
Phoenix issues "Medicaid annuity"

By Editor Test *Wed, Dec 15, 2010*

A Medicaid annuity allows a couple to zero out its assets, qualify for subsidized long-term care for the ill spouse and provide an income for the non-institutionalized spouse by putting money in a particular type of SPIA.

The Phoenix Companies, Inc., has launched the Phoenix FamilyShield Annuity, a single premium immediate annuity designed to meet federal regulations that allow people to qualify for Medicaid long-term care benefits while protecting an income stream for their healthy spouses.

"For those who do not have long-term care insurance, Medicaid or other government programs may cover some of the cost of this care," said Philip K. Polkinghorn, senior executive vice president, business development, at Phoenix. "These programs permit an individual to use marital funds to purchase a certain type of annuity so as to provide an income stream for a loved one."

The product can be customized with a choice of premium amounts and payment periods:

- It must be funded with a minimum single premium payment of \$10,000 in non-qualified or qualified/IRA funds.
- It will immediately begin a monthly stream of income payments for a period certain between two and 30 years. If the owner/annuitant dies before the end of the period, the designated beneficiary will receive the remaining monthly payments.
- As required by Medicaid regulations, the contract has no cash value, is irrevocable, non-transferable and non-assignable.
- It is generally only appropriate for individuals and spouses who are applying for Medicaid or other government benefits.

Phoenix FamilyShield Annuity was developed in conjunction with The Ohlson Group, Inc., which will work with Saybrus Partners, Phoenix's distribution company. Because Medicaid regulations vary by state and are subject to change, Phoenix does not guarantee eligibility for assistance.

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