What constitutes income for students under the Affordable Care Act?

Modified Adjusted Gross Income (MAGI) =

**Adjusted Gross Income**

- Include:
  - Wages, salaries, tips
  - Fellowships, scholarships, grants used for **personal and living expenses**
  - Taxable interest
  - Business income, capital gain
  - Unemployment compensation
  - Ordinary dividends
  - Alimony received
  - Taxable refunds, credits, or offsets of state and local income taxes

- Deduct:
  - Student loan interest deduction
  - Educator expenses
  - IRA deduction
  - Moving expenses
  - Penalty on early withdrawal of savings
  - Alimony paid

**Add Certain Income**

- Non-taxable social security benefits
- Tax-exempt interest
- Foreign earned income & housing expenses for Americans living abroad

**Exclude from Income**

- Scholarships, awards, or fellowships used for **education purposes** (not for living expenses)
- Certain American Indian and Alaska Native income
- An amount received as a lump sum is counted as income only in the month received

*For Medicaid eligibility*

Source: UC Berkeley Labor Center, CoveredCA.com, IRS.gov