

Tribal income desk aid

Apple Health (Medicaid)

Income type	Description	Countable for MAGI	Countable for Classic	References links
Per capita from natural resources	Payments made to tribal members from proceeds of the harvest or sale of natural resources. Example: Timber sale	No	No	WAC 182-509-0340 WAC 182-512-0770
Per capita from tribal gaming	Payments made to tribal members from proceeds of tribal gaming. These payments are taxable income. See page 2 on per capita payments made in the last calendar quarter.	Yes	Yes	WAC 182-509-0325
Needs-based payments	Payments made to tribal members based on financial need include elder payments, child assistance payments, etc. Payments are exempt from tax. Example: TESSA	No	No	WAC 182-509-0340 WAC 182-512-0860
General welfare payments (not necessarily needs-based)	Payments made to tribal members for their general welfare. These payments can include elder payments, scholarships, etc. These payments are not necessarily needs-based. Payments are exempt from tax. Example: TESSB	No	Yes	Internal Revenue Code 26 U.S.C. 139E
Medical and social service payments	Medical and social service related payments may include housing assistance or meals on wheels.	No	No	WAC 182-512-0860 WAC 182-509-0340 WAC 182-512-0770
Bureau of Indian Affairs	Educational assistance payments paid by the Bureau of Indian Affairs.	No	No	WAC 182-509-0340 WAC 182-512-0760 WAC 182-512-0770 42 CFR 435.603
Earned income as a tribal employee from the exercise of treaty rights, extraction of natural resources on trust/reservation land, and sales of culturally significant items	Earned income related to the exercise of treaty rights. This income can include working for a tribal corporation as a fisherman, fish processor, accountant, or security guard. Example: Employment with tribal fisheries	No	No	WAC 182-509-0340 WAC 182-512-0770 42 CFR 435.603
Self-employment income from the exercise of treaty rights	Self-employment income related to the exercise of treaty rights. This income can include selling tribal artwork, pottery, and baskets or harvesting timber on trust or reservation land. Example: Creating and selling tribal artwork	No	No	WAC 182-509-0340 WAC 182-512-0770 42 CFR 435.603



CMS Guidance

American Indian and Alaska Native trust income and MAGI

Example of Per Capita Distribution from Natural Resources

A common example of this type of disbursement is payments made to members from the sale or harvest of timber, treaty fishing rights, minerals, land, etc. Any proceeds are exempt from federal income tax, state tax, and exempt as income for the Washington Apple Health (Medicaid) program. The source of the funds should be included as part of the verification to prevent confusion with other per capita payments that are countable.

Examples of Needs-based Payments

1. Needs-based payments are issued by the tribe based on the special needs of members such as elders. These payments may not all have the same name depending upon the tribe. Payments can be for any special need the member may have including caring for children. Other special needs may include medical and social service related payments, such as housing assistance or meals on wheels. Eligibility must include a financial needs-based test to receive and not be counted. A specific example is the Muckleshoot's Tribal Elder Security Assistance Plan (TESSA). This financial assistance is exempt income for all Medicaid programs.
2. General welfare payments are very similar to TESSA but there is not a financial needs test. Unless the tribe specifies the requirements to receive payment staff may need to ask for verification. A good example of this income source is the Muckleshoot's TESSB plan income. This income is exempt for MAGI programs but countable for Classic programs. It is important to verify the source of the assistance.

Example of Income from Employment Related to the Exercise of Treaty Rights

This income can be regular employment or self-employment, but it is work related to the Exercise of Treaty Rights such as fishing. Sometimes this income is reported to the Employment Security Department, which makes it look like countable income in the systems. It is important that if a tribal member is reporting income related to treaty rights that a letter from the tribe be provided to allow the agency to count or exempt the income correctly.

Example of Income from Per Capita Payments in the first three Calendar Quarters

If the amount is known, that is the amount used in the month received. If the amount is not known, the amount received in the first quarter is used to project the amount for the second and third quarters.

Example of Income from Per Capita Payments in the last Calendar Quarter

Depending on the amount of gaming revenue for the year, a fourth quarterly per capita payment may be made in an amount that cannot be anticipated. This may also be called a one-time per capita bonus payment. This payment is different from regular ongoing per capita payments and is considered an unanticipated lump sum payment. These payments are not counted.

For more information, [FAQ on American Indian and Alaska Native trust income and MAGI](#).