



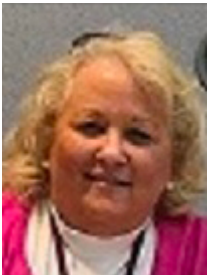
ABLE Basics: How it Works

Wednesday, October 10, 2018, 1:00 p.m. - 2:00 p.m. ET

Presenters



David Bell is the Deputy Director of the Oregon Savings Network, a division of the Oregon State Treasury. He joined the Network in 2015 to help develop and launch the Oregon ABLE Savings Plan for people with disabilities. The Oregon Savings Network also oversees the Oregon College Savings Plan and the new state retirement program, OregonSaves. In addition to working for the Oregon Savings Network, David is an adjunct professor at Portland State University in the School of Business Administration. Before joining the Oregon Savings Network, David was the Director of Operations for the Global Youth Empowerment division of Operation HOPE, an international nonprofit focused on financial empowerment and capacity building.



Bette Ann Mobley has worked with state and national organizations in the field of intellectual and developmental disabilities for more than 35 years. She has served in many leadership roles supporting people with disabilities through advocacy, developing and implementing quality systems, and providing consultation to organizations that provide supports and services. She previously held the position as the Assistant Director for Programs with the Maryland Developmental Disabilities Administration where she was able to establish relationships with key stakeholders and leaders throughout Maryland. As Director of the Maryland ABLE program she is excited to be a part of the development and implementation of ABLE in Maryland and nationwide. Throughout this process Bette Ann welcomes input and feedback to ensure that the program is designed and implemented to help people with their investment and savings needs without jeopardizing their benefits.



Eric Ochmanek joined the Ohio Treasurer's Office in January 2015. As Deputy Chief of Staff, Eric manages numerous departments including Communications, Legislative and Policy Affairs, and Public Affairs. He also leads outreach efforts for STABLE Account, which continues to empower individuals with disabilities as the largest ABLE Program in the country. Eric was born and raised in Dearborn Heights, Michigan, and now resides with his wife, Claire, and three young sons in Ohio.

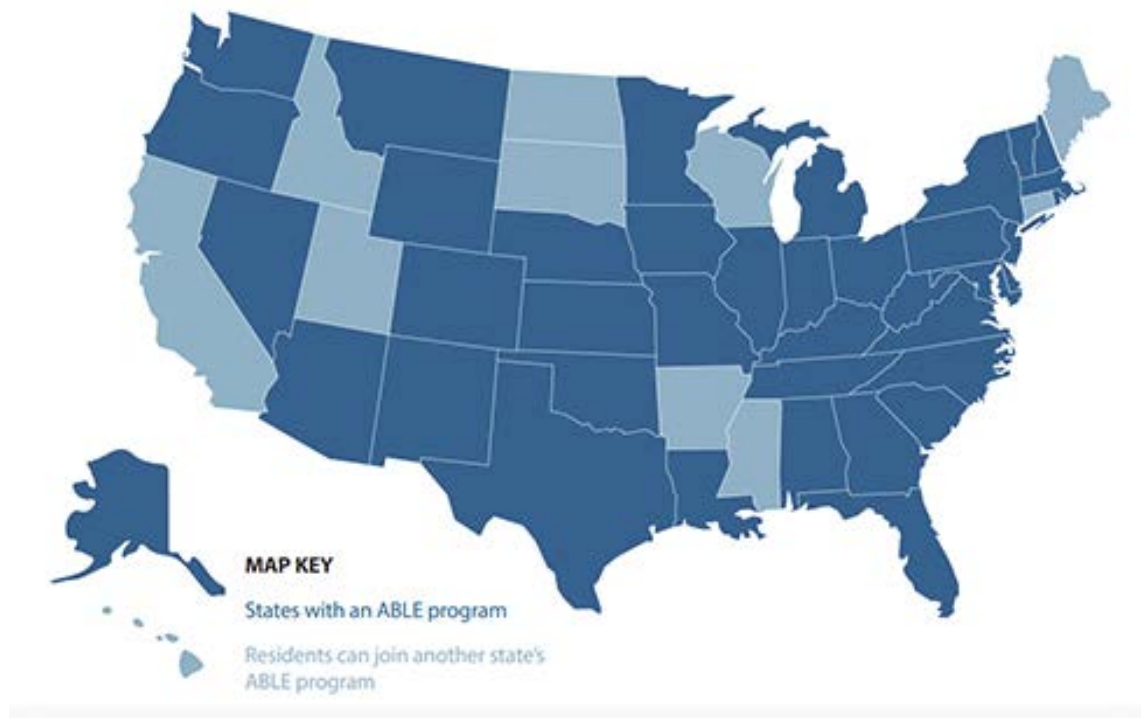
ABLE Act



Achieving a Better Life Experience Act of 2014 created savings and investment accounts for individuals with disabilities

Individuals with disabilities and families came together to pass this law to ensure individuals with disabilities did not remain poor.

ABLE in Your State



39 states and DC have launched ABLER programs

AND federal law allows U.S. citizens to open accounts in any state, not just their home states.

ABLE Growth



25,619

total ABLE accounts
opened nationwide

**\$120
million**

invested in ABLE accounts nationally

*as of 6/30/18

The Purpose of ABLE



ABLE Accounts do not affect eligibility for benefits programs

SSI

Medicaid

ABLE = ASSET SHIELD



1

ABLE Accounts are asset shields, not income shields. Beneficiary's own wages still count as income even if contributed to an ABLE Account

2

SSI Consideration: Balances over \$100,000 count as a resource – but SSI merely suspended, not terminated. Medicaid benefits maintained regardless of account balance.

BENEFITS OF ABLE ACCOUNTS



Dramatically increases ability to save:

BEFORE ABLE

- ✗ Could not save over \$2,000 if on SSI
- ✗ Risk losing health care & other benefits

NOW WITH ABLE

- ✓ Can save well over \$2,000!
- ✓ Keep all your benefits!

BENEFITS OF ABLE ACCOUNTS



OWNERSHIP

Account is owned by the individual with the disability



FINANCIAL INDEPENDENCE

New Investment Opportunities



TAX BENEFITS

Earnings are tax-free on the state and federal level

ELIGIBILITY



Individuals with disabilities that occurred prior to age 26

PLUS ONE OF THE FOLLOWING:

- Eligible to receive SSI or SSDI due to disability; or
- Condition listed on SSA's "*List of Compassionate Allowances Conditions*"; or
- Self-certification

How to Enroll: Find a Plan at www.nast.org/able



Free online enrollment



Quick & easy – approx. 20 minutes



\$25-\$50 minimum opening deposit

Can be done by either:

Individual with disability
(Beneficiary)

or

Authorized Legal Representative
(parent, guardian, power of attorney)

Important Contribution Limits



LIFETIME LIMIT

Most states have a lifetime limit (i.e. how much can be in an account) that range from \$300,000 to \$500,000 balance limit



IF NOT EMPLOYED

\$15,000 per year from all sources



IF EMPLOYED

Up to \$27,060 per year

\$15,000 + wages up to an additional \$12,060

***HI and AK have different poverty levels*

ABLE Financial Planning Act



- Congress passed legislation in late 2017 to empower families who open 529 accounts
- ABLE account owners can now rollover funds from a 529 account to an ABLE account

FUNDING YOUR ACCOUNT



EFT

ELECTRONIC FUNDS
TRANSFER

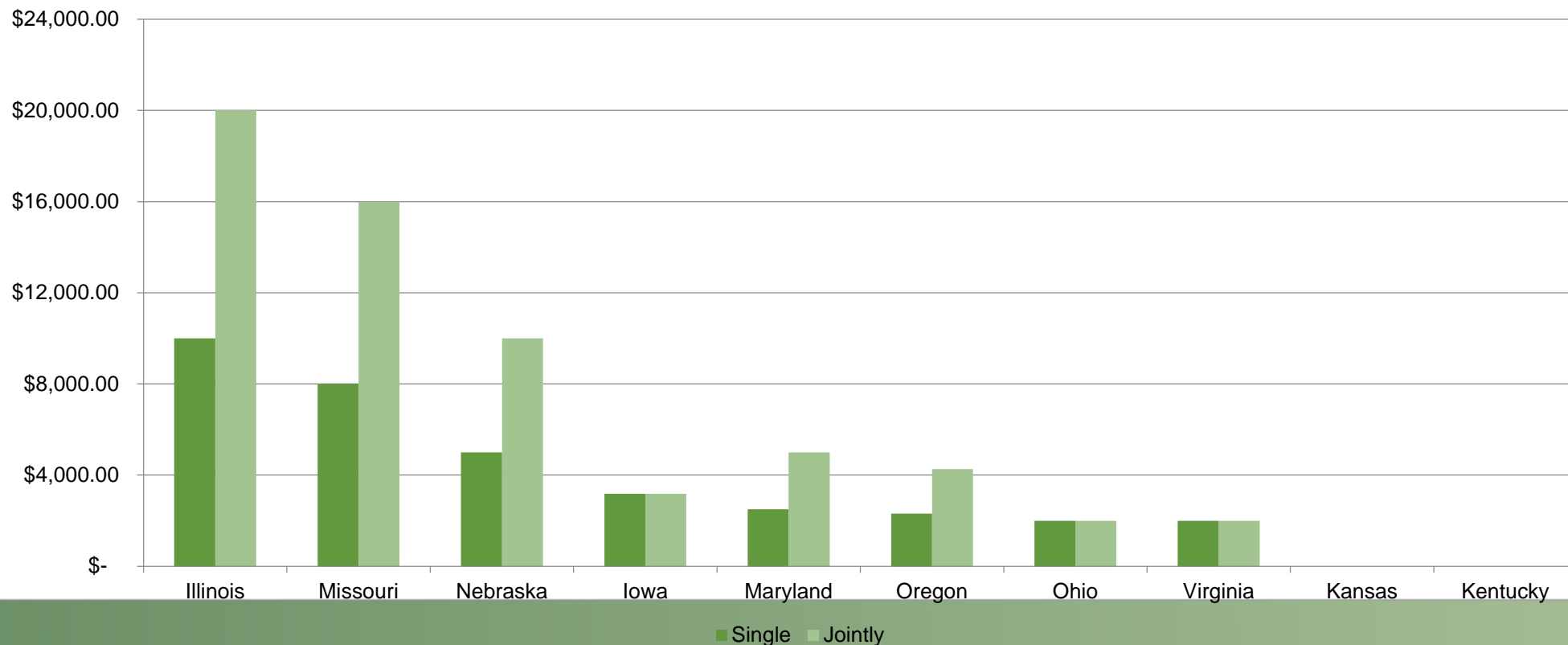


CHECK

State Income Tax Deduction



Some states offer a state income tax deduction on contributions made to the account.



SPENDING YOUR FUNDS



Withdrawals must be used on **“Qualified Disability Expenses”**



Housing & Rent



Basic Living Expenses



Transportation



Education



Assistive Technology



Financial Management



Health & Wellness



Legal Fees

And many more..

NON-QUALIFIED EXPENDITURES



If you spend on non-qualified expenditures, this could...



Affect Benefits

The amount of the expenditure may be considered a countable resource



Incur Penalties

Pay taxes plus 10% penalty on the earnings portion of the withdrawal

SPENDING FROM YOUR ACCOUNT



Free Withdrawals + No Limits



CHECKING & SAVINGS

Transfer to personal checking or savings



THIRD-PARTY

Pay with a Third-Party Check



PRE-PAID DEBIT CARD

Transfer onto Card

ABLE will not ask what you spend on, but benefits agencies and IRS can

ABLE ACCOUNT & SPECIAL NEEDS TRUSTS



Complementary tools that can be used together

- ✓ Trusts can be written or amended for distributions to an ABLE Accounts
- ✓ Trusts can accept unlimited cash and non-cash assets

Unique ABLE Account benefits

- ✓ Broader spending power (i.e. housing and food)
- ✓ No federal or state income tax on earnings
- ✓ Can be established, administered and owned by an individual with a disability

IF ACCOUNT HOLDER PASSES AWAY



Account will pass to the account holder's estate



The estate administrator notifies ABLE and can take over account access



No designated transfer upon death



If the beneficiary does not have a will then account will go through normal probate process

MEDICAID SERVICES



Medicaid can ask for payback in some cases, but there are protections:

Limitations

Medicaid Payback is only from date the account was opened



Outstanding Bills

Pay any outstanding bills for QDEs



Deductions

Deduct Medicaid Buy-In premiums you paid



Funeral Expenses

Pay for funeral and burial expenses

WE'RE HERE TO HELP!



chris@statetreasurers.org



www.nast.org/able