

RESOURCES

PRE-NEED FUNERAL AGREEMENTS

In certain situations, SSI-related A/Rs may supplement their irrevocable pre-need funeral agreement with a separate burial fund. To determine if a supplemental burial fund would be allowed, the local district determines the amount designated for non-burial space items in the irrevocable pre-need funeral agreement. If that amount does not equal \$1,500 (\$3,000 for a couple) the SSI-related A/R and the A/R's spouse may establish a supplemental burial fund. A supplemental burial fund must be separately identifiable with a maximum initial value of \$1,500 (\$3,000 for a couple), or greater if it is court ordered. Court ordered burial funds are allowed in any amount. However, should the court ordered burial fund exceed \$1,500 (\$3,000 for a couple) the district may appeal the order. If the court ordered burial fund is less than \$1,500 (\$3,000 for a couple) a supplemental burial fund may be established as appropriate. Exempt burial funds cannot be commingled with non-burial related expenses.

Life insurance policies will be counted first toward the supplemental burial fund, as follows:

1. If the combined face value of the life insurance policies owned by the A/R is \$1,500 or less, add the amount designated for non-burial space items in the irrevocable funeral agreement to the combined face value of the life insurance policies. If the total is less than \$1,500 a supplemental burial fund for the difference is allowed.
2. If the combined face value of life insurance policies is greater than \$1,500, the cash value is a countable resource. The A/R may designate the cash value as a burial fund in order to bring the non-burial space items up to the allowable \$1,500. If the life insurance policies have a face value of 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 the allowable supplemental burial fund is a countable resource.
3. When the cash value exceeds \$1,500 the A/R must provide a written statement that the entire cash value is intended for burial expenses. Although only \$1,500 may be disregarded, the excess over \$1,500 is considered funds set aside for burial expenses which avoids the prohibition against commingling burial funds with non burial-related funds.
4. If the A/R does not have life insurance or the face/cash value, as applicable, does not equal \$1,500 other resources may be used to establish or add to a burial fund.