



JOSH MANDEL

STATE TREASURER OF OHIO

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By Mark Williams
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Families of the disabled have a new tax-advantaged tool to help them save money for their care without risking eligibility in programs such as Medicaid and Social Security.

The accounts, called Stable Accounts, work much like 529 college-savings accounts, which allow the earnings on the account to accumulate tax free as long as the money is spent on qualified expenses. Those include education, health care, housing and transportation, among other things.

"By assisting individuals and families with saving and investing, we are supporting persons with disabilities to maintain health, independence and quality of life," Ohio Treasurer Josh Mandel said in a statement.

The new accounts, which became available this month, are a result of the federal Achieving a Better Life Experience Act passed by Congress in 2014. Ohio passed legislation last summer giving Mandel's office the authority to open and administer the accounts.

Earnings on the accounts and distributions for qualified expenses are not considered taxable income for the contributor or the beneficiary.

So far, Ohio is the only state to offer the accounts.

Diane Cox, of Avon in northeastern Ohio, said she was told when her 12-year-old disabled son, Ben, was small that she should not amass any sizable amount of money in his name because it could make him ineligible for public benefits such as Medicaid.

"We just knew there was nothing we could do for him as far as saving for the future," she said.

Now, her family is in the process of opening an account for Ben. She said just as families are able to put away money for higher education, families with a disabled child should be able to save money for the needs of that child.

"What we try to do is empower people with disabilities," said Cox, who lobbied for the passage of the bill. "When Ben is older, he wants to have the ability to get an apartment. He should have the ability to save."

This account will allow him to prepare for his future.

"If we have the ability to save for him, over time, when he is older, he'll rely less on the government for other things," Cox said.



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Money deposited into these accounts can be invested in different options chosen by the participants. Participants can withdraw and spend money as needed, but the account also can be allowed to grow over time to cover disability expenses.

The account can be set up for free at www.stableaccount.com. An initial contribution of at least \$50 is required.

Ohio residents will pay \$30 a year to maintain the accounts. Residents of other states are eligible to set up the accounts as well, but their maintenance costs are \$60 per year.

Also, there will be an asset-based fee on the account. The fee will range from 0.19 percent to 0.34 percent, depending on the investment option, for Ohio residents and 0.45 percent to 0.60 percent for non-Ohio residents.

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