AskJane Resources

Last Updated: 2015-07-23

Resource	1. Medically Needy Categories	2. SSI Categories	3. CHOICES
Line 1: Liquid Resources			
Line 1.1: Cash on Hand *Cash is money on hand or available in the form of currency or coins. Foreign currency or coins are cash to the extent that they can be exchanged for United States issue.*	**Countable.**		
Line 1.2: Bank Accounts			
Line 1.21: Checking Account	**Countable.** -Countable portion based on ownership. See *Treatment of Resources* policy. -*Exception:* A checking account that is used for purposes other than personal use may be excluded on the terms of intended use.		
Line 1.22: Savings Account	**Countable.** -If the current month's income has been deposited into the account it must be excluded when determining the current value of the account -*Exception*: A savings account may be excluded if it is used for: (1) Burial funds, (2) Business or Self-Employment, (3) Educational Income, (4) Individual Development Account, (5) PASS, (6) Proceeds from the Sale of a Home (subject to time limits), (7) Prorated as Income, (8) Settlement or Disaster Payment, if excluded by policy, and (9) SSI/SSA Retroactive Payment (subject to time limits).		
Line 1.23: Individual Development Account (IDA) *IDAs may be established by or on behalf of an individual eligible for Families First assistance. An IDA is different from a regular savings account because funds deposited by a participant are matched by a separate entity and there are restrictions on the use of these funds. An IDA will provide an opportunity for a participant to build assets to further support the transition to self-sufficiency.*	**Likely Excluded.** -Funds, including accrued interest, in the account are disregarded as a resource as long as the individual complies with the IDA eligibility rules and continue to maintain or make contributions into the account.		
Line 1.24: Patient Trust Account *A patient trust account is a bank account set up by the nursing home for the convenience of the resident. An enrollee may deposit his or her PNA into the account, as well as other funds the enrollee receives, such as irregular or infrequent income or sheltered workshop earnings. This type of account is not a trust fund subject to trust fund policy*.	--	**Countable.** -The balance of the account at the time of application and redetermination is the countable amount. Verify the balance with the facility at every application, reapplication and redetermination. Document the contact with the facility and include the patient trust account number, date of contact, name of contact and the value of the trust account in case notes.	
Line 1.25: Certificate of Deposit	**Countable if held in personal account.** -The value of a CD is the net amount that could be received after penalties for early withdrawal, if applicable. Taxes are not deducted in determining net value.		
Line 1.3: Trust Funds *A trust is any arrangement in which a grantor transfers real or personal property with the intention that it be held, managed, or administered by a trustee(s) for the benefit of the grantor or other beneficiary(ies).*	**May be Countable or Excluded.** -A trust and the income generated by a trust will be counted or excluded based on the nature of the trust, the date the trust was created, the source of funds used to create the trust and other factors. See *Trusts and Medically Needy Categories* policy (for Medically Needy Categories) and *ABD Trusts* policy (for SSI and CHOICES).		

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<tr><th>Resource</th><th>1. Medically Needy Categories</th><th>2. SSI Categories</th><th>3. CHOICES</th></tr>
<tr><td rowspan="2">Line 1.31: Revocable Trust
A revocable trust is a trust that can be modified or terminated by the grantor, or someone else, according to the terms of the trust. A trust which is called irrevocable but which terminates if the grantor or someone else takes some action is also considered a revocable trust.</td><td colspan="3">If Established prior to 8/11/1993: The full amount of the trust is a countable resource. Interest which accrues to the account is counted as unearned income. Withdrawals from the trust are not considered income, as they are a conversion of a resource.

If Established on or after 8/11/1993: It is considered an accessible resource. If an individual’s assets form part or all of the revocable trust, and it was established by the individual, his or her spouse, or an entity with legal authority to act in behalf or at the direction or request of the individual, the trust is subject to the following policy:
• The principal of the trust is a countable resource; and
• Any payments from the trust to or for the benefit of the individual are considered income for the individual</td></tr>
<tr><td colspan="2"></td><td>For institutionalized individuals, the following additional policy requirements apply: If Trust established on or after 8/11/1993, any other payments from the trust for any other purpose must be considered under the Transfer of Assets and Penalty Periods policy.</td></tr>
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<tr><th>Resource</th><th>1. Medically Needy Categories</th><th>2. SSI Categories</th><th>3. CHOICES</th></tr>
<tr><td rowspan="2">Line 1.32: Irrevocable Trust
An irrevocable trust is a trust that cannot be modified or terminated by the grantor or (in most cases) anyone else. A trust which is called irrevocable but which terminates if the grantor or someone else takes some action is considered a revocable trust. An irrevocable trust may be accessible and countable for eligibility purposes.</td><td colspan="3">If Established prior to 8/11/1993: Excluded as resources if (1) the trust is legally irrevocable; (2) the beneficiary is not a financially responsible relative (FRR) or one for whom the individual is financially responsible; and (3) the individual does not have access to the funds, unless he or she is also a beneficiary.
If Established on or after 8/11/1993: An irrevocable trust or similar device which contains an individual’s own assets, forms all or part of the principal of a trust and is established (other than by will) by the individual or spouse, or by a person/entity with legal authority to act on behalf of or at the direction of the individual or spouse is subject to the policy outlined below. This policy applies to that portion of the trust which includes the assets of the individual regardless of the purpose of the trust, whether the trustees have or exercise any discretion under the trust, or any restrictions on distributions or the use of distributions:
• Any payments from the trust paid to or for the benefit of the individual for any purpose are considered income to the individual, unless payment is made for medical care or other purposes in which it is not considered income under Supplemental Security Income (SSI) policy; and
• Income on the corpus (principal) of the trust or any portion of corpus which could be paid to or for the benefit of the individual is considered an available resource to the individual.</td></tr>
<tr><td>Medically Needy Trust Exclusion: This policy applies to inaccessible trusts that have been set up for a minor (under age 18). If the value of the inaccessible trust is $5,000 or less, the trust is an excluded resource.

If value of trust > $5,000, the caretaker of the child beneficiary has 60 days from the date of application or redetermination to attempt to make the trust accessible or available. Exclude the value of the trust as an inaccessible asset during the 60-day period. At the expiration of the 60-day period, secure verification from the applicant’s caretaker that action has been taken to make the trust accessible.

If value of trust > $5,000 and the caretaker of the child beneficiary does not take action to make the trust accessible, remove the caretaker from the household size but continue to count his or her income in household income. The trust will not be a countable resource if it remains inaccessible.</td><td></td><td>For institutionalized individuals, the following additional policy requirements apply:
• Any other payments from the trust for any other purpose will be considered a transfer of assets for individuals subject to the transfer of assets policy;
• If any portion of the trust containing the individual’s assets cannot be considered as income or a resource, it is considered a transfer of assets from the date the trust is established or payment to the individual is foreclosed.
• The look-back period for trust transfers of assets is 60 months if no payment can be made to or for the benefit of the individual, or 36 months if payment can be made to or for the benefit of the individual.
• The corpus (principal) of the trust is the value of the transferred asset. Any additions to the irrevocable trust in which no payments can be made will be considered a transfer of assets at the point the addition is made.</td></tr>
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<tr><th>Resource</th><th>1. Medically Needy Categories</th><th>2. SSI Categories</th><th>3. CHOICES</th></tr>
<tr><td>Line 1.4: Mutual Funds, Stocks, and Bond
-A mutual fund is a company that buys and sells securities and other property.
-Shares of stock represent ownership in a corporation or business.
-A U.S. Savings Bond is a document issued by the government acknowledging that the money has been loaned to it and will be repaid to the owner with interest.</td><td colspan="3">Countable if owned for personal use.
-Mutual Funds: The current market value (CMV) of shares in the mutual fund owned by an individual is a countable resource unless the individual can establish a lesser value. The individual can substantiate a lower value by presenting written confirmation of a lower price from a local securities broker.
-Stocks: The market value of a stock is a countable resource. The stock may be counted at a lower value than the market value of a stock if the individual can substantiate the lower value by providing written confirmation of the lower value from a local securities broker.
-Bonds: The current value of a bond, which is its countable value, depends on the length of time elapsed since the date of issue and is subject to fluctuations in the interest rate.</td></tr>
<tr><td>Line 1.5: Retirement Accounts and Pension Plans
A retirement account or pension plan is an investment account intended to provide income at retirement.</td><td>Excluded if valued less than $20,000.
-IRAs, 401(k)s, Keogh and pensions or retirement accounts valued 20,000 or less are excluded as resources. If the amount of money in an IRA, 401(k) or Keogh is more than $20,000, only the amount in excess of the $20,000, minus penalty for early withdrawal, is a countable resource.</td><td colspan="2">Likely Countable.
a. Employment-Related Retirement Accounts: Most employment-related retirement accounts cannot be accessed until the employee is no longer employed with that particular business or entity. While an individual continues employment, the funds are inaccessible. The funds become accessible upon termination of employment. The funds are then countable, even though the funds may not be issued immediately.
Retirement accounts owned by either spouse are countable resources (if available) for resource assessments, but are excluded resources when owned by a deemed spouse or by a deemed parent.
b. 401(k): Funds held in a 401(k) retirement account are countable when the individual or his or her spouse is no longer job-attached because the funds are accessible after employment terminates. If the individual is still job-attached, the value of the 401(k) is excluded.
A 401(k) retirement account owned by a deemed spouse or a deemed parent is excluded as a resource.
c. Individual Retirement Account (IRA): Funds held in an IRA are considered accessible to the individual or community spouse. Count the equity value of an accessible IRA when determining eligibility. IRA funds owned by a community spouse are also considered countable and accessible when determining a Community Spouse Resource Maintenance Allowance (CSRMA).
IRA funds owned by a deemed spouse (for SSI categories) or deemed parent are excluded from the resource determination.
d. Keogh Plan: Keogh plans are considered accessible and counted as resources to the individual or community spouse even if the household is not actually accessing the funds. Keogh funds are countable resources in determining the CSRMA.
Keogh plans owned by a deemed spouse (for SSI categories) or deemed parent are excluded as resources.</td></tr>
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<tr><td>Line 1.6: Value of Contracts</td><td colspan="3"></td></tr>
<tr><td rowspan="2">Line 1.61: Annuities
Annuities are contracts or agreements that, in exchange for a lump sum payment or series of payments, provide for the payment of income at regular intervals (i.e., monthly, quarterly, annually). Annuities establish a source of income for a future period, and are often used in retirement planning.</td><td colspan="3">May be Countable or Excluded.
-Annuities may be counted as a resource or as unearned income, depending on the circumstances of the annuity. If an annuity is determined to be a countable resource, any payments from the annuity will be excluded as income. If the annuity is an excluded resource, the annuity payments received will be counted as unearned income.</td></tr>
<tr><td>-Annuities are excluded resources if:
i. The annuity meets all of the following conditions:
• The annuity is irrevocable;
• The annuity is non-assignable;
• The annuity is actuarially sound; and
• The payment contract requires periodic payments of equal amounts.
ii. A member of the household owns 100% of the resource and receives periodic payments from the annuity.
iii. The annuity is considered an employee retirement annuity.
-An annuity is a countable resource if it does not meet the conditions in the previous section. . . . The countable resource value of an annuity is its FMV.</td><td colspan="2">-Annuities are countable resources under the following conditions:
• It is revocable;
• It is assignable;
• It can be sold to someone else;
• It is owned by the applicant/enrollee or an ABD-eligible spouse, but the annuity payments are made to someone else;
• The applicant and/or his or her spouse do not own 100% of the annuity;
• The annuity is owned by an ABD ineligible spouse or a community spouse; or
• It is owned by a deemed parent and it is not an employment-related annuity.
-The countable resource value of an annuity is its FMV.</td></tr>
<tr><td>Line 1.62: Contract for Deed or Mortgage
A security held by the lender on a particular property for the repayment of debt by the borrower within a particular time period. A contract for deed, land contract, and deed of trust are all mortgages on real property.</td><td colspan="3">May be countable or excluded.
a. If the individual is the lender:
i. Countable Value: When the individual is the lender for a contract for deed, he or she may sell or transfer the instrument to have immediate access to the unpaid loan principal. The value of the resource equity value is a countable asset. Any subsequent payments to the principal made by the debtor after approval are considered a resource because the unpaid loan principal is a resource.
ii. Excluded as a Resource: The value of the contract may be excluded from countable resources if the individual can demonstrate that the contract cannot be sold without his realizing a net loss.
b. If the individual is the borrower: If the individual is the borrower, the property agreement is EXCLUDED as a resource. However, the property purchased may be a countable resource following the month of transaction.
c. Reverse Mortgage: When an individual has money in a reverse mortgage line of credit, this money is EXCLUDED as a resource.</td></tr>
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<tr><td>Line 7: Value of Promissory Notes and Other Loans</td><td colspan="3">Countable, unless:
-The note or loan balance is inaccessible
-The promissory note is held for reasons other than personal use, or
-It is excluded under exemptions for Burial, Business or Self-Employment, or Proceeds from the Sale of a Home.</td></tr>
<tr><td>Line 1.8: Prepayments and Deposits</td><td colspan="3"></td></tr>
<tr><td>Line 1.81: Prepayment of Rent</td><td>--</td><td colspan="2">Likely Countable.
-Prepayment of rent will be a countable resource unless the individual cannot receive the money back under any circumstances (i.e., the lease agreement includes a no refund policy, or the landlord provides a statement that the funds will not be returned to the renter).</td></tr>
<tr><td>Line 1.82: Prepayment of Nursing Home Care
Prepayment for care deposited by the individual upon admission to a TennCare Medicaid-participating long-term care facility.</td><td>--</td><td colspan="2">Likely Countable.
-The Deposit: The value of the deposit is a countable resource for the individual who is subsequently approved for TennCare Medicaid benefits if the deposit was paid from the individual’s own funds.
-If/When the Deposit is Refunded: The amount of the anticipated refund of the deposit (for an individual who was approved for TennCare) is a countable resource during the first month for which the individual has applied for TennCare Medicaid coverage, if the deposit was paid from the individual’s own funds. Refunds of deposits paid from the funds of someone else other than the individual and/or his FRRs are not a countable resource.</td></tr>
<tr><td>Line 1.83: Continuing Care Retirement Community Entrance Fee or Deposit
Continuing Care Retirement Communities (CCRC), or life communities, provide living arrangements for individuals as they get older and who may require different levels of assistance. Many of these communities include independent living arrangements, memory support living arrangements and skilled nursing care.</td><td>--</td><td colspan="2">Maybe Countable.
-Entrance fees paid to a CCRC may be a countable resource. The following three conditions must all be met in order for the entrance fee to be an available, countable resource:
The entrance fee can be used to pay for care under the terms of the entrance contract should other resources of the individual be insufficient;
The entrance fee (or remaining portion) is refundable when the individual dies or terminates the contract and leaves the CCRC; and
The entrance fee does not confer an ownership interest in the community.</td></tr>
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Resource	1. Medically Needy Categories	2. SSI Categories	3. CHOICES
Line 2: Non-Liquid Assets			
Line 2.1: Real Property *Real property is any building and/or land, improved or unimproved, including recreational, residential and/or commercial property.*	**Countable, with exceptions.** -The equity value in all real property the individual owns individually or jointly is a countable asset with the following exceptions: • Property excluded as homestead; • The inaccessible equity value of real property; and • Real property necessary for the production of earned income (see Business or Self- Employment). -The countable value of real property is equal to the individual's equity value in it. The equity value is equal to the Total Market Appraisal, as known as the real value or Fair Market Value, of the property less any encumbrances, liens or other legal claims	**Countable, with exceptions.** -The equity value in all real property the individual owns individually or jointly is a countable asset with the following exceptions: • Property excluded as homestead; • The inaccessible equity value of real property; • Equity value of income producing property (subject to the Rate of Return test); and • Real property necessary for the production of earned income (see Business or Self-Employment). -The countable value of real property is equal to the individual's equity value in it. The equity value is equal to the Total Market Appraisal, as known as the real value or Fair Market Value, of the property less any encumbrances, liens or other legal claims	
Line 2.11: The Homestead *The home and surrounding property which is not separated from the home by intervening property owned by others.*	**Excluded.** -The home and surrounding property are exempt and shall remain exempt when temporarily unoccupied for reasons of employment, training for future employment, illness, or uninhabitability caused by casualty or natural disaster, if the household intends to return. Households that currently do not own a home, but own or are purchasing a lot on which they intend to build or are building a permanent home, shall receive an exclusion for the value of the lot and, if it is partially completed, for the home.	**Excluded if meets certain conditions.** -The entire value of the home, whether on land or water, all adjoining land not separated by property owned by others and any related outbuildings are excluded in determining resource eligibility, as long as: • The home is the principal place of residence for the applicant, spouse or dependent relatives (an individual must have lived in the home for it to be considered his or her home or principal place of residence); and • Intent to return to the home is established, if the individual resides in a long-term care facility.	**Excluded if less than $552,000 in value and meets certain conditions.** -For an institutional individual, the individual is **ineligible** for payments of long term services and supports (CHOICES) when home equity **exceeds $552,000.00**, unless the spouse of such individual, or such individual's child who is under age 21 or blind or disabled is lawfully residing in the individual's home. -Otherwise, the value of the home, whether on land or water, all adjoining land not separated by property owned by others and any related outbuildings are excluded in determining resource eligibility, as long as: • The home is the principal place of residence for the applicant, spouse or dependent relatives; and • Intent to return to the home is established, if the individual resides in a long-term care facility.

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<tr><td>Line 2.12: Life Estates
A life estate is a property right with a duration limited to the life of the party holding it or to the life of some other party. The holder of a life estate does not have title to the property and cannot sell the property. However, the holder of a life estate can sell his or her interest in the property unless restricted by the terms of the contract, and is entitled to any income from the property. The income is deemed available to the holder, regardless of whether he or she actually receives the income.</td><td>May be Countable or Excluded.
-Excluded if:
• A life estate will be excluded as the home when the property is the individual’s principal place of residence.
• A life estate will be excluded when it is necessary for the production of earned income. See Business or Self-Employment.
• The terms of life estate contract prevents the holder from selling his or her interest in the property.
-If the life estate is not excluded based on the criteria above, the entire value of the life estate is a countable resource. The life estate value is determined by multiplying the fair market value of the property by the percentage listed in the “Life Estate Interest Table” for the age of the individual on whose lifetime the life estate is based. If more than one person owns the life estate, the value is based on the owner with the longest life expectancy.</td><td colspan="2">May be Countable or Excluded.
-Excluded if:
• A life estate will be excluded as the home when the property meets the homestead exemption.
• If the property is used in the passive production of income, the life estate is subject to the Rate of Return test. See Income-Producing.
• A life estate will be excluded when ownership is necessary for the production of earned income. See Business or Self-Employment.
• The terms of the life estate contract prevent the holder from selling his or her interest in the property.
-If the life estate is not excluded based on the criteria above, the entire value of the life estate is a countable resource. The life estate value is determined by multiplying the FMV of the property by the percentage listed in the “Life Estate Interest Table” for the age of the individual on whose lifetime the life estate is based. If more than one person owns the life estate, the value is based on the owner with the longest life expectancy.</td></tr>
<tr><td>Line 2.13: Oil and Mineral Rights</td><td>May be Countable or Excluded.
-Oil and mineral rights may be included with land ownership or owned separately. If surface rights of the same property are excluded, for example, as a home, so are oil and mineral rights.</td><td colspan="2">May be Countable or Excluded.
-Oil and mineral rights may be included with land ownership or owned separately. If surface rights of the same property are excluded (for example, as a home) so are oil and mineral rights.
-Oil and mineral rights are countable when owned for personal use, or when the surface rights of the same property are countable (non-homestead, real property).
-If oil or mineral rights are producing income to the individual, and he or she is not actively engaged in the production of income, the equity value of the rights is subject to the Income Producing Real or Personal Property policy.</td></tr>
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Line 2.2: Personal Property			
Line 2.21: Vehicles *Vehicles includes cars, trucks, motorcycles, campers, motor homes, aircraft, snowmobiles, watercraft, boats and all-terrain vehicles (ATVs).*	**Exclude up to $4,600 of the equity value of one vehicle.** -**Exclude** from countable resources up to $4,600 of the equity value (Current Market Value minus any encumbrances) of one vehicle. If the vehicle's equity value is greater than $4,600, count the equity in excess of the limit. The exclusion should be applied in the manner most advantageous to the individual. In general, the exclusion will be applied to the vehicle with the greatest equity value. -The equity value of any other vehicles is **countable**, unless the vehicle can be excluded under another provision, including: *Homestead*, *Business or Self-Employment*, *PASS*, or *Tools of the Trade*.	**Exclude one vehicle, regardless of value.** -One vehicle is excluded regardless of its value if it's used for transportation of the individual or a member of his or her household. Assume that a vehicle is used for transportation, absent evidence to the contrary. -When an individual owns more than one vehicle that is used for transportation of household members, apply the exclusion in the manner most advantageous to the individual. In general, the total exclusion will be applied to the vehicle with the greatest equity value. -The equity value of any vehicle, other than the one wholly excluded, is a resource when it: a. Is owned by the individual or a deemed household member; and b. It cannot be excluded under another provision, including: *Homestead*, *Business or Self-Employment*, *Income-Producing Property*, *PASS*, or *Tools of the Trade*.	
Line 2.22: Recreational Vehicles *Boats, motorcycles, snowmobiles, jet skis, ATVs and aircraft are generally considered recreational vehicles.*	**Countable**, unless can be excluded under One Vehicle Exemption above. -The entire amount of the individual's equity in this type of vehicle is a countable resource, unless the vehicle can be excluded under one of the vehicle exclusions listed above.		
Line 2.23: Livestock	**May be Countable or Excluded.** -If the livestock is used as non-business income-producing property: Value is **countable** (subject to the policy provided under *Income Producing Real and Personal Property*). -If the livestock is necessary for self-employment, as a tool of the trade, or raised for home/personal consumption: Value is **excluded** (except income received is countable as self- employment income).		
Line 2.24: Household Goods and Personal Effects ***Household goods*** *are items of personal property, found in or near the home, which the individual uses on a regular basis. The individual needs household goods for maintenance, use and occupancy of the premises as a home. Examples of household goods include: furniture, appliances, and electronic equipment.* ***Personal Effects*** *are items of personal property ordinarily worn or carried by the individual, or items that have an intimate relation to the individual. Examples of personal goods include: personal jewelry, personal care items and clothing, pets, educational or recreational items, and items of cultural or religious significance to the individual. Items required because of an individual's physical or mental impairment, such as prosthetic devices or wheelchairs, are also personal effects.*	**Excluded.**		

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Line 2.25: Items of Unusual Value *Items that an individual acquires or holds because of their value or as an investment. These items may meet the definition of personal effects. Examples of an item of unusual value include: gems, art collections, and animals owned for investment purposes. In general, an item may be considered an item of unusual value if the item is not excluded as a household good or personal effect, and the equity value of the item is greater than $500.*	**May be Countable or Excluded.** a. If the item generates income for the individual, it is a **countable** resource. b. If it does not, then up to $2,000 of all total personal items of unusual value may be **excluded**. Amounts exceeding the $2,000 limit are **countable** resources.	**Countable, unless it is a personal item.** If the item generates income for the individual, it is a **countable** resource, unless it is a personal item. The countable value is determined by applying the Rate of Return test, see *Income-Producing Real or Personal Property*. A personal item of unusual value is excluded from resources.	
Line 2.3: Insurance Policies			
Line 2.31: Life Insurance	**Excluded.** -Exclude the value of all life insurance policies owned by individuals for each household member. This includes any cash value that the policy may have accumulated.	**May be Countable or Excluded**, based on the type of life insurance and/or its intended use. **a. Life Insurance With a Cash Surrender Value (CSV): Count** the total net CSV of whole life insurance (the CSV less the amount of any outstanding loans made against the policy), UNLESS the total FV of those policies is less than or equal to $1,500. Count only the CSV of policies available to the individual. **b. Life Insurance Without a CSV: Excluded.**	
Line 2.32: Sick and Disability Insurance *Insurance policy that provides income to the insured if he or she becomes disabled.*		**Excluded.**	
Line 3: Other Resources with Specific Characteristics			
Line 3.1: Essential or Income-Producing Resources			
Line 3.11: Income-Producing Resources *Income producing property is non-liquid property used in the passive production of income (i.e., not a business or trade).* *It may include such property as rental property (when the person is not in the business of managing rental properties), a non- working ownership in a business venture, or leased land in which the owner is not actively participating in the operation and decision-making of the business for at least 20 hours per week.*	**Countable if accessible**, unless the property is the homestead, or it is used for business or self-employment.	**May be Countable or Excluded.** -Excluded if the property is the homestead, or it is used for business or self-employment. Otherwise is subject to the **Rate of Return Test:** • If the property produces a net annual income to the individual of at least 6 percent of the property's equity value: **Exclude up to $6,000** of an individual's equity in the resource. If the individual's equity value is greater than $6,000, the amount that exceeds $6,000 is countable towards the resource limit. If the property does not produce a net annual income of at least 6 percent of the resource's equity value: **Count** the entire equity value of the resource.	

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<tr><td>Line 3.12: Resources Used for Personal Consumption and Essential to Daily Activities
Non- business property used for personal consumption can be real or personal property. It produces goods or services essential to daily activities if it is used, for example, to:
• Grow produce or livestock solely for personal consumption in the individual's household; or
• Perform activities essential to the production of food solely for home consumption.
Note: This does not include any vehicle that is used for transportation.</td><td>Excluded.
-Exclude the equity value of non-business property used to produce goods or services essential to daily activities.</td><td colspan="2">Exclude up to $6,000.
-Up to $6,000 of the equity value of non-business property used to produce goods or services essential to daily activities is excluded from resources. Any portion of the property's equity value in excess of $6,000 is not excluded under this provision.
-The property must be in current use or, if it is not in use for reasons beyond the individual's control, there must be a reasonable expectation that the required use will resume.</td></tr>
<tr><td rowspan="2">Line 3.13: Resources Essential to the Production of Earned Income in Trade, Business, or Self-Employment</td><td colspan="3">Excluded.
-These excluded resources may include:
• Tools/equipment;
• Stock or raw materials;
• Real property;
• Personal property essential for income production;
• Office equipment;
• Business loans for the purchase of capital assets;
• Inventory;
• Machinery and equipment;
• Business/commercial checking accounts; and
• Life insurance.
-No exclusions listed in this section will be applied to property a household does not own, nor to use of such property except by owners who are members of the household.</td></tr>
<tr><td></td><td colspan="2">Additional Exemption: Property that represents the authority granted by a governmental agency to engage in an income-producing activity is also excluded if it is used in a trade or business or non-business income-producing activity or not used due to circumstances beyond the individual's control and there is a reasonable expectation that the use will resume.</td></tr>
<tr><td>Line 3.14: Tools of the Trade</td><td colspan="3">Excluded.
-Excluded as essential for the production of earned income.
-Personal property required by the individual's employer for work is not counted regardless of the value while the individual is employed. An employer-employee relationship must exist between the owner of the resource and the employer that requires the individual to furnish a resource as a condition of employment. Examples of this type of personal property include tools, safety equipment, uniforms and similar items.</td></tr>
</table>

<table>
<tr><th>Resource</th><th>1. Medically Needy Categories</th><th>2. SSI Categories</th><th>3. CHOICES</th></tr>
<tr><td rowspan="2">Line 3.2: Burial-Related Resources</td><td colspan="3">a. Burial Plot: One Excluded.
-One burial plot for each member of the household is excluded. Burial plots and spaces include burial plots, crypts, mausoleums, urns and other repositories for bodily remains. It also includes vaults, headstones, markers, headstone, containers, and arrangements for opening and closing the gravesite.</td></tr>
<tr><td>b. Burial Contracts: Excluded.
-Exclude burial contracts (includes insurance contracts) as a resource, whether revocable or irrevocable, for TennCare Medicaid Medically Needy categories. This applies to the applicant, as well as each household member.</td><td colspan="2">b. Burial Contracts: May be Countable or Excluded.
i. Prepaid Burial Contracts
A. Revocable: The value of a revocable prepaid burial contract is a countable resource.
B. Irrevocable: The value of an irrevocable prepaid burial contract is an excluded resource, under the following conditions:
A. Agreements established prior to 7/1/1981: A prepaid contract that has been declared irrevocable by a court of law is an excluded asset. It is a countable asset if it has not been declared irrevocable by a court of law.
B. Agreements established between 7/1/1981 and 7/1/1995: The entire value of the prepaid contract is excluded as a resource if the contract contains the following statement: “This contract is irrevocable and the funds paid hereunder are not refundable.”
C. Agreements established 7/1/1995 or later: A prepaid burial contract under which is a trust or an insurance arrangement is established by the funeral provider is excluded if it meets the following conditions:
Both the individual and the funeral home representative have signed the document;
An itemized list of the services provided under the contract is provided;
The price of all major services is specified;
The total dollar amount of the agreement is specified;
The individual was neither a minor or legally declared incompetent when the agreement was signed; and
The agreement specifies in writing that the money is not refundable under any circumstances.
iii. Life Insurance Funded Burial Contract
A. Revocable Assignment: The resource value of the burial contract is equal to the CSV of the life insurance policy, and is subject to the $1,500 burial reserve exclusion.
B. Irrevocable Assignment: The life insurance policy and the burial contract are excluded resources.
iv. Burial Trusts
All funds in a burial trust, established by an individual, including interest payments, are excluded if the value of the trust does not exceed $6,000 per individual. Interest payments and cost of transport which cause the trust value to exceed $6,000 are also excluded. This applies to both irrevocable and revocable burial trusts.
v. Burial Reserve
Individuals and their spouses are each allowed a $1,500 resource exclusion for funds set aside for burial expenses. This exclusion is separate from, and in addition to, the burial plot exclusion.</td></tr>
</table>

Resource	1. Medically Needy Categories	2. SSI Categories	3. CHOICES

Line 3.3: Gov't Program Income	
Line 3.31: SSI/SSA Retroactive Payments. *SSI retroactive payments are benefits issued in any month after the calendar month for which they are paid. SSA retroactive payments are benefits issued in any month that is more than a month after the calendar month for which they are paid.*	**Excluded for 9 months.** -SSI/SSA retroactive payments are excluded for 9 months after the payment is received and counted after that 9 month exclusion period.
Line 3.32: Plan to Achieve Self Support (PASS) - Income and Account *PASS is an SSI provision to help individuals with disabilities return to work.*	**Excluded.** -Any income an SSI recipient places in an approved PASS account is excluded as a resource. The PASS account itself is also excluded. This exclusion expires when the PASS contract expires or ends, or when the individual is no longer an SSI recipient.

Line 3.31: Settlement or Disaster Payments *Payments or benefits provided under certain Federal statutes.*	**Excluded** if the payment or benefit was provided under one of the following statutes:
	• Agent Orange Settlement Payments;
	• Disaster Relief Assistance received under the Disaster Relief Act of 1974;
	• Distribution of perpetual judgment funds to Indian tribes under the following:
	    ○ Indian Judgment Funds Distribution (P.L 93-134)
	    ○ Black Feet and Gros Ventre Tribes (PL 92-254)
	    ○ Grand River Band of Ottawah Indiana in Indian Claims Commission Docket No. 40-K;
	    ○ Tribes of groups under PL93-134;
	    ○ Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (PL 94-433); and
	    ○ Receipts from land held in trust by the Federal government and distributed to certain Indian tribes under PL 94-114.
	• Factor VIII or IX Concentrate Blood Products Litigation. The settlement payments made as a result of the class action lawsuit to hemophilia patients infected with HIV through blood plasma products;
	• Filipino Veterans Compensation Fund Payments: Lump sum payments made to certain veterans and spouses of veterans who served in the military of the Government of the Commonwealth of the Philippines during WWII;
	• Japanese-American and Aleutian Restitution Payments;
	• Payments made to individuals because of their status as victims of Nazi persecutions;
	• Payments to children born of Vietnam veterans diagnosed with spina bifida;
	• Payments made under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (state and local payments are only excluded for 9 months);
	• Revenues from the Alaska Native Fund paid under section 21(a) of the Alaska Native Claims Settlement Act; and
	• State funds paid to crime victims (excluded for 9 months).

Line 3.4: Other Income	
Line 3.41: Educational Income	**Excluded** (but subject to a time limit in certain situations). -Educational income received under Title IV of the Higher Education Act of 1965, such as Pell Grants, Federal Educational Loans and Work-Study Programs, or Bureau of Indian Affairs (BIA) Grants should be excluded as a resource; there is no time limit. -Grants (other than Title IV or BIA grants) scholarships, fellowships and gifts intended to pay for tuition, fees or educational expenses are excluded for 9 months beginning the month after received.
Line 3.42: Proceeds from the Sale of a Home	**Excluded under certain circumstances.** -The proceeds from the sale of a home are excluded to the extent that the funds are intended to be used to purchase another home subject to the homestead exclusion, and the funds are used for such a purpose within 3 months of the date of receipt of the proceeds.
Line 3.43: Prorated as Income	**Excluded.** Resource is excluded if prorated as income.