



## “BURIAL FUNDS AND BURIAL PLANS”

ALTCS has rules pertaining to all types of resources. There are some resources which do not affect ALTCS eligibility or are considered “excluded” when determining if the applicant’s total resources exceed the guidelines. Burial funds/burial plans are considered a resource and must be evaluated to determine if the value of the fund/plan affects resource eligibility.

### **ALTCS applicants can:**

- 1) Designate and set aside a set amount as a burial fund
- 2) Prepay for a cremation plan
- 3) Prepay for a burial plan

If one chooses to designate and set aside funds rather than purchasing a plan through a funeral/cremation provider, the maximum that can be designated and set aside, and still be excluded from the resource determination is \$1500.00 per person. These funds can be in any form: cash on hand, funds in financial institution accounts, life insurance cash surrender value, stocks, bonds, etc., etc. If the designated fund exceeds \$1500.00, ALTCS counts the difference between the fund value and \$1500.00 as a countable resource and then adds it to the other countable resources to determine eligibility.

When funds are “designated” for burial, ALTCS requires the applicant or their representative to sign a form (Burial Fund Designation—DE157), declaring under penalty of perjury, the date the resource was designated as a burial fund, the value of the fund at the time of designation, the owner of the fund, how the funds are being held, and for whom their being held. In order for the fund to remain an excluded resource, the funds must be held separately from other resources . The applicant may not withdraw funds from this account without invalidating the designation.

When someone has more than \$1500.00 “designated” for burial and the difference when added to their other resources causes them to go over the resource limit, the applicant has a choice to reduce the fund to \$1500.00 and spend down the difference, or to take the funds and purchase a prepaid burial/cremation plan.

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*Coming in next month's newsletter:*

## **LIFE INSURANCE**

### **SPEAKING SCHEDULE**

October 10—Second Look Financial (Sun City)  
October 22, 29—Salvation Army (Phoenix)  
October 23, 30—ASU (Main Campus)  
November 18, 25—Beatitudes  
November 19, 26—Classic Residence

Want to learn more about ALTCS & its requirements? Call 480/464.4968 and have Carol Aragon-Montgomery speak to staff or residents at your next meeting.



Because ALTCS has many guidelines and the process can be overwhelming for someone needing care, refer them to **Montgomery & Associates, Inc.** for a no-obligation free initial evaluation. We can help them spend down, organize their assets, and sort through the ALTCS red tape to qualify as soon as possible.

**480/464.4968**



THOUGHT FOR THE MONTH . . .

“There are three kinds of people. Those that make things happen; those that watch things happen; and those that wonder what happened!”—JIM DORNAN

(Continued from page 1)

In Arizona, most prepaid plans (burial or cremation) are now funded by life insurance or an annuity. When an applicant chooses this method, ALTCS evaluates the plan’s excludability based on the applicant’s access to the life insurance/annuity proceeds. If the plan is “revocably” assigned to fund a burial/cremation contract, the same exclusion limits apply—\$1500.00 per person. If the “revocable” plan exceeds \$1500.00, then ALTCS counts the difference between the amount of the plan and \$1500.00 as a countable asset. If the difference when added to the other countable resources exceeds the ALTCS resource limit, then the applicant can choose to “irrevocably” assign the policy/annuity to fund the burial/cremation plan. This is a fairly simple process: contact the company, request an irrevocable assignment form, sign it, copy it, and then return it to the company. It is valid the moment you sign it and the company accepts the assignment.

If the prepaid plan is already irrevocably assigned to the funeral/cremation provider (or becomes irrevocable during the application process), ALTCS excludes the entire value of the burial/cremation plan so long as the entire plan is for the benefit of the ALTCS applicant and/or their spouse.

Q: Can an applicant have a prepaid burial of any value?

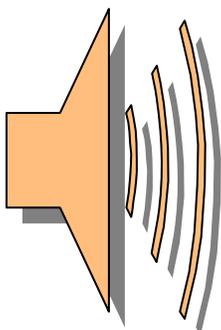
A: Yes, as long as it is “irrevocably” assigned to the funeral provider

Q: Can an applicant have a prepaid burial plan and a designated burial fund?

A1: Yes, if the combined total of both is less than or equal to \$1500.00 and the prepaid plan is “revocably” assigned to fund the burial/cremation plan

A2: No, if the combined total of both is greater than \$1500.00

A3: No, if the prepaid plan is “irrevocably” assigned to fund the burial/cremation plan. Any time a plan is “irrevocably” assigned to fund a burial/cremation plan, whether the fund is less than or greater than \$1500.00, the entire burial fund exclusion of \$1500.00 is used, and no further exclusion is allowed.



A SPECIAL THANKS TO THE FOLLOWING ORGANIZATIONS/GROUPS WHO RECENTLY ALLOWED OUR FIRM AN OPPORTUNITY TO SHARE OUR KNOWLEDGE OF THE ALTCS PROGRAM WITH THEM:  
RED MTN. METHODIST CHURCH LOW-VISION SUPPORT GROUP  
ALZHEIMERS SUPPORT GROUP IN APACHE JUNCTION  
BEATITUDES NURSE MINISTRIES /YOUNGTOWN  
JOHN C. LINCOLN (ALC / HOSPITAL)  
SUN TERRACE APARTMENTS  
BOSWELL HOSPITAL  
HSP—EAST

IF YOU ARE IN MARKETING . . .  
YOU MAY BE INTERESTED  
IN THIS . . .

Log onto [www.montgo.gasupusa.com](http://www.montgo.gasupusa.com)  
to find out more