

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### **305.03.04 Information Provided by Agency to Issuer**

For any annuity disclosed for the applicant or Community Spouse, DOM must inform the issuer of the annuity of the agency's right to be named as a preferred remainder beneficiary and may require the issuer to notify the agency regarding any changes in amount of income or principal being withdrawn from the annuity. The issuer of the annuity may disclose information about DOM's position as remainder beneficiary to others who have a remainder interest in the annuity.

### **305.03.05 Treatment of Annuities in Determining Eligibility**

In addition to the requirement for the Mississippi Division of Medicaid to be named as a remainder beneficiary, an annuity purchased by or on behalf of an annuitant who has applied for medical assistance with respect to nursing facility or other long term care services will not be treated as a transfer of assets if purchased within the 5-year look-back period or counted as a resource if certain conditions are met which are described below.

1. The annuity meets one of the following conditions:
  - It is an individual retirement annuity according to (b) or (q) of section 408 of the Internal Revenue Code of 1986 (IRC), or,
  - The annuity is purchased with proceeds from an account or trust described in subsection (a), (c) or (p) of section 408 of the IRC, or,
  - The annuity is purchased with proceeds from a simplified employee pension within the meaning of section 408 of the IRC, or,
  - The annuity is purchased with the proceeds from a Roth IRA described in section 408A of the IRC.
2. The purchase of an annuity not described in one of the 4 bullets above will be considered a transfer of assets unless it meets all of the following requirements for every month in which eligibility is being considered:
  - The annuity is irrevocable and non-assignable; and,
  - The annuity is actuarially sound, meaning it will return the full investment including principal and interest within the annuitant's life expectancy using the Life Expectancy Tables published by the Office of the Actuary of the Social Security Administration (located in the Appendix) and described in "Determining Whether an Annuity is Actuarially Sound" (below), and,