

What is a Burial Fund?

A burial fund is money set aside to pay for burial expenses. For example, this money can be in a bank account, other financial instrument, or a prepaid burial arrangement.

Some states allow an individual to prepay their burial by contracting with a funeral home and paying in advance for their funeral. You should discuss this with your local Social Security office.

Is a Burial Fund Counted as a Resource?

Generally, you and your spouse can set aside up to \$1,500 each to pay for burial expenses. In most cases, this money will not count as a resource for Supplemental Security Income (SSI).

If you (and your spouse) own life insurance policies or have other burial arrangements in addition to your \$1,500 burial funds, some of the money in the burial fund may count toward the resource limit of \$2,000 for an individual or \$3,000 for a couple.

How is Earned Interest Treated on Burial Fund

Interest earned on your (or your spouse's) burial fund that you leave in the fund does not count as a resource or income for SSI and does not affect your SSI benefit.

How to setup a Burial Fund

Any account you set up must clearly show that the money is set aside to pay burial expenses. You can do this either by:

Titling the account as a burial fund; or signing a statement saying:

- how much has been set aside for burial expenses,
- for whose burial the money is set aside,
- how the money has been set aside, and
- the date you first considered the money set aside for burial expenses.

SSA



**Federal Benefits
and
Social Security**

Rules

1. \$1500 per resident into a separately-identified account (Use form 2135).
2. There is an exempt resource and the unearned interest is also exempt.
3. Always consider insurance first when establishing burial fund.
4. Policies without cash value do not count as resources or as part of burial fund. Term and group life have no cash value. Whole life may or may not.
5. Total face value of all countable policies \$1500 or less: can be combined with other resources to create \$1500 burial fund.
6. Total face value of all countable policies more than \$1500: IGNORE THE FACE VALUE, BUT COUNT THE CASH VALUE AS A RESOURCE. If cash value less than \$1500, other money can be combined to create a burial fund of \$1500.
If cash value more than \$1500, only \$1500 can be put into burial fund and the rest becomes counted toward Medicaid resource allowable maximum.
7. Burial Spaces. Do not count the cost of any (hard/product) items purchased for use by SSI client or member of immediate family. Ex. grave sites, crypts, vaults, mausoleums, urns, caskets, gravestones, engraving, or traditional and customary repositories. Headstones and engravings, plus cost of opening and closing grave, is part of burial space.
8. It is impossible to purchase many of these items in advance--so, one can contact with the funeral director to open a bank account with client's name and social security number "In Trust for the Funeral Director". . There is no limit on the cost of these items and you can still have the \$1500 burial fund. This is a good way to spend down excess resources.