

Affordable Care Act: What is Modified Adjusted Gross Income (MAGI)?

MAGI starts with your adjusted gross income (AGI)

The following are sources of income and adjustments that you would report on your federal 1040 tax form:

Taxable Income	Adjustments
<ul style="list-style-type: none"> • Wages, salary and tips Note: excludes pre-tax deductions for childcare, health insurance, retirement plans, transportation assistance and other non-taxable benefits • Interest • Dividends • Taxable refunds, credits or offsets of state and local income taxes • Alimony received based on a decree/agreement executed before 1/1/2019 • Business income or losses • Capital gains or losses • Other gains or losses • Individual retirement account (IRA) distributions • Pension and annuity payments • Income or losses from rental real estate, royalties, partnerships, S corporations, trusts, etc. • Farm income or losses • Unemployment compensation • Social Security retirement and disability benefits (RSDI and SSDI) • Other Income <p>Note: AGI does not include Supplemental Security Income (SSI), child support, nontaxable veteran's payments or worker's compensation</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Educator expenses <input type="checkbox"/> Certain business expenses of reservists, performing artists and fee-basis government officials <input type="checkbox"/> Health savings account <input type="checkbox"/> Moving expenses for active duty military <input type="checkbox"/> Deductible portion of self-employment tax <input type="checkbox"/> Self-employed Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees (SIMPLE) and qualified plans <input type="checkbox"/> Self-employed health insurance <input type="checkbox"/> Penalty on early withdrawal of savings <input type="checkbox"/> Alimony paid (spousal support) based on a decree/agreement executed before 1/1/2019 <input type="checkbox"/> IRA deduction <input type="checkbox"/> Student loan interest <input type="checkbox"/> <input type="checkbox"/>

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Add certain nontaxable income (AGI + modifications = MAGI)

The following sources of nontaxable income must be added to a person's AGI to calculate their MAGI:

Counted nontaxable income
<ul style="list-style-type: none"> <input type="checkbox"/> Non-taxable Social Security benefits <input type="checkbox"/> Tax exempt interest <input type="checkbox"/> Foreign earned income and foreign housing expenses for Americans living abroad (IRS form 2555)

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Excluded from income for Medical Assistance eligibility only

The following sources of income are excluded when determining eligibility for MA:

Excluded from income for MA only

- Scholarships, awards or fellowship grants used for education purposes and not for living expenses
- Certain American Indian and Alaska Native income derived from distributions, payments, ownership interests, real property usage rights and student financial assistance
- An amount received as a taxable lump sum is counted as income only in the month received