How to Protect Your Assets from Long-Term Care Costs

Burial Space Items

FOR KENTUCKY

Are you or someone you know facing the decision to enter a long-term care facility in the near future? Or perhaps you have a family member currently residing in a nursing home. If so, this information could help your family preserve assets and protect your family financially.

Typically, an individual's assets will go toward paying nursing home expenses until their life's savings are depleted. That is when state and federal Medicaid programs begin to pay for a person's care.

THE STORY

FATHER

- *86 years old*
- *Lives independently at home*
- *Owns protected assets up to the state's allowable limit*

MOTHER

- *85 years old*
- *Has four children (all married) and two living siblings*
- *Requires nursing home care - $8,000 per month*
- *Owns $72,000 in unprotected assets above the allowable asset limit**
- *$72,000 – 9 months of nursing home care*

*We recommend that you speak with an attorney specializing in Medicaid planning to maximize your protected assets before using unprotected assets to fund burial contracts, burial spaces, and burial space items.

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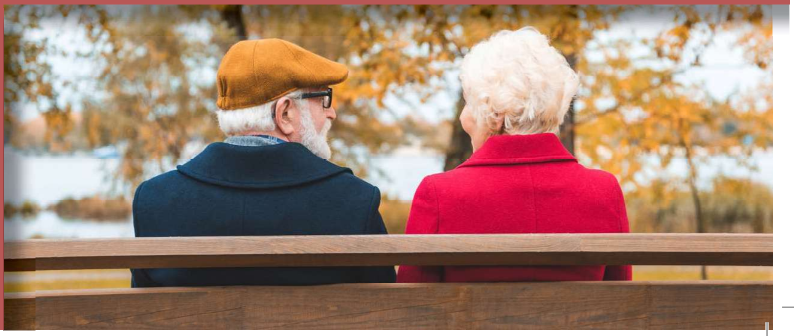
ASSETS PRESERVED



HOW TO PRESERVE ASSETS WITH PREARRANGED FUNERAL CONTRACT PLANS

OPTION 1: Irrevocable Funeral Contract

A properly structured irrevocable Prearranged Funeral Contract can be set aside as an exempt asset for the individual applying for Medicaid.

Prearranged Funeral Contracts may include:

- *Services*
- *Merchandise*
- *Third-party costs (flowers, death certificates, police escort, food, etc.)*

Start with $72,000 in assets:

- *$10,000 – Irrevocable funeral contract for applicant*
- *$62,000 – About 7 months of nursing home care*

OPTION 2: Burial Space Item Contracts

A qualifying individual's assets can be set aside for burial space item (BSI) contracts for the Medicaid applicant and spouse.

Burial space items:

- *Caskets*
- *Urn*
- *Niche*
- *Other repository customarily and traditionally used for the deceased's bodily remains*

The term also includes necessary and reasonable improvements or additions to such spaces, including but not limited to:

- *Vaults*
- *Headstones, markers, or plaques*
- *Burial containers (for caskets)*
- *Arrangements for opening/closing and care/maintenance of the grave*

For example, a contract for care and maintenance of the gravesite, sometimes referred to as endowment or perpetual care, can be excluded as a burial space item.

Start with $72,000 in assets:

- *$10,000 - Irrevocable funeral contract for applicant*
- *$10,000 - Two burial space item contracts*
- *$52,000 - About 6 months of nursing home care*

OPTION 3: Burial Space Contracts

A qualifying individual's assets can be set aside for burial space contracts for immediate family members and their spouses, which **helps preserve as many assets as possible for the family**.

Immediate family members for burial space contracts include:

- *Medicaid applicant*
- *Spouse*
- *Immediate family members**

*Immediate family is defined as the individual's minor and adult children, including adopted and stepchildren, siblings, parents, adoptive parents, and the spouses of those individuals.

Burial space contracts may include:

- *Burial plot*
- *Gravesite*
- *Crypt*
- *Mausoleum*

Start with $72,000 in assets:

- *$10,000 - Irrevocable funeral contract for applicant*
- *$10,000 - Burial space item contracts for applicant and spouse*
- *$42,000 - Burial space contracts for 12 immediate family members ($3,500 each)*
- *$10,000 - About 1 month of nursing home care*

$10,000
ASSETS PRESERVED

$20,000
ASSETS PRESERVED

$62,000
ASSETS PRESERVED

NOW IS THE TIME TO PLAN AND PROTECT YOUR ASSETS…BEFORE IT'S TOO LATE.

Our knowledgeable funeral prearrangement specialists can assist you in creating a prepaid burial or cremation plan specifically for the purpose of Medicaid spend down. Let us know how we can serve you.

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