



JOSH MANDEL

STATE TREASURER OF OHIO

Cleveland Plain Dealer
By Robert Higgs
July 28, 2016

CLEVELAND, Ohio – An Ohio program to help people with disabilities save money for their life expenses has already signed up more than 500 people and drawn the attention of other states.

The first-of-its-kind program, kicked off in June through Ohio Treasurer Josh Mandel's office, allows participants to set aside up to \$14,000 a year to pay for college, housing and disability-related expenses. The deposits and assets in these STABLE investment accounts are not included when determining federal benefits.

Most important among those benefits is Medicaid coverage, meant for people who are not poor but need coverage because of their disability, Mandel said Thursday in a meeting with cleveland.com reporters and editors.

"At the end of the day the thrust behind this is to provide independence for people" Mandel said.

Here's a quick look at the program.

Where did STABLE come from?

In December 2014 Congress passed the Achieving a Better Life Experience (ABLE) Act with broad support. The law opened the doors for states to offer tax-free investment accounts that would allow participants to save money without risking their Medicaid eligibility.

In 2015 Ohio changed its law to make the treasurer's office responsible for administering the program. The 2015 state budget included \$2 million a year for it.

Ohio launched its fund June 1. Since then Tennessee, Nebraska and Florida have also launched funds, said Amanda Merritt, a Mandel spokeswoman.

Ohio, though, has also offered to help other states by running accounts for them. North Dakota and Kentucky both have expressed interest in that idea, Mandel said. In exchange, Ohio would charge fees for handling their accounts.

Why are the accounts important?

The accounts allow families to set aside money for families members with special needs. Those disabilities -- whether present from birth or developed later in life – must be diagnosed before the age of 26.



JOSH MANDEL

STATE TREASURER OF OHIO

Matthew Cox of Avon, whose 12-year-old son Ben was born with congenital heart defects, was one of the first to open a STABLE account.

The account helps, he said, because the value of goods bought with money from account does not count toward a limit on personal assets that can affect Medicaid coverage.

The accounts also provide a way to save money for when his son is an adult, Cox said.

Cox has two healthy daughters. After he and his wife die, Cox said, money in the account will help keep his daughters from being overburdened by the costs of carrying for their brother.

How does the program work?

STABLE accounts are limited to about \$400,000 total assets, but as Mandel noted, it will be years before any of the accounts have that much money in them.

Ohio's program is open to anyone in the United States, Mandel said. The accounts are tax free, as long as money withdrawn is spent on eligible expenses.

Participants or an authorized guardian can move money from STABLE accounts to a personal bank account or a STABLE card, a loadable Mastercard debit card. The program is administered by Vanguard.

Applications for the program, and more information about how it works, are available on the Ohio treasurer's website.

####