



TOBY DOUGLAS  
*Director*

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
*Governor*

April 4, 2014

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 14-17  
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 STUDENT EARNED INCOME EXCLUSION

The purpose of this letter is to inform county welfare departments of a change to the amount of student income deductions in Title 22, California Code of Regulations, Section 50551, beginning January 1, 2001.

The amount of the student income deductions increased in accordance with the table below. In addition, effective April 1, 2005, Section 432 of the Social Security Protection Act extended the Student Earned Income Exclusion (SEIE) to all individuals in the budget unit who are working students under the age of 22, including those that meet the Supplemental Security Income program's definition of a child. To qualify, the student must be in the Medi-Cal Family Budget Unit (MFBU) of an aged, blind or disabled individual to receive the deduction. SEIE will apply to earnings from an ineligible spouse or parent(s) and to joint earned income of eligible couples when both members are under age 22 and are working students.

The amounts of student earned income deductions per month and year shall be in accordance with the table on the next page. Deductions shall be taken from the earned income of each student who is under the age of 22, who is regularly attending school, and who is in the MFBU of an aged, blind or disabled individual.

<b>For Year</b>	<b>Monthly Exclusion</b>	<b>Maximum exclusion for calendar year</b>
2001	\$1,290	\$5,200
2002	\$1,320	\$5,340
2003	\$1,340	\$5,410
2004	\$1,370	\$5,520
2005	\$1,410	\$5,670
2006	\$1,460	\$5,910
2007	\$1,510	\$6,100
2008	\$1,550	\$6,240
2009	\$1,640	\$6,600
2010	\$1,640	\$6,600
2011	\$1,640	\$6,600
2012	\$1,700	\$6,840
2013	\$1,730	\$6,960
2014	\$1,750	\$7,060

Counties shall apply these provisions retroactively to all beneficiaries who meet the above mentioned criteria, without the applicant or recipient initiating the request. Counties shall:

- 1) Implement these changes at application, redetermination, fair hearing or whenever a case is brought to the county's attention.
- 2) Conduct a review of county systems to locate and correct any ineligibility or share-of-cost (SOC) where the exemption of SEIE would have made a person eligible or reduced the SOC.

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- 3) Retroactively reinstate any denied or discontinued cases, retroactively correct SOC's as appropriate.
- 4) Rescind and reissue notices of action as appropriate.
- 5) Issue Letters of Authorization (MC 180) as appropriate and assist applicants/beneficiaries in obtaining reimbursement for Medi-Cal covered services.

If you have any questions or if we can provide further information, please contact Joel Thomas at (916) 327-0409 or by email at [Joel.Thomas@dhcs.ca.gov](mailto:Joel.Thomas@dhcs.ca.gov).

**Original Signed By**

Tara Naisbitt, Chief  
Medi-Cal Eligibility Division