

# **CHANGE NOTICE FOR MANUAL NO. 07-04, VERIFYING JOB BONUS EARNINGS & TREATMENT OF SEVERANCE PAY**

**DATE: OCTOBER 10, 2003**

**Manual:** Family and Children's Medicaid  
**Change No:** 07 - 04  
**To:** County Directors of Social Services  
**Effective:** November 1, 2003

## **I. BACKGROUND & CONTENT OF CHANGE**

### **A. Job Bonus**

Policy for verifying earnings for purposes of applying the Job Bonus is inconsistent. In MA-3300, Income, XII.G.3. says that wages must be verified before the family can be eligible for Job Bonus. However, XII.G.4.b.(1) and XII.G.5.c.(2) say not to wait for wage verification to apply the Job Bonus.

1. Current policy MA-3300, Income, XII.G.3. is revised to allow the client's statement to be acceptable verification of earned income for establishing the Job Bonus period. This is consistent with Work First policy. However, wage verification is required before Medicaid eligibility can be established after the Job Bonus period ends.
2. A corresponding change is made to MA-3210, Verification Requirements for Applications, II.C.8., to point out that establishing the Job Bonus is an exception to requiring third party verification of earned income.

### **B. Severance Pay**

We have had a number of questions about how to treat severance pay. MA-3300 has been updated to add severance pay as countable unearned income. This is consistent with Work First policy.

## **II. EFFECTIVE DATE AND IMPLEMENTATION INSTRUCTIONS**

### **A. Effective Date - 11/01/03**

### **B. Implementation of Job Bonus Policy Change**

The revision to Job Bonus policy corrects a contradiction in policy. Apply this policy to applications taken on or after November 1 or currently being processed. Apply this policy to redeterminations scheduled on or after November 1 or currently being processed.

### **C. Implementation of Policy on Severance Pay**

There previously has been no official policy on severance pay. Apply the new policy to applications taken on or after November 1 or currently being processed. Apply the new policy to redeterminations scheduled on or after November 1 or currently being processed.

## **III. MAINTENANCE OF MANUAL INSTRUCTIONS**

### **A. MA-3210, Verification Requirements for Applications**

Remove MA-3210, pages 1 & 2.

Insert attached [MA-3210](#), pages 1 & 2, revised 11/1/03.

### **B. MA-3300, Income**

Remove MA-3300, pages 77 through 84.

Insert attached [MA-3300](#), pages 77 through 84, revised 11/01/03.

If you have any questions, please contact your Medicaid Program Representative.

Gary Fuquay  
Acting Director

[This material was researched and written by Andy Wilson, Project Coordinator, and Susan Ryan, Medicaid Policy Consultant, Medicaid Eligibility Unit.]