



Ohio Revised Code

Section 3924.68 Procedure upon termination of employment.

Effective: June 30, 1997

Legislation: House Bill 374 - 122nd General Assembly

(A) If an account holder, whose medical savings account has been opened by the account holder's employer, later ceases to be employed by that employer, the account holder may, within sixty days of the account holder's final date of employment, request in writing to the administrator of the account that the administrator continue to administer the account.

(1) If the administrator agrees to continue to administer the account, funds in the account may continue to be used to pay the eligible medical expenses of the account holder and the account holder's spouse and dependents, pursuant to sections 3924.61 to 3924.74 of the Revised Code.

If the account holder later becomes employed by a new employer that opens a new medical savings account on the account holder's behalf, the account holder may transfer any funds remaining in the account opened by the account holder's former employer to the account opened by the account holder's new employer. For purposes of determining taxes due under Chapter 5747. of the Revised Code, this transfer of funds shall not be considered a withdrawal of funds from a medical savings account, nor shall it be considered a deposit to a medical savings account.

(2) If the administrator does not agree to continue to administer the account, or if the account holder requests that the account be closed, the administrator shall close the account and mail a check or other negotiable instrument in the amount of the account balance as of that date to the account holder. The amount distributed shall be included in the account holder's Ohio adjusted gross income in determining taxes due under Chapter 5747. of the Revised Code.

(B) Within sixty days of the account holder's final date of employment, the account holder may transfer any funds remaining in the account opened by the account holder's former employer to another medical savings account owned by the account holder. For purposes of determining taxes due under Chapter 5747. of the Revised Code, this transfer of funds shall not be considered a withdrawal of funds from a medical savings account, nor shall it be considered a deposit to a medical savings account.



(C) An administrator of an account opened by an employer shall not close an account without the permission of the account holder until at least sixty-one days after the account holder's final date of employment. The employer shall notify the administrator of the employee's final date of employment.