

Tribal Income Desk Aid

Type	Description	Countable for MAGI	Countable for Classic	Reference
Per capita from natural resources	Payments made to tribal members from proceeds of the harvest or sale of natural resources. These payments are exempt from tax. Example: Timber sale	No	No	WAC 182-509-0340 WAC 182-512-0770
Per capita from tribal gaming	Payments made to tribal members from proceeds of tribal gaming. These payments are taxable income.	Yes	Yes	WAC 182-509-0325
Needs-based payments	Payments paid to tribal members based on financial need. These can include elder payments, child assistance payments, etc. Eligibility requirements apply and payments are exempt from tax. Example: TESSA	No	No	WAC 182-509-0340 WAC 182-512-0860
General welfare payments (not needs-based)	Payments paid to tribal members for the general welfare. These payments can include elder payments, scholarships, etc. These payments are not necessarily needs-based. Payments are exempt from tax. Example: TESSB	No	Yes	Internal Revenue Code 26 U.S.C. 139E
Bureau of Indian Affairs	Educational assistance payments paid by the Bureau of Indian Affairs	No	No	WAC 182-509-0340 WAC 182-512-0760 WAC 182-512-0770 42 CFR 435.603
Earned income as a tribal employee from the exercise of treaty rights, extraction of natural resources on trust and reservation land, and sales of culturally significant items.	Earned income that is related to the exercise of treaty rights. This income can include working for a tribal corporation as a fisherman, fish processor, accountant, and even security guard. Example: Employment with tribal fisheries	No	No	WAC 182-509-0340 WAC 182-512-0770 42 CFR 435.603
Self-employment income from the exercise of treaty rights, extraction of natural resources on trust and reservation land, and sales of culturally significant items.	Self-employment income that is related to the exercise of treaty rights. This income can include selling tribal artwork, pottery, and baskets or harvesting timber on trust or reservation land. Example: Creating and selling tribal artwork	No	No	WAC 182-509-0340 WAC 182-512-0770 42 CFR 435.603

CMS Guidance: [American Indian and Alaska Native Trust Income and MAGI](#)

Example of Per Capita Distribution from Natural Resources

A common example of this type of disbursement is payments made to members from the sale or harvest of timber, treaty fishing rights, minerals, land, etc. Any proceeds are exempt from federal income tax, state tax, and exempt as income for the Washington Apple Health (Medicaid) program. The source of the funds should be included as part of the verification so it is not confused with other per capita payments that are countable.

Examples of Needs-based Payments

1. Needs-based payments are issued by the tribe based on the special needs of members such as elders. These payments may not all have the same name depending upon the tribe. Payments can be for any special need the member may have including caring for children. Eligibility must include a financial needs-based test to receive. A specific example is the Muckleshoot's Tribal Elder Security Assistance Plan (TESSA). This financial assistance is exempt income for all Medicaid programs.
2. General welfare payments are very similar to TESSA but there is not a financial needs test. Unless the tribe specifies the requirements to receive payment staff may need to ask for verification. A good example of this income source is the Muckleshoot's TESSB plan income. This income is exempt for MAGI programs but countable for Classic programs. It is important to verify the source of the assistance.

Example of Income from Employment Related to the Exercise of Treaty Rights

This income can be regular employment or self-employment but is work related to the exercise of treaty rights such as fishing. Sometimes this income is reported to the Employment Security Department so it look like countable income in the systems. It is important that if a tribal member is reporting income related to treaty rights that a letter from the tribe is also presented so the agency counts or exempts the income correctly.