



DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

(916) 445-1797

August 18, 1980

To: All County Welfare Directors

Letter No. 80-32

EARNED INCOME TAX CREDIT - TAXABLE YEAR 1979

This is to advise you that the instructions contained in Section 9E, Procedures Portion, Medi-Cal Eligibility Manual regarding earned income tax credits are applicable to credits received in 1980 from the 1979 Taxable year. That is, the credits are exempt as income and property for continuing eligibles but are nonexempt property if received during the month of application.

Since Medi-Cal eligibility is determined using the lowest value of property holdings during a month, it is doubtful that receipt of the earned income tax credit resulted in the discontinuance of a continuing Medi-Cal eligible. However if you identify any persons or families discontinued due to receipt of this credit, that discontinuance must be rescinded and benefits restored to provide continuous eligibility if the person or family is otherwise eligible.

If you have any questions regarding this letter, contact your Medi-Cal field representative.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branchcc: Medi-Cal Liaisons
Medi-Cal Field Representatives
Expiration Date: February 28, 1981