



**Nationwide®**  
is on your side

# Using a single-premium immediate annuity in Medicaid planning

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

- Irrevocable
- Nonassignable
- 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 such as Nationwide INCOME Promise Select may eliminate those assets from the nursing home resident's 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

☐

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: quarterly, semiannually or annually

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.

☐

Payee

☐

Payout option (the term certain length of the contract)

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



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



**Nationwide®**  
is on your side

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt a financial strategy or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Clients should discuss their specific situation with their financial professional.

Federal income tax laws are complex and subject to change. The information here is based on current interpretations of the law and is not guaranteed. Neither the company nor its representatives give legal, tax or financial advice. Please have your client consult an attorney or tax professional for answers to specific questions. All guarantees and protections are subject to the claims-paying ability of Nationwide Life Insurance Company.

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

Nationwide, the Nationwide N and Eagle, Nationwide is on your side and INCOME Promise Select are service marks of Nationwide Mutual Insurance Company. © 2022 Nationwide

IAM-0461AO.4 (09/22)