



Rep. Natalie A. Manley

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10200HB4979ham001

LRB102 22458 KTG 36157 a

1 AMENDMENT TO HOUSE BILL 4979

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4979 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Aid Code is amended by  
5 changing Section 3-1.2 as follows:

6 (305 ILCS 5/3-1.2) (from Ch. 23, par. 3-1.2)

7 Sec. 3-1.2. Need. Income available to the person, when  
8 added to contributions in money, substance, or services from  
9 other sources, including contributions from legally  
10 responsible relatives, must be insufficient to equal the grant  
11 amount established by Department regulation for such person.

12 In determining earned income to be taken into account,  
13 consideration shall be given to any expenses reasonably  
14 attributable to the earning of such income. If federal law or  
15 regulations permit or require exemption of earned or other  
16 income and resources, the Illinois Department shall provide by

1 rule and regulation that the amount of income to be  
2 disregarded be increased (1) to the maximum extent so required  
3 and (2) to the maximum extent permitted by federal law or  
4 regulation in effect as of the date this amendatory Act  
5 becomes law. The Illinois Department may also provide by rule  
6 and regulation that the amount of resources to be disregarded  
7 be increased to the maximum extent so permitted or required.  
8 Subject to federal approval, resources (for example, land,  
9 buildings, equipment, supplies, or tools), including farmland  
10 property and personal property used in the income-producing  
11 operations related to the farmland (for example, equipment and  
12 supplies, motor vehicles, or tools), necessary for  
13 self-support, up to \$6,000 of the person's equity in the  
14 income-producing property, provided that the property produces  
15 a net annual income of at least 6% of the excluded equity value  
16 of the property, are exempt. Equity value in excess of \$6,000  
17 shall not be excluded. If the activity produces income that is  
18 less than 6% of the exempt equity due to reasons beyond the  
19 person's control (for example, the person's illness or crop  
20 failure) and there is a reasonable expectation that the  
21 property will again produce income equal to or greater than 6%  
22 of the equity value (for example, a medical prognosis that the  
23 person is expected to respond to treatment or that  
24 drought-resistant corn will be planted), the equity value in  
25 the property up to \$6,000 is exempt. If the person owns more  
26 than one piece of property and each produces income, each

1 piece of property shall be looked at to determine whether the  
2 6% rule is met, and then the amounts of the person's equity in  
3 all of those properties shall be totaled to determine whether  
4 the total equity is \$6,000 or less. The total equity value of  
5 all properties that is exempt shall be limited to \$6,000.

6 In determining the resources of an individual or any  
7 dependents, the Department shall exclude from consideration  
8 the value of funeral and burial spaces, funeral and burial  
9 insurance the proceeds of which can only be used to pay the  
10 funeral and burial expenses of the insured and funds  
11 specifically set aside for the funeral and burial arrangements  
12 of the individual or his or her dependents, including prepaid  
13 funeral and burial plans, to the same extent that such items  
14 are excluded from consideration under the federal Supplemental  
15 Security Income program (SSI). At any time after submitting an  
16 application for medical assistance and before a final  
17 determination of eligibility has been made by the Department,  
18 an applicant may use available resources to purchase one of  
19 the prepaid funeral or burial contracts exempted under this  
20 Section.

21 Prepaid funeral or burial contracts are exempt to the  
22 following extent:

23 (1) Funds in a revocable prepaid funeral or burial  
24 contract are exempt up to \$1,500, except that any portion  
25 of a contract that clearly represents the purchase of  
26 burial space, as that term is defined for purposes of the

1 Supplemental Security Income program, is exempt regardless  
2 of value.

3 (2) Funds in an irrevocable prepaid funeral or burial  
4 contract are exempt up to \$5,874, except that any portion  
5 of a contract that clearly represents the purchase of  
6 burial space, as that term is defined for purposes of the  
7 Supplemental Security Income program, is exempt regardless  
8 of value. This amount shall be adjusted annually for any  
9 increase in the Consumer Price Index. The amount exempted  
10 shall be limited to the price of the funeral goods and  
11 services to be provided upon death. The contract must  
12 provide a complete description of the funeral goods and  
13 services to be provided and the price thereof. Any amount  
14 in the contract not so specified shall be treated as a  
15 transfer of assets for less than fair market value.

16 (3) A prepaid, guaranteed-price funeral or burial  
17 contract, funded by an irrevocable assignment of a  
18 person's life insurance policy to a trust, is exempt. The  
19 amount exempted shall be limited to the amount of the  
20 insurance benefit designated for the cost of the funeral  
21 goods and services to be provided upon the person's death.  
22 The contract must provide a complete description of the  
23 funeral goods and services to be provided and the price  
24 thereof. Any amount in the contract not so specified shall  
25 be treated as a transfer of assets for less than fair  
26 market value. The trust must include a statement that,

1           upon the death of the person, the State will receive all  
2           amounts remaining in the trust, including any remaining  
3           payable proceeds under the insurance policy up to an  
4           amount equal to the total medical assistance paid on  
5           behalf of the person. The trust is responsible for  
6           ensuring that the provider of funeral services under the  
7           contract receives the proceeds of the policy when it  
8           provides the funeral goods and services specified under  
9           the contract. The irrevocable assignment of ownership of  
10          the insurance policy must be acknowledged by the insurance  
11          company.

12          Notwithstanding any other provision of this Code to the  
13          contrary, an irrevocable trust containing the resources of a  
14          person who is determined to have a disability shall be  
15          considered exempt from consideration. A pooled trust must be  
16          established and managed by a non-profit association that pools  
17          funds but maintains a separate account for each beneficiary.  
18          The trust may be established by the person, a parent,  
19          grandparent, legal guardian, or court. It must be established  
20          for the sole benefit of the person and language contained in  
21          the trust shall stipulate that any amount remaining in the  
22          trust (up to the amount expended by the Department on medical  
23          assistance) that is not retained by the trust for reasonable  
24          administrative costs related to wrapping up the affairs of the  
25          subaccount shall be paid to the Department upon the death of  
26          the person. After a person reaches age 65, any funding by or on

1 behalf of the person to the trust shall be treated as a  
2 transfer of assets for less than fair market value unless the  
3 person is a ward of a county public guardian or the State  
4 Guardian pursuant to Section 13-5 of the Probate Act of 1975 or  
5 Section 30 of the Guardianship and Advocacy Act and lives in  
6 the community, or the person is a ward of a county public  
7 guardian or the State Guardian pursuant to Section 13-5 of the  
8 Probate Act of 1975 or Section 30 of the Guardianship and  
9 Advocacy Act and a court has found that any expenditures from  
10 the trust will maintain or enhance the person's quality of  
11 life. If the trust contains proceeds from a personal injury  
12 settlement, any Department charge must be satisfied in order  
13 for the transfer to the trust to be treated as a transfer for  
14 fair market value.

15 The homestead shall be exempt from consideration except to  
16 the extent that it meets the income and shelter needs of the  
17 person. "Homestead" means the dwelling house and contiguous  
18 real estate owned and occupied by the person, regardless of  
19 its value. Subject to federal approval, a person shall not be  
20 eligible for long-term care services, however, if the person's  
21 equity interest in his or her homestead exceeds the minimum  
22 home equity as allowed and increased annually under federal  
23 law. Subject to federal approval, on and after the effective  
24 date of this amendatory Act of the 97th General Assembly,  
25 homestead property transferred to a trust shall no longer be  
26 considered homestead property.

1 Occasional or irregular gifts in cash, goods or services  
2 from persons who are not legally responsible relatives which  
3 are of nominal value or which do not have significant effect in  
4 meeting essential requirements shall be disregarded. The  
5 eligibility of any applicant for or recipient of public aid  
6 under this Article is not affected by the payment of any grant  
7 under the "Senior Citizens and Disabled Persons Property Tax  
8 Relief Act" or any distributions or items of income described  
9 under subparagraph (X) of paragraph (2) of subsection (a) of  
10 Section 203 of the Illinois Income Tax Act.

11 The Illinois Department may, after appropriate  
12 investigation, establish and implement a consolidated standard  
13 to determine need and eligibility for and amount of benefits  
14 under this Article or a uniform cash supplement to the federal  
15 Supplemental Security Income program for all or any part of  
16 the then current recipients under this Article; provided,  
17 however, that the establishment or implementation of such a  
18 standard or supplement shall not result in reductions in  
19 benefits under this Article for the then current recipients of  
20 such benefits.

21 (Source: P.A. 97-689, eff. 6-14-12; 98-104, eff. 7-22-13.)".