

5703-7-08

Deduction of disability and survivorship benefits.

- (A) In accordance with division (A) of section 5747.01 of the Revised Code, a taxpayer may generally deduct, to the extent included in federal adjusted gross income, the amount of:
- (1) Disability benefits received pursuant to a disability plan if the benefit payment is conditioned on the disability of the covered individual; or
 - (2) Survivor benefits received pursuant to a survivorship plan if the benefit payment is conditioned on the death of the covered individual.
- (B) In determining the eligibility of benefits for the deduction under division (A)(4) of section 5747.01 of the Revised Code, the terms of the plan, or the authority creating the plan, under which the benefits at issue are paid shall serve as the primary means of determining their character as disability or survivor benefits.
- (C) A taxpayer may not deduct, as disability benefits, any payments received under a plan if the payments are deemed as other than disability benefits, including:
- (1) Sick pay or similar temporary wage and salary continuation payments;
 - (2) Payments that have converted from disability benefits to retirement benefits because the terms of the plan, or the authority creating the plan, reclassified the benefits based on the covered individual's attained age or any other reason; or
 - (3) Payments authorized to be paid without the disability of the covered individual as a pre-condition.
- (D) A taxpayer may not deduct, as survivorship benefits, any payments received under a plan if the payments are deemed as other than survivor benefit payments or are authorized to be paid without the death of the covered individual as a pre-condition.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under:	119
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