

## Modified Adjusted Gross Income (MAGI) =

### Adjusted Gross Income (AGI)

Line 7 on  
Form 1040

#### Include:

- Wages, salaries, tips, etc.
- Taxable interest
- Taxable amount of pension, annuity or IRA distributions and Social Security benefits<sup>1</sup>
- Business income, farm income, capital gain, other gains (or loss)
- Unemployment compensation
- Ordinary dividends
- Alimony received under settlements executed before 2019
- Rental real estate, royalties, partnerships, S corporations, trusts, etc.
- Taxable refunds, credits, or offsets of state and local income taxes
- Other income

#### Deduct:

- Certain self-employed expenses<sup>2</sup>
- Student loan interest deduction
- IRA deduction (traditional IRAs)
- Moving expenses for active members of the military
- Penalty on early withdrawal of savings
- Health savings account deduction
- Alimony paid under settlements executed before 2019
- Certain business expenses of reservists, performing artists, and fee-basis government officials
- Educator expenses

*Note: Check the IRS website for detailed requirements for the income and deduction categories above. Do not include Veterans' disability payments, workers' compensation or child support received. Pre-tax contributions, such as those for child care, commuting, employer-sponsored health insurance, flexible spending accounts and retirement plans such as 401(k) and 403(b), are not included in AGI but are not listed above because they are already subtracted out of W-2 wages and salaries.*



**Add back  
certain income**

- Non-taxable Social Security benefits<sup>1</sup> (Line 5a minus Line 5b on Form 1040)
- Tax-exempt interest (Line 2a on Form 1040)
- Foreign earned income & housing expenses for Americans living abroad (Form 2555)



**For Medicaid eligibility  
Exclude from  
income**

- Certain American Indian and Alaska Native income derived from distributions, payments, ownership interests, real property usage rights, and student financial assistance