MAGI Building IBUs – Flow Chart

Does the individual plan to file a federal tax return?

- Yes
  - Does the individual expect to be claimed as a dependent?
    - Yes
      - Will the individual be claimed as a tax dependent by someone else?
        - Yes
          - Is the individual one of the following?
            1. Being claimed as a dependent by someone other than their parent (biological, adopted, or step)
            2. Under age 19, claimed as a tax dependent by only one parent, but living with both parents (biological or adopted)
            3. Under age 19 and being claimed as a tax dependent by a parent not in the home (biological or adopted)

        - No
          - All No

    - No
      - Individual Budgeting Unit (IBU) = Individual + spouse if living together + all persons the individual intends to claim as tax dependents (Tax dependents do not have to live in the home)
        Note: If the individual is age 18 or under AND living with a parent, use the Non-filer Rules.

- No

Does the individual expect to be claimed as a dependent?

- Yes
  - Individual Budgeting Unit (IBU) = Individual + individual’s spouse + individual’s parents (biological, adopted, and step) if living in the home + individuals siblings (biological, adopted, and step) under age 19 if living in the home + Individual’s children (biological, adopted, and step) under age 19 if living in the home

- No

Non-Filer Rules

**IBU for Adults**: Individual + Individual’s spouse + Individual’s children (biological, adopted, and step) under age 19 if living in the home

**IBU for Children under 19**: Individual + individual’s parents (biological, adopted, and step) if living in the home + individuals siblings (biological, adopted, and step) under age 19 if living in the home + Individual’s children (biological, adopted, and step) under age 19 if living in the home

If not already included in the Individual Budgeting Unit (IBU):

1. Add the spouse of the taxpayer if the spouse and taxpayer live together.
2. Add the spouse of the individual if the spouse and individual live together.
3. When determining the IBU for a Pregnant Woman, add the number of babies expected for that pregnant person

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