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**State of Wisconsin
Governor Scott Walker**

**TO: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators**

**FROM: Deborah Waite, Deputy Bureau Director
Bureau of Enrollment Policy & Systems
Division of Health Care Access and Accountability**

BEPS/DFS OPERATIONS MEMO					
No: 12-04					
DATE: 01/25/2012					
FS	<input type="checkbox"/>	MA	<input checked="" type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>
BC+ Basic	<input type="checkbox"/>	BC+ CORE	<input type="checkbox"/>		
CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/> *
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SUBJECT: Expanding Burial Trust Exemptions

CROSS REFERENCE: [Chapter 16.5.1](#) and [18.4](#) (MEH)

EFFECTIVE DATE: February 01, 2012

PURPOSE:

This memo provides instructions for implementing new rules pertaining to the treatment of funds in an irrevocable burial trust.

BACKGROUND:

Current Medicaid policy allows each individual to have one or more irrevocable burial trusts of which the total face value may not exceed \$3,000. Any principal amount over \$3,000 is a countable asset. As required under 2011 Wisconsin Act 32 § 1459bn, and Wisconsin Statutes § 49.47(4)(k), the department sought and did receive approval from the Centers for Medicare and Medicaid Services to permit friends and family members of any individual receiving EBD Medicaid to contribute up to a total of \$1,500 in excess of the current \$3,000 limit without the individual losing eligibility for medical assistance.

This change became effective February 01, 2012.

POLICY CHANGE

Currently, a total of \$3,000 of the principal amount in a member's irrevocable burial trust(s) is treated as exempt, regardless of who contributed the funds. Effective February 01, 2012, an additional amount up to \$1,500 of the principle amount in an irrevocable burial trust(s) can be exempt as long as it was contributed by friends or family of the applicant or member.

Verification must be provided to show any principal amount in an irrevocable burial trust over \$3,000 was contributed by friends or family of the member or applicant,

This policy change does not affect the treatment of interest or dividends earned on the irrevocable burial trust. If the interest and dividends are irrevocable and accrue to the trust they are exempt. If the interest or dividends are revocable they are a countable asset.

Example 1: Dave is applying for EBD Medicaid. He has contributed \$400 to an irrevocable trust. An additional \$4,000 was contributed by his uncle George, bringing the total principal to \$4,400. Since Dave contributed less than \$3,000 and the total principal amount is less than \$4,500 the entire principal amount is an exempt asset.

Example 2: Mary is in a nursing home and applying for Medicaid. She has an irrevocable burial trust with a principal total of \$5,000. Mary contributed \$2,500 to the trust. Her friend Joe contributed the additional \$2,500. \$3,000 of the principal amount is exempt as irrevocable. Up to another \$1,500 can be exempt if contributed by friends and family. The total amount of the trust principal that can be exempt is \$4,500 (\$3,000 plus and additional \$1,500 from Joe), and the remaining \$500 of this trust is considered available.

Example 3: Emma is applying for Family Care. She contributed \$3,400 to an irrevocable burial trust. In addition, her son Larry contributed an additional \$900. The principal of the trust totals \$4,300. Since any contribution that brings the total trust principal value above \$3,000 must be contributed by friends and family, only \$3,000 of the amount contributed by Emma is exempt. The additional \$400 she contributed is considered an available asset. The \$900 contributed by her son is exempt since the total principal amount is under \$4,500.

Example 4: Daisy contributed \$1,800 to an irrevocable burial trust. In addition, her granddaughter contributes \$1,000. The trust principal amount totals \$2,800. This situation requires no special treatment under the new law because the total asset is still less than \$3,000.

CARES:

Until changes can be made to CARES to accommodate this change, any amount over \$3,000 in an irrevocable burial trust that should be exempt must be entered separately as a burial space with case comments indicating the 'burial space' is actually additional burial trust principal contributed by friends or family of the member.

CONTACTS:

BEPS CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, BC+ Core – BadgerCare Plus Core, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC -

Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHS/DHCAA/BEPS/FM