

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 page 300) 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 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 page 300); or life insurance with a cash value.

When reviewing a burial fund, the first item considered is the face value of all the A/R's life insurance policies. When the total face value of all the 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 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 applied toward

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the appropriate resource exemption level (see pages 311 and **325.1**). A burial fund cannot be combined with funds that are not intended for burial expenses. 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. 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 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.