

Economic Stimulus Payments and TV Converter Box Coupons

Starting last month the U. S. Treasury began sending economic stimulus tax rebate payments to more than 130 million households. Eligible people will receive up to \$600 (\$1,200 for married couples), and parents will receive an additional \$300 for each eligible child younger than age 17. You must have had at least \$3,000 in income and filed a tax return for 2007 in order to receive a stimulus check.

Additionally, at midnight on February 17, 2009, all full-power television stations in the United States will stop broadcasting in analog and switch to 100% digital broadcasting. A converter box will be required to receive broadcasts unless you have cable or satellite. Congress created the [TV Converter Box Coupon Program](#) for households wishing to keep using their analog TV sets after February 17, 2009. The Program allows U. S. households to obtain up to two coupons, each worth \$40, that can be applied toward the cost of eligible converter boxes.

How will receiving a stimulus check or coupon for a converter box affect your Medicaid or SSI Benefits?

The Centers for Medicare and Medicaid Services (CMS), the federal agency that regulates the Medicaid program, [recently issued guidance](#) concerning the economic stimulus tax rebates and the digital television converter box coupons.

The economic stimulus tax rebates are not counted as income or resources under Medicaid, although the amount of time the rebates are not counted as resources is limited. The legislation (P.L. 110-185) provides that credits or refunds issued under the bill are not to be counted as income or resources in the month of receipt, and for the following two (2) months, for purposes of determining eligibility for or the amount of benefits under any federal program, or under any state or local program financed in whole or in part with federal funds, such as Medicaid and SSI.

With regard to transfers of assets for less than fair market value, rebates given away during the three month period in which they are not countable as income or resources would not be subject to a transfer penalty. However, if given away after the three month exempt period expires, the rebates would be subject to penalty and would cause a period of ineligibility for some Medicaid services.

What about the converter box coupons?

The [Department of Commerce](#) is planning to send “[coupons](#)” worth \$40 each to households for the purpose of helping to defray the cost of purchasing television digital converter boxes. The boxes will be needed by people who do not have digital television receivers when television signals are no long broadcast in analog format beginning in 2009.

The coupon the Department of Commerce is distributing is actually a form of

credit card, each worth \$40. A person would take his or her coupon to a retailer and exchange it for a converter box. If the converter box costs more than \$40, the person would pay only the difference.

According to Commerce, there is nothing else a person can do with this coupon except buy a converter box. The coupon cannot be converted to cash at a bank, for example, or used to buy anything else. That means the \$40 coupons would not be considered income under Medicaid. For SSI, income is broadly defined as anything a person receives that can be converted to cash or used to purchase food or shelter. Since the coupons can only be used to purchase a converter box, the coupons do not meet the SSI definition of income. Since Medicaid uses the SSI definition of income, the coupons would not count as income for Medicaid purposes, either.