- A deemed Individual Retirement Account (IRA) under a qualified employer plan (according to Sec. 408 (q) of the IRC), or
- The annuity is purchased with proceeds from a traditional IRA (IRC Sec. 408a), or
- The annuity is purchased with proceeds from certain accounts or trusts which are treated as traditional IRAs (IRC Sec. 408 §(c)), or
- The annuity is purchased with proceeds from a simplified retirement account (IRC Sec. 408 § (p)),
- The annuity is purchased with proceeds from simplified employee pension (IRC Sec 408 § (k))
- The annuity is purchased with proceeds from a Roth IRA (IRC Sec. 408A).

To determine that an annuity is established under any of the various provisions of the Internal Revenue Code that are referenced above, rely on verification from the financial institution, the employer or the employer association that issued the annuity. The burden of proof is on the applicant or recipient (or his/her authorized representative) to produce this documentation. The life expectancy tables for males and females are listed below and are effective January 1, 2017. The life expectancy is provided in years.

LIFE EXPECTANCY TABLES

	TABLE 1 - MALE	TABLE 2 - FEMALE
Average Number of Years	Age of Life Remaining	Age of Life Remaining
55	25.50	28.81
56	24.70	27.94
57	23.90	27.09
58	23.12	26.24
59	22.34	25.39
60	21.58	24.56
61	20.83	23.72
62	20.08	22.90
63	19.35	22.07
64	18.62	21.26
65	17.89	20.45
66	17.18	19.65
67	16.47	18.86
68	15.77	18.07
69	15.07	17.30
70	14.39	16.54
71	13.71	15.79
72	13.05	15.05
73	12.40	14.32

74	11.76	13.61
75	11.14	12.92
76	10.53	12.23
77	9.94	11.57
78	9.37	10.92
79	8.82	10.29
80	8.28	9.68
81	7.76	9.09
82	7.26	8.52
83	6.79	7.98
84	6.33	7.45
85	5.89	6.95
86	5.48	6.47
87	5.08	6.01
88	4.71	5.57
89	4.37	5.16
90	4.05	4.78
91	3.75	4.43
92	3.48	4.11
93	3.23	3.81
94	3.01	3.55
95	2.81	3.31
96	2.64	3.09
97	2.49	2.90
98	2.36	2.73
99	2.24	2.58
100	2.12	2.42
101	2.01	2.28
102	1.90	2.14
103	1.80	2.01
104	1.70	1.88
105	1.60	1.76
106	1.51	1.65
107	1.42	1.54
108	1.34	1.44
109	1.26	1.34
110	1.18	1.24
111	1.10	1.15
112	1.03	1.06
113	0.96	0.98
114	0.90	0.91
115	0.84	0.84

116	0.78	0.78
117	0.72	0.72
118	0.66	0.66
119	0.61	0.61

2640.10.25.20 ESTABLISHING JOINT OWNERSHIP (MED)

When property is converted from individual ownership to joint ownership on or after July 1, 1996, a transfer of property has occurred. The amount considered to be transferred is the proportionate value of the new owner(s) share of the property.

When evaluating this kind of a transfer workers should keep in mind that the joint interests might not all be equal. The deed or contract should specify the proportionate interests of each owner, but if it is not clear or the worker has questions, an FSSA attorney should be consulted for assistance.

Example 1:
Property value = $60,000. One equal joint owner is added. $30,000 was transferred.

Example 2:
Property value = $80,000. Two joint owners are added and all 3 have equal interests. $53,333.34 was transferred. (The 2 new owners' value of the property.)

If property is jointly owned and additional new owners are added, the amount transferred is the difference between individual's interest before the transfer and after the transfer.

Example 3:
Property valued at $90,000 is jointly owned by the applicant and his son. His interest is $45,000. He adds his daughter as another joint owner, and all 3 have equal shares. His interest is now $30,000, so the amount transferred is $15,000. ($45,000 - $30,000).

If the property which has been converted to joint ownership has a lien or mortgage, the amount transferred is the proportionate equity value.

2640.10.25.25 TRANSFERS OF INCOME

This section applies to transfers of income that occur on and after June 1, 2002.[79]
When an individual transfers a stream of income or the right to receive income, the uncompensated value is the difference between the actual amount of income received, and the fair market value (FMV) of income that should be received. The FMV of the income that should be received is determined by multiplying the FMV by the life expectancy of the individual based on the Tables in Section 2640.10.25.10. Any income that the property was producing, or was

capable of producing, is included in the definition of assets for purposes of the transfer law. The resource that was transferred may have been exempt or non-exempt.

In the situation of a transfer of income-producing, non-home real property, the value of the property in excess of $6,000 is considered an uncompensated transfer. See Section 2640.10.15.05 for instructions on calculating the uncompensated value of income-producing real property. In addition, the value of the income that the property was producing or was capable of producing is a transfer. The uncompensated value is the fair market value of the income that the property could reasonably be expected to produce multiplied by the person's life expectancy at the time of the transfer.

If an individual rents real property for less than FMV, the uncompensated amount is the difference between the FMV of the rent and the amount of rent being received, based on the person's life expectancy.

Example 1:
A 75-year-old recipient in a nursing home owns rental property with an equity value of $50,000 and is receiving $500 a month in rent. This rental amount is consistent with other similar properties in the neighborhood and is therefore considered the fair market value. After subtracting allowable rental expenses, he has $400 rental income in his Medicaid budget. Their legal guardian transfers full title of the property to member. The uncompensated value of the transfer of the income is $400 x 110.88 months (9.24 years obtained from the life expectancy tables, $44,352. This is added to the uncompensated value of the property in excess of $6,000 for a total uncompensated value of $88,352. ($44,000 real property plus $44,352 income.)

Example 2:
A 70-year-old Medicaid recipient moves into a nursing home and signs the agreement to put their home up for sale or rent at fair market value. They hire a realtor who assesses the value at $95,000 with a rental value of $800 per month. Two months later, they rent the property to their child for $10 dollars a month. The child will pay the allowable expenses which amount to $150 per month. The uncompensated value is $640 ($800 - $150 - $10) x 184.20 months (15.35 years), $117,888.

2640.10.25.30 LOANS, PROMISSORY NOTES AS TRANSFERS OF ASSETS

This provision applies to loans established on and after November 1, 2009. It applies to individuals who loan money directly to another as well as those who may purchase a loan or promissory note that was originally entered into between 2 other persons. The likelihood of the latter may be small, however given the concern that many private loans are merely gifts appearing to be loans, it is important to understand the possible transactions that may occur by someone trying to shelter assets to become eligible for Medicaid. All promissory notes should be sent to PAL for review.