**Policy Clarifications –**

**Medicaid – All**

**PMA-19354-340**

**Submitted: 4/11/19 Agency: CAOs**

**Subject: Treatment of Retirement Accounts for MA**

**Questions**: 1. If an individual open in an MA budget has a retirement account, like an IRA or 401-K, is it treated like a potential income source they have to pursue?

2. If the individual receives a distribution from a retirement account, how should it be treated?

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| **Response By: Division of Health Services Date:** |  |

1. No. For MA eligibility, retirement accounts are considered a resource. The policy to pursue potential income does not apply to retirement accounts such as IRA or 401-K. Caseworkers should not require individuals to withdraw money from these accounts.

2. With the exception of Roth IRAs, starting at age 70 ½, the Internal Revenue Service (IRS) requires individuals to receive minimum distributions from retirement accounts every year. Minimum distributions from retirement accounts are not required to be withdrawn on a regular basis, so they may be received monthly, semi-monthly, quarterly, or annually.

Individuals with Roth IRAs are not required to receive any distributions.

Any time distributions are received, even if prior to age 70 ½, they are treated like a lump sum and counted as income only in the month received.