Could This Be You?

Example of Immediate Medicaid Qualification

Meet Jennifer, age 78, and Greg, age 80

Together they have $426,500 in countable assets. Jennifer needs some extra care and is transferring into a nursing home.

How can they pay for her care?

If they **privately pay** for Jennifer's care at $6,000 a month, the couple's hard-earned assets will be depleted in almost six years.

They could use a **Medicaid-compliant immediate annuity** under the Omnibus Budget Reconciliation Act of 1993, or OBRA '93. The goal is to qualify the institutionalized spouse for immediate Medicaid eligibility to pay for long-term care — while providing the well spouse with sufficient income and resources to maintain their lifestyle.

Let's look at the numbers:

Couple's total countable assets:	$426,500
Minus what Greg is allowed to keep:	$115,920
Balance used to purchase the annuity:	$310,580

Federal law allows for a division of the assets at the time either spouse enters a nursing home.

The couple uses $310,580 to purchase an OBRA '93 Medicaid-compliant immediate annuity in Greg's name. This annuity gives Greg $4,320 of monthly income for six years.

Now Jennifer is immediately eligible for Medicaid to pay for a nursing home, and Greg gets enough income and resources to keep a comfortable lifestyle.

Planning Today Can Help Prepare for Future Costs

You can accumulate funds in a deferred annuity from The Standard — and transition to a Medicaid-compliant immediate annuity in the future.

At the time of transition, surrender charges and market value adjustments are waived. Your full accumulated account value can be used to purchase a Medicaid-compliant immediate annuity.

New application paperwork will be required at that time.

In all Medicaid planning scenarios, work with a qualified Elder Care Attorney. Availability and eligibility vary by state.

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The scenario above is for example purposes only; amounts will vary based on individual circumstances and rates, which are subject to change.

Surrender charges may apply to withdrawals during the surrender period. A 10% IRS penalty may apply to withdrawals prior to age 59½. Annuities are not guaranteed by any bank or credit union and are not insured by the FDIC or any other governmental agency. The purchase of an annuity is not a provision or condition of any bank or credit union activity. Some annuities may go down in value. The guarantees of the annuity are based on the financial strength and claims-paying ability of Standard Insurance Company. An annuity should not be purchased as a short-term investment. Forms: Contract SPIA; Endorsement R-RES.

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