ANSWERS

Assets (verified balances):

* House (renting out): FMV $75,000; cost to convert to cash is $5,000; debt against house $25,000; has a sales contract in place with current renters in the amount of $68,000; renting out for $600/month (0% interest, 0 monthly payments) $75,000 - $5,000 - $25000 = $45,000 ($7,200 income from assets)
* Checking account 6 month average: $1,000 $1,000
* Savings Account: $10,000; earns 1% interest $10,000 ($100 income from assets)
* CD earning an interest rate of 4%: $10,000; withdrawal penalty is $200 and taxes are $1,000 $10,000 - $200 - $1,000 = $8,800 ($400 income from assets)

Income Calculations:

* Max:
  + Social Security income before deductions $750 per month; $78.20 is deducted monthly for Medicare; $50 deducted monthly due to previous overpayment (6 months) $750 x 6 = $4,500; $700 x 6 = $4,200; $4,500 + $4,200 = $8,700
  + Pension from his previous employer of $500/month $500 x 12 = $6,000
* Trina:
  + Gross income $500 per month $500 x 12 = $6,000
* Sam:
  + Gross income $400 per month $400 x 12 = $4,800 but you exclude earnings in excess of $480 for full-time student 17 or older (excluding head of household and spouse) so the amount you count is $480

Adjustments to Income:

* Dependent – Trixi, Sam and Maxine $480 x 3 = $1,440
* Elderly – Max $400
* Trixi attends daycare; total cost per week is $150 $150 x 52 = $7,800 but cannot claim because there is an adult in the household capable of watching the child
* Verified medical expenses are:
  + Prescription medications for ALL family members: $2,500
  + Over the counter medications/supplies: $500 (only $300 covered by prescription)
  + Maxine needs cataract surgery and the co-pay is $450
  + After surgery, Maxine will need special glasses that will cost $150
  + Hired aide for Maxine so Trina could work outside the home; cost is $700 per month

Medical:

$2,500 + $300 + 450 + 150 + 938.40 = $4,338.40

3% of Annual Income = $866.40

TOTAL: $3,472

Handicap Assistance (aide):

$700 x 12 = $8,400

3% of Annual Income = $866.40

TOTAL: $6,000 (cannot exceed Trina’s salary)

GRAND TOTAL ALLOWABLE MEDICAL: $3,472 + $6,000 = $9,472