

HOUSE RESEARCH

Bill Summary

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Subject: Limits for certain irrevocable trust funds; MA eligibility

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Overview

This bill eliminates the limit on the amount of a preneed funeral arrangement trust that may be declared irrevocable, and exempts funds held in an irrevocable trust as part of a preneed funeral arrangement from consideration when determining Medical Assistance eligibility.

Section

- 1 **Nature of trust.** Amends § 149A.97, subd. 3. In a subdivision governing trusts created to hold preneed funeral arrangement funds, deletes language limiting the amount of the trust that may be declared irrevocable (current law limits the irrevocable portion of the trust to an amount equivalent to the allowable Supplemental Security Income asset exclusion, currently \$2,000).
- 2 **Requirements for preneed funeral agreements.** Amends § 149A.97, subd. 3a. Modifies the statement that must be included in a preneed funeral agreement containing an irrevocable trust, by deleting language that limits the revocable portion of the trust to the amount of the trust over the SSI asset exclusion and instead allowing the consumer to establish the amount of the trust that is revocable.
- 3 **Asset limitations.** Amends § 256B.056, subdivision 3. Specifies that funds held in an irrevocable trust as part of a preneed funeral arrangement complying with section 149A.97 are not considered when determining whether a person is eligible for Medical Assistance.
- 4 **Effective date.** Makes this bill effective the day following final enactment.