



Prescription Advantage

Your Plan for Affordable Prescriptions

Income Documentation

Gross monthly income is the total amount of money you receive from any source for you and your spouse, if you live together. You must submit documents to verify each type of income you receive. Common types of income include Social Security, employment, pensions, retirement accounts, dividends/interest, capital gains, unemployment, rental, and alimony. These documents will be used by Prescription Advantage to determine your membership category.

The information on the reverse side lists the types of income documentation you can submit.

Important Notes About Income Calculation:

- You must verify any income you receive. A list of acceptable income documents is provided on the next page. If there is income you receive that is not listed, please call customer service for acceptable documentation.
- Income is calculated using the total income as reported on federal income tax returns and current Social Security income as reported on form(s) SSA-1099 for the applicant and his/her spouse. **ALL** applicants who file federal tax returns must submit a copy of their most recently filed return. For applicants not required to file a federal income tax return, income is calculated using alternative documents.
- **ALL** applicants who receive Social Security benefits must submit Social Security income documents such as an annual benefit statement (SSA-1099 form) or Social Security Benefit Award letter.

Note: Social Security income listed on a federal tax return must be verified as well. This means you must still supply Social Security income documents.

- Income counted includes the total amount of money, earned or unearned, from any source, including but not limited to wages, business income, rents, pensions/annuities, dividends, and interest.
- Income is calculated using your **gross** annual household income. This is the amount **prior** to any deductions you may have for healthcare costs or other purposes.
- In some cases, income listed on your federal tax return that you no longer receive will not be used to calculate income. You must verify that you do not receive the income or cannot receive it again. This applies to wages, business income, IRAs, pensions/annuities, third-part sick pay, unemployment, and alimony. Documents required for removal of income are listed on the next page.
- Send copies of all your documentation. Originals will not be returned.

Income Documentation

1. ALL applicants who receive Social Security income MUST send Social Security income documents. Send a copy of one of the following documents:

- Your current Social Security benefit award letter or Cost of Living Adjustment letter listing the amount you receive before deductions
- Your Social Security annual benefit statement (SSA-1099 form)

2. You must also send the income documents listed below that apply to you. All documents must be for the PREVIOUS calendar year. For example, in 2017, the documents must be for 2016.

If you **FILE** federal income taxes, send copies of:

- Your most recently filed federal income tax return 1040, 1040A, or 1040EZ. State tax returns will not be accepted.

If you **DO NOT FILE** federal income taxes, send copies of:

- Your most recent 1099 or W-2 form(s) for each type of income listed below that you receive. If you do not receive 1099 or W-2 form(s), contact customer service for other documents you may submit.

Pensions/Annuities	Railroad Benefit Income	Rental Income
Dividends/Interest	Employment Income	Capital Gains
Retirement (IRA; 401K; 403B)	Unemployment	Alimony

In some cases, we may be able to deduct income listed on your federal tax return that you no longer receive when we calculate your income. You must send documentation to prove that you do not receive the income. The types of removable income and documents you must send are listed below.

Income Type	Documents Required for Removal of Income
Wages (send items 1 and 2)	1. Letter from former employer on company letterhead indicating last day worked and 2. W-2(s) showing total amount earned from that employer to verify total on tax return.
Third-Party Sick Pay (send item 1) and (send item 2 or 3)	1. Letter from institution that paid the disability stating the benefit is exhausted and 2. W-2(s) with the total amount paid through disability to verify total on tax return; or 3. 1099 forms for all third-party sick pay received by the applicant/member.
IRA (send items 1 and 2)	1. Document from company that administered IRA indicating account is closed and 2. 1099 forms for all IRA accounts in the applicant/member's name.
Pensions/Annuities (send items 1 and 2)	1. 1099 forms for all pensions/annuities received by applicant/member and 2. Document from company that administered pension/annuity stating the account is closed.
Unemployment (send items 1 and 2)	1. Document from Department of Workforce Development, Division of Career Services and Division of Unemployment Assistance or the Department of Employment and Training stating applicant/member exhausted his/her funds and 2. 1099-G showing total unemployment received as noted on Form 1040 (line 19). NOTE: If an applicant's/member's spouse also received unemployment and exhausted his/her funds, the same documents for the spouse must also be provided.
Alimony (send item 1 or 2)	1. Copy of divorce decree outlining details of alimony including end/ended date or 2. Letter from provider of alimony payments indicating the date the payments ended.