

DEPARTMENT OF SOCIAL SERVICES
Notice of Intent to Amend Regulations

In accordance with the provisions of subsection (a) of section 4-168 of the Connecticut General Statutes, as amended, notice is hereby given that the Commissioner of Social Services, under the authority of section 17b-3 of the Connecticut General Statutes, proposes to amend section 4030.35 of the department's Uniform Policy Manual to update the department's life use policy.

Statement of Purpose: (A) The problems, issues or circumstances that the regulation proposes to address: The proposed regulation revises policy for calculating life use to comply with federal regulation. When an individual transfers their home and retains the right to live in the home for their life, the individual has life use of the property. Life use is an asset to the extent that it can be sold by the life tenant. In addition, if a client transfers property for less than fair market value and retains life use, the value of the life use is subtracted from the fair market value of the property when calculating the penalty period.

Currently, the department's policy provides that the present value of a life use is calculated by multiplying the value of the life tenant's interest in the property by a five percent interest rate and then multiplying the sum by the actuarial function figure corresponding to the life tenant's life expectancy as found in the U.S. Life Table for Total Populations, 1978. Federal regulation 26 CFR 20.2031-7, however, requires that the present value be determined by using the appropriate interest rate set forth in the Life Estate and Remainder Interest Tables found in the Program Operations Manual System (POMS) SI01140.120.

The proposed regulation provides that the interest rate to be used to calculate life use will be the interest rate set forth in the Life Estate and Remainder Interest Tables (POMS SI01140.120) as required by federal regulation.

(B) The main provision of the regulation amends the procedure for calculating life use by providing that the interest rate set forth in the Life Estate and Remainder Interest Tables found in POMS SI01140.120 will be used when calculating life use.

(C) The legal effects of the regulation, including all the ways the regulation would change existing regulation or other laws: The proposed regulation conforms state policy to federal regulation.

Effective January 1, 2014, the Department of Social Services will implement and operate under this proposed change pursuant to section 17b-10 of the Connecticut General Statutes.

A copy of the complete text of this regulation is available, at no cost, upon request from the Office of Legal Counsel, Regulations and Administrative Hearings, Department of

Social Services, 25 Sigourney Street, Hartford, Connecticut 06106; email: daniel.butler@ct.gov.

All written comments, questions, and concerns regarding this regulation may be submitted within 30 days of the publication of this notice on the eRegulations System to the Department of Social Services, Office of Legal Counsel, Regulations & Administrative Hearings, 25 Sigourney Street, Hartford, Connecticut, 06106. Attention: Brenda Parrella, Director. A hearing will be scheduled on the proposed regulation if requested by fifteen persons, by a governmental subdivision of an agency or by an association having not less than fifteen members, if notice of the request is received by the Department within fourteen days after the date of publication of this notice.

When submitting correspondence, please refer to Regulation Control Number 13-03/DB.

**CONNECTICUT DEPARTMENT OF INCOME MAINTENANCE
UNIFORM POLICY MANUAL**

Date:	Transmittal: UP-	4030.35
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Section: Treatment of Assets	Type:	POLICY
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Chapter: Treatment of Specific Types	Program:	AFDC AABD MA [FS]
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Subject: Life Use		<u>SNAP</u>
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4030.35 A. Status of Life Use as an Asset

1. Life use is an asset to the extent that it can be sold by the life tenant.
2. Life use can be an excluded, inaccessible, or a counted asset depending on the situation, as follows:
 - a. life use is an excluded asset for as long as the life tenant is residing in the home. The exclusion continues if the life tenant is temporarily absent from the home but intends to return.
 - b. life use is an inaccessible asset if the life tenant leaves the home and is unable to find someone willing or able to purchase the life use.
 - c. proceeds from the sale of life use are a counted asset as of the month the life tenant sells the life use.

B. Value of Life Use

The Department computes the value of life use by taking into account the following factors:

1. life tenant's status as sole or joint owner of the home; [and]
- [2. life tenant's age and sex; and]
- [3.]2. life tenant's equity in the home; and
- [4. life expectancy of the life tenant.]
3. by applying the applicable factor from the Life Estate and Remainder Interest Table (cross reference: P-4030.30 Life Use).

C. Income Derived from Life Use

If life use is an inaccessible asset, as described above and the life tenant is collecting rent derived from the life use, the rent is considered income (cross reference: 5050, Treatment of Specific Types).