

2340 – UNIFORM GIFTS TO MINORS

POLICY STATEMENT	<p>If an A/R is the donor of a uniform gift to a minor (UGM), the transfer of resources provision may apply.</p> <p>If an A/R is the recipient of a UGM, the UGM is not a countable resource until the month after the A/R's 21st birthday.</p>
BASIC CONSIDERATIONS	<p>A UGM involves the following:</p> <ul style="list-style-type: none">• The donor, who makes an irrevocable gift of money or other property (assets) to a minor.• The recipient, who automatically receives control of the assets upon attainment of majority (age 21).• The gift, plus any earnings it generates, which is under the control of a custodian until the recipient reaches the age of majority established by state law.• The custodian, who has full discretion to spend for the minor's support, maintenance, benefit or education as much of the assets as s/he deems necessary. <p>Since a custodian of UGM assets cannot legally use any of the funds for his or her own personal benefit, the UGM assets are not a resource to the custodian.</p> <p>NOTE: Additions to or earnings on the UGM principal are not income to the custodian since s/he has no right to use them for his/her own support and maintenance. Additions to the principal may be income to the donor prior to becoming part of the UGM principal.</p> <p>NOTE: The custodian's UGM disbursements to the minor, including third party vendor payments for food, clothing, or shelter, are income to the minor.</p> <p>When the recipient reaches majority age, all UGM property becomes subject to evaluation as income in the month of attainment of majority.</p>

PROCEDURES

Verify all allegations of the existence of a UGM by obtaining a copy of the document of ownership, such as a deed, certificate of deposit, savings passbook or other written document from the issuing source (donor) designating a gift under UGM. Unless there is evidence to the contrary, accept any such document as proof of a valid gift.

If there is no document designating a UGM, do not develop further. Deal with the property as if there had been no allegation of a UGM.

Contact the State Medicaid Unit for further assistance.