

MAGI – Countable/Exempt Income rules by Age

With the new MAGI Income Budgeting rules, some individuals will have their entire income exempted, regardless of what type of income it is. These rules are based on three things:

1. Age
2. Whether or not the individual is claimed as a tax dependent
3. Whether or not the individual is required to file federal income taxes

Question:

When is a child required to file taxes?

Answer:

When they have earned income that exceeds \$5950 per year or unearned interest income that exceeds \$950 per year.

Use the following chart to determine whether an individual's income is countable or exempt.

Age	Claimed as a dependent?	Income Countable or Exempt?
18 and younger	Yes	Exempt – unless required to file taxes*
	No	Exempt – unless required to file taxes
19 and 20	Yes	Exempt – unless required to file taxes*
	No	Countable
21 and up	Yes	Countable
	No	Countable

*Income of the tax filer and other members of the tax household will be required in these situations.