**Operations Memo 23-45**

Presented By: Kathy King

Subject: 2024 Policy Changes for Counting Income and Allowing Deductions in Determining BadgerCare+ Eligibility

Effective Date: January 1, 2024

The following policy changes are in response to the changes in federal law and IRS guidance.

* Alimony, Spousal Support or Maintenance payments paid under a separation or divorce agreement completed on or after January 1, 2019, can no longer be claimed as a tax deduction for the payer. If the separation or divorce agreement was made prior to January 1, 2019, but modified on or after that date and if the agreement states that alimony, spousal support, or maintenance is not taxable, the payments made under the agreement cannot be claimed as a tax deduction.
* Out-of-pocket Moving Expenses for a job-related move cannot be deducted unless the person is an active-duty member of the military who is ordered to move, and that move is a permanent change of station.
* Higher Education Expenses, such as tuition and amounts paid for books or fees, that are required to be paid to the institution as a condition of enrollment or attendance can no longer be claimed as a tax deduction.
* Any unused portion of a Housing Allowances for Clergy Members must be counted as income.

The new policy for applications starts January 1, 2024 and for ongoing cases at the next reported income change or renewal that occurs on or after January 1, 2024, whichever occurs first.