



Ohio Administrative Code

Rule 5160:1-3-03.10 Medicaid: retirement funds.

Effective: [March 1, 2026](#)

(A) This rule describes how retirement funds are treated for the purpose of determining eligibility for medical assistance.

(B) Definitions.

(1) "Defined benefit retirement plan," also known as a "traditional pension plan," means an employer-sponsored retirement benefit that is not accessible until the individual has met specific eligibility criteria outlined in the retirement plan contract. A defined benefit plan provides a fixed, pre-established benefit to an individual for life.

(2) "Defined contribution retirement plan," also referred to as a "money purchase plan," means a retirement plan where a company's contributions are based on a fixed percentage of an individual's compensation, to be contributed annually.

(3) "Payout status," refers to an individual taking regular, periodic payments from the individual's retirement plan.

(4) "Qualified joint and survivor annuity (QJSA)" means the required benefit distribution method for defined benefit retirement plans, defined contribution retirement plans, and target benefit retirement plans. A QJSA provides a life annuity to the individual and a survivor annuity to the individual's spouse after the individual's death.

(5) "Regular, periodic payments," for the purpose of this rule, means predictable, uniform amounts paid at a consistent interval for a period of time greater than one year. Intervals for payments may include monthly, quarterly, or annually.

(6) "Required minimum distributions (RMDs)" means withdrawals an individual is required to take from qualifying retirement plans once the individual reaches a specific age as determined by the life



expectancy tables published by the internal revenue service (IRS). When RMDs are taken according to IRS rules, the funds are considered to be in payout status.

(7) "Retirement funds" refer to money that is saved and invested within a retirement plan, designed to provide unearned income to supplant or supplement earned income when employment ends.

(8) "Retirement plan" refers to a structured approach to saving and investing for retirement. A retirement plan can be set up by employers, individuals, or other institutions such as unions or the government. Retirement plans include, but are not limited to: public and private pensions, disability or retirement plans, defined benefit employer pension plans, profit sharing pension plans, 403(b) pension plans, money purchase pension plans, employee stock ownership plans, individual retirement accounts (IRAs), Keogh pension plans, Roth IRAs, simplified employee pension plans (SEP-IRAs), and 401k pension plans; or any other pension or retirement plans authorized under sections 401, 403, or 408 of the Internal Revenue Code (IRC) as outlined in 26 U.S.C. (as in effect October 1, 2025), or any other enacted IRC provisions providing for pension or retirement plans or any other similar financial vehicles administered by an individual, employer, or union.

(9) "Spousal consent" means the formal agreement or approval given by one spouse for the other spouse to engage in certain legal or financial actions that may affect their joint interests, particularly in matters related to property, financial transactions, or retirement benefits.

(10) "Target benefit retirement plan" means a retirement plan where contributions are based on projected retirement benefits. The distributions at retirement that an individual in a target-benefit plan receives is based on the performance of the investments and are, therefore, not guaranteed.

(C) Retirement funds treated as income.

(1) A retirement fund in which an individual has the legal ability to receive regular, periodic payments, or guaranteed lifetime payments shall be treated as a source of unearned income.

(a) When an individual has the choice between regular, periodic payments and a lump sum payment, the individual must choose regular, periodic payments for the funds to be treated as unearned income.



(b) When an individual elects a lump sum payment rather than regular, periodic payments, the lump sum payment shall be considered in accordance with rule 5160:1-3-05.8 of the Administrative Code.

(c) When a retirement fund requires RMDs, the individual must take RMDs in accordance with IRS rules for the funds to be considered unearned income.

(i) When an individual is not old enough to qualify to take RMDs, the individual must take regular, periodic payments from the individual's retirement account in order for the funds to be considered unearned income.

(ii) An individual who is not required to take RMDs due to age is not mandated to take a specific payment amount, but the amount and interval of the individual's payments must be uniform.

(iii) Regular, periodic payments for an individual who is not old enough to take RMDs may be calculated using the IRS life expectancy tables, but this is not required until the individual reaches the age specified in IRS rules.

(d) When a retirement fund does not require RMDs, such as with a Roth IRA, the individual must take regular, periodic payments from the individual's retirement account in order for the funds to be considered unearned income.

(i) The amount and interval of the individual's payments must be uniform, but a specific payment amount is not mandated.

(ii) Regular, periodic payments may be calculated using the IRS life expectancy tables or the social security administration (SSA) actuarial charts if desired, but an individual may choose the individual's own payment calculation method.

(2) The individual is required to obtain the maximum available amount of payment from the individual's retirement fund.

(a) When a retirement fund requires RMDs, taking RMDs is considered taking the maximum



available payment amount from the fund.

(b) When a retirement fund does not require RMDs, taking regular, periodic payments of a uniform amount, at a uniform interval, is considered taking the maximum available amount of payment from the fund, regardless of the amount of the payment.

(c) When a retirement fund requires benefits to be distributed in the form of a QJSA, the amount paid to the surviving spouse must be no less than fifty percent of the amount of the annuity paid during the individual's lifetime per 29 U.S.C. 1055(d)(1)(A) (as in effect October 1, 2025). The minimum spousal survivor benefit elected for a QJSA must be fifty percent, regardless of spousal consent.

(i) A QJSA may be verified by either a QJSA notice provided to the individual prior to receiving the benefit or a letter from the retirement plan administrator.

(ii) A QJSA shall be considered in accordance with rule 5160:1-3-05.3 of the Administrative Code.

(d) When the maximum available amount of payment requires the individual's spouse to consent to a waiver of the spouse's survivor benefits, the individual must document a good faith attempt to obtain the consent, and whether consent was obtained or refused. When spousal consent is not obtained from a retirement fund that does not require the QJSA retirement distribution method, such as some 403(b) retirement plans, the individual must elect the minimum spousal survivor benefit required by the plan.

(3) When permitted in a retirement plan, the individual may elect a lesser payment in order to retain a minimum survivor benefit for a child who has a documented blindness or disability, as defined in rule 5160:1-3-02 of the Administrative Code.

(4) When the retirement fund is determined to not be income, then the retirement fund shall be evaluated as a potential resource. A retirement fund cannot be both income and a resource at the same time.

(5) A retirement fund converted into an annuity shall be considered in accordance with rule 5160:1-3-05.3 of the Administrative Code.



(D) Retirement funds treated as a resource.

(1) The retirement fund shall be evaluated as a potential resource only after it is determined to not be income.

(2) A retirement fund is a countable resource when the individual or the individual's spouse has an ownership interest in the retirement fund, has the legal ability to convert the fund to cash, and is not legally able to receive regular, periodic payments from the fund.

(a) The value of a retirement fund is the amount an individual can currently withdraw from the fund. If there is a penalty for early withdrawal, the fund's value is the amount available to an individual after penalty deduction.

(b) The value of a retirement fund may be determined by an account statement, documentation describing the retirement fund, or a letter from the retirement plan administrator.

(3) When there is a financial penalty imposed by the retirement plan administrator in order to convert the account to cash, the amount of the countable resource is the net amount payable to the individual after deducting the penalty. The amount payable shall not be further reduced by the amount of any tax incurred by the individual as a result of the conversion of the account to cash.

(4) A retirement fund is not a resource when an individual must terminate employment in order to obtain any lump sum or payments.

(5) A retirement fund determined to be a resource in accordance with this paragraph, which is owned by an ineligible spouse or parent or spouse of an ineligible parent, shall not be considered for deeming purposes described in rule 5160:1-3-05.20 of the Administrative Code.

(E) Administrative agency responsibilities.

(1) The administrative agency must evaluate any retirement fund of which the individual is a beneficiary.



(2) The administrative agency shall obtain the summary plan description (SPD) or other documentation describing the rights and benefits under the retirement fund. A letter from the retirement plan administrator may also be obtained to make the determinations required under this rule.

(F) Individual responsibilities. An individual is required to provide all available documentation to assist the administrative agency with evaluating any retirement fund of which the individual is a beneficiary.