

# CASH ASSISTANCE

*When a person does not have employment income or when a person has insufficient income, there are programs to draw on for cash assistance if the person meets eligibility requirements. Cash assistance helps pay for food, clothing, and shelter. Several options are discussed in this section.*

- *New Hampshire Financial Assistance*
- *Supplemental Security Income*
- *Food Stamps*
- *Social Security Insurance*
- *Other – Life Insurance, Pensions or Retirement Benefits, Trusts, Burial Funds*



## STATE FINANCIAL ASSISTANCE

New Hampshire Financial Assistance programs provide cash to individuals with insufficient income and resources so that they may pay for food, clothing and shelter. The State, through the New Hampshire Department of Health and Human Services, provides assistance to individuals through— Old Age Assistance (OAA); Aid to the Needy Blind (ANB); and Aid to the Permanently and Totally Disabled (APTD). An individual may apply for assistance under any of the three categories and if eligible for more than one, must choose one. If the person with a disability meets the requirements for OAA, ANB or APTD, he or she may also receive benefits for special living arrangements— the residential care facility, the community residence, or a home- and community-based care (HCBC) program.

<b>Special Living Arrangement</b>	<b>Services</b>
Residential Care Facility	Personal and social care to adults who are elderly or physically disabled who cannot live alone but do not require institutionalization.
Community Residence	Personal and social care to individuals with a mental illness or a developmental disability who cannot live alone but do not require institutionalization.
HCBC — Elderly or Chronically Ill, Developmentally Disabled, or Acquired Brain Injury	Home- and community-based services that an individual needs in order to prevent institutionalization.

### ***WHAT ARE THE ELIGIBILITY REQUIREMENTS FOR FINANCIAL ASSISTANCE?***

To be eligible for Financial Assistance, a person must meet: (1) the general eligibility requirements, (2) the categorical eligibility requirements, and (3) the financial eligibility requirements.

#### ***General Eligibility Requirements***

There are several general eligibility requirements for the New Hampshire Financial Assistance program, including residency and citizenship requirements. Areas of special interest to a person with a disability and those who support him or her are the liability of a parent, child, or spouse to help support the person with a disability, the requirement that a person with a disability develop all potential sources of income, and public assistance reimbursement requirements. (For more on reimbursement requirements, see *Reimbursement of Public Assistance Payments* under *Public Benefit Considerations*.)

## ***Categorical Eligibility Requirements***

The basic categorical eligibility requirements for New Hampshire's Financial Assistance programs are listed below. If a person qualifies under OAA, ANB or APTD, the person may also apply for assistance in a special living arrangement (a residential care facility, community residence, or home- and community-based care program) if the level of care in the living arrangement is appropriate.

## ***Financial Eligibility Requirements***

### **OAA Categorical Requirements**

1. 65 years of age or older.

### **ANB Categorical Requirements**

1. Central visual acuity of  $\leq 20/200$  in the better eye, with correction; *or*
2. Field of vision limitation in which the widest diameter of visual field is under a 20° angular distance; *or*
3. Vision so defective that it prevents the performance of ordinary activities for which functional eyesight is essential.

### **APTD Categorical Requirements**

1. Age 18 through 64; *and*
2. Physical or mental disability that is likely to result in death or expected to last for a continuous period of not less than 48 months.

To meet financial eligibility requirements, a person must be both income- and resource-eligible. The financial eligibility criteria are important to consider when planning for a person with a disability.

## ***Income Eligibility***

The income-eligible individual has a countable income that falls at or below the Financial Assistance income limit. The State looks at all of the income that is available to a person. As required by law, the State excludes some income and makes deductions from the income that remains. See examples of income, excluded income and deductibles below.

### **Examples of Income, Excluded Income, and Income Deduction**

#### **Income**

Salary or wages  
Tips or commissions  
SSI payments  
Pension benefits  
Insurance benefits  
Contributions  
Dividends  
Savings account interest

#### **Excluded Income**

Earned income tax credit  
Scholarships  
Federal fuel assistance  
Food Stamps  
Plan for Achieving Self-Support  
Tax Refunds  
VA Aid and Attendance Allowance  
VISTA payments

#### **Income Deduction**

Income the person allocates to a dependent or spouse  
Court-ordered alimony or child support  
Wage garnishments  
Training expenses

The income that is left after the exclusions and deductions is the countable income. If the countable income is at or below the State’s income limit, the person is income-eligible. In 2001, for example, a person may not have more than \$544 (\$797 for a couple) in countable income in a month, although income in a special living arrangement may be higher.

*Resource Eligibility*

A person is resource-eligible for Financial Assistance if the total value of his or her countable resources is \$1,500 or less. “Resources” are the personal property and real estate of a person. Some resources are excluded by law (See below). If at any time the person’s countable resources exceed a value of \$1,500, the person becomes ineligible for financial assistance and must spend down resources to become eligible again.

<p style="text-align: center;"><b>Countable Resources - Examples</b></p> <p>Bank Accounts  Individual Retirement Account  Keogh Plan (established by individual)  Stocks and bonds  Revocable Trusts</p> <p style="text-align: center;"><b>Excluded Resources - Examples</b></p> <p>Home  Household Items  Life Estate  Life Insurance (if no cash surrender value)  Loans  Plan for Achieving Self Support  Vehicle</p>
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If the person *transfers assets* to become eligible for Financial Assistance and the person receives less than a fair market value for the asset, he or she may become ineligible for benefits for a certain period of time. The rules on asset transfers are discussed in *Transfer of Assets* under *Public Benefit Considerations*.

**WHAT ARE THE BENEFITS AND HOW ARE BENEFITS DISTRIBUTED?**

To determine the amount of the cash benefit, the State compares the person’s countable income to the applicable program income limit. The difference between the person’s income and the income limit is the amount of the benefit. If the difference is less than two dollars, there is no benefit. The State issues benefits twice per month through electronic benefit transfer (EBT) or direct deposit; a guardian, conservator or protective payee may request payment by check.

### *Electronic Benefit Transfer*

The State distributes most cash benefits through an EBT system. Under the EBT system a person accesses benefits with a debit card and Personal Identification Number (PIN). He or she may withdraw from the account free of charge up to four times per month and is charged a transaction fee for every additional withdrawal. The person is responsible both for the security of the EBT card and for withdrawing benefits regularly; if he or she does not withdraw benefits for 90 days, the State will remove any benefits remaining in the account. An authorized representative may assist the person in the EBT process.

### *Direct Deposit*

The person may also have benefits transferred through direct deposit to a bank account. The bank account may be in the person's name or in the name of his or her representative. This, of course, requires that there is an open checking or savings account to receive the benefit. Here again, the person is responsible for the security of the account and the State will not replace lost benefits.

## SUPPLEMENTAL SECURITY INCOME

The federal Supplemental Security Income (SSI) program provides cash assistance to individuals who are 65 years of age or older or who are blind or disabled. A person may be eligible for SSI benefits and may receive these benefits in addition to other benefits.

### ***WHAT ARE THE ELIGIBILITY REQUIREMENTS FOR SSI?***

To be eligible for SSI, a person must:

1. Be aged, blind or disabled;
2. Have a countable income at or below \$6,360 per year (2001); and
3. Have countable resources with a value at or below \$2,000 (2001).

(If a person has an eligible spouse, the income and resource figures for eligibility are \$9,552 and \$3,000, respectively.) You should know, however, that if a person lives in a public institution, such as a State hospital, he or she is probably not eligible for SSI benefits.

*The Aged, Blind or Disabled Eligibility Requirement* -- The “aged, blind, or disabled individual” is an individual who is: (1) 65 years of age or older, (2) blind; or (3) disabled. Under the SSI program, “blind” means having a central visual acuity of 20/200 or less in the better eye, with the use of a corrective lens.

A person is *disabled* if he or she is unable to engage in any “substantial gainful activity” (gainful work) because of a physical or mental impairment that has or can be expected to last 12 months or more or that can be expected to result in death. The disability must be so severe that it prevents the person from doing work that he or she previously did or any other “substantial gainful activity.” The Social Security Administration (SSA) measures “substantial gainful activity” by the ability to perform work or by the amount of money earned in a month. In 2002, for example, an individual is considered engaged in substantial gainful activity if the individual is blind and earns more than \$1,300 per month or has a disability and earns more than \$780 per month.

### ***The Income Eligibility Requirement***

In 2001, the income-eligible individual has a countable income that falls at or below \$6,360 per year. *Income* includes cash or income *in-kind*. *Income in-kind* is actual food, clothing, or shelter, or something that a person can use to get one of these; the value of an in-kind item is the current market value. *Shelter* includes room, rent, mortgage payments, property taxes, heating fuel, gas, electricity, water, sewerage, and garbage collection services.

The SSA looks at all of the income available to a person. As required by law, the SSA excludes some income. (See examples on following page.) Countable income is income left after exclusions. If the person’s countable income is at or below the SSI income limit, he or she is income-eligible.

The SSA may also *deem* income to a person. *Deem* means to count another person’s income as available to the person with a disability. The SSA may deem income, for example, from a person’s spouse. The SSA deems the income regardless of whether or not the income is actually available to the person.

**Excluded EARNED Income - Examples**

- Federal income tax refunds or earned income tax credits
- Up to \$400 per month (not more than \$1,620/ year) for a child who is blind or disabled and regularly attending school
- Earned income used to pay certain work-related, including impairment-related, expenses
- Earned income used to fulfill a plan to achieve self-support

**Excluded UNEARNED Income - Examples**

- Food raised by the individual and consumed by the individual or the individual's household
- Interest and value appreciation earned on excluded burial funds if left to accumulate in the fund
- Housing assistance
- The value of a domestic commercial transportation ticket, received as a gift and not converted to cash
- Fuel assistance

***Resource Eligibility Requirement***

Under SSI, resources include cash and liquid assets, as well as real estate or personal property that a person (or his or her spouse) owns and may convert to cash. SSI considers the "liquid asset" to be property that may be converted to cash within 20 days. If the resource cannot be liquidated, the SSA will not consider the property a resource. The 2001 resource limit for an individual is \$2,000 and for a couple is \$3,000. As with income, SSI law excludes some resources from being counted. (See examples below.) Also, as with income, resources may be deemed.

**Countable Resources - Examples**

Bank Accounts  
Stocks and bonds  
Revocable Trusts

**Excluded Resources - Examples**

Home  
Household Items  
Life Estate  
Life Insurance (if no cash surrender value)  
Plan for Achieving Self Support  
Vehicle

If a person *disposes of assets for less than a fair market value* during the 3-year period prior to applying for SSI or while receiving SSI, he or she may become ineligible for benefits for a period of time. The rules that govern this issue are much like those under Medicaid and State Financial Assistance and are discussed in a separate section entitled *Transfer of Assets* under *Public Benefit Considerations*.

### ***Other Requirements***

When a person applies for SSI, the person must also apply for any other benefit for which he or she may be eligible and accept appropriate vocational rehabilitation. A person must apply for all available benefits, whether the benefit is an ongoing benefit or a one-time payment; possible benefits include annuities, pensions, retirement benefits, disability benefits, veterans' benefits, worker's compensation payments, unemployment insurance benefits and Social Security insurance benefits. A person must also accept any appropriate vocational rehabilitation services offered, unless there is good reason not to.

### ***WHAT ARE THE BENEFITS AND HOW ARE BENEFITS DISTRIBUTED?***

The SSA determines the amount of the benefit by comparing a person's countable income to the maximum benefit allowed. The difference between the two is the benefit the person will receive. In 2002, for example, the maximum allowable benefit is \$545 per month (\$817 for a couple). When benefits go to someone with an eligible spouse, the SSA equally divides the benefit between the two spouses. The SSA will pay the benefit monthly by check or by direct deposit.



## FOOD STAMPS

The Food Stamp program provides an allotment to households to purchase food. The New Hampshire Department of Health and Human Services manages the Food Stamp program in New Hampshire.

### ***WHAT ARE THE ELIGIBILITY REQUIRMENTS FOR THE FOOD STAMP PROGRAM?***

To be eligible for food stamps, a person must meet financial eligibility criteria. He or she must be both income- and resource-eligible. Both are discussed briefly below. You should note that income is assessed per “household.”

#### ***Income Eligibility Requirements***

If a household is not receiving another form of public assistance, it must meet an income test. When *all* household members receive OAA, ANB, APTD or SSI, the household is automatically income-eligible for Food Stamps. (This does not include the Medicaid-only recipient.) When not automatically eligible, the person with a disability must meet an income test.

When determining Food Stamp eligibility, the State considers all available income. The State counts the income that is actually received on a regular basis, income that the household can reasonably expect to be able to use each month. As with other public benefit programs, the State, by law, must exclude some income and make certain deductions from the remaining income to determine countable income. (See examples of income, excluded income and deductions below.) To determine income eligibility, the State compares countable income to the income limits. In 2001, for example, a person with a disability may not have more than \$696 (\$938 for a couple) in countable income in a month.

#### **Examples of Income, Excluded Income and Income Deductions**

##### **Income**

Salary or wages  
Tips or commissions  
SSI payments  
Pension benefits  
Insurance benefits  
Contributions  
Dividends  
Savings account interest

##### **Excluded Income**

Income not in the form of money  
paid directly to the household  
Earned income tax credits  
Scholarships  
Federal fuel assistance  
Loans  
Plan for Achieving Self-Support  
Tax Refunds  
VA Aid & Attendance Allowance

##### **Income Deductions**

Child or dependent  
care costs  
Medical costs  
Child support costs  
Shelter costs

### ***Resource Eligibility Requirements***

The eligible household may have up to \$2,000 in countable resources and up to \$3,000 when the household includes an elder. Some resources are excluded from being counted by law. (See examples of countable and excluded resources below.) Households or individuals who are eligible for OAA, ANB, APTD or SSI are automatically resource-eligible.

<p style="text-align: center;"><b>Countable Resources - Examples</b></p> <p>Bank Accounts Individual Retirement Account Keogh Plan (established by individual) Stocks and Bonds Revocable Trusts</p> <p style="text-align: center;"><b>Excluded Resources - Examples</b></p> <p>Home Household Items Life Insurance Plan for Achieving Self Support Vehicle</p>
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From the date of application to the Food Stamp Program, there is a three-month look back period at the *transfer of resources*. The food stamp applicant who, during the look-back period or after, knowingly transfers resources for the purpose of qualification may be disqualified for up to one year.

### ***WHAT ARE THE BENEFITS AND HOW ARE BENEFITS DISTRIBUTED?***

The amount of the food stamp benefit is based on household income. The assumption under the Food Stamp program is that the eligible household will spend approximately 30 percent of its income on food. Therefore, to determine the amount of the benefit, the State subtracts 30% of the countable income from the maximum benefit allowed. In 2001, for example, the maximum allowable benefit for one person is \$135 and for two it is \$248.

### ***Electronic Benefit Transfer (EBT)***

The State issues food stamp benefits to Electronic Benefit Transfer (EBT) accounts. A person authorizes the State to transfer food stamp benefits to an approved retailer account. The State establishes an account in the person's name and issues him or her an EBT card and personal identification number (PIN) to access the benefits. The minimum allotment to one or two persons is ten dollars.

**WHAT ARE THE WORK REQUIREMENTS UNDER THE FOOD STAMP PROGRAM?**

As a condition of participation in the food stamp program, physically and mentally fit individuals between 15 and 60 years of age must apply for work, participate in an employment and training program, and accept work at minimum or a comparable wage. Some individuals are exempt from the work requirement. (See exemptions below.)

**Work Requirements Exemptions**

Individual who is 16 or 17 years of age and who is:

- Not head of a household,
- Attending school, or
- In an employment training program at least half-time.

Individuals physically or mentally unfit for employment.

Parent or household member responsible for the care of a dependent child under age 6 or of an incapacitated person.

Individual employed or self-employed and working a minimum of 30 hours per week and earning the equivalent of 30 hours at minimum wage.

Student enrolled at least half time in a recognized school, training program or institution of higher education.



## SOCIAL SECURITY FEDERAL OLD-AGE, SURVIVORS AND DISABILITY INSURANCE

Social Security insurance benefits are available to individuals who have paid for the benefits through Social Security employment taxes. A person may be qualified for Social Security insurance benefits on his or her own working record. A family member may also be qualified under your working record. Benefits include: retirement benefits, disability benefits, family benefits, survivor benefits, and Medicare benefits. The eligibility requirements and benefits for the first four are described below. Medicare benefits are discussed in the section, *Medicare*.

### RETIREMENT BENEFITS

#### ***WHO IS ELIGIBLE FOR RETIREMENT BENEFITS?***

The individual eligible for retirement benefits:

1. Is fully insured;
2. Is age 62 or older; and
3. Has applied for retirement benefits or was entitled to disability insurance benefits in the month before reaching retirement age.

To be fully insured an individual normally must have *40 quarters of coverage*. An individual earns quarters of coverage based on earnings. For example, in the year 2002 an individual earns one quarter of coverage for each \$870 of earnings, up to a maximum of four per year. If you do not have 40 quarters of coverage, you may be “fully insured” by another rule. Contact the Social Security Administration for your “insured” status.

#### ***WHAT ARE THE RETIREMENT BENEFITS?***

Retirement benefits are benefits payable at “retirement age”, with early retirement benefits available at age 62. Full retirement age is age 65 for individuals born before 1938. Full retirement age incrementally increases with the year of birth to the maximum age of 67 for individuals born in 1960 or later.

<u>Year of Birth</u>	<u>Full Retirement Age</u>
1937 or earlier	65
1943 – 1954	66
1960 and later	67

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based on earnings averaged over a working lifetime and your age at the start of benefit collection. Based on age, the amount of the benefit is lowest at age 62, a full retirement benefit at age 65, and potentially increasing benefits with delayed retirement up to age 70.

The highest monthly benefit that an individual may qualify for may not be the amount paid; this is also true for family and survivor benefits. There is a maximum total benefit amount set for each individual; the benefit amount payable to an individual, or to family members, may be reduced to keep total benefits payable within the set limit. A family member entitled to family or survivor benefits and receiving a government pension may also receive a benefit amount reduced by the amount of the pension.

## **DISABILITY BENEFITS**

### ***WHO IS ELIGIBLE FOR DISABILITY INSURANCE BENEFITS?***

Disability benefits are payable to individuals of any age who have sufficient Social Security coverage credits and a severe physical or mental impairment that is expected to prevent them from doing *substantial* work for a year or more or a condition that is expected to result in death. In 2002, earnings of \$780 or more per month are indicative of *substantial* work.

An individual is eligible for disability benefits if he or she:

1. Is insured for disability insurance benefits (see below);
2. Has not reached retirement age (see previous section);
3. Has applied for disability insurance benefits; and
4. Is under a disability (as defined by Social Security law).

There are four rules for determining an insured status for disability benefits. An individual must meet one of these rules. Briefly, those rules are:

<b>Rule:</b>	<b>Insured Status:</b>	<b>Number of Quarters of Coverage:</b>
1. 20/40 requirement.	Fully insured	20 or more in prior 40-quarter period
2. Disabled before age 31.	Not fully insured.	Quarters of coverage in at least half of the prior quarters, beginning at age 21.
3. Disabled again after age 31. (prior coverage under Rule 2)	Fully insured.	Quarters of coverage in at least half of the calendar quarters that occur from age 21 to the later period of disability— up to a maximum of 20 quarters of coverage out of 40 calendar quarters. (If less than 12 quarters of coverage, there must be at least 6 in the prior 12 quarter period.)
4. Blind.	Fully insured.	No requirement.

### ***WHAT ARE THE DISABILITY BENEFITS?***

The monthly disability benefit is equal to the retirement benefit amount that the individual would receive at age 62. The monthly benefit amount may be reduced by the amount of a worker's compensation payment received before age 62. Benefits may also be reduced by other retirement-age benefits received before age 65.

## FAMILY BENEFITS

### *WHO IS ELIGIBLE FOR FAMILY BENEFITS?*

When a person is eligible for retirement or disability benefits, the person's spouse or unmarried child may also receive benefits. (See below.) If a person is divorced, a former spouse may also be eligible for benefits based on the person's Social Security record.

#### **Family Benefits – Eligible Family Members**

**Spouse:**

Age 62 or older

Under age 62 and caring for a child under age 16

Under age 62 and caring for a child with a disability

**Child:**

Under age 18

Under age 19 and still in school

Age 18 or older if under a disability

### *WHAT ARE THE FAMILY BENEFITS?*

The amount of the benefit varies with the relationship to the retired worker.

- **Spouse.** A spouse receives a benefit equal to one-half of the retired worker's full benefit unless the spouse collects before age 65; if collection begins before age 65 the spousal benefit is permanently reduced. If the spouse is caring for a child who is under age 16 or a child with a disability, the spouse receives a full benefit regardless of age. A spouse who is also eligible for retirement benefits receives his or her own benefit plus any additional amount necessary to equal the higher of the two benefits.
- **Child.** A child receives a benefit of up to one-half of the full benefit of the parent. If the child is entitled to a benefit on more than one parent's record, the child will normally receive only one benefit, the higher benefit.
- **Divorced Spouse.** A divorced spouse, age 62 or older and unmarried, may receive benefits on a former spouse's Social Security record if the marriage lasted 10 years or more.

## SURVIVOR'S BENEFITS

### *WHO IS ELIGIBLE FOR SURVIVOR'S BENEFITS?*

Family members may be eligible for survivor benefits upon the death of a fully insured family member. Family members who may benefit include: a surviving spouse, an unmarried child and dependent parents. (See below.) If the person was divorced, an ex-spouse may also be eligible for survivor's benefits.

#### **Survivor Benefits – Eligible Family Members**

**Spouse:**

- Age 60 or older
- Age 50 or older if a spouse with a disability
- Any age if caring for a child under age 16
- Any age if caring for a child with a disability

**Child:**

- Under age 18
- Under age 19 and still in school
- Age 18 or older if under a disability

**Parent:**

- Age 62 or older, not married since insured's death, not entitled to a larger benefit and received at least half of support from the insured at time of death or at the beginning of the disability period that ended in death

### *WHAT ARE THE SURVIVOR'S BENEFITS?*

As with family benefits, survivor benefits vary with the relationship to the insured.

- Widow/widower. Generally, the widow or widower benefit is equal to the insured person's full retirement amount. The amount of the benefit may be altered— if the insured person died before reaching age 62, if the insured person earned delayed retirement credit, or the insured person elected to begin receiving benefits prior to age 65. Widows or widowers may receive widow or widower benefits at age 60 (age 50 if disabled) and collect their own benefits as early as age 62. If collecting as a mother or father, the benefit is equal to 75 percent of the insured person's primary insurance amount.
- Child. The child's benefit is equal to 75 percent of the insured person's full retirement amount.
- Parent. A dependent parent's benefit amount is equal to 82½ percent of the insured person's full retirement amount if there is only parent entitled to benefits and 75 percent of the insured person's primary insurance amount if there is another parent also entitled to benefits.

## **OTHER CASH ASSISTANCE**

Cash assistance may come in forms other than public assistance or Social Security insurance. For example, cash assistance is possible through life insurance benefits, pension or retirement benefits, trust benefits, or burial fund benefits. You should use these as appropriate to your situation.

### ***HOW MAY LIFE INSURANCE BE USED?***

#### ***Person with Disability as Beneficiary***

You may provide cash assistance to a person with a disability through a life insurance policy. There are many types of life insurance policies available and a life insurance policy is a popular choice of financial protection for family members. However, if the intended beneficiary is a person who is dependent upon public benefits, the critical consideration is the choice of beneficiary. If the public benefit recipient is the direct beneficiary of a life insurance policy, the benefit payments may be regarded as an asset to the person, rendering the person ineligible for public benefits until the asset is spent down to allowable limits.

To preserve public benefits and still provide supplementary assistance to the person, you may have policy benefits go to your estate, to a trust or to a person other than the person with a disability. Check current life insurance policies to ensure appropriate disbursement of policy benefits and structure future policies with the above considerations in mind.

#### ***Policy on Person with Disability***

Often people take out life insurance policies on someone to pay for funeral and burial costs. This type of policy may be considered a resource in the public benefit eligibility determination unless the policy is clearly structured as a burial fund. (See more on burial fund below.) To be considered a burial fund, the life insurance policy should name a funeral director as the beneficiary.

If the policy is not a burial fund and the person with a disability is dependent upon public benefits, it is best if there is not a cash surrender value on the policy. A cash surrender value is the amount of money a policy would yield if “cashed in” before death. Although a portion of the value of such a policy would be excluded from a resource assessment, policies with a cash surrender value are not recommended. Furthermore, if you are considering purchasing a life insurance policy on a person for purposes other than to meet burial and funeral expenses, you should evaluate the true need of such a policy and examine possible alternative mechanisms.

### ***HOW MAY PENSIONS OR RETIREMENT BENEFITS BE USED?***

The person with a disability may benefit from his or her own pension or retirement benefits as well as from yours. If the person earns pension or retirement benefits through an employer, consider these benefits in planning for his or her future. If the person is or may be named as a survivor beneficiary to your pension or retirement benefits, this also must be considered.

Pension and retirement benefits, from either source, are income to the person in the public benefit eligibility determination. The amount of the benefit will be key in determining what public benefits he or

she may or may not be eligible for. Also, use the same beneficiary cautions for pension or retirement benefits that you would for life insurance benefits.

### ***HOW MAY TRUSTS BE USED?***

The trust is often recommended as a way to provide financial protection for a person with a disability. There is a great deal of flexibility with a trust and it may be funded from a variety of sources. Through a particular type of trust, a special needs trust, you may provide for the unique expenses of a person with a disability without disrupting public benefits. The trust may be funded in many ways. The trust may be named as the beneficiary of a benefit rather than naming the person with a disability as the beneficiary. For more on this option, see *The Special Needs Trust* section.

When public benefits are not a concern, there are a variety of trust options to consider. You should talk to your attorney and financial planner about such options.

### ***HOW MAY BURIAL FUNDS BE USED?***

Although often difficult to think about, it may be important for you to make arrangements for the person's funeral and burial. How you do this is especially important when he or she is dependent upon public benefits. Generally, public assistance programs exclude from the resource assessment the value of the burial plot and up to \$1,500 of the burial fund. The burial fund must be a separately identifiable fund designated for burial expenses. The fund may be in the form of a life insurance policy, a trust or some other arrangement.