

The Employed Individuals with Disabilities (EID) Program and Resource Limits

The Employed Individuals with Disabilities (EID) Program provides Medical Assistance (also known as Medicaid) to Marylanders with disabilities who work for pay and meet a few other conditions. One condition is that your countable resources (assets) must be below \$10,000.

Here is some information about the resource rules for the EID Program – which resources are counted, which are not, and some options if your resources are over the limit for EID.

What Is a “Countable” Resource?

A resource or asset is money or property you own. Some resources are “countable” toward the resource limits for the EID Program. Others are not.

What Are Examples of Resources That Are “Countable”?

- Cash
- Bank accounts
- Stocks, bonds, dividends
- Certificates of deposit (CDs) and money market accounts
- Mutual fund shares
- Individual Retirement Accounts (IRAs)
- Individual Development Accounts (IDAs)
- The cash value of life insurance policies that can be cashed in while the insured person is still alive, such as whole life
- Annuities that may be cashed in
- Profit sharing plans that permit early withdrawal
- Ground rents
- Most real estate, other than the house you live in
- Inheritances (except property that does not go through probate and jointly-owned property)

How Much Can You Have in “Countable” Resources and Still Qualify for EID?

Under \$10,000.

What Are Examples of Resources That DON'T Count?

- The house you live in and the land it's on
- Motor vehicles
- 401(k), 403(b), pension and Keogh plans
- Household goods necessary for the maintenance, occupancy and use of the home, and most personal effects (**Except** for luxury items like expensive furs and jewelry)
- Certain qualifying Special needs trusts (see **What Are Special Needs Trusts, Pooled Trusts and D4A Trusts?** below)
- Life insurance that can't be cashed in until the insured person dies, such as term policies
- Certain types of home energy assistance
- Burial savings accounts up to \$1,500
- Irrevocable funeral funds, plans, agreements, trusts, insurance or contracts of any value if a funeral home is designated to receive the proceeds
- Burial plots
- Earned Income Tax Credit funds
- Federal income tax refunds
- Education assistance
- Certain escrow accounts, such as security deposits
- Housing assistance through public subsidized housing programs
- Money and property in a Plan for Achieving Self Support (PASS). A PASS is an agreement with Social Security that lets an individual set aside money or property to pay for expenses needed to reach a work goal, and receive higher SSI (Supplemental Security Income) checks to help offset the costs.
- HUD Family Self-Sufficiency (FSS) Program escrow account funds. A FSS may be used by people who live in public housing or who have Housing Choice Vouchers. The FSS holds funds that help the individual or household become more self-sufficient by paying for education, job training, counseling, child care or transportation aid.
- Certain kinds of income-producing property
- Crime victims compensation, for expenses incurred or losses suffered
- Disaster relief assistance
- Certain assistance received if one's property is acquired, rehabilitated or demolished for a federally-funded project
- Cash or replacement received for the loss of a resource (such as a house or car) that is not countable is usually not counted for 9 months

What Can I Do if I Think My Assets Will Disqualify Me, But the EID Program Seems Right for Me?

If your countable resources are over \$10,000, you may have some options to get them under \$10,000. Some possibilities you may wish to consider include:

- You can use the amount over \$10,000 to pay off debts.
- You can transfer money from your Individual Retirement Account (IRA) (if you have one) into a 401(k), 403(b), pension or Keogh plan.
- Use excess funds to make extra principal payments on the mortgage for your home.
NOTE: You must live in the house.
- Buy a motor vehicle.
- Buy a burial plan.
- Transfer money into a qualifying Special Needs Trust, a Pooled Trust or a D4A Trust.

Who Can Help If You Have Questions About Countable Resources?

You can contact:

The Maryland Disability Law Center

1-800-233-7201 (call for intake, Monday – Friday, 10:00 am – 12:00 pm)

www.mdclaw.org

OR

The Legal Aid Bureau

www.mdlab.org (see web site for office locations and telephone numbers)

OR

The Division of Eligibility Waiver Services at Medicaid

Schaefer Tower , 6 St. Paul Street, 4th Floor

Baltimore, MD 21202

410-767-7090

What Are Special Needs Trusts, Pooled Trusts and D4A Trusts?

All three of these trusts are accounts that set aside resources to benefit a person with a disability without causing him or her to lose important benefits, such as Medical Assistance (Medicaid). The money in the trust does not technically belong to the individual; it belongs to the trust. The money or property in the trust can only be used to pay for certain kinds of expenses for the person with a disability, like health care, education, comfort, or support. Amounts in the trust are not counted as a resource. You will most likely need legal assistance to set up a special needs trust that qualified to be excluded from your resources.

Are There Possible Disadvantages of a Special Needs Trust, a Pooled Trust or a D4A Trust?

1. **Money in the trust is not controlled by the person with a disability.** The money in the trust is managed by a person or organization called the trustee. The trustee can be a family member, close friend, lawyer, financial planner, organization, etc. The trustee can only withdraw money from the trust to benefit the person with the disability.
2. **The trust is permanent.** Once money is placed in the trust, it can't be transferred back to the person with a disability. Only the trustee can withdraw money (but only to benefit the person with a disability). This means the person with the disability can never regain control of the money.
3. **In some cases, the trust may limit access to long-term care services for the person with a disability for five years.** Money in a trust can come from two sources: another person (such as a family member) or the person with a disability. If the money in a trust first belonged to the person with a disability and was then transferred into the trust, the restriction on long-term care applies. Medical Assistance will still count the money in the trust as a resource for five years for long-term care services. This means Medical Assistance won't cover long-term care for five years after the person's money was transferred into the trust. The restriction does not apply to any other services covered by Medical Assistance.
4. **If the person with a disability places his or her own money into the trust, there is another restriction called "Medicaid payback".** If any money remains in the trust when the person dies, the State of Maryland will keep it, up to the amount Medical Assistance has paid in services for the person since the trust was created. If any money remains after the State has collected its portion, it can be left to the person's heirs.
5. **It costs money to set up a trust.** You usually need to hire a lawyer to establish a trust, and fees usually range from about \$2,000 to over \$5,000. The Arc of Frederick County keeps a list on its web site of some lawyers throughout Maryland who specialize in

trusts: <http://www.arfc.org/userfiles/Attorneylist1-09.pdf>. The Maryland Disability Law Center or the Legal Aid Bureau may also provide some guidance. Many trusts also involve paying fees to the trustee to manage the funds in the trust.

This fact sheet is for informational purposes only. The information is not intended to imply that any person is eligible for the EID Program. Only the Department of Health and Mental Hygiene/Division of Eligibility Waiver Services can determine if a person is eligible for EID, and only after receiving an EID application. Eligibility determinations are made on a case by case basis and all of the individual circumstances of the applicant must be considered in accordance with existing laws and regulations that govern the program.