



Using a single premium immediate annuity in Medicaid planning

Some single premium immediate annuities (SPIA) are eligible for use in Medicaid planning. In most states, to use a SPIA in Medicaid planning, the annuity must be:

- Irrevocable
- Non-assignable
- Actuarially sound

It must also designate the state Medicaid agency as a beneficiary and it customarily must provide for equal payments with no deferred payments or balloon payments.

Nationwide INCOME Promise Select is a SPIA contract with available restrictions that may allow the contract to meet the stringent government requirements for use in Medicaid planning.

How does a SPIA work in Medicaid planning?

Moving a lump-sum of countable assets into a SPIA, like Nationwide INCOME Promise Select, may eliminate those assets from the nursing home resident or Medicaid applicant's countable assets. Not having countable assets above the asset limits, which are determined at the state level, may help make an individual eligible for Medicaid long-term care benefits.

Completing the application

A contract applicant should seek the assistance of legal counsel with the annuity application process.

What information is needed?

Contract owner

Annuitant

Primary beneficiary

Contingent beneficiary

- Beneficiary arrangements vary depending on who the annuity is purchased for
- The state providing Medicaid is usually named the primary beneficiary for the total amount of medical assistance paid on behalf of the client
- Amounts remaining after payment to the state would be payable to the contingent beneficiary
- Sometimes the spouse, minor children, or disabled dependent children may be named primary beneficiaries with the state named as contingent beneficiary for the total amount of Medicaid assistance provided

Payee

Payout option (the term certain length of the contract)

- Nationwide INCOME Promise Select's current shortest term certain available is five years

Premium (dollar amount to be paid into the annuity): \$

Amount of payments: \$

- Most often, there is a specific amount that needs to be removed from the client's assets and converted to an income stream for purposes of Medicaid eligibility.

Income start date

Frequency of payments: Monthly, Quarterly, Semiannual or Annual

The decision to use a SPIA in Medicaid planning is a legal recommendation, with very specific contract needs. Please note that neither Nationwide nor its representatives give legal or tax advice. The applicants should consult with an attorney to determine their specific needs.



For more information or to request a Nationwide INCOME Promise Select quote, call 1-800-321-6064.



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INCOME Promise Select, a single premium immediate fixed annuity, is issued by Nationwide Life Insurance Company, Columbus, Ohio.

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