



Ohio Administrative Code

Rule 5160:1-3-05.3 Medicaid: annuities.

Effective: June 12, 2025

(A) This rule describes the treatment of annuities for the purpose of determining eligibility for medical assistance.

(B) Definition. An "annuity" provides fixed, periodic payments, either for life or a term of years.

(1) When an individual purchases an annuity, the individual generally pays the entity issuing the annuity a lump sum of money, in return for which the issuing entity promises regular payments in a specified amount to the individual or designated beneficiary.

(2) Annuity payments may continue for a fixed period of time or for the lifetime of the individual or designated beneficiary.

(3) The annuity typically contains a remainder clause under which, when the annuitant dies, the contracting entity converts whatever is remaining in the annuity into a lump sum and pays it to a designated beneficiary.

(C) Treatment of annuities in the determination of eligibility for medical assistance.

(1) Any resource meeting the definition of an annuity in paragraph (B) of this rule shall be considered an excluded resource.

(2) Any payments from an annuity shall be considered unearned income to the individual or designated beneficiary.
