

## RESOURCES

### RETIREMENT FUNDS

**Description:** Retirement funds are annuities or work-related plans for providing income when employment ends. They include but are not limited to: pensions; Individual Retirement Accounts (IRAs); 401(k) plans; and Keogh plans.

**Policy:** A retirement fund owned by an SSI-related individual is a countable resource if the SSI-related individual is not entitled to periodic payments, but is allowed to withdraw any of the funds. The value of the resource is the amount of money that s/he can currently withdraw. If there is a penalty for early withdrawal, the value of the resource is the amount available after the penalty deduction. Any ordinary income taxes due are not deductible in determining the value of the resources.

**References:**

Dept. Reg.	360-4.4 360-4.6(b)(2)(iii) 366 366-ee
ADMs	10 OHIP/ADM-01 90 ADM-36 88 ADM-30
GISs	09 MA/027 06 MA/004 98 MA/024

**Interpretation:** A retirement fund is not a countable resource if an individual must terminate employment in order to obtain any payment. If the SSI-related individual is in receipt of or has elected to receive periodic payments, the retirement fund is not a countable resource.

**NOTE:** That the SSI-related individual may choose to take money out of a retirement account on a non uniform and/or inconsistent basis. An example would be an individual electing to withdraw \$350 from a retirement fund in February and \$600 in October. These irregular withdrawals are not treated as periodic payments. The non-periodic distributions are considered a conversion of a resource and not countable income. In this situation, the retirement fund is treated as an available, countable resource.

Effective January 1, 2006, if a Community Spouse (CS) is NOT receiving periodic payments from his/her available retirement fund, the fund is considered a countable resource for purposes of determining the community spouse resource allowance (CSRA)

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and the institutionalized spouse's Medicaid eligibility. This includes situations where the retirement fund of the CS exceeds the CSRA.

Medicaid applicants/recipients who are eligible for periodic retirement benefits must apply for such maximized benefits as a condition of eligibility. If individual does not choose to apply for available periodic benefits, the LDSS can deny/discontinue Medicaid based on the failure to pursue potential income that may be available.

- Verify Status:**
- (a) When A/R declares a retirement account;
  - (b) When A/R is receiving retirement income;
  - (c) When A/R indicates past employment with an employer that is likely to have provided a retirement plan.
- Verification:**
- (a) Seeing current statements from the employer, mutual fund, insurance company, or bank where the fund is deposited;
  - (b) If a retirement fund is invested in bonds and stock certificates, the current market value may be verified by a stock broker or newspaper.
- Documentation:**
- (a) current information including names of funds, banks and/or companies controlling funds;
  - (b) names of stocks and/or bonds, issuer's name, date issued, date of maturity if applicable;
  - (c) account numbers;
  - (d) name of owner; and
  - (e) current value.