



DEPARTMENT OF CHILDREN
AND FAMILIES
Secretary Eloise Anderson
201 East Washington Avenue, Room G200
P.O. Box 8916
Madison, WI 53708-8916
Telephone: 608-266-8684
Fax: 608-261-6972
www.dcf.wisconsin.gov

DEPARTMENT OF HEALTH SERVICES
Secretary Kitty Rhoades
1 West Wilson Street
P.O. Box 7850
Madison, WI 53707-7850
Telephone: (608) 266-9622
FAX: (608) 266-7882
www.dhs.wisconsin.gov

**State of Wisconsin
Governor Scott Walker**

**TO: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators**

DHS OPERATIONS MEMO		
No:	DHS 15-01	
DATE:	1/6/2014	
FS	<input type="checkbox"/>	MA
SC	<input type="checkbox"/>	CTS
		BC+
		FSET
		<input checked="" type="checkbox"/>
		<input type="checkbox"/>

FROM: Shawn Smith, Bureau Director
Bureau of Enrollment Policy & Systems
Division of Health Care Access and Accountability

SUBJECT: Annual Updates to Income Thresholds for Determining Whether Child or Tax Dependent is “Expected to be Required to File Taxes”

CROSS REFERENCE: Operations Memos 13-32 and 14-08
BadgerCare Plus Eligibility Handbook Chapter 2.8.2

EFFECTIVE DATE: January 1, 2015

PURPOSE:

This memo announces annual updates to the income thresholds used under modified adjusted gross income (MAGI) budgeting rules when determining whether a child or tax dependent is expected to be required to file taxes.

BACKGROUND:

As described in Operations Memo 13-32, the countable income of all eligible or counted members within a BadgerCare Plus (BC+) assistance group (AG) is used in the eligibility determination for that AG with one exception:

If a group member is a child or tax dependent of another counted or eligible member of the same group, his or her income is only counted in that group if he or she is expected to be required to file a tax return for the current year, regardless of whether or not the child or tax dependent actually files or plans to file a tax return. If that child or tax dependent is not expected to be required to file a tax return, his or her income is not counted for that AG.

Children and tax dependents are only required to file a tax return if they have more income than the filing thresholds set by the Internal Revenue Service each year. CARES has been updated to reflect the following thresholds for the 2015 tax year, which are effective January 1, 2015:

- \$1,050 per year in taxable unearned income.
- \$6,300 per year in taxable earned income.

If the child or tax dependent of another member in the same AG expects to have less annual taxable income than the amounts indicated above, his or her income is not included in the eligibility determination for the AG.

As a reminder, for purposes of determining whether a child or tax dependent is above the \$1,050 threshold for taxable unearned income, the following should be **excluded**: child support, Supplemental Security Income (SSI), Social Security (SS), worker's compensation, veterans benefits, money from another person, and educational aid.

- **NOTE:** SS income and educational aid are countable income types even though they are not included when determining if the child or tax dependent is expected to be required to file taxes. If the child or tax dependent expects to have other income above the thresholds, any SS income or countable education aid received by the child or tax dependent would be included in the eligibility determination for any AG in which the child is counted.

These thresholds will continue to be updated on an annual basis.

CARES:

CARES Worker Web (CWW), ACCESS, the paper BC+ application, and the verification checklist have been updated to reflect the new thresholds. The Tax Filing Details page in CWW will reflect the new thresholds for begin months of January 2015 and later. If the answer to any of these questions on the Tax Filing Details page s "Yes," CARES will count the income of that child or tax dependent.

CWW will continue to include a question about whether the child or tax dependent expects to have more than \$400 in self-employment income in the current year. As explained in Operations Memo 13-32, self-employment earnings should not be used to determine if the individual's income is counted for BC+. Entries in the "More Than \$400 in Taxable Self Employment Income" field will not be used in the "expected to be required to file taxes" determination. Workers should enter a "No" in this field.

CONTACTS:

BEPS CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, FSET – FoodShare Employment and Training.

DHS/DHCAA/BEPS/AA