



# JOSH MANDEL

## STATE TREASURER OF OHIO

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By Melody Vallieu  
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COLUMBUS — Last year, Ohio became the nation's first state to offer a savings plan — the STABLE Accounts — to individuals with disabilities.

STABLE Accounts are made possible by the federal Achieving a Better Life Experience (ABLE) Act passed by Congress in 2014. STABLE accounts allow individuals with disabilities the opportunity to save and invest money without losing eligibility for certain public benefits programs, like Medicaid, SSI or SSDI. Earnings in STABLE accounts are not subject to federal income tax, so long as funds are spent on qualified disability expenses.

STABLE Accounts have similar features to normal bank accounts, but are also investment accounts, similar to 529 college savings accounts or 401(k) retirement accounts. When a participant deposits money into their STABLE Account, the money can be invested in different options chosen by the participants. While participants can still withdraw and spend money as needed, a STABLE Account also allows money to grow and to save long-term for disability expenses. An initial contribution of at least \$50 is required in order to set up an account.

Since its inception in the state in June 2016, 2,315 total residents of the U.S. — including 1,310 Ohioans — have signed up for the accounts. The STABLE Accounts allow participants to save and invest for their future beyond the financial cap many with disabilities face, according to Chris Berry, communications director for Ohio Treasurer Josh Mandel's office, who is charged with administering the accounts.

"As Treasurer of Ohio, I am proud to serve as administrator of STABLE Accounts," Mandel said. "By assisting individuals and families with saving and investing, we are supporting persons with disabilities to maintain health, independence and quality of life."

With the accounts, those with disabilities — along with friends and family — can contribute up to \$14,000 per year into the person's account — which, for the first time, can be in the person's own name.

The STABLE Accounts allow those with disabilities to have personal resources that exceed the \$2,000 threshold, long in place, according to Doug Jackson, deputy director of STABLE Accounts for Mandel's office. He said participants put money into the STABLE Accounts for the purpose of protecting it, and then the money can not only be saved, but also invested.

"If you don't have more than \$2,000, you don't invest it. So, people with disabilities have never talked about investments,"

Jackson said. "But now, because of the STABLE Accounts, they can save money beyond that \$2,000 and protect that resource. They can even invest it. So how normal is it that people with disabilities can talk about investments like people without disabilities?"

Troy resident and city of Troy employee Michael Ham signed up for the STABLE Accounts several months ago. Ham said he joined the program to use his earnings to save up to purchase a new handicapped-accessible van, as his present van is getting older.

However, in January, Ham lost his mother, his main caregiver. He said he then used some of the funds he had in the account for day-to-day expenses while he settled in to his new life without his mom's guidance.

"Primarily, because I did not know what I was going to need," said Ham, who is wheelchair-bound. "But now that things have kind of settled down, it is my intention to use it for some of the more long-term needs that I may have."

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Jackson, who has traveled the state and country promoting the program, said family and friends of Ham's, who wished to support him into his future following the passing of his mother, were able to add funds to his STABLE account.

"The Troy story is that Michael lives in a supportive community, and because of that support, it allows STABLE to be used with the intent that it is not just the contributions of the person him or herself, but the account is as far-reaching as a community that is supportive," Jackson said. "With already having the savings tool in place, if people wanted to support Michael, they could, without affecting his benefits."

Jackson, who said a STABLE card can be requested to be used to spend STABLE funds and track qualified expenses, said the STABLE Accounts made perfect sense for someone like Ham.

"The STABLE Accounts is a great plan to work with," said Jackson, a Troy resident. "But the fun part is not the plan itself, but how it helps people like Michael. I've known Michael a long time, and Michael and I talked about my opportunity to work with the STABLE Accounts, and of course it made sense for Michael because of his situation.

"Because he has earned income. He has a disability, but that doesn't stop him from working. But, because of that earned income, he also has to take into consideration what supports he gets, and with those supports come the limitations that have always been there that he can't have personal resources."

This changes all of that, said Jackson, who said those anywhere in the U.S. can sign up for Ohio's program.

"The STABLE Accounts for me is an invaluable resource because it used to be that I would be very meticulous with what I did with my money, especially after I first got out of college and started working regularly. Naturally, I would well go over that \$2,000 threshold and I would look for places to literally hide it," said Ham, a Wright State University graduate. "That's a crude way of putting it, but that's what you did because you certainly didn't want to go and be audited by that state and have Ohio Medicaid say, 'Why did you have more than the \$2,000?' You learn very quickly that they can do that, they do their homework, I give them credit.

"Now this is a safe way that I can invest the resources that I have to benefit me in the future," Ham said.

These tax-advantaged savings accounts allow families to set aside money to use on qualified expenses such as education, health care, housing and transportation. Earnings and distributions from an ABL Account for qualified disability expenses do not count as taxable income of the contributor or eligible beneficiary.

"STABLE accounts are a great way for people with disabilities to save and invest without losing their benefits," said Brian Green, superintendent at Riverside Developmental Disabilities. "Since STABLE Accounts became available in Ohio last year, we have held several information sessions to educate people about them, and will continue those education efforts so that people know the benefits available to them."

There are minimal costs associated with maintaining a STABLE Account, though signing up is cost-free. Ohio residents will pay \$2.50 per month (\$30 annually) to maintain their accounts. Residents of other states will pay \$5 per month (\$60 annually) to maintain their accounts. Ohio residents will also have a small asset-based fee of between 0.19 percent and 0.34 percent, depending on their chosen investment options. Similarly, non-Ohio residents will have an asset-based fee of between 0.45 percent and 0.60 percent, depending on their chosen investment options.

A tax deduction for contributions up to \$2,000 per year is given to anyone who contributes to a STABLE Account, Jackson said.

An online quiz — made user-friendly for all — is available to see whether residents are eligible for a STABLE Account by visiting [www.stableaccount.com](http://www.stableaccount.com).

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