UNDER THE SPOUSAL IMPOVERISHMENT PROTECTION LAW

WHAT HAPPENS TO INCOME?

Personal Income

* Income in your name remains your own. (Social Security, Pension, etc.).

* Income from assets in your name remains your own.

- The spouse at home may keep all of *his/her* personal income.

Jointly Owned Income

Income from assets owned by both spouses is considered by Medicaid as jointly owned income. Jointly owned income is divided in half, with each spouse getting a half.

The spouse in the nursing home must contribute his/her income to pay for nursing home care, but may keep a personal needs allowance of **$52** per month.

Once the income has been split, if the spouse at home receives less than $2,705 (effective 7/1/2026) per month after adding his/her personal income (plus his/her share of the joint income) then the spouse at home may keep part of the nursing home spouse's income to bring his/her monthly total up to at least **$2,705**.

If the spouse at home has living expenses that are very high, he/she may appeal to keep more of the nursing home spouse's income up to a maximum of **$4,067**(effective 1/1/2026) per month. Appeals are filed with the Division of Family Resources.

If the at home spouse's personal income plus his/her share of the joint income is more than **$4,067** per month, he/she cannot keep any of the nursing home spouse's income.

LET'S LOOK AT JAKE & EMILY:

They own $100,000 in countable assets and their total monthly income is $1,600. Jake is being admitted to a long-term care facility.

Emily may keep all of her income (checks made out in her name, plus her half of the income that is jointly owned). If Emily's income is lower than **$2,705** a month, then she can keep part of Jake's income.

Checks made out in **Jake**'s name, plus his half of the jointly owned income is considered his income and must be used to pay for his cost care. Medicaid would then pay the remaining costs.

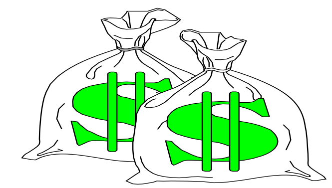
WHAT HAPPENS TO ASSETS?

Most assets are considered by Medicaid as joint assets between a husband and wife; it doesn't matter in whose name they are placed.

What amount of the couple's assets is the spouse at home able to keep?

MAXIMUM - *half* of all countable assets, *up to* a total of **$162,660**

MINIMUM - at *least* **$32,532**



A person may appeal to keep more assets.
Figures effective January 1, 2026

WHAT ABOUT THE COUPLE'S HOME?

The home is not counted as an asset when the applicant, spouse, or dependent children live in the home. Special rules apply when siblings or adult children live in the home *(The home is always counted if no one intends to live there).*

WHAT ASSETS ARE "COUNTABLE"?

Some examples of assets that are countable are: checking accounts, savings accounts, CD's, stocks, bonds, mutual funds, revocable trusts, cash value of life insurance policies, and IRAs.

Protection under the Spousal Impoverishment law applies to nursing home care, *and* under the Medicaid Aged and Disabled Waiver, for in-home and community-type care services.

Example: (Jake and Emily)

Half of the joint countable assets amount to $50,000. Since $50,000 is less than the maximum allowed amount under this law ($162,660) then Emily can keep all of her portion of the assets.

Emily and Jake would need to spend Jake's $50,000 down to $2,000 before Medicaid would begin to help pay for his nursing home costs.

CAUTION! Transferring of assets: Persons who transfer assets to get Medicaid help, may be required to wait longer before Medicaid will help pay for nursing home costs. Other penalties may also be applied.

The Spousal Impoverishment Protection law provides spouses of Medicaid nursing home residents or spouses of individuals on a Medicaid Aged & Disability Waiver financial relief from losing all income and assets in order to pay for their spouse's care.

How do you find out more?

1. Review this brochure for a brief explanation of the Spousal Impoverishment Protection Law.
2. Contact the Division of Family Resources at 1-800-403-0864 or at http://www.in.gov/fssa/dfr/2999.htm.
3. Call the Senior Law Project office nearest you or an elder law attorney.
4. Contact your local State Health Insurance Assistance office (SHIP).

SHIP
1-800-452-4800

STATE HEALTH INSURANCE ASSISTANCE PROGRAM

www.medicare.in.gov

Medicare

Medicare Supplement Insurance

Help for low income Medicare beneficiaries

Long Term Care Insurance and the Indiana Long Term Care Partnership Program

1-800-452-4800

STATE HEALTH INSURANCE ASSISTANCE PROGRAM

www.medicare.in.gov

The State Health Insurance Assistance Program (SHIP) is a free, unbiased counseling program provided by the Indiana State Department of Insurance

SHIP will answer your questions, or will refer you to the appropriate agency or a local **SHIP** site for personal assistance.

Nursing Home Resident
With a

Spouse At Home

2026

The Spousal Impoverishment Protection Law