States as an LPR. (Deeming stops effective the month in which the third anniversary from admission to the United States occurs.)

Establishing Qualifying Quarters

When a lawful permanent resident is not otherwise exempt from sponsor deeming, you must determine the number of qualifying quarters with which the person can be credited. The following chart lists the amount a person had to earn to get one credit for the years 1978 and later. (For years before 1978, contact SPIRS for assistance.)

To calculate the number of quarters for a year, divide the person’s total earnings for the year by the amount needed to get one credit. Use only full quarters. For example, 2.95 quarters are rounded **down** to 2 quarters. For earnings from employment, use the gross amount of earnings. For earnings from self-employment, use the amount of earnings after allowable self-employment expenses have been deducted.

Amount Needed to Earn a Qualifying Quarter			
Year	Earnings Needed to Get One Credit	Year	Earnings Needed to Get One Credit
1978	\$250	2003	\$890
1979	\$260	2004	\$900
1980	\$290	2005	\$920
1981	\$310	2006	\$970
1982	\$340	2007	\$1,000
1983	\$370	2008	\$1,050
1984	\$390	2009	\$1,090
1985	\$410	2010	\$1,120

Amount Needed to Earn a Qualifying Quarter			
Year	Earnings Needed to Get One Credit	Year	Earnings Needed to Get One Credit
1986	\$440	2011	\$1,120
1987	\$460	2012	\$1,130
1988	\$470	2013	\$1,160
1989	\$500	2014	\$1,200
1990	\$520	2015	\$1,220
1991	\$540	2016	\$1,260
1992	\$570	2017	\$1,300
1993	\$590	2018	\$1,320
1994	\$620	2019	\$1,360
1995	\$630	2020	\$1,410
1996	\$640	2021	\$1,470
1997	\$670	2022	\$1,510
1998	\$700	2023	\$1,640
1999	\$740	2024	\$1,730
2000	\$780	2025	\$1,810
2001	\$830	2026	\$1,890
2002	\$870		

Each person can get up to a total of four qualifying quarters of credit each calendar year based on the person’s own earnings. (The person may be credited with additional quarters in a calendar year based on earnings of a parent or spouse, as described later in this section.)

Mr. G earned \$5,000 gross income in 1995. ($\$5,000 \div \$630 = 7.936$) Although the result equals over seven quarters, he is credited with four qualifying quarters in 1995.

NOTE: Starting with January 1, 1997, do not count the income from any quarters in which an alien received any type of federal means-tested public assistance during the quarter. “Means-tested public assistance” includes FIP, SSI, Medicaid, and Food Assistance.

Medicaid received by an individual, household, or family eligibility unit (except for limited Medicaid for emergency services) counts as receipt of “means-tested public assistance.”

3. Same as Example 2 except Mr. B has no earnings history, so neither he nor his children receive any social security income. Mr. B's only income is \$814 SSI and \$200 actually provided by his sponsor. A determination of indigence is not needed for Mr. B since he receives SSI.

The IM worker uses income as reported on Mr. B's State Data Exchange (SDX) to determine Mr. B's Medicaid eligibility.

If the worker is aware of income Mr. B is receiving from his sponsor that is not reported on the SDX, the worker reports this income to the Social Security Administration using form **470-0641, Report of Change in Circumstances – SSI-Related Programs**.

Since Mr. B is on SSI, eligibility for Mrs. B and the two children is determined as a MAGI-related household of three without considering Mr. B's income.

Calculating Deemed Sponsor Income and Resources

Legal reference: 441 IAC 75.11(3); 20 CFR 416.1166a, 20 CFR 416.1204; 42 U.S.C. 1396b(v) as amended by P.L. 111-3

When a lawful permanent resident (LPR) alien is sponsored by a person who signed form **I-864, Affidavit of Support** or **Form I-864A**, and sponsor deeming applies, income (and for Non-MAGI-related, resources) are deemed to the sponsored alien after applying allowable deductions and diversions.

Do not include the sponsor(s) in the household size unless they are required according to policy. Determine the household composition according to policies for either Non-MAGI-related or MAGI-related coverage groups.

Calculate the amount of **income** to deem as follows:

1. Determine the amount of each sponsor's monthly nonexempt gross earned and unearned income in accordance with either MAGI-related or Non-MAGI-related policies.
2. For both MAGI-related and Non-MAGI-related coverage groups, allow deductions as follows:
 - Allow a deduction equal to the full SSI amount for one person for the sponsor, or for each sponsor even if married.
 - Allow a deduction equal to one half the SSI amount for one person for the sponsor's spouse (unless both spouses received the full SSI amount deduction because both are sponsors) and for each of the sponsor's dependents. Do not subtract the dependent's income from the amount allowed as a deduction for the dependent.

- Deduct alimony or child support payments made to persons not living with the sponsor.
 - Deduct payments made to persons not living with the sponsor but who are claimed (or could be claimed) by the sponsor for federal income tax purposes.
 - Divide the amount remaining by the number of aliens sponsored by this sponsor, if known; if not known, the entire amount counts.
3. The result is the amount of income deemed to the sponsored person. Count this amount as unearned income **only** when determining eligibility for the sponsored person(s). Income deemed from or actually provided by a sponsor is **not** countable for the eligibility of other members of a sponsored alien's household unless they themselves are also sponsored by the individual who signed a **Form I-864, Affidavit of Support**, or a **Form I-864A, Contract**.

1. Mr. H applies for Medicaid for himself, his wife (not pregnant), and their two children, ages 2 and 3, who are U.S. citizens. Mr. H is an LPR who is subject to sponsor deeming. No one else in the household is sponsored.

Mr. H and his wife are qualified aliens who have met the five-year bar but do not have 40 qualifying quarters. Mr. H has gross monthly earnings of \$400.

The sponsor has gross monthly earnings of \$3,000. The sponsor's household includes her husband and one child. The sponsor does not pay any alimony or child support, nor does the sponsor make payments to anyone not living with her who is claimed or could be claimed as a tax dependent.

First, the amount of income to deem from the sponsor is calculated as follows:

\$ 3,000.00	Sponsor's gross earnings
- 994.00	Divert for sponsor
- 497.00	Divert for sponsor's spouse
- 497.00	Divert for sponsor's child
<u>\$ 1,012.00</u>	Countable as unearned income to the sponsored person

Next, MAGI-related income for Mr. H is calculated as follows:

\$ 1,012.00	Deemed from sponsor
+ 400.00	Mr. H earnings
<u>\$ 1,412.00</u>	Mr. H total countable earned and unearned

The only income countable to the rest of the household is the \$400 earned by Mr. H.

2. Mr. N applies for Medicaid for himself and his wife. Mr. and Mrs. N are both elderly and have no children living with them. Mr. N is an LPR who is subject to sponsor deeming. No one else in the household is sponsored.

Mr. N is a qualified alien who has met the five-year bar. His wife is a U.S. citizen. Mr. N receives \$400 social security per month. Mrs. N receives \$1,300 social security.

The sponsor is married with no children. The sponsor's income is \$1,000 social security and a \$500 monthly pension. The sponsor does not pay any alimony or child support, nor does the sponsor make payments to anyone not living with him who is claimed or could be claimed as a tax dependent.

The amount of income to deem from the sponsor is calculated as follows:

\$ 1,500.00	Sponsor's gross income
- 994.00	Diversion for sponsor
- 497.00	Diversion for sponsor's wife
<u>9.00</u>	Countable as unearned income to the sponsored person

Next, Non-MAGI-related Medicaid income for Mr. N is calculated as follows:

\$1,300.00	Mrs. N's social security
+ 400.00	Mr. N's social security
+ <u>9.00</u>	Deemed from Mr. N's sponsor
<u>\$1,709.00</u>	Countable income for Mr. N
- <u>20.00</u>	Deduction
\$1,689.00	> \$1,491 SSI limit for 2

The only income countable for Mrs. N's eligibility determination is her \$1,100 social security and Mr. N's \$400 social security.

Calculate the amount of **resources** to deem as follows:

1. Determine the amount of nonexempt resources of the sponsor in accordance with Non-MAGI-related policies. There are no resource tests for MAGI-related Medicaid.
2. Allow deductions as follows:
 - \$2,000 if the sponsor does not live with a spouse,
 - \$3,000 if the sponsor lives with a spouse who is not a sponsor, or
 - \$4,000 if the sponsor lives with a spouse who is also the alien's sponsor.
3. The result is the amount of resources deemed to the sponsored member. Resources deemed from or actually provided by a sponsor are **not** countable for the eligibility of other members of a sponsored alien's household unless they themselves are also sponsored by the individual who signed a **Form I-864, Affidavit of Support** or a **Form I-864A, Contract**.