



STATE OF CONNECTICUT

DEPARTMENT OF INCOME MAINTENANCE

July 24, 1992

TO: District Directors

FROM: John T. Ford, Director
Program Policy - DIM

X 4204

RE: Clarification of Policy Regarding Transfers Made in Return for Other Valuable Consideration (3027.20)

It has recently been brought to my attention that there is some misunderstanding of the policy regarding the criteria for determining if other valuable consideration has been received for a transfer of an asset. The requirement stated at 3027.20 B. 3. is that the transferee live in the home of the transferor. In addition, the transferee must provide, or must pay for, services that are of the type provided by a homemaker or a home health aid and are essential to avoid institutionalization of the transferor for at least two years.

It appears that UPM 3027.B. 3. a. is being interpreted to mean that the transferor literally has to own the home in which they live. This is not correct. The transferor's "home" is wherever he or she lives, regardless of who owns the property. The requirement is only that the transferor and transferee live together in the same house. However, if the transferee pays for such services, the transferee and transferor do not have to live together.

I would also like to point out that this provision is not limited to the transfer of property previously used as the institutionalized person's home. At 3027.10 F., the UPM states that the institutionalized person, or his or her spouse, may transfer an asset without penalty if it is demonstrated with clear and convincing evidence that he or she intended to dispose of the asset in return for other valuable consideration. UPM 3027.20 tells you how to determine if other valuable consideration was received. Policy regarding the transfer of the property previously used as the primary residence is addressed at 3027.10 A.

The Program Policy Unit is in the process of revising the UPM to reflect this clarification. In the meantime, if you have any questions please call the Program Policy Unit at 566-7090.

JTF:mpp

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