

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.