

# Western Mass Estate Planning

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## Instructions for Opening a Burial Savings Account for MassHealth Purposes

MassHealth regulations permit an applicant to reduce assets to under \$2,000 by opening a \$1,500 burial savings account. Here is what you need to know:

- The account must have a joint owner (typically a trusted family member) and should be titled as follows:

Mary T. Jones [whomever is applying for MassHealth]  
or Richard L. Jones [*not* the applicant's spouse]  
Burial Account

- If the bank claims that burial accounts cannot have a joint owner, they are wrong and are confusing a "burial account" with a "funeral account," which is a different type of account and is, in fact, permitted only one name (so that the funds are paid directly to a designated funeral home at the account holder's death). Massachusetts banking regulations, I am told, specify how *funeral* accounts should be titled, but are silent about *burial* accounts.
  - Some banks will (erroneously) not permit a joint owner, but will allow a beneficiary (who can claim the funds after the account holder's death, by producing a death certificate), which is an acceptable alternative.
    - The account would then read, "Mary T. Jones, in trust for Richard L. Jones" or "Mary T. Jones, payable on death to Richard L. Jones"
  - If the bank will not allow you to include "Burial Account" in the title, you can add it by hand later or sign a MassHealth form certifying that the account is intended to be a non-countable burial account.
  - The "burial account" designation is for labeling purposes only and is no different than asking a bank to include "Paris Trip" or "Christmas Club" in the title.
  - If the account does not have a joint owner or a beneficiary, it will be subject to Probate Court proceedings at the owner's death, which should be avoided.
- The account may not be opened with more than \$1,500.
    - Accrued interest is also not counted for MassHealth purposes.
  - The MassHealth applicant's Social Security number must be used, not the joint owner.
  - The account may be passbook or statement, as is preferred.
  - No funds should be withdrawn from the account during the account owner's life
  - As part of the application process, MassHealth will need to see copies of the statements or passbook cover page and entries from account opening until the time of application.
  - Some banks, such as Bank of America, may not cooperate with opening burial accounts, in which case the account should be opened at another bank.