

2615.15.00 RETIREMENT ACCOUNTS

The below policy applies to new applications filed on or after 07/26/2024.

Retirement accounts as defined in 405 IAC 2-1-1 (13) are financial plans for providing income when employment ends. They may be in the form of Individual Retirement Accounts (IRAs), Keogh Plans, 401K Plans, pensions, annuities, and work-related plans. Some profit-sharing plans may qualify as retirement accounts. Savings accounts, checking accounts and certificates of deposits held at banks or credit unions are not retirement accounts.

Except in the three situations listed below, a retirement account is an available resource to an individual if there is an option of withdrawing an amount for any reason, even though the member is not yet eligible for periodic payments. However, a retirement account is NOT considered an available resource if an individual must terminate employment in order to obtain any payment.

Exceptions:

- Funds held in an Individual Retirement Account or work-related pension plan, including Keogh Plans, by an ineligible spouse are not counted as resourcesⁱ. Ineligible spouse means someone who lives with you as your husband or wife and is not eligible for SSI benefits.ⁱⁱ
- For M.E.D. Works (MADW and MADI), all retirement accounts are exempt including those owned by the M.E.D. Works applicant/recipient. This exemption applies to such funds held by the member as well as by the spouse.
- When the Retirement Account has been annuitized and the member begins to receive regular, periodic payments are being received on a retirement account, the account is no longer a countable resource, and the payments are considered unearned income. If the IRA has sporadic withdrawals, then this is a conversion of resources and is not income but remains a resource.ⁱⁱⁱ

The value of a retirement account is the amount that the individual can currently withdraw less any penalty for early withdrawal. Taxes due are not deducted from the retirement account's value. Verification is to be obtained from the administrator of the retirement plan. If there is a delay in payment due to reasons beyond the individual's control because of the financial organization processing timeframe, it would affect the availability of the resource.

The retirement account is presumed available unless there is evidence showing the processing timeframe for a request to withdraw funds. If the timeframe is equal to or less than twenty working days, the account is considered available in all months. If the timeframe is more than twenty working days, the account is considered available after the individual agrees to withdraw

the funds from the account and the documented timeframe has passed. If the individual refuses to withdraw the funds, the account is considered available upon the refusal.

The value of the retirement account/s of both spouses will be used in the initial calculation of the resource assessment for MCCA (Medicare Catastrophic Coverage Act) budgeting. After the 90-day transfer period as outlined in IHCPPM 2635.10.10.15, an account which is only in the community spouse's name will no longer be included in the eligibility or post-eligibility (liability calculation) budget. Retirement accounts of both spouses will count in regular budgeting.^{iv,v}

For married couples where both spouses are in an institution, **a PACE member** or on an HCBS waiver, see IHCPPM 2635.10.10.05 and 2635.10.10.10 for budgeting rules. MCCA budgeting supersedes all other budgeting types.^{vi}

Retirement accounts are not counted in the MED 4 budget.

Another type of retirement account is intended for self-employed individuals and is often referred to as a Keogh Plan. Funds on deposit in Keogh Plans are counted as resources if the plan does not involve a contractual obligation with anyone who is not an AG member. If the plan includes a contractual obligation with a non-AG member, the money may not be accessible to the AG member and, therefore, is an unavailable resource. The value is the total amount of Keogh, less any withdrawal penalty.

If there are any questions regarding the retirement account, please send it to PAL for review.

ⁱ 20 CFR 416.1202 (a)(1)

ⁱⁱ 20 CFR 416.1160(d) & 405 IAC 2-1-1

ⁱⁱⁱ 20 CFR 416.1121 (a)

^{iv} 42 USCS 1396r-5

^v 405 IAC 2-3-26

^{vi} 42 U.S.C. 1396r-5