



ABLE Accounts: A Great Way to Save Money and Keep SSI and Other Benefits

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What's the Problem?

- ▶ Some benefits - such as SSI, Medi-Cal and CalWORKS – limit how much you can save.
- ▶ The limits on savings and other things you own are:
 - ▶ \$2,000 for SSI
 - ▶ \$2,000 for the Medi-Cal that comes with SSI
 - ▶ \$10,000 for CalWORKS (\$15,000 if someone age 60 or older lives in the home)

What's the Problem?

- ▶ If you save these amounts or more, you can lose your benefits.
- ▶ With these limits, it's hard to save for your future:
 - ▶ Emergencies
 - ▶ Big expenses, like a car or education
 - ▶ Retirement

What's the Answer?

- ▶ Some kinds of savings and assets **DON'T COUNT** against the limits!
- ▶ Some examples:
 - ▶ A home
 - ▶ A car
 - ▶ Some burial funds
 - ▶ **ABLE accounts**

What's an ABLE Account?

- ▶ A special account that lets you save money and still keep your benefits
- ▶ The money in an ABLE account does NOT count against the savings limits for certain benefits:
 - ▶ SSI – first \$100,000 in ABLE account doesn't count
 - ▶ Medi-Cal that comes with SSI – first \$100,000 in ABLE account doesn't count
 - ▶ CalWORKS – none of money in ABLE account is counted

Who Is Eligible to Own an ABLE Account?

- ▶ A person with a severe disability that began before age 26
 - ▶ If you get SSI, your disability is severe enough
 - ▶ If you don't get SSI, you MAY still qualify
- ▶ Disability must have started before age 26, BUT ABLE account can be opened at any age

Who Can Contribute to an ABLE Account?

- ▶ Anyone can contribute to a person's ABLE account:
 - ▶ The person with a disability who owns the account
 - ▶ Family members
 - ▶ Friends
 - ▶ Organizations
 - ▶ Even strangers

What's the Limit on Contributions to an ABL Account?

- ▶ Total contributions limited to \$15,000 a year, BUT
- ▶ If the account owner works, s/he can contribute extra from earnings:
 - ▶ Up to over \$12,000 a year (for total of over \$27,000 a year for all contributions)
- ▶ Lifetime limit on contributions:
 - ▶ Depends on state where account opened
 - ▶ In California, lifetime limit is \$529,000

Who Controls the Money in an ABLE Account?

- Usually the account owner – the person with a disability
- If the account owner can't manage the money, another person may be able to manage it:
 - Parent of a child under age 18
 - Legal guardian (appointed by a court) of an adult age 18 or older
 - Person with power of attorney

What Kinds of Things Can You Pay for with Money from Your ABLA Account?

- ▶ Qualified Disability Expenses – any expenses that help maintain or improve health, independence or quality of life

What Kinds of Things Can You Pay for with Money from Your ABLÉ Account?

Qualified Disability Expenses Include:	
Education	Financial management and administrative services
Housing	Legal fees
Transportation	Expenses for ABLÉ account oversight and monitoring
Employment training and support	Funeral and burial expenses
Assistive technology	Basic living expenses
Personal support services	Other expenses approved by the IRS in the future
Health, prevention & wellness	

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Rent and utilities?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Rent and utilities? YES**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **A computer to use for homework and video games?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **A computer to use for homework and video games? YES**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Gym membership?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Gym membership? YES**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Gambling?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Gambling? NO**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Bus pass?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Bus pass? YES**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Tax preparation?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Tax preparation? YES**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Christmas gifts?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Christmas gifts? NO**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Attendant care?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Attendant care? YES**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Vacation?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Vacation? MAYBE**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Paying a coworker for help on the job?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Paying a coworker for help on the job? YES**

What Kinds of Things Can You Pay for with Money from Your ABLER Account?

- ▶ Could you use money from your ABLER account to pay for:
 - ▶ **Bribing an ABLER Program to let you open an account even though your disability started after you turned 26?**

What Kinds of Things Can You Pay for with Money from Your ABLE Account?

- ▶ Could you use money from your ABLE account to pay for:
 - ▶ **Bribing an ABLE Program to let you open an account even though your disability started after you turned 26? NO**

Are There Other Benefits of an ABLE Account?

- ▶ Yes
- ▶ You don't pay taxes on:
 - ▶ Money other people contribute to your account (as long as contributions don't go over the limit)
 - ▶ Money your account earns (interest or dividends)
 - ▶ Money you take out of your account

Are There Other Benefits of an ABL Account?

- ▶ You get a choice of how your money is invested
 - ▶ Conservative options with low interest (like a bank account)
 - ▶ Aggressive options that can earn more money, but could lose money (like stocks and bonds)
 - ▶ Moderate options

Where Can You Open an ABLE Account?

- ▶ In lots of different states – see ABLE National Resource Center (ablenrc.org)
- ▶ California's ABLE Program – CalABLE – calable.ca.gov
- ▶ **BIG ADVANTAGE IF YOU OPEN A CalABLE ACCOUNT:** When you die, the State does not take the money left in the account!
- ▶ If you open your account in another state, then when you die, the State of California can claim all the money left in the account, up to the amount spent on you by Medi-Cal!

How Do You Put Money in and Take Money Out of Your ABLE Account?

- ▶ You can open your account online
- ▶ You can make contributions through electronic transfers from bank accounts or by check
- ▶ You can withdraw money electronically or (in many states) with a debit card

Do You Need to Pay Fees to Have an ABLA Account?

- ▶ Yes
- ▶ CalABLE charges an annual fee (\$37)
- ▶ You also pay fees that depend on the investment option you choose, and a state administrative fee
- ▶ Some fees apply if you don't use online features (like if you want paper statements)

Can You Get Help Making Choices About Your ABLE Account?

- ▶ Yes
- ▶ AchievABLE Corner – a project operated by the National Disability Institute and CalABLE – can help
- ▶ AchievABLE Corner (nationaldisabilityinstitute.org/achievable-corner) offers lots of information, including how to choose investment options for your ABLE account and how to plan your finances

Questions?

➤ Questions?