

Annuities

Evaluate an annuity to determine if it is a countable resource

An annuity is a resource if:

- It can be revoked – the purchaser can get his or her money back, or
- It can be sold to another person, or
- It is assignable – the income can be directed to another person.

Annuities Purchased/Changed Effective 11/1/07 or later

To be an allowable transfer, the annuity must meet the following criteria:

For annuities held by either the a/r or the a/r's spouse, an annuity must have the NC Medicaid Program named as remainder beneficiary in the first position. If a spouse and/or child under 21/disabled child of any age exists, NC Medicaid Program can be named in the second position following one of these individuals.

Regardless of resource status, the annuity must meet the requirement for the state Medicaid Program being named beneficiary.

The following criteria does not apply to an annuity held by the a/r's spouse, only to an annuity held by the a/r. If an annuity is not a resource for the a/r, in addition to the requirement above, the following must be met:

The annuity was sold by a bank, insurance company, or other person engaged in the business of the sale of commercial annuities; **AND**

<p>It is considered either:</p> <ul style="list-style-type: none">• An Individual Retirement Annuity, or• A deemed IRA under a qualified employer plan	or	<p>It is purchased with proceeds from one of the following:</p> <ul style="list-style-type: none">• Traditional IRA• Accounts/trusts treated as traditional IRA• Simplified retirement account• Simplified employee pension account• Roth IRA	or	<p>It meets all of the following requirements:</p> <ul style="list-style-type: none">• Irrevocable• Full purchase price expected to be paid during the expected lifetime of annuitant• Provides equal payment amounts with no deferral or balloon payments
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If an annuity does not meet the above requirements, it is an uncompensated transfer for the purchase price. Determine sanction period based on that amount. (See MA-2240, Transfer of Assets, IX.A. and MA-2230, Resources, XII.C.)