

## RESOURCES

### BURIAL FUNDS

**Description:** A burial fund consists of liquid resources set aside for the purpose of paying for the A/R's or the A/R's spouse's burial expenses.

**Policy:** When an SSI-related A/R does not have an irrevocable pre-need funeral agreement (See **RESOURCES PRE-NEED FUNERAL AGREEMENTS**) or the funeral agreement includes less than \$1,500 designated for non-burial space items, the A/R may have an exempt burial fund.

An exempt burial fund is separately identifiable with a maximum initial value of \$1,500, or greater if it is court ordered. Funds set aside for burial expenses cannot be commingled with non-burial related resources. When burial funds are combined with non-burial related funds, the burial funds are not exempt.

**Interpretation:** An SSI-related A/R who does not have an irrevocable pre-need funeral agreement or has less than \$1,500 designated for non-burial space items in the funeral agreement, may have an exempt burial fund. The A/R may also set aside up to \$1,500 as a burial fund for his/her spouse.

At the time of the initial application, the SSI-related applicant cannot have more than \$1,500 or \$3,000 for a couple set aside as a burial fund. If the burial fund contains more than \$1,500/\$3,000, the excess is considered a countable resource.

A burial fund may be established from liquid resources, such as: a bank account; a funeral agreement entered into prior to January 1, 1997 or in the case of a non-applying spouse an agreement entered into on or after January 1, 1997 (See **RESOURCES PRE-NEED FUNERAL AGREEMENTS**); or life insurance with a cash value.

When reviewing a burial fund, the first item considered is the face value of all the SSI-related A/R's life insurance policies. When the total face value of all the SSI-related A/R's policies are equal to or less than \$1,500, that face value is applied to the burial fund. The policies are considered excludable.

When the combined face value exceeds \$1,500, the cash value is a countable resource. The SSI-related A/R may designate the cash value as a burial fund. When the burial fund contains life insurance policies with a face value greater than \$1,500 and their cash value exceeds \$1,500, only \$1,500 of the cash value is exempt as a burial fund. Any cash value in excess of \$1,500 is

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applied toward the appropriate resource exemption level. (See **REFERENCE MEDICAID RESOURCE LEVEL** and **RESOURCES MEDICAID BUY-IN FOR WORKING PEOPLE WITH DISABILITIES (MBI-WPD) RESOURCE LEVEL**) A burial fund cannot be combined with funds that are not intended for burial expenses. When the cash value exceeds \$1,500, the SSI-related A/R must provide a written statement that the entire cash value is intended for burial expenses. The excess is then considered funds set aside for burial expenses, which avoids the prohibition against commingling. However, the excess is still applied to the appropriate resource exemption level. If the A/R does not provide a statement, the \$1,500 is not exempt.

When the SSI-related A/R does not have life insurance or the face/cash value as appropriate does not equal \$1,500 other resources may be used to establish or add to a burial fund.

Any interest accumulated in an exempt burial fund is also exempt. Interest accrued on non-exempt burial funds is also exempt.

Court ordered burial funds are allowed in any amount. When the court ordered burial fund exceeds \$1,500 or \$3,000 for a couple, the district may appeal the court order. When the court ordered burial fund is less than \$1,500/\$3,000 a supplemental burial fund may be established as appropriate.