Information on the Transfer of Assets Penalty

You may be subject to a penalty if you transfer an asset for less than the asset’s value. When you sell or give away an asset we say that the asset has been transferred. Assets include things like bank accounts, vehicles, your home and other property and investments. If you request medical benefits to cover long-term care services, we will look at assets you have transferred for less than their value during the past 5 years to see if there is a penalty. If there is a penalty, you will be disqualified from receiving certain benefits.

Who can be Disqualified?
People who apply for long-term care services can be disqualified for transferring assets for less than the asset’s value. Long-term care services include settings such as Adult Foster Homes, Assisted Living Facilities, In-Home services and Nursing Facilities.

How does the Penalty Work?
We will decide if there is a penalty. If there is, you will be disqualified from receiving long-term care services. The length of time that you are disqualified will depend on the value of the asset that was transferred. In the past, the penalty for transferring an asset began when the asset was transferred. The law has changed. Now the penalty begins when you would be eligible for long-term care services. In other words, instead of getting the long-term care services you are applying for, you will be ineligible and serve a penalty period.
What does this mean to you?
You are not applying for long-term care services now, but you have transferred assets for less than their value:
   If you apply for long-term care services in the future, we will look at transfers of assets that are within 5 years of the date you apply. The transfers may disqualify you from receiving long-term care services when you apply.

If you have not transferred any assets for less than their value, but you own your home:
   If you transfer your home for less than its value, the transfer may disqualify you from receiving long-term care services when you apply.

You resource assessment shows that you have excess resources:
   If you transfer any of these resources for less than fair market value, you may be disqualified from receiving long-term care services when you apply.

You must tell us any time you transfer an asset. To avoid penalties, please contact your caseworker before selling or giving away any assets. Your worker can explain how the transfer can impact your eligibility.