

ANNUITY EVALUATION WORKSHEET

Use this worksheet to document 1) if an annuity purchased on or after 2/8/06 is subject to Transfer of Property provisions for LTC individuals, and 2) to document the resource value of an annuity regardless of the purchase date.

Annuitant Name: _____ Annuity #: _____
 Purchase Date: _____ Substantial Transaction Date: _____

Step 1: Transfer of Property (N/A to non-LTC individuals)

If Question 1 and any one of Questions 2 through 5 are answered YES, then the purchase of the annuity is NOT considered an inappropriate transfer of property.

If the annuitant is the Community Spouse, then only Question 1 must be answered YES for the purchase to NOT be considered an inappropriate transfer of property.

- _____ 1) Is Kansas Medicaid named as the first remainder beneficiary?
- _____ 2) Is the annuity an individual retirement annuity (IRA) [408(b) IRC]?
- _____ 3) Is the annuity a deemed individual retirement annuity (IRA) [408(q) IRC]?
- _____ 4) Was the annuity purchased with proceeds from one of the following:
- _____ a) a traditional individual retirement annuity (IRA) [408 (a) IRC]
- _____ b) certain accounts or trusts which are treated as traditional individual retirement annuity (IRA's) [408 (c) IRC]
- _____ c) a simplified retirement account [408 (p) IRC]
- _____ d) a simplified employee pension [408 (k) IRC]
- _____ e) a ROTH individual retirement annuity (IRA) [408A IRC].
- _____ 5) Does the annuity meet **ALL** of the following requirements:
- _____ a) the annuity is irrevocable and non-assignable
- _____ b) the annuity is actuarially sound, in that it is expected to return full principle and interest within the annuitant's life expectancy
- _____ c) the annuity provides payment in approximately equal amounts with no deferred or balloon payments.

STEP 2: Resource Determinations

If the annuity is not considered a Transfer of Property, it still must be considered as a resource. Determine if the annuity is a countable resource, the value of the annuity and if any income generated from the annuity is countable.

Consider annuities owned by both the individual and the spouse.

- _____ 1) If the annuity is a retirement or pension annuity which is producing income, such as railroad retirement or civil service, the annuity is **NOT** a countable resource. The payments received from the annuity are countable unearned income.
- _____ 2) If the annuity is revocable, the annuity is a countable resource. The value of the annuity is the cash surrender value reported by the annuity carrier. Payments received from the annuity are **NOT** countable income.
- _____ 3) If the annuity is irrevocable, the annuity is a countable resource. The value of the annuity is the total amount yet to be paid out under the annuity as reported by the annuity carrier.

List total deposits (including dividends and earned interest): _____ (a)

List total payments (including lump sum withdrawals): _____ (b)

Subtract line b from line a. This is the fair market value: _____

If the total deposits exceed the total payments, the annuity is a countable resource equal to the fair market value. Payments received from the annuity are NOT countable income.

If the total payments equal or exceed the total deposits, the annuity has no fair market value and would be listed as a resource with no value. Payments received from the annuity are countable unearned income.

The valuation determined under this calculation may be adjusted if the individual provides evidence from a reliable source documenting a lesser fair market value.