

Administrative Notice DMMA-07-2008

TO: All DMMA Staff

DATE: November 3, 2008

SUBJECT: Irrevocable Burial Trust Agreements

**BACKGROUND**

Effective January 30, 1992, Delaware law allows the establishment of irrevocable trust accounts for prepaid funerals. The irrevocable trust may represent all funds or any portion of payments made under the burial agreement, contract or plan. These irrevocable trusts are established under Title 5, Section 3401 of the Delaware Code.

**DISCUSSION**

Originally the principal sum (excluding accrued interest) of an Irrevocable Burial Trust Agreement could not exceed \$5,000. Effective March 22, 1996 the maximum principal sum was increased to \$10,000. Effective January 1, 2008 the principal sum may not exceed \$15,000.

The mandatory provisions of these trusts remain the same.

**ACTION REQUIRED**

Staff should review DMMA policy 20340.5 Irrevocable Burial Agreements.

DCIS II will be updated with the current maximum exclusion of \$15,000.00.

**DIRECT INQUIRIES TO**

Barbara L. Lewis  
(302) 424-7228

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DATE

HARRY B. HILL, DIRECTOR  
DIVISION OF MEDICAID &  
MEDICAL ASSISTANCE

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