

MANUAL MATERIAL TRANSMITTED					
MANUAL: INCOME MAINTENANCE			CHANGE NUMBER: 32		
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DATE: March, 1996			TO: All Income Maintenance Manual Holders		

Sections 11.2,D and 11.5,C,3 have been changed.

Section 11.2,D was made more general, since it applies to all programs. Parts of the previous version were misleading.

New Section 11.5,C,3,c now describes how to count assets jointly owned by SSI-Related, CDCS, PAC, QDWI, QMB or SLIMB clients. Assets jointly owned by others, formerly Section 11.5,C,3,c, is now 11.5,C,3,d and contains new policy. Also in this item is information which we hope will tie all of the items in Sections 11.5,C,3 to Section 11.2,D.

Questions should be directed to the IM Policy Unit in the Office of Family Support.

asset. Examples of inaccessibility include, but are not limited to, the following:

- Legal proceedings (divorce, probate, liens, etc.): Items encumbered by litigation are not considered assets until the court proceedings are completed, and a court decision is reached. The agency is required to follow the dictates of the court order.
- Irrevocable agreements
- Joint ownership and the meaning of such ownership may be indicated in either of the following ways:
  - Joint Ownership Indicated By "and:" The asset is not available to either owner without the consent of the other. When such consent is withheld, the asset is excluded as being inaccessible.

Unless there is evidence to the contrary, each owner is assumed to own an equal, fractional share of the jointly owned asset.

- Joint Ownership Indicated By "or:" The asset is available to each owner in its entirety.

#### E. CONVERSION OR SALE OF AN ASSET

Assets may be either liquid or non-liquid. An asset is converted from one form to another by sale or exchange. In addition, assets may be exchanged for assets of the same form.

##### 1. General Instructions

When assets are converted, the Worker must determine if the result of the conversion is an excluded or non-excluded asset. The result of the sale of an asset is never counted as income or as a lump sum payment to the client. The only exception is when payment is received in installments, rather than in a lump sum. See Chapter 10. Instead, the new or converted asset must be evaluated as any other asset to determine continuing eligibility.

burial trust, or other funeral arrangements. Bank accounts, money set aside for burial and the cash surrender value of life insurance policies are not considered burial funds; they are countable assets for AFDC.

- b. Medicaid for AFDC/U Recipients and AFDC/U-Related Medicaid

See item C,7 below. For these coverage groups, the \$3,000 limit on burial funds applies to each member of the benefit group.

- c. GA for DA

All burial funds are assets except those held in irrevocable trusts.

- C. SSI-Related Medicaid, CDCS, PAC, QDWI, QMB, SLIMB

**NOTE:** When an asset is deemed, the full equity value is deemed with no disregards or deductions applied.

- 1. Assets of Disqualified/Ineligible Individuals

**NOTE:** There are no deeming provisions for the CDCS coverage group.

Assets of disqualified/ineligible individuals are deemed. The method of deeming depends on whether the individual is an adult or a child.

- a. Adults

Assets of an SSI-Related individual and his spouse living with him are added together and compared to the coverage group asset level for two (2).

- b. Children

When the child lives with one parent and there is no stepparent, all assets of the parent which exceed the asset limit for one person are deemed to the child. The child's assets are then compared to the asset limit for one. When the child is living with both parents or a parent and stepparent, all assets of the parent(s) and/or stepparent which exceed the limit for two are deemed to the child. The child's assets are then compared to the asset limit for one.

When one spouse is institutionalized, assets are treated according to item (1) above, even if they lived apart prior to institutionalization. See Chapter 17.

b. Joint Ownership With An SSI Recipient

Treatment of assets jointly owned with an SSI recipient depends on the type of asset.

(1) Bank Accounts

When the joint owner, who is an SSI recipient, does not successfully rebut the presumption of ownership through SSA, all account funds are considered to belong totally to the SSI recipient. Otherwise, the portion that SSA determines not to be his due to his successful rebuttal is considered to belong to the other joint owner(s).

(2) Other Assets

For assets other than bank accounts, unless there is evidence to the contrary, assume that each owner owns only his fractional interest of the shared asset.

c. Joint Ownership with Other SSI-Related, CDCS, PAC, QDWI, QMB or SLIMB Medicaid Clients

When the joint owners include more than one applicant or recipient of SSI-Related, CDCS, PAC, QDWI, QMB or SLIMB, who are not spouses, the equity value of the asset is divided by the number of SSI-Related, CDCS, PAC, QDWI, QMB and SLIMB clients, regardless of the number of other joint owners. The result is counted as an asset for each client.

d. Joint Ownership by Others

When all of the following conditions apply, jointly owned assets are counted in their entirety for each owner.

- Joint ownership is indicated by use of the word "OR". See Section 11.2,D.
- The joint owners are not spouses. See item a above.

5. Retroactive Payments

These are counted as an asset when retained as of the first moment of the month following the month of receipt.

6. Low Profit From The Sale of An Asset

The Food Stamp provision for low profit from the sale of an asset does not apply.

7. Burial Funds

Beginning with applications processed on 8/11/93, a client may retain a maximum of \$3,000 in burial funds for himself. He may also retain the same amount for his spouse. These funds may be in the form of money set aside for burial (maximum of \$1,500, not comingled with other funds), face value of life insurance policies, revocable or some irrevocable burial trusts or prepaid funeral contracts, etc.

Burial trusts are treated like any other trust funds, unless all of the following conditions are met:

- The individual signs a contract with the funeral director promising prepayment in return for specific funeral merchandise and services. Such goods and services must be listed.
- The contract is irrevocable.