

# Bulletin

May 27, 2008

Minnesota Department of Human Services □ P.O. Box 64941 □ St. Paul, MN 55164-0941

**OF INTEREST TO**

- County Directors
- Social Services Supervisors and Staff
- Financial Assistance Supervisors and Staff
- Mille Lacs Tribal TANF
- Case Managers
- MinnesotaCare Operations Managers, Supervisors and Workers
- County Attorneys
- County Collection Officers

**ACTION/DUE DATE**

Please read and implement the changes in this bulletin when processing requests for MA payment of LTC services, including renewals for individuals receiving MA payment of LTC services, on or after July 1, 2008.

**EXPIRATION DATE**

July 1, 2010

## Changes in the Treatment of Annuities for Medical Assistance (MA) Payment of Long-term Care (LTC) Services Eligibility and Benefit Recovery Announced

**TOPIC**

New disclosure requirements and treatment of certain annuities relating to eligibility for Medical Assistance (MA) payment of long-term care (LTC) services and benefit recovery under the federal Deficit Reduction Act of 2005 (DRA).

**PURPOSE**

Provide policy and systems information and instructions for new policies relating to certain annuities.

**CONTACT**

MinnesotaCare Operations, Counties and Tribal Agencies should submit policy questions to HealthQuest.

All others should direct questions to:

Health Care Eligibility and Access (HCEA) Division  
P.O. Box 64989  
540 Cedar Street  
St. Paul, MN 55164-0989

**SIGNED**

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BRIAN J. OSBERG  
Assistant Commissioner  
Health Care Administration

## **Background**

On February 8, 2006, the Federal Deficit Reduction Act of 2005 (DRA), Public Law 109-171, was signed into law. Section 6012 of the DRA provides new policies relating to the disclosure and treatment of annuities for individuals requesting Medical Assistance (MA) payment of long-term care (LTC) services. The 2006 Minnesota Legislature passed legislation that aligns state law with the federal law.

Prior to the DRA, the annuitization of an annuity was evaluated as a transfer of assets and either a potential source of unearned income or an available asset. A more comprehensive evaluation of all annuities owned by an individual requesting MA payment of LTC services or the individual's spouse is now required.

## **Introduction**

The new annuity policy requires the following:

### **Requirement 1: Annuity Disclosure (Section B)**

An individual who requests MA payment of LTC services must disclose any interest the individual and/or individual's spouse has in an annuity; and

### **Requirement 2: Naming DHS a Preferred Remainder Beneficiary (Section C)**

The Department of Human Services (DHS) must be named as a preferred remainder beneficiary of certain annuities owned by an individual requesting MA payment of LTC services and/or the individual's spouse; and

### **Requirement 3: Evaluation of Annuities under Transfer Policy (Section D)**

Certain annuities purchased by or on behalf of the individual requesting MA payment of LTC services must be evaluated under revised transfer policies.

Use this bulletin to evaluate all annuities until the Health Care Policy Manual (HCPM) is updated to incorporate the new annuity policies. Continue to consult the HCPM policy regarding the treatment of annuities with respect to assets assessments, evaluation of annuities as available assets, as a source of unearned income, and annuity-funded burials.

## **A. Definitions**

Use the definitions provided in this section when applying the policies described in this bulletin.

**These definitions replace any term used in the HCPM to the extent that the definition of the term in the HCPM differs from the definition provided in this bulletin.** As you review annuity documents, you may find that different terms or meanings of these terms are used. Also note, the annuity owner, the annuitant, and the payee may be the same individual or may all be different individuals. Please pay particular attention to the definition for "annuitant," "payee," "annuity transaction," and "free look period."

**1. Accumulation Phase**

The first phase of a deferred annuity during which the contract accumulates funds from the payments made into the annuity and accrued interest and/or earnings on investments.

**2. Actuarially Sound**

An annuity is considered “actuarially sound” if the cash value as of the date of annuitization is expected to pay out in full within the expected lifetime of the individual requesting MA payment of LTC services or the individual’s spouse.

**3. Annuitant**

The person(s) upon whose life expectancy annuity payments are based. Annuity contracts can have more than one annuitant. Multiple annuitants in an annuity contract are commonly referred to as “joint” annuitants or as “co-annuitants.” Not all annuity payments are based upon a person’s life expectancy. See the definition of “term certain annuity.”

Note: The term “annuitant” is sometimes, but not always, used to refer to an individual who receives periodic payments from an annuity. The term “payee” is also used. This bulletin uses the term “payee” to identify the individual(s) to whom periodic annuity payments are made.

**4. Annuitization Phase (also referred to as the “payout phase”)**

The second phase of a deferred annuity during which the owner chooses a periodic payment option, also called a “settlement option.” At the time the payment option is chosen, the owner chooses the amount of each payment, how often the payments are to be made, and the length of time over which the payments are to be made. Selecting the settlement option is referred to as “annuitization” or “annuitizing the annuity.”

**5. Annuity**

A purchased contract in which one party (annuity issuer) agrees to pay the purchaser, or the individual(s) the purchaser designates (the payee or payees), a return on money deposited with the annuity issuer (either in the form of a single lump sum or several payments deposited over several months or years) according to the terms of the annuity contract.

Note: Do not apply the policies described in this bulletin to employment-based pension plans held in the form of an annuity. Submit a question through HealthQuest if you are uncertain whether the policies in this bulletin should apply to a particular annuity product.

**6. Annuity Issuer**

An individual or entity (an insurance company) that manages an annuity. The annuity issuer accepts funds from the owner(s) during the accumulation phase and issues payments after the funds have been annuitized.

Note: Banks and financial planners often sell annuity arrangements; however, insurance companies issue annuity-based financial arrangements.

## **7. Annuity Owner**

Individual(s) who may exercise rights provided in the annuity contract. For example, the owner(s):

- a. names the payee(s) (payee(s) can be an owner or other parties); and
- b. chooses the settlement option; and
- c. names the beneficiaries.

## **8. Annuity Transaction**

Action taken by an annuity owner related to an annuity. The following annuity transactions, which occurred on or after February 8, 2006, but no earlier than the first day of the individual's lookback period, result in the annuity being subject to the DRA annuity policies described in Sections C and D.

- a. Purchasing an annuity  
The purchase of an annuity includes converting an existing annuity into another type of annuity or converting an account-based financial arrangement or other type of fund into an annuity.
- b. Exercising an annuity election including the following:
  - 1) annuitizing the annuity (choosing a settlement option); or
  - 2) adding an unscheduled contribution to an annuity, including the rollover of another financial arrangement into an annuity; or
  - 3) elective withdrawals – disbursements made in addition to the scheduled disbursements provided in the annuity contract (a partial surrender is a type of elective withdrawal if the annuity owner(s) must elect to receive the partial surrender); or
  - 4) changing the distribution (i.e., how, the amount, or to whom payments are made) from the annuity; or
  - 5) changing the annuity owner, annuitant, payee, or beneficiary, including transferring ownership of the annuity in whole or in part to a trust.

### **Exception:**

Do not consider a request to name DHS a preferred remainder beneficiary of an annuity to be an annuity transaction. See Section C, Requirement 2: Naming DHS a Preferred Remainder Beneficiary, for more information.

- c. Changes not treated as annuity transactions for purposes of evaluation under the DRA policy including:
  - 1) providing an annuity issuer with updated contact information; or
  - 2) notification of the death of a named beneficiary; or
  - 3) changes that occur automatically based on terms of the annuity contract that do not require a decision, election or action by the annuity owner(s) to take effect; or
  - 4) changes to the annuity beyond the control of the individual, including but not limited to changes required by law, operational changes instituted by the issuer, or a judgment of divorce or legal separation.

**9. Balloon Payment**

A lump-sum payment scheduled at the end of a series of smaller periodic payments that is selected as part of a settlement option.

**10. Beneficiary**

The individual, trust or entity named by the annuity owner to receive death benefits from an annuity.

**11. Deemed (IRA)**

A qualified employer plan that maintains a separate account or annuity to receive voluntary employee contributions to facilitate employee retirement savings planning.

**12. Deferred Annuity**

An annuity contract under which periodic payments will begin sometime in the future.

A deferred annuity contract provides the purchaser with the opportunity to accumulate savings over an extended period before the contract enters its payout phase. A deferred annuity has two phases: 1) the accumulation phase; and 2) the annuitization phase.

**13. Disclosure**

The action of reporting and verifying required information.

**14. Free Look Period**

Under Minnesota law, the purchaser of an annuity has the right to cancel an annuity contract within ten days following the date the purchaser receives a copy of the annuity contract. This cancellation period is often referred to as the “free look period.” Some annuity contracts allow a free look period longer than ten days. The right to cancel cannot be waived.

Except for variable annuities, the purchaser is entitled to a refund of the annuity's entire purchase value when the annuity is cancelled within a free look period. When a variable annuity is cancelled within a free look period, the refund the annuity purchaser is entitled to

receive is based upon several factors. As a result, the refund the annuity purchaser is entitled to receive upon cancellation of a variable annuity could be more or less than the annuity's purchase value.

**15. Immediate Annuity**

An annuity contract under which the annuity starting date will occur (and periodic income payments will begin) within one payment interval following the payment of the annuity premium. See the definition of "periodic payments."

**16. Individual Retirement Arrangement (IRA)**

An umbrella term used to describe a personal savings plan that provides the owner tax advantages for setting aside money for retirement. IRAs can be in the form of a trust, an account, or an annuity.

a. Individual Retirement Account (Traditional IRA)

An IRA held in the form of a trust or account is commonly referred to as a Traditional IRA.

b. Individual Retirement Annuity

An IRA held in the form of an annuity.

**17. Irrevocable**

A condition preventing the revocation, annulment, cancellation, or invalidation of an annuity contract.

**18. Long-Term Care Services**

Long-term care services include skilled nursing facility (SNF) care, nursing facility care in an inpatient hospital, intermediate care facility (ICF or ICF/MR) services, and services covered by the following home and community-based waiver programs:

- Community Alternative for Disabled Individuals (CADI)
- Community Alternative Care (CAC)
- Developmental Disabilities (DD)(formerly known as MR/RC)
- Elderly Waiver (EW)
- Traumatic Brain Injury (TBI)

**19. Lookback Period**

A specific period of time for evaluating transfers prior to the date an individual requests MA payment of LTC services.

**20. Non-Assignable**

A condition prohibiting the disbursement, transfer or sale of income or principal in any manner contrary to the terms of the annuity contract.

**21. Partial Surrender**

A withdrawal of some amount less than the entire cash value of the annuity. Many annuities provide a feature designed to allow annual withdrawals of certain amounts (e.g., 10 percent of the cash value).

**22. Payee**

An individual who receives periodic payments from the annuity. An annuity contract may provide for two or more payees. The term “annuitant” is sometimes, but not always, used to identify an individual who receives periodic payments from the annuity. This bulletin uses the term “payee” to identify an individual who receives the payments from the annuity.

**23. Periodic Payments**

Annuity payments disbursed to the payee(s) based on a payment interval (i.e., a month, calendar quarter, or a year) chosen by the annuity owner(s).

**24. Preferred Remainder Beneficiary**

Term used to refer to the individual or entity required to be named as a beneficiary of a death benefit under an annuity. A “preferred remainder beneficiary” has preferential rights to the death benefit.

**25. Roth Individual Retirement Arrangement (Roth IRA)**

An IRA designated as a Roth IRA when it is set up. Unlike a Traditional IRA, a person can make contributions to a Roth IRA after age 70½ in certain circumstances.

**26. Simplified Employee Pension Individual Retirement Account (SEP IRA)**

A special type of IRA that can be established by an employer or by self-employed persons. Designed for small businesses, SEP IRAs have many of the characteristics of qualified pension plans, but are much simpler to set up and administer. Under a SEP IRA, each participant has his or her own Traditional IRA to which the employer contributes. The contributions are excluded from the participant’s pay and are not taxable until distributed from the plan. Self-employed persons may set up a SEP IRA for themselves even if they do not have any employees.

**27. Savings Incentive Match Plan for Employees Individual Retirement Account (SIMPLE IRA)**

An IRA-based retirement savings plan designed specifically to make it easier for small employers to establish a retirement plan for employees. A SIMPLE IRA is a salary-reduction plan that allows employees to divert some compensation into retirement savings. Contributions to a SIMPLE IRA are deposited into a separate IRA for each participating employee.

**28. Term Certain Annuity**

An annuity under which payments are scheduled to continue for a specified period of time (e.g., 10 years), irrespective of a particular person’s lifetime.

## **29. Variable Annuity**

A type of annuity in which periodic payments vary according to income generated by assets in an underlying investment portfolio. Because the annuity payments vary based upon the performance of the market, variable annuities do not provide equal periodic payments throughout the term of the annuity contract.

## **B. Requirement 1: Annuity Disclosure**

### **1. Policy Prior to the DRA**

Individuals requesting MA payment of LTC services and the individual's spouse were required to report when they owned an annuity or received income from an annuity.

### **2. New Policy**

An individual who requests MA payment of LTC services must disclose any interest the individual and/or the individual's spouse has in an annuity including interests other than ownership or the right to receive income from the annuity.

- a. Individuals requesting MA payment of LTC services and their spouse must:
  - 1) provide information to determine whether an annuity transaction occurred on or after February 8, 2006 and within the lookback period, for all annuities owned by an individual requesting MA payment of LTC services and/or the individual's spouse (See A.8 above for the definition of annuity transaction); and
  - 2) disclose all annuities for which either spouse is an owner, annuitant, payee, or beneficiary.
- b. Accept the following types of documentation for verification purposes if they alone, or together, provide the required information:
  - 1) a copy of the annuity contract; and/or
  - 2) a written statement from the annuity issuer; and/or
  - 3) if applicable, a written statement from the employer, employer association or union.

Eligibility for MA payment of LTC services cannot be determined until all required information is provided.

### **3. Action Required**

- a. Use this bulletin to evaluate all annuities until the Health Care Policy Manual (HCPM) is updated to incorporate the new annuity policies.
- b. Continue to consult the HCPM policy regarding the treatment of annuities with respect to



asset assessments, evaluation of annuities as available assets, as a source of unearned income, and annuity-funded burials.

- c. Request a copy of the annuity contract and other related documents for individuals who request MA payment of LTC services and indicate on the application, renewal, or other form used to request MA payment of LTC services (such as the DHS-3543) that the individual and/or the individual's spouse owns, and/or has another interest in, an annuity.
- d. Send the individual a Required Annuity Information form (DHS-5143) (Attachment A) to obtain required information that is not included in the annuity documents and not requested on current forms used to request MA payment of LTC services if the annuity contract or related documents indicate the annuity was purchased prior to February 8, 2006. The individual must complete, sign, date, and return the form before you can determine eligibility for MA payment of LTC services.
- e. Request any additional information not provided with the annuity contract, related documents, or on the DHS-5143 using the Verification Request Form-B (DHS-2919B) or obtain a release of information from the individual to contact the annuity issuer. Sections C and D discuss the information you will need.
- f. Evaluate the annuity documents as required by the DRA policies to determine whether:
  - 1) the individual and/or the individual's spouse must name DHS as a preferred remainder beneficiary under the annuity (refer to Section C of this bulletin for more information); and/or
  - 2) an annuity purchased by or on behalf of the individual requesting MA payment of LTC services must be evaluated under new transfer policy (refer to Section D of this bulletin for more information); and/or
  - 3) the annuity is treated as an available asset; or
  - 4) payments received from the annuity are treated as unearned income.

## **C. Requirement 2: Naming DHS a Preferred Remainder Beneficiary**

### **1. Current Policy**

Individuals requesting payment of LTC services or their spouses are not required to name DHS a preferred remainder beneficiary of an annuity.

### **2. New Policy**

When an individual requests MA payment of LTC services, the individual and/or the individual's spouse must name DHS as a preferred remainder beneficiary of their annuity if an annuity transaction occurred on or after February 8, 2006 and within the individual's lookback

period. See Section A.8 above for the definition of “annuity transaction.”

As the preferred remainder beneficiary, DHS may receive up to the total amount of MA paid on behalf of the individual and/or the individual’s spouse when a death benefit becomes payable under the terms of the annuity contract.

If the client’s spouse, child under 21, or a disabled adult child (based upon the criteria of the Supplemental Security Income (SSI) program) is named a beneficiary under the annuity and is alive at the time the death benefit is payable, DHS is a secondary beneficiary to such individuals.

a. Individuals requesting or renewing eligibility for MA payment of LTC services and their spouses are required to designate DHS as a preferred remainder beneficiary for each annuity that meets all of the following criteria:

- 1) The individual requesting or renewing eligibility for MA payment of LTC services, and/or that individual’s spouse (even if the individual’s spouse neither receives nor requests MA payment of LTC services), has an ownership interest in the annuity; and
- 2) At least one annuity transaction occurred on or after February 8, 2006 and within the lookback period; and
- 3) The annuity provides for a death benefit and allows someone other than a surviving spouse to be named a beneficiary.

**Note:** Verification from the annuity issuer must be provided if an individual and/or the individual’s spouse claims it is not possible for DHS to be named a preferred remainder beneficiary.

b. Individuals who fail to follow the steps required to name DHS as a preferred remainder beneficiary are ineligible for MA payment of LTC services for a specified period of time based on the value of the annuity.

c. The DRA also requires annuity issuers to communicate certain information to county and state agencies about annuities that designate DHS as a preferred remainder beneficiary. Annuity issuers who receive a signed and dated DHS-5037 are required to:

- 1) confirm that DHS has been named a preferred remainder beneficiary; and
- 2) notify the county agency of changes made to the amount of income or principal being withdrawn from the annuity and/or to the beneficiary designation by the annuity owner; and
- 3) inform DHS when the death benefit becomes payable and request the amount of MA subject to recovery by DHS.

- d. Use the following forms as indicated to name DHS as a preferred remainder beneficiary. Determine which forms will be needed for each annuity as described below.

**1) Annuity Beneficiary Designation Form: Annuity Owner Seeking Payment of Long-Term Care Services (DHS-5036) (Attachment B).**

Use this form when the individual requesting MA payment of LTC services owns the annuity individually or jointly with his or her spouse or someone else; **or**

**2) Annuity Beneficiary Designation Form: Annuity Owner is the Spouse of Person Seeking Payment of Long-Term Care Services (DHS-5036A) (Attachment C).**

Use this form when the spouse of the individual requesting MA payment of LTC services is the owner of the annuity, or is a co-owner of the annuity with someone other than the individual requesting MA payment of LTC services; **and**

**3) Issuer of Annuity Notice of Obligation (DHS-5037) (Attachment D).**

Send this form directly to the annuity issuer along with the signed DHS-5036 or DHS-5036A. The DHS-5037 provides the annuity issuer instructions regarding:

- naming DHS as a preferred remainder beneficiary; and
- completing the Confirmation/Status of Request portion of the form and returning it to the county agency within 30 days; and
- the annuity issuer's ongoing obligation to communicate with the county and state agency under federal and state law when DHS is named a preferred remainder beneficiary.

**3. Action Required**

Take the following steps for requests processed on or after June 1, 2008, when an individual requesting MA payment of LTC services and/or the individual's spouse is the owner of an annuity and is required to name DHS as a preferred remainder beneficiary.

**Note:** This process is summarized in a flowchart: Process for Naming DHS a Preferred Remainder Beneficiary (Attachment E).

- a. Send the appropriate Annuity Beneficiary Designation form (DHS-5036 or DHS-5036A) to the individual requesting MA payment of LTC services for **each** annuity in which the individual and/or individual's spouse has an ownership interest. Send the DHS-5036 or DHS-5036A along with the Verification Request Form – A (DHS-2919A), mark the "Other property" box, and instruct the individual and/or the individual's spouse to:
- 1) complete the Annuity Owner(s) Information section of the form (DHS-5036 or DHS-5036A); and
  - 2) sign and date the form; and
  - 3) return the form within 10 days.

b. If the individual does not return the DHS-5036 or 5036A:

- 1) Calculate a period of ineligibility for MA payment of LTC services.
  - a) Determine the appropriate value of the annuity to calculate a period of ineligibility based upon the phase of the annuity as follows:
    - If the annuity is in the Accumulation Phase, the value of the annuity is the current cash value (cash surrender value) of the annuity.
    - If the annuity is in the Annuitization (Payout) Phase, the value of the annuity is the total sum of money annuitized.
  - b) Use the formula in HCPM 19.40.30, Determining Transfer Penalty (MA), to determine the period of time the individual is ineligible for MA payment of LTC services due to failure to name DHS a preferred remainder beneficiary.
- 2) Deny or close eligibility for MA payment of LTC services. Eligibility for MA payment of non-LTC services may be approved or continued if all other eligibility factors are satisfied.
- 3) Send DHS-4915, Notice of Action for Payment of Long-Term Care Services (Attachment F). See Section E for notice requirements and systems instructions.
- 4) Send DHS-5181, Lead Agency Case Manager/Worker Communication Form, to the lead agency case manager if the individual is requesting waiver services (CAC, CADI, DD, TBI, or EW) indicating eligibility for MA payment of LTC services has been denied or closed.
- 5) Case note all actions.

c. When the individual returns the DHS-5036 or DHS-5036A:

- 1) Complete an Issuer of Annuity Notice of Obligation (DHS-5037):
  - Fill in the date, annuity information, and county contact information; and
  - Set a reminder in MAXIS (DAIL/TIKL) to track the return of the form; and
  - Retain a copy of the DHS-5037 and DHS-5036 or DHS-5036A in the case file.
- 2) Send the original DHS-5037 and DHS-5036 or 5036A to the annuity issuer for each annuity.

d. If the annuity issuer does not return the DHS-5037 within 30 days:

- 1) Send a request to the DHS Special Recovery Unit to pursue the designation of DHS as a preferred remainder beneficiary on behalf of the individual and/or the individual's spouse. Include copies of the completed DHS-5036 or DHS-5036A and DHS-5037 sent to the annuity issuer. Retain a copy of the forms in the case file.

DHS Special Recovery Unit  
P.O. Box 64995  
St. Paul, MN 55164-0995  
Fax Number (651) 431-7431

- 2) Continue or approve eligibility for MA payment of LTC services.
- 3) Follow all of the instructions in C.3.b above if notified by DHS Special Recovery Unit that the individual failed to cooperate with the issuer towards naming DHS as a remainder beneficiary.
- 4) Case note all actions.

e. When the annuity issuer returns the DHS-5037:

- 1) Continue or approve eligibility for MA payment of LTC services if all other factors of eligibility are met and the Confirmation/Status of Request indicates one of the following:
  - a) DHS has been named a preferred remainder beneficiary of the annuity as required by law; or
  - b) DHS has been named a preferred remainder beneficiary of the annuity, as provided by law, after the annuity owner's spouse, who is not living in a medical institution, or after an annuity owner's minor child(ren) or disabled child(ren); or
  - c) No death benefit is available under the annuity; or
  - d) The issuer describes a valid reason why it is not possible to name DHS a preferred remainder beneficiary.

Note: Non-cooperation with the issuer by an individual and/or the individual's spouse to name DHS a preferred remainder beneficiary of the annuity is not a valid reason for DHS not to be named a preferred remainder beneficiary.

If the DHS-5037 indicates DHS has been named a preferred remainder beneficiary, keep a copy of the returned DHS-5037 in the case file and send a copy to the DHS Special Recovery Unit.

- 2) Calculate a period of ineligibility for MA payment of LTC services as instructed in C.3.b above if the Confirmation/Status of Request section of the DHS-5037 indicates that an annuity owner has not returned the requested information to the issuer or otherwise has not cooperated towards naming DHS a preferred remainder beneficiary.
- 3) Set a reminder in MAXIS (DAIL/TIKL) for the date indicated by the issuer that the beneficiary change is expected to be complete if the Confirmation/Status of Request section of the DHS-5037 indicates the beneficiary change is in process. Follow the instructions below.
  - a) Call the person listed as completing the DHS-5037 (page 2) to follow up if confirmation that DHS has been named a preferred remainder beneficiary is not received by the expected date of completion as indicated by the annuity issuer on the returned DHS-5037.
  - b) Follow the instructions in “1” and “2” immediately above, as appropriate, if required information about the annuity is received from the annuity issuer within 10 days after following up with the person listed as completing the DHS-5037 (page 2).
  - c) Follow the instructions above to refer the case to the DHS Special Recovery Unit if a response from the person listed as completing the form (or any other representative of the annuity issuer) is not received within 10 days of the follow-up call described in (a) above.
4. Case note all actions.

**Reminder:** Information received from the annuity issuer or any other source indicating a change in the amount of income or principal being withdrawn from the annuity since the last request for MA payment of LTC services and/or that DHS is no longer named as a preferred remainder beneficiary must be evaluated to determine whether a penalty period applies, and/or an uncompensated transfer has occurred, and/or a change in the amount of available unearned income from the annuity has occurred.

#### **D. Requirement 3: Evaluation of Annuities under Transfer Policy**

The third DRA annuity requirement adds new criteria for evaluating annuities purchased by, or on behalf of, an individual requesting or receiving MA payment of LTC services. This change results in two sets of policy for the purpose of evaluating annuities under transfer of assets analysis. These

policies are referred to as Method 1 and Method 2.

Use this bulletin to evaluate annuities until the Health Care Policy Manual (HCPM) is updated to incorporate the new annuity policies. Continue to consult the HCPM regarding the treatment of annuities with respect to asset assessments, evaluation of annuities as available assets, as a source of unearned income, and annuity-funded burials.

**Reminder:** A penalty for an uncompensated transfer occurring on or after February 8, 2006, cannot be applied to individuals who are not otherwise eligible for MA payment of LTC services. Individuals are not otherwise eligible for MA payment of LTC services when any of the following apply:

- The individual does not meet non-LTC MA eligibility requirements; or
- The individual has a home equity interest in excess of the home equity limit; or
- The individual and/or individual's spouse fail(s) to name DHS as a preferred remainder beneficiary of an annuity when required to do so.

Refer to HCPM 19.40.35, Applying Transfer Penalty, for more information.

#### **1. Method 1**

Method 1 represents policy instructions that incorporate DRA policy.

a. To be evaluated under Method 1, an annuity must include all of the following elements:

- 1) The annuity was purchased with the funds of the individual requesting MA payment of LTC services; and
- 2) The individual requesting MA payment of LTC services is a payee under the annuity contract; and
- 3) An annuity transaction occurred on or after February 8, 2006 and within the lookback period.

**Reminder:** An annuity transaction can be the purchase of an annuity as well as other transactions. See A.8 above for the definition of annuity transaction.

b. Exceptions to Method 1 Transfer Analysis.

- 1) Revocable or assignable annuities are evaluated as an available asset. If the annuity is revocable, the individual must provide verification of the full current cash value as of the date of the request for MA payment of LTC services. If the annuity is assignable, the individual must provide verification of the annuity's market value.
- 2) The types of annuities listed below are not evaluated as transfers under Method 1 analysis unless any portion of the annuity to which the individual requesting MA

payment of LTC services and/or the individual's spouse is entitled to receive is transferred to someone other than the individual and/or the individual's spouse.

- a) Individual Retirement Annuity (according to § 408(b) of the Internal Revenue Code of 1986 (I.R.C.).
- b) Annuity-based Deemed IRA under a qualified employer plan (I.R.C. § 408(q)).
- c) An annuity purchased entirely with proceeds from any one or a combination of the following accounts or trusts owned by the individual requesting MA payment of LTC services:
  - Individual Retirement Account (Traditional IRA) (I.R.C. §. 408(a)).
  - Simplified Employee Pension (SEP) IRA (I.R.C. Sec. 408(k)).
  - ROTH IRA (I.R.C. § 408A).
  - Simple Retirement Account or Savings Incentive Match Plan for Employees (SIMPLE) IRA (I.R.C. § 408(p)).
  - Trust or account provided by an employer, association of employees, or union that is treated as an Individual Retirement Account (Traditional IRA) (I.R.C. § 408(c)).

**Note:** Annuities not evaluated as transfers under Method 1 or Method 2 analysis must be evaluated as an available asset or a source of unearned income.

- c. Method 1 annuities not listed in D.1.b above as exceptions to Method 1 Transfer Analysis that are in the payout phase must be evaluated as transfers. An uncompensated transfer has occurred *unless* all of the following criteria are met:
  - 1) The annuity is a commercial annuity issued by an insurance company or financial institution subject to licensing or regulation by the Minnesota Department of Commerce or similar agency of another state; and
  - 2) The annuity provides for payments in equal amounts during the term of the annuity with no deferral of payments and no balloon payments; and
  - 3) The annuity is actuarially sound using the life expectancy tables published by the Chief Actuary of the Social Security Administration (SSA). The current life expectancy table can be found online at <http://www.ssa.gov/OACT/STATS/table4c6.html>.

**Note:** The SSA life expectancy table must be used to determine actuarial soundness under Method 1 analysis. This table is different from the life expectancy table found in HCPM 19.25.30.10, which will continue to be used for the actuarial soundness test under Method 2 analysis for requests (including renewals) for MA payment of LTC services processed before August 1, 2008.



## **2. Method 2**

Method 2 is used to evaluate annuities that do not include all of the elements of annuities evaluated under Method 1.

a. Evaluate annuities under Method 2 when they include the following characteristics:

- 1) The annuity was purchased with the funds of the individual and/or individual's spouse within the lookback period; and
- 2) The individual requesting MA payment of LTC services and/or the individual's spouse is:
  - an owner;
  - a payee;
  - an annuitant;
  - a combination of the above; or
  - none of the above. (For example, the funds of the individual and/or his or her spouse were used to purchase an annuity to benefit someone other than the individual or the individual's spouse, and/or ownership of the annuity is held by someone other than the individual or the individual's spouse.)
- 3) If the individual requesting MA payment of LTC services is a payee under the annuity, no annuity transaction occurred to the annuity on or after February 8, 2006.

**Reminder:** An annuity transaction can be the purchase of an annuity as well as other transactions. See A.8 above for the definition of annuity transaction.

b. Exceptions to Method 2 Transfer Analysis.

- 1) Revocable or assignable annuities are evaluated as an available asset. If the annuity is revocable, the individual must provide verification of the full current cash value as of the date of the request for MA payment of LTC services. If the annuity is assignable, the individual must provide verification of the annuity's market value.
  - 2) An annuity that is not required to be evaluated under Method 1 or Method 2 transfer analysis must be evaluated to determine if it is treated as an available asset or if the annuity provides unearned income.
- c. Method 2 annuities not listed above as exceptions to Method 2 Transfer Analysis that are in the payout phase must be evaluated as transfers. An uncompensated transfer has occurred *unless* all of the following criteria are met:

- 1) The annuity is a commercial annuity issued by an insurance company or financial institution subject to licensing or regulation by the Minnesota Department of Commerce or similar agency of another state; and
- 2) The annuity provides for payment of principal and interest in equal monthly installments during the term of the annuity contract; and
- 3) Principal and interest payments from the annuity begin at the earliest possible date after annuitization; and
- 4) The annuity is actuarially sound using the applicable expectancy table. See Method 2, Step 4 below.

### **3. Action Required**

- a. Determine whether the annuity should be evaluated using Method 1 or Method 2 based on the policy in D.1 and D.2 above.

Note: Annuities treated as an available asset are not required to be evaluated under Method 1 or Method 2 transfer analysis.

- b. Evaluation Methods

#### **1) Method 1**

**Step 1: Identify whether a third party obtained an ownership interest in or received a portion or all of the payments from an annuity funded by the individual requesting MA payment of LTC services and/or the individual's spouse within the lookback period.**

- a) Determine whether a third party (someone other than the individual requesting MA payment of LTC services or the individual's spouse) obtained an ownership interest and/or any portion or all of the annuity payments through gift, assignment or sale during the lookback period or while the person received MA payment of LTC services.
- b) If no ownership interest in the annuity was transferred to a third party and only the individual requesting MA payment of LTC services and/or the individual's spouse receives or received payments from the annuity, go to Step 2.
- c) If a third party obtained an ownership interest in the annuity and/or received payments or the right to receive payments from an annuity purchased with the funds of the individual requesting MA payment of LTC services and/or the individual's spouse within the lookback period or while the individual was

receiving MA payment of LTC services, go to Step 5 to determine whether an uncompensated transfer occurred. In addition, go to Step 2 if the individual requesting MA payment of LTC services and/or the individual's spouse retained an ownership interest in the annuity.

**Step 2: Determine if all the following criteria apply to the annuity:**

- a) The annuity was purchased with the funds of the individual requesting MA payment of LTC services; and
  - b) The individual requesting MA payment of LTC services is a payee under the annuity contract; and
  - c) An annuity transaction occurred on or after February 8, 2006 and within the lookback period or while the individual was receiving MA payment of LTC services.
  - d) The annuity is not one of the types of annuities listed in D.1.b as an exception from evaluation under Method 1 analysis.
- If all four of the criteria above apply to the annuity, go to Step 3.
  - If all four criteria above are not satisfied, determine whether the annuity should be reviewed under Method 2 analysis.

**Step 3: Determine if the annuity in the payout phase meets all of the following criteria:**

- a) The annuity is a commercial annuity issued by an insurance company or financial institution subject to licensing or regulation by the Minnesota Department of Commerce or similar agency of another state; and
  - b) The annuity provides for payments in equal amounts during the term of the annuity contract; and
  - c) The annuity does not include a deferral of payments provision; and
  - d) The annuity does not include a provision for a balloon payment; and
- If the annuity meets all of the criteria listed above, go to Step 4.
  - If the annuity does not meet one or more of the criteria listed above, go to Step 5.

**Step 4: Determine if the annuity is actuarially sound.**

Follow the instructions below:

- a) Determine the life expectancy of the individual requesting MA payment of LTC services using the actuarial table found at:  
<http://www.ssa.gov/OACT/STATS/table4c6.html>.

If the individual's spouse is also listed as a payee under the annuity, use the spouse's life expectancy that is longer.

- b) Determine how much money will be paid out to the individual requesting MA payment of LTC services and/or the individual's spouse during the applicable life expectancy. To find this amount, add all the payments already received by the individual and/or the individual's spouse to the amount of additional payments scheduled to be received by the individual and/or the individual's spouse within the applicable life expectancy.
- c) Determine the cash value of the annuity on the date it was annuitized. Do not include money contributed by a third party (someone other than the individual requesting MA payment of LTC services or the individual's spouse) used to fund the annuity. Compare this amount to the result in Step 4(b).
  - If the cash value of the annuity on the date it was annuitized is less than or equal to the amount calculated to be paid out to the individual and/or individual's spouse within the applicable life expectancy, the annuity is considered to be actuarially sound. No further evaluation under transfer policies is required.
  - If the cash value of the annuity on the date it was annuitized is more than the amount calculated to be paid out to the individual and/or individual's spouse within the applicable life expectancy, the annuity is not considered to be actuarially sound and the annuity is treated as an uncompensated transfer. Go to Step 5.

**Step 5: Determine the value of the uncompensated transfer.**

The value of the uncompensated transfer is as follows:

- a) For annuities in which a third party (someone other than the individual requesting MA payment of LTC services and/or the individual's spouse) obtained an ownership interest and/or any portion or all of the annuity payments to which the individual requesting MA payment of LTC services and/or the individual's spouse was entitled to receive during the lookback period or while the individual received MA payment of LTC services, the cash value of the

ownership interest transferred and/or the total value of the annuity payments transferred to the third party after subtracting any compensation received is treated as an uncompensated transfer. Go to Step 6.

- b) For annuities that do not meet the criteria described in Step 3, the value of the uncompensated transfer is the total amount of the individual's and/or the individual's spouse's funds annuitized plus any earnings generated by the annuitized funds.
- c) For annuities that are not actuarially sound (as described in Step 4, the value of the uncompensated transfer is the total amount of the funds annuitized that will not be returned to the individual and/or the individual's spouse within the applicable life expectancy.

**Step 6: Calculate an Uncompensated Transfer Penalty.**

Calculate an uncompensated transfer penalty based on the value of the uncompensated transfer as determined in Step 5 above. See HCPM 19.40.30, Determining Transfer Penalty (MA). Go to Step 7.

**Note:** An uncompensated transfer penalty cannot begin unless the individual is otherwise eligible for MA payment of LTC services.

**Step 7: Follow Systems and Notice instructions.**

Follow the systems and notice instructions provided in Section E below.

**2. Method 2**

**Step 1: Identify whether a third party obtained an ownership interest in or received a portion or all of the payments from an annuity funded by the individual requesting MA payment of LTC services and/or the individual's spouse within the lookback period.**

- a) Determine whether a third party (someone other than the individual requesting MA payment of LTC services or the individual's spouse) obtained an ownership interest and/or any portion or all of the annuity payments through gift, assignment or sale during the lookback period or while the person received MA payment of LTC services.
- b) If no ownership interest in the annuity was transferred to a third party and only the individual requesting MA payment of LTC services and/or the individual's spouse receives or received payments from the annuity, go to Step 2.
- c) If a third party obtained an ownership interest in the annuity and/or received payments from an annuity purchased with the funds of the individual requesting

MA payment of LTC services and/or the individual's spouse within the lookback period or while the individual was receiving MA payment of LTC services, go to Step 5 to determine whether an uncompensated transfer occurred. In addition, go to Step 2(b) below if the individual requesting MA payment of LTC services and/or the individual's spouse retained an ownership interest in the annuity.

**Step 2: Determine whether the annuity was annuitized during the lookback period or while the individual was receiving MA payment of LTC services.**

- a) If the annuity was annuitized prior to the lookback period, no further evaluation of the annuity is required under Method 2 analysis.
- b) If the annuity was annuitized during the lookback period or while the individual received MA payment of LTC services, go to Step 3.

**Step 3: Determine if the annuity in the payout phase meets all of the following criteria:**

- a) The annuity is a commercial annuity issued by an insurance company or financial institution subject to licensing or regulation by the Minnesota Department of Commerce or similar agency of another state; and
- b) The annuity provides for payment of principal and interest in equal monthly installments during the term of the annuity contract; and
- c) The annuity begins payment of principal and interest at the earliest possible date after annuitization.
  - If the annuity meets all of the criteria listed above, go to Step 4.
  - If the annuity does not meet one or more of the criteria listed above, go to Step 5(b).

**Step 4: Determine whether the annuity is actuarially sound.**

- a) Determine life expectancy using the applicable life expectancy table.
  - For requests (including renewals) processed **before August 1, 2008**, use the life expectancy found in HCPM 19.25.30.10.
  - For requests (including renewals) processed **on or after August 1, 2008**, use the actuarial table found at: <http://www.ssa.gov/OACT/STATS/table4c6.html>.

- 1) If the individual requesting MA payment of LTC services and/or the individual's spouse purchased the annuity and the individual requesting MA payment of LTC services is the only payee under the annuity, use the life expectancy of the individual requesting MA payment of LTC services.
  - 2) If the individual requesting MA payment of LTC services and/or the individual's spouse purchased an annuity and the individual's spouse is the only payee under the annuity, use the individual's spouse's life expectancy.
  - 3) If the individual requesting MA payment of LTC services and/or the individual's spouse purchased an annuity and both the individual requesting MA payment of LTC services and the individual's spouse are payees under the annuity, use the spouse's life expectancy that is longer.
- b) Determine how much money will be paid out to the individual requesting MA payment of LTC services and/or the individual's spouse using the appropriate life expectancy, as explained in Step 4(a) above. To find this amount, add all the annuity payments already received by the individual and/or the individual's spouse to the amount of additional payments scheduled to be received by the end of the applicable life expectancy.
- c) Determine the cash value of the annuity on the date it was annuitized. Do not include any money contributed by a third party (someone other than the individual requesting MA payment of LTC services or the individual's spouse) used to fund the annuity. Compare this amount to the result in Step 4(c).
- If the cash value of the annuity on the date annuitized is less than or equal to the amount calculated to be paid out to the individual and/or the individual's spouse within the applicable life expectancy, the annuity is considered to be actuarially sound. No further evaluation under transfer analysis is required.
  - If the cash value of the annuity on the date annuitized is more than the amount calculated to be paid out to the individual and/or the individual's spouse within the applicable life expectancy, the annuity is not considered to be actuarially sound and the annuity is treated as an uncompensated transfer. Go to Step 5(c).

**Step 5: Determine the value of the uncompensated transfer.**

The value of the uncompensated transfer is:

- a) For annuities in which a third party (someone other than the individual requesting MA payment of LTC services or the individual's spouse) received any portion or all of the annuity payments to which the individual requesting MA payment of LTC services or the individual's spouse was entitled to receive during the lookback period or while the individual received MA payment of

LTC services (as described in Step 1), the total amount of money transferred to the third party after subtracting any compensation received is treated as an uncompensated transfer. Go to Step 6.

- b) For annuities that do not meet the criteria in Step 3 above, the value of the uncompensated transfer is the total amount of the individual's and/or the individual's spouse's funds annuitized. Go to Step 6.
- c) For annuities that are not actuarially sound (as described in Step 4) the value of the uncompensated transfer is the total amount of the funds annuitized that will not be returned to the individual and/or the individual's spouse within the applicable life expectancy.

**Step 6: Calculate an uncompensated transfer penalty.**

Calculate an uncompensated transfer penalty based on the value of the uncompensated transfer as determined in Step 5 above. See HCPM 19.40.30, Determining Transfer Penalty. Go to Step 7.

**Note:** An uncompensated transfer penalty period can only begin when the individual requesting MA payment of LTC services is otherwise eligible for MA payment of LTC services.

**Step 7: Follow Systems and Notice instructions.**

Follow the systems and notice instructions provided in Section E below.

## **E. Notice and Systems Instructions**

### **1. Notice revisions**

DHS previously implemented two notice forms for use when home equity is in excess of the home equity limit – DHS-4915, Notice of Action for Payment of Long-Term Care Services, and DHS-4916, Notice of Action – Payment of Long-Term Care Ending. These forms were also used to provide notice of denial of a home equity limit hardship waiver. The DHS-4915 and the DHS-4916 have been combined into the new DHS-4915 (05-08). The DHS-4916 is now obsolete. Do not use the DHS-4916 after the issue date of this bulletin.

The DHS-4915 (5-08) now includes notice of:

- a. Approval, denial or ending of eligibility for MA payment of LTC services due to a home equity interest in excess of the home equity limit;
- b. Approval, denial or ending of eligibility for MA payment of LTC services due to failure to name DHS a preferred remainder beneficiary of one or more annuities owned by the individual and/or the individual's spouse;



- c. Denial of a Home Equity Limit Hardship Waiver; and
- d. Denial of an Uncompensated Transfer Hardship Waiver.

**2. Failure to cooperate toward naming DHS a preferred remainder beneficiary of one or more annuities.**

a. MAXIS

- 1) MAXIS will not generate a system notice.
- 2) Send DHS-4915 to notify the client of denial or ending of MA payment of LTC services. A 10-day advance notice is required before ending MA payment of LTC services.

**Note: The DHS-4915 is a required notice.** Send all four pages of the DHS-4915 to the applicant or enrollee. Because MAXIS does not send an automated notice, this is the official notification of denial or ending of MA payment of LTC services.

- 3) Enter a detailed case note of the action taken.
- 4) Do not close eligibility for non-LTC MA services if the client is eligible.
- 5) If the applicant or enrollee is eligible for non-LTC MA services, determine the end date of the ineligibility period for not naming DHS the primary remainder beneficiary calculated in C.3.b. Set a MAXIS reminder (DAIL/TIKL) for the end date of the ineligibility period to send the client a DHS-3543 if the client continues to reside in a nursing facility and is eligible for MA for non-LTC services.

b. MMIS

Coding of MMIS is only necessary if the applicant or enrollee is eligible for MA for non-LTC services.

Code LTC ineligibility in MMIS/RLVA using the "A" (annuity penalty) ineligibility code to prohibit MA payment of LTC services when an individual is ineligible for MA payment of LTC services due to failure to name DHS as a remainder beneficiary.

- 1) For new applicants, enter MA eligibility on RELG. There is no need to update RELG for enrollees.
- 2) For applicants, enter a new RLVA span with ineligibility type "A" beginning the first day of the month that LTC services are requested. For enrollees, enter a new RLVA

span with ineligibility type “A” beginning the first day of the month after 10-day notice has been given.

- 3) Enter an “End Date” for the “A” span that corresponds with the period of ineligibility for MA payment of LTC services determined according to the instructions in C.3.b.
- 4) Overwrite the Begin Date of the “U” ineligibility span on RLVA using the day following the end date of the “A” span. If a “U” code is not present, enter a new “U” code span beginning the day following the end date of the “A” span.

**Note:** Overwriting the begin date of the “U” ineligibility code returns the client’s status to “undetermined” when the “A” code ends. The client’s eligibility for MA payment of LTC services must be re-evaluated if he or she submits a new request for MA payment of LTC services after the penalty period ends for failing to cooperate in naming DHS as a remainder beneficiary.

#### **Example**

Frank, a nursing home resident, requests MA, including MA payment of LTC services on August 12, 2008. Frank is ineligible for MA payment of LTC services due to failing to cooperate towards naming DHS a preferred remainder beneficiary of an annuity he owns. The penalty period is 26 months. Frank is eligible for MA for non-LTC services.

Action:

MAXIS

- ELIG HC – Approve eligibility for MA for non-LTC services effective 8/01/08.
- Send DHS-4915 to notify Frank that he is being denied MA payment of LTC services because he failed to name DHS the preferred remainder beneficiary.
- Enter a detailed case note.
- Go to DAIL/WRIT to create a DAIL/TIKL for the month before the end of the calculated ineligibility period, 09/30/2010, to send Frank a DHS-3543 if he is still residing in the nursing facility on 08/30/2010.

MMIS

- Enter a new RELG span for MA eligibility effective 08/01/2008.
- Enter an “A” ineligibility code on RLVA with a Begin Date of 08/01/2008 and an end date of 09/30/2010.
- Overwrite the Begin Date of the “U” ineligibility code for 10/01/2010. If there is no longer a “U” span on RLVA, enter a new “U” span with a begin date of 10/01/2010.

### **3. Annuity transaction(s) resulting in an uncompensated transfer penalty**

Annuity transactions resulting in an uncompensated transfer penalty are treated like all other uncompensated transfers.

a. MAXIS

- 1) Continue to follow coding instructions in Poli/Temp TE02.14.27, Uncompensated Asset/Income Transfers for MA/GAMC.
- 2) MAXIS will send a denial or ending notice for MA payment of LTC services.
  - a) For transfer penalties applied to uncompensated transfer(s) occurring on or after February 8, 2006:
    - i. A transfer penalty cannot begin unless the individual requesting MA payment of LTC services is otherwise eligible for MA payment of LTC services.
    - ii. An uncompensated transfer penalty cannot begin if an individual requesting MA payment of LTC services is ineligible due to either of the reasons listed below.
      - Home equity interest is in excess of the home equity limit.
      - The individual has failed to name DHS a preferred remainder beneficiary of an annuity owned by the individual requesting MA payment of LTC services and/or the individual's spouse.
  - b) For transfer penalties applied to uncompensated transfer(s) occurring before February 8, 2006, if in addition to one or more uncompensated transfer(s) the individual is also ineligible for MA payment of LTC services due to one or both of the reasons listed below, enter the following worker comment on the MAXIS-generated notice.
    - Home equity interest is in excess of the home equity limit.
    - The individual has failed to name DHS a preferred remainder beneficiary of an annuity owned by the individual requesting MA payment of LTC services and/or the individual's spouse.

**Worker Comment:**

You will receive an additional notice telling you other reasons MA will not pay for your long-term care or waiver services.

b. MMIS

Refer to the MMIS User Manual for instructions regarding the coding of ineligibility due to uncompensated transfer(s).

## **F. Legal References**

Deficit Reduction Act of 2005 (Public Law 109-171)

Laws of Minnesota 2006, Chapter 282, Article 17, Sections 27, 29, and 30.

## **G. Attachments**

Attachment A – Required Annuity Information (DHS-5143)

Attachment B – Annuity Beneficiary Designation Form: Annuity Owner Seeking Payment of Long-Term Care Services (DHS-5036)

Attachment C – Annuity Beneficiary Designation Form: Annuity Owner is the Spouse of Individual Seeking Payment of Long-Term Care Services (DHS-5036A)

Attachment D – Issuer of Annuity Notice of Obligation (DHS-5037)

Attachment E – Process for Naming DHS a Preferred Remainder Beneficiary Flowchart

Attachment F – Notice of Action for Payment of Long-Term Care Services (DHS-4915)

## **H. Special Needs**

This information is available in other forms to people with disabilities by contacting us at (651) 431-2283 or toll free at (800) 938-3224 or through the Minnesota Relay Service at (800) 627-3529 (TDD), 711 or (877) 627-3848 (speech to speech relay service).



Minnesota Department of **Human Services**

# Minnesota Health Care Programs Required Annuity Information

Date: \_\_\_\_\_  
Worker name: \_\_\_\_\_  
Worker phone number: \_\_\_\_\_  
Fax number: \_\_\_\_\_  
Agency name: \_\_\_\_\_  
Agency address: \_\_\_\_\_  
\_\_\_\_\_

Client name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Annuity contract number: \_\_\_\_\_

ANNUITY OWNER'S FULL NAME (1)		ANNUITY OWNER'S FULL NAME (2)	
SOCIAL SECURITY NUMBER	DATE OF BIRTH	SOCIAL SECURITY NUMBER	DATE OF BIRTH

## Client Instructions

This form is used to get information about an annuity you or your spouse own.

Follow these steps:

1. Read, complete and sign the form.
2. Return this form to your worker by \_\_\_\_\_.  
DATE

### 1. How did you fund the annuity listed above? Check all that apply.

- ☐ Savings or checking account
- ☐ Individual Retirement Account (Traditional IRA)
- ☐ Court-ordered settlement
- ☐ Proceeds from an employer-based retirement savings plan
- ☐ Simplified Employee Pension (SEP) IRA
- ☐ Savings Incentive Match Plan for Employees (SIMPLE) IRA
- ☐ Roth IRA
- ☐ Purchased by employer or union as part of a defined-benefit pension plan
- ☐ Deemed IRA under a qualified employer plan
- ☐ An account or a trust established by an employer, employee association or union that is not listed above.
- ☐ Other: \_\_\_\_\_
- ☐ I do not remember.

**Over →**

**2. Have any transactions been made on this annuity on or after February 8, 2006?** Check all that apply.

- ☐ Added to the principal of the annuity. Check this box if funds were added to the annuity or if funds were rolled over from another source into the annuity.
- ☐ Elective withdrawals made. "Elective withdrawals" means getting money out of the annuity that is not part of the regular payout schedule.
- ☐ Changed the way money is paid out of the annuity. List the change and the date it was made.

CHANGE	DATE OF CHANGE
--------	----------------

- ☐ Changed the annuity owner, payee or death beneficiary, including the transfer of ownership in whole or in part to a trust. Note: DO NOT check this box if the only change made to the annuity on or after February 8, 2006, was naming the Minnesota Department of Human Services a death beneficiary.

ACTION	DATE OF ACTION
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- ☐ No transactions have been made on or after February 8, 2006.

I declare that, under penalty of perjury, the information I have provided is true and correct to the best of my knowledge. I understand what happens to people convicted of perjury (not telling the truth). They may be sentenced to prison for up to five years, a fine up to \$10,000, or both.

All of the following people must sign below:

- Adults age 18 or older who are applying
- Parents, caretakers and guardians applying for children under the age of 21
- Children under age 18 who are applying on their own behalf and not living with a parent, caretaker or guardian
- The person who you have chosen to act on your behalf as an authorized representative.

You must sign this application even if you are authorizing someone to act on your behalf.

If an applicant is unable to sign, provide copies of legal documents of conservatorship or power of attorney.

YOUR SIGNATURE		DATE
SIGNATURE OF SPOUSE OR PARENT/GUARDIAN		DATE
SIGNATURE OF AUTHORIZED REPRESENTATIVE		DATE
ADDRESS OF AUTHORIZED REPRESENTATIVE		
CITY	STATE	ZIP CODE

Attention. If you want free help translating this information, ask your worker or call the number below for your language.

ملاحظة: إذا أردت مساعدة مجانية في ترجمة هذه المعلومات، فاسأل مساعدك في مكتب الخدمة الاجتماعية أو اتصل على الرقم 1-800-358-0377.

កំណត់សំគាល់ បើអ្នកចង់បានជំនួយបកប្រែព័ត៌មាននេះដោយមិនគិតថ្លៃ សូមសួរអ្នកកាន់សំណុំរឿងរបស់អ្នក ឬ ទូរស័ព្ទទៅលេខ 1-888-468-3787 ។

Pažnja. Ako vam je potrebna besplatna pomoć za prevod ove informacije, pitajte vašeg radnika ili nazovite 1-888-234-3785.

Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, nug koj tus neeg lis dej num (worker) lossis hu 1-888-486-8377.

ໂປດຊາບ. ຖ້າຫາກທ່ານຕ້ອງການການຊ່ວຍເຫຼືອໃນການແປຂໍ້ຄວາມດັ່ງກ່າວນີ້ຟຣີ, ຈົ່ງຖາມນຳພນັກງານຊ່ວຍວຽກຂອງທ່ານຫຼືໂທ 1-888-487-8251.

Hubaddhu. Yoo akka odeeffannoon kun sii hiikamu gargaarsa tolaa feeta ta'e, hojjataa kee gaafaddhu ykn lakkoofsa kana bilbili 1-888-234-3798.

Внимание: если вам нужна бесплатная помощь в переводе этой информации, обратитесь к своему социальному работнику или позвоните по следующему телефону: 1-888-562-5877.

Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la'aan ah, weydii hawl-wadeenkaaga ama wac lambarkan 1-888-547-8829.

Atención. Si desea recibir asistencia gratuita para traducir esta información, consulte a su trabajador o llame al 1-888-428-3438.

Chú Ý. Nếu quý vị cần dịch thông-tin này miễn phí, xin gọi nhân-viên xã-hội của quý vị hoặc gọi số 1-888-554-8759.

LB2-0001 (1-08)

This information is available in alternative formats to individuals with disabilities by calling your agency at (651) 431-2670 or (800) 657-3739. TTY users can call through Minnesota Relay at (800) 627-3529. For Speech-to-Speech, call (877) 627-3848. For additional assistance with legal rights and protections for equal access to human services benefits, contact your agency's ADA coordinator.



# Annuity Beneficiary Designation Form

## Annuity Owner Seeking Payment of Long-Term Care Services

**Purpose:** This form is used when you or you and your spouse own an annuity. It is used to tell the annuity company to name the MN Department of Human Services (DHS) as the preferred remainder beneficiary of the annuity. *Preferred remainder beneficiary* means the person(s) or entity to whom benefits must first be paid when the death benefit becomes payable.

ANNUITY OWNER(S)		CASE NUMBER	SOCIAL SECURITY NUMBER*
SPOUSE OF ANNUITY OWNER	BIRTHDATE	CASE NUMBER	SOCIAL SECURITY NUMBER*
ANNUITY COMPANY NAME		ANNUITY COMPANY ADDRESS	
CITY	STATE	ZIP CODE	ANNUITY CONTRACT NUMBER

**I hereby make the following beneficiary designation on the above-named annuity:**

The preferred remainder beneficiary of the annuity is DHS for an amount up to the cost of medical assistance benefits DHS has paid on my behalf or on behalf of my spouse. DHS' interests will be secondary to any of the following person(s) who have been named beneficiary(s) of the annuity:

- (a) My spouse, if not living in a medical institution
- (b) My child or children who have not reached the age of majority under Minnesota law
- (c) My child or children of any age who are totally and permanently disabled, according to the criteria of the Supplemental Security Income (SSI) program

Family members who meet the above requirements can be added or removed as beneficiaries after the date of this designation.

ANNUITY OWNER'S SIGNATURE	DATE	ANNUITY OWNER'S SIGNATURE	DATE
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By signing this form I name DHS as the preferred remainder beneficiary for my annuity.

COUNTY ADDRESS			DHS (BENEFICIARY)	
WORKER NAME			Minnesota Department of Human Services P.O. Box 64995 540 Cedar Street St. Paul, MN 55164-0995 Phone Number: (651) 431-3100 (select options 3-3) Fax Number: (651) 431-7431	
COUNTY ADDRESS				
CITY	STATE	ZIP CODE		
PHONE NUMBER	FAX NUMBER			

\*SSN is being requested since annuity issuers use it to identify annuity contracts.

This information is available in other forms to people with disabilities by contacting us at (651) 431-2670 (voice), or toll free at (800) 657-3739. TTY/TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.



# Authorization for Release of Annuity Information

**Authorization/Consent:** I/We authorize the Minnesota Department of Human Services (DHS) to release the following information to the annuity company named on the reverse side:

- Information about an annuity that may be subject to federal and state Medicaid laws
- Information needed to determine eligibility for health care programs

The information will be used to determine my current and future eligibility for Minnesota Health Care Programs.

**Consequences:** I know that state and federal privacy laws protect my records. I know:

- Why I am being asked to release this information
- I do not have to consent to the release of this information
- That generally, I must give my written consent for DHS to give out the information
- If I do not consent, the information will not be released unless the law otherwise allows it
- I may stop this consent with a written notice at any time, but this written notice will not affect information the agency has already released
- The person or agency who gets my information may be able to pass it on to others
- If my information is passed on to others by DHS, it may no longer be protected by this authorization
- This consent will end one year from the date I sign it, unless the law allows for a longer period

OWNER NAME			ADDRESS		
CITY	STATE	ZIP CODE	BIRTH DATE	CASE NUMBER	

OWNER NAME			ADDRESS		
CITY	STATE	ZIP CODE	BIRTH DATE	CASE NUMBER	

CLIENT OR AUTHORIZED REPRESENTATIVE'S SIGNATURE			<input type="checkbox"/> CLIENT <input type="checkbox"/> AUTHORIZED REP	DATE
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ANNUITY OWNER'S SIGNATURE			DATE		
ANNUITY OWNER'S SIGNATURE			DATE		

Attention. If you want free help translating this information, ask your worker.

ملاحظة: إذا أردت مساعدة مجانية في ترجمة هذه المعلومات، فاسأل مساعدك في مكتب الخدمة الاجتماعية.

កំណត់សំគាល់ បើអ្នកចង់បានជំនួយបកប្រែឥតគិតថ្លៃ សូមសួរអ្នកកាន់សំណុំរឿងរបស់អ្នក ។

Pažnja. Ako vam je potrebna besplatna pomoć za prevod ove informacije, pitajte vašeg radnika.

Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, nug koj tus neeg lis dej num (worker).

ປຼຶດຊາບ. ຖ້າຫາກທ່ານຕ້ອງການການຊ່ວຍເຫຼືອໃນການແປຂໍ້ຄວາມດັ່ງກ່າວນີ້ຟຣີ, ຈົ່ງຖາມນຳພນັກງານຊ່ວຍວຽກຂອງທ່ານ.

Hubaddhu. Yo akka odeeffannoon kun sii hiikamu gargaarsa tolaa feeta ta'e, hojjataa kee gaafaddhu.

Внимание: если вам нужна бесплатная помощь в переводе этой информации, обратитесь к своему социальному работнику.

Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la'aan ah, weydii hawl-wadeenkaaga.

Atención. Si desea recibir asistencia gratuita para traducir esta información, consulte a su trabajador.

Chú Ý. Nếu quý vị cần dịch thông-tin này miễn phí, xin gọi nhân-viên xã-hội của quý vị.



# Annuity Beneficiary Designation Form

## Annuity Owner is the Spouse of Person Seeking Payment of Long-Term Care Services

**Purpose:** This form is used when your spouse owns an annuity. It is used to tell the annuity company to name the MN Department of Human Services (DHS) as the preferred remainder beneficiary of the annuity. *Preferred remainder beneficiary* means the person(s) or entity to whom benefits must first be paid when the death benefit becomes payable.

ANNUITY OWNER(S)		CASE NUMBER	SOCIAL SECURITY NUMBER*
SPOUSE OF ANNUITY OWNER	BIRTHDATE	CASE NUMBER	SOCIAL SECURITY NUMBER*
ANNUITY COMPANY NAME		ANNUITY COMPANY ADDRESS	
CITY	STATE	ZIP CODE	ANNUITY CONTRACT NUMBER

**I hereby make the following beneficiary designation on the above-named annuity:**

The preferred remainder beneficiary of the annuity is the Minnesota Department of Human Services (DHS) for an amount up to the cost of medical assistance benefits DHS has paid on my behalf or on behalf of my spouse. DHS' interests will be secondary to any of the following person(s) who have been named beneficiary(s) of the annuity:

- (a) My child or children who have not reached the age of majority under Minnesota law
- (b) My child or children of any age who are totally and permanently disabled according to the criteria of the Supplemental Security Income (SSI) program

Family members who meet the above requirements can be added or removed as beneficiaries after the date of this designation.

ANNUITY OWNER'S SIGNATURE	DATE	ANNUITY OWNER'S SIGNATURE	DATE
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By signing this form I name DHS as the preferred remainder beneficiary for my annuity.

COUNTY ADDRESS			DHS (BENEFICIARY)
WORKER NAME			Minnesota Department of Human Services P.O. Box 64995 540 Cedar Street St. Paul, MN 55164-0995 Phone Number: (651) 431-3100 (select options 3-3) Fax Number: (651) 431-7431
COUNTY ADDRESS			
CITY	STATE	ZIP CODE	
PHONE NUMBER	FAX NUMBER		

\*SSN is being requested since annuity issuers use it to identify annuity contracts.

This information is available in other forms to people with disabilities by contacting us at (651) 431-2670 (voice), or toll free at (800) 657-3739. TTY/TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.

# Authorization for Release of Annuity Information

**Authorization/Consent:** I/We authorize the Minnesota Department of Human Services (DHS) to release the following information to the annuity company named on the reverse side:

- Information about an annuity that may be subject to federal and state Medicaid laws
- Information needed to determine eligibility for health care programs

The information will be used to determine my current and future eligibility for Minnesota Health Care Programs.

**Consequences:** I know that state and federal privacy laws protect my records. I know:

- Why I am being asked to release this information
- I do not have to consent to the release of this information
- That generally, I must give my written consent for DHS to give out the information
- If I do not consent, the information will not be released unless the law otherwise allows it
- I may stop this consent with a written notice at any time, but this written notice will not affect information the agency has already released
- The person or agency who gets my information may be able to pass it on to others
- If my information is passed on to others by DHS, it may no longer be protected by this authorization
- This consent will end one year from the date I sign it, unless the law allows for a longer period

OWNER NAME			ADDRESS		
CITY	STATE	ZIP CODE	BIRTH DATE	CASE NUMBER	

OWNER NAME			ADDRESS		
CITY	STATE	ZIP CODE	BIRTH DATE	CASE NUMBER	

CLIENT OR AUTHORIZED REPRESENTATIVE'S SIGNATURE			<input type="checkbox"/> CLIENT <input type="checkbox"/> AUTHORIZED REP	DATE
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ANNUITY OWNER'S SIGNATURE			DATE
ANNUITY OWNER'S SIGNATURE			DATE

Attention. If you want free help translating this information, ask your worker.

ملاحظة: إذا أردت مساعدة مجانية في ترجمة هذه المعلومات، فاسأل مساعدك في مكتب الخدمة الاجتماعية.

កំណត់សំគាល់ បើអ្នកចង់បានជំនួយបកប្រែឥតគិតថ្លៃ សូមសួរអ្នកកាន់សំណុំរឿងរបស់អ្នក ។

Pažnja. Ako vam je potrebna besplatna pomoć za prevod ove informacije, pitajte vašeg radnika.

Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, nug koj tus neeg lis dej num (worker).

ປຼຶດຊາບ. ຖ້າຫາກທ່ານຕ້ອງການການຊ່ວຍເຫຼືອໃນການແປຂໍ້ຄວາມດັ່ງກ່າວນີ້ຟຣີ, ຈົ່ງຖາມນຳພນັກງານຊ່ວຍວຽກຂອງທ່ານ.

Hubaddhu. Yo akka odeeffannoon kun sii hiikamu gargaarsa tolaa feeta ta'e, hojjataa kee gaafaddhu.

Внимание: если вам нужна бесплатная помощь в переводе этой информации, обратитесь к своему социальному работнику.

Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la'aan ah, weydii hawl-wadeenkaaga.

Atención. Si desea recibir asistencia gratuita para traducir esta información, consulte a su trabajador.

Chú Ý. Nếu quý vị cần dịch thông-tin này miễn phí, xin gọi nhân-viên xã-hội của quý vị.



# Issuer of Annuity Notice of Obligation

DATE

## Designation of Preferred Remainder Beneficiary

Minnesota Statutes § 256B.056, subd. 11 and 42 U.S.C. § 1396p (e) and 1396p (c) (F) require the annuity owner(s) named below to designate the Minnesota Department of Human Services (DHS) as **preferred remainder beneficiary**\* of the annuity described below.

## Instructions

1. Initiate the process to designate DHS as the preferred remainder beneficiary of the annuity identified below.
2. Follow the language provided on the attached (DHS-5036 or DHS-5036A) to designate DHS the remainder beneficiary.
3. Complete the **Confirmation/Status of Request** section of this notice and fax a copy of this form to the county agency contact listed on the reverse side of this form.
4. Complete the issuer responsibilities in Sections A and B below as they occur.

If you have questions about how to comply with this request, contact DHS at (651) 431-3100 (options 3-3).

ANNUITY COMPANY NAME		
ADDRESS		
CITY	STATE	ZIP CODE
ANNUITY OWNER(S)	SPOUSE OF ANNUITY OWNER	ANNUITY CONTRACT NUMBER

\***Preferred Remainder Beneficiary** means the individual or entity to whom benefits must first be paid under this annuity. Under state and federal law, DHS must be named as the preferred remainder beneficiary in the first position unless **a spouse not living in a medical institution, minor child, or disabled child** is the designated preferred remainder beneficiary in the first position. DHS is in the next preferred position after any of the above persons.

## Issuer Responsibilities

- A. The issuer of the annuity must notify the **county agency**, at the address on the reverse side:
- (1) Confirm that a preferred remainder beneficiary designation has been made
  - (2) When a change occurs to the amount of income or principal being withdrawn from the annuity on or after the date the annuity owner signs the enclosed Annuity Designation Form (DHS-5036 or DHS-5036A)
  - (3) When the owner requests a beneficiary change after DHS has been named preferred remainder beneficiary; include the name of the new beneficiary
- B. The issuer of the annuity must also notify the **state agency**, at the address below, when the death benefit becomes payable, as follows:
- (1) Request in writing that DHS provide a statement of the total amount of MA paid on behalf of the annuity owner and/or their spouse.
  - (2) If the death benefit is payable to someone other than DHS, provide the name and date of birth of the individual(s) to allow DHS to verify primary beneficiary status

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DHS will respond to the request within 45 days of receipt and will confirm if payout is due to a beneficiary(s) meeting certain requirements. The issuer must subsequently pay DHS an amount equal to the lesser of the amount payable under the annuity or the total amount of MA paid on behalf of the person(s).

COUNTY ADDRESS			DHS (BENEFICIARY)
WORKER NAME			Minnesota Department of Human Services P.O. Box 64995 540 Cedar Street St. Paul, MN 55164-0995 Phone Number: (651) 431-3100 (select options 3-3) Fax Number: (651) 431-7431
COUNTY ADDRESS			
CITY	STATE	ZIP CODE	
PHONE NUMBER	FAX NUMBER		

### Confirmation/Status of Request to Name DHS Beneficiary of Annuity

Within 30 days of the date of this notice, the annuity issuer must provide the following Confirmation/Status Reply to the county worker identified above:

- ☐ DHS has been named a preferred remainder beneficiary of this annuity as required by law
- ☐ DHS has been named the remainder beneficiary, as provided by law, after the annuity owner's spouse, who is not living in a medical institution, or after an annuity owner's minor child(ren) or disabled child(ren)
- ☐ The beneficiary change is in process; expected date of completion \_\_\_\_\_. Provide notice to the county worker when change is completed.
- ☐ The annuity owner(s) has not returned the requested information \_\_\_\_\_ OWNER NAME \_\_\_\_\_ DATE REQUESTED
- ☐ No death benefit is available under this annuity
- ☐ Other \_\_\_\_\_

PERSON COMPLETING FORM	PHONE NUMBER	DATE
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Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, nug koj tus neeg lis dej num (worker).

ໂປຼດຊາບ. ຖ້າຫາກທ່ານຕ້ອງການການຊ່ວຍເຫຼືອໃນການແປຂໍ້ຄວາມດັ່ງກ່າວນີ້ຟຣີ, ຈົ່ງຖາມນຳພນັກງານຊ່ວຍວຽກຂອງທ່ານ.

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Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la'aan ah, weydii hawl-wadeenkaaga.

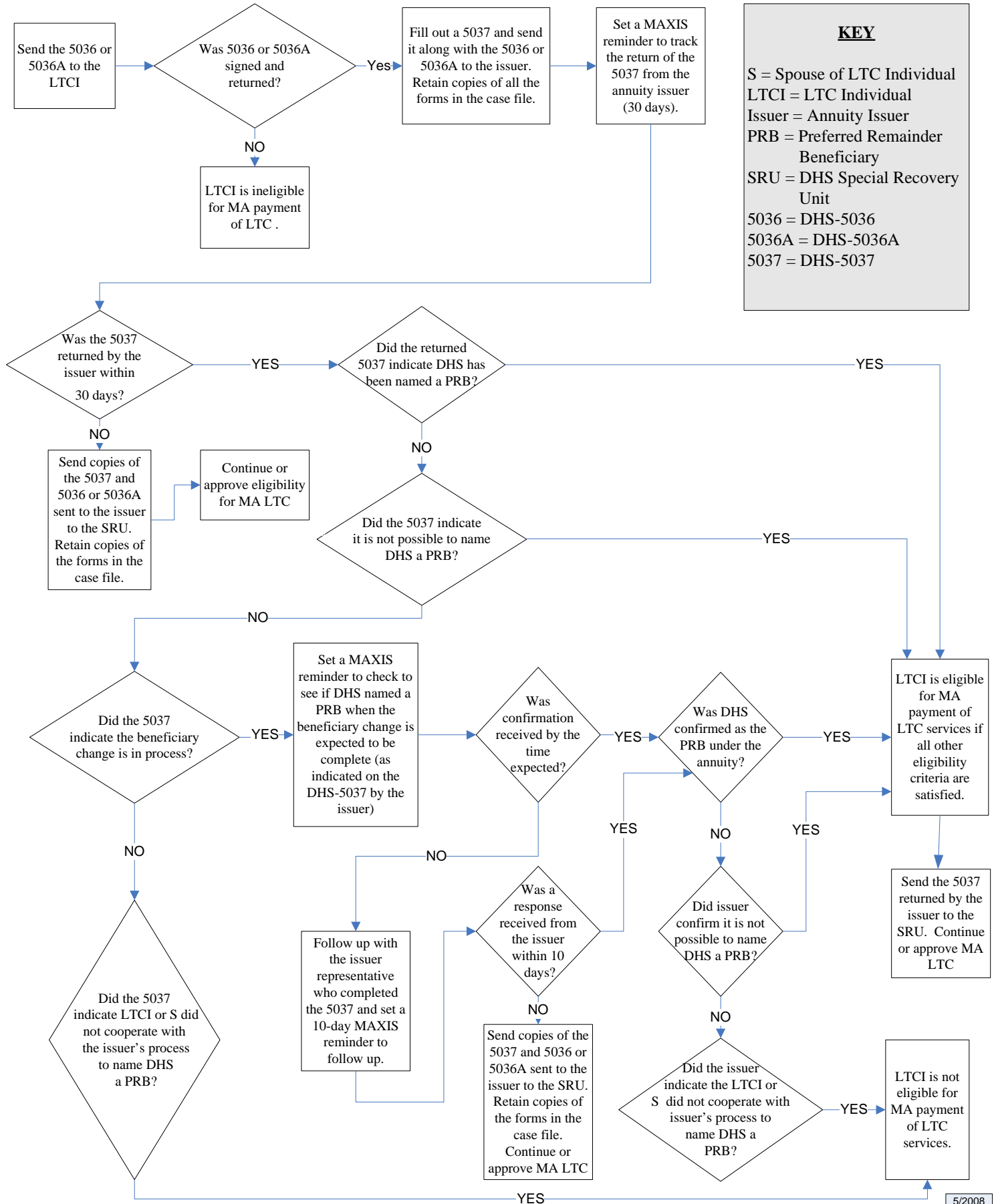
Atención. Si desea recibir asistencia gratuita para traducir esta información, consulte a su trabajador.

Chú Ý. Nếu quý vị cần dịch thông-tin này miễn phí, xin gọi nhân-viên xã-hội của quý vị.

LB1-0001 (1-08)

# Process for Naming DHS a Preferred Remainder Beneficiary

\*\*Case Note All Actions\*\*





Minnesota Department of **Human Services**

## Minnesota Health Care Programs

# Notice of Action for Payment of Long-Term Care Services

Date: \_\_\_\_\_

Case number: \_\_\_\_\_

Worker name: \_\_\_\_\_

Worker phone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Agency name: \_\_\_\_\_

Agency address: \_\_\_\_\_

\_\_\_\_\_

To: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

### Why am I getting this notice?

You asked to have Medical Assistance (MA) pay for services you receive through the Home and Community Based Waiver Programs or to pay for services while you are in a long-term care facility. The section that applies to you has been marked below.

Home and Community Based Waiver Programs include:

- EW (Elderly Waiver)
- CADI Waiver (Community Alternative for Disabled Individuals)
- CAC Waiver (Community Alternative Care)
- TBI Waiver (Traumatic Brain Injury)
- DD Waiver (Developmental Disabilities) (formerly known as MR/RC).

### MA payment of your long-term care services is:

☐ **Approved** Your coverage will start \_\_\_\_\_.

DATE

☐ **Denied** MA will not pay for your long-term care or waiver services because of the reason(s) marked on the next page.

☐ **Ending** MA payment of your long-term care or waiver services will end on \_\_\_\_\_ because of the reason(s) marked on the next page.

DATE

For worker use only: Check each box on the next page that applies.

**Over →**

## **MA will not pay for your long-term care or waiver services because:**

### ☐ **Home Equity Limit**

- ☐ Your home has an equity value of more than \$500,000. You are subject to this rule because you do not have any of the following people living in your home:

- A spouse,
- A child who is under 21, or
- A child of any age who is blind or has a disability.

**Call your county right away if you feel your life or health will be in danger as a result of losing MA payment of your long-term care services or if your home equity value falls below the \$500,000 home equity limit.** (*Minnesota Statutes*, Section 256B.056)

- ☐ Your request that the home equity limit not be applied to you has been denied. You have not shown that your life or health will be in danger if you do not receive MA payment of your long-term care services. (*Minnesota Statutes*, Section 256B.056)

### ☐ **Annuity Requirement**

You did not make the Department of Human Services (DHS) a preferred remainder beneficiary of one or more annuities that you or your spouse own. As a result, a transfer penalty has been applied and you are not eligible for MA payment of your long-term care or waiver services until \_\_\_\_\_.

DATE

### ☐ **Uncompensated Transfer Hardship Waiver**

Your request for a waiver of the transfer penalty for an uncompensated transfer due to a hardship is denied. You have not shown that your life or health will be in danger if you do not receive MA payment for your long-term care services. (*Minnesota Statutes*, Section 256B.0595)

**\*\*SEE THE NEXT PAGE FOR MORE IMPORTANT INFORMATION\*\***

**Over →**





# Important Information

- **Appeal rights.** An “appeal” is a legal process where a Human Services judge reviews a decision made by the county agency. You may appeal a decision if:

- You feel the agency did not act on your request for assistance, or
- You do not agree with the action taken.

You may represent yourself at the hearing, or you may have someone (an attorney, relative, friend or another person) speak for you.

- **For emergency help,** when your case is about an emergency and you need a decision on your appeal, you can ask for an emergency hearing by calling the county or the State Appeals Office.
- **For Cash, Child Care and Health Care,** you may appeal *within 30 days* from the date you received this notice by sending a letter saying you do not agree with the decision. You can send this letter to the county agency, or directly to the State Appeals Office. If you show “good cause” for not appealing your Cash, Child Care and Health Care *within 30 days*, the agency can accept your appeal for *up to 90 days* from the date you received this notice. “Good cause” is when you have a good reason for not appealing on time. The human services office will decide if your reason is a good cause reason. You can ask to meet informally with county staff to try to solve the problem, but this meeting will not delay or replace your right to an appeal.
- **For Food Support,** you may appeal *within 90 days* by writing or calling the county or the State Appeals Office.

Write: Minnesota Department of Human Services  
Appeals Office  
PO Box 64941  
St. Paul, MN 55164-0941

or Call: Metro: (651) 431-3600 (Voice)  
Outstate: (800) 657-3510  
TTY: (800) 627-3529  
Fax: (651) 431-7523

**If you want to keep getting your benefits until the hearing,** you must appeal before the date of the proposed action, or within 10 days after the date the notice is mailed, *whichever is later*. For most programs, if you file your appeal on time, you will get your benefits until a Human Services judge decides your appeal. If you lose your appeal, you will have to pay back the benefits you got while your appeal was pending. You can ask the county to end your benefits until the decision. If you end your benefits and then win your appeal, you will be paid back for benefits that you should have received or, for Child Care Assistance, eligible costs you paid or incurred. Ask your county worker to explain how the timing of your appeal could affect your present or future assistance.

- **You have the right to reapply** at any time if your benefits stop.
- **Access to free legal services.** You may be able to get legal advice or help with an appeal from your local legal aid office. To contact your local legal aid office call:

Hennepin ..... (612) 334-5970  
Ramsey ..... (651) 222-4731  
All other Minnesota counties ..... (888) 354-5522

- **Your right to file a complaint.** If you feel the county or the Minnesota Department of Human Services treated you differently in the handling of your public assistance application or benefits because of race, color, national origin, political beliefs, religion, creed, sex, sexual orientation, public assistance status, age or disability, including physical access to government buildings, you may file a complaint with your county agency or any of the following agencies.

Minnesota Department of Human Services  
Office for Equal Opportunity  
PO Box 64997  
St. Paul, MN 55164-0997  
(651) 431-3040 (Voice)  
(866) 786-3945 (TTY)

Minnesota Department of Human Rights  
190 East 5th Street, Suite 700  
St. Paul, Minnesota 55101  
(800) 657-3704 (Voice)  
(651) 296-1283 (TTY)

U.S. Department of Health and Human Services  
Office for Civil Rights, Region V  
233 North Michigan Avenue, Suite 240  
Chicago, Illinois 60601  
(312) 886-2359 (Voice)  
(312) 353-5693 (TTY)

U.S. Department of Agriculture  
Director, Office of Civil Rights  
1400 Independence Avenue, SW  
Washington D.C. 20250-9410  
(800) 795-3272 (Voice)  
(202) 720-6382 (TTY)

Attention. If you want free help translating this information, ask your worker or call the number below for your language.

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កំណត់សំគាល់ បើអ្នកចង់បានជំនួយបកប្រែព័ត៌មាននេះដោយមិនគិតថ្លៃ សូមសួរអ្នកកាន់សំណុំរឿងរបស់អ្នក ឬ ទូរស័ព្ទទៅលេខ 1-888-468-3787 ។

Pažnja. Ako vam je potrebna besplatna pomoć za prevod ove informacije, pitajte vašeg radnika ili nazovite 1-888-234-3785.

Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, nug koj tus neeg lis dej num (worker) lossis hu 1-888-486-8377.

ໂປດຊາບ. ຖ້າຫາກທ່ານຕ້ອງການການຊ່ວຍເຫຼືອໃນການແປຂໍ້ຄວາມດັ່ງກ່າວນີ້ຟຣີ, ຈົ່ງຖາມນຳພນັກງານຊ່ວຍວຽກຂອງທ່ານຫຼືໂທ 1-888-487-8251.

Hubaddhu. Yoo akka odeeffannoon kun sii hiikamu gargaarsa tolaa feeta ta'e, hojjataa kee gaafaddhu ykn lakkoofsa kana bilbili 1-888-234-3798.

Внимание: если вам нужна бесплатная помощь в переводе этой информации, обратитесь к своему социальному работнику или позвоните по следующему телефону: 1-888-562-5877.

Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la'aan ah, weydii hawl-wadeenkaaga ama wac lambarkan 1-888-547-8829.

Atención. Si desea recibir asistencia gratuita para traducir esta información, consulte a su trabajador o llame al 1-888-428-3438.

Chú Ý. Nếu quý vị cần dịch thông-tin này miễn phí, xin gọi nhân-viên xã-hội của quý vị hoặc gọi số 1-888-554-8759.

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This information is available in alternative formats to individuals with disabilities by calling your agency at (651) 431-2670 or (800) 657-3739. TTY users can call through Minnesota Relay at (800) 627-3529. For Speech-to-Speech, call (877) 627-3848. For additional assistance with legal rights and protections for equal access to human services benefits, contact your agency's ADA coordinator.