



CalABLE

Protecting Assets, Saving Money, AND Protecting Benefits

02/04/2021

ABLE Background

Achieving Better Life Experiences Act of 2014

- Added Section 529A Qualified ABLE Program to the Internal Revenue Code.
- Allowed states to create **tax-advantaged** savings and investment programs for people with disabilities.
- Provides that assets in your ABLE account **will not affect eligibility for means-tested benefits like SSI or Medi-Cal**

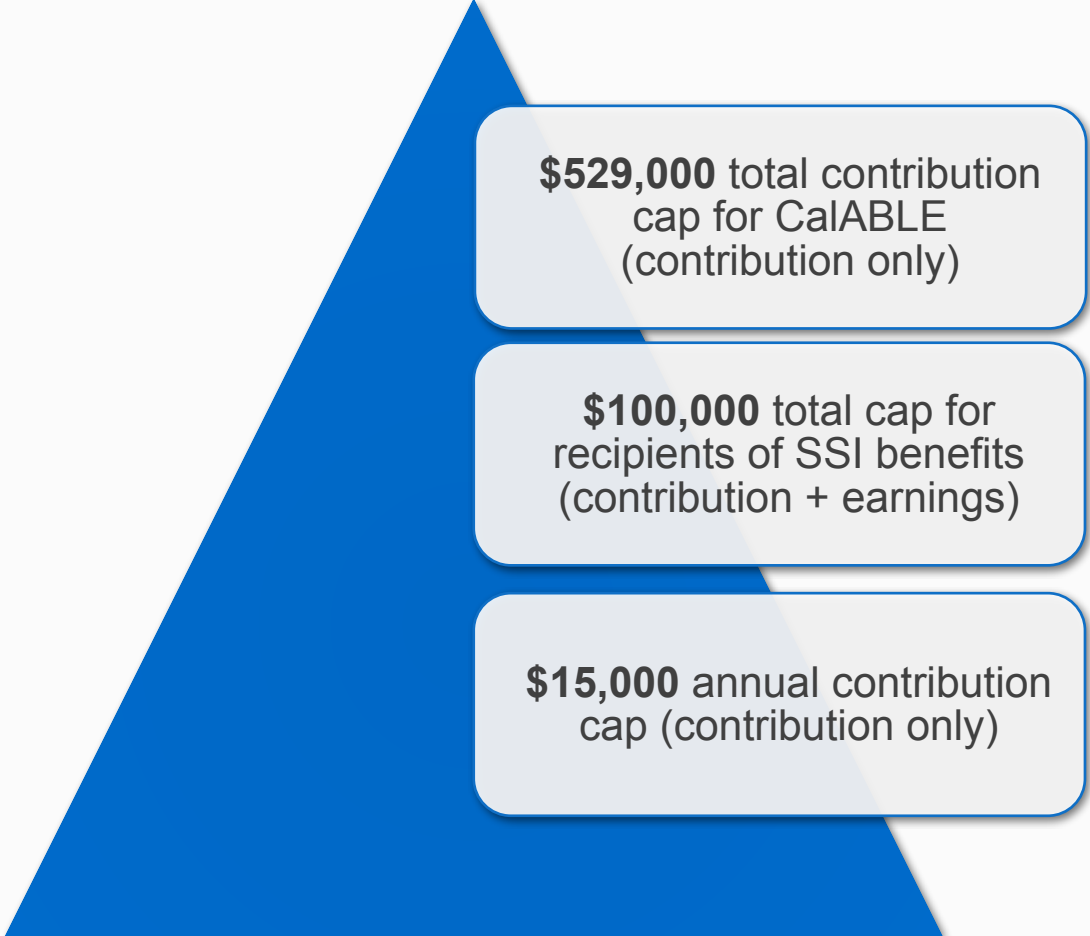


Who is Eligible?

- Must be disabled before age 26 – **AND** –
- Meets the eligibility criteria for disability benefits like SSI or SSDI - **OR-**
- Self-certification: Has been diagnosed by a qualified physician with a physical or mental disability resulting in marked and severe functional limitations that is expected to last at least one year.
- Condition is listed on SSA's List of Compassionate Allowances or Blue Book Listings

Account Contributions

- Before the ABLE Act
 - A person with a disability could not save more than \$2,000 without impacting their SSI
- Now
 - You can save up to \$15,000 per year and up to \$100,000 in total before SSI is impacted
- CalABLE will automatically reject excess contributions



\$529,000 total contribution cap for CalABLE (contribution only)

\$100,000 total cap for recipients of SSI benefits (contribution + earnings)

\$15,000 annual contribution cap (contribution only)

What is a Qualified Disability Expense (QDE)?

- Any expense related to the designated beneficiary as a result of living a life with disabilities that **helps maintain or improve your health, independence or quality of life**
- Categories are **intentionally broad**, and include education, **housing***, transportation, health care expenses and more

Proposed Federal Legislation (2019-2020)

ABLE Age Adjustment Act

[S.651 \(Casey\)](#)

[H.R.1814 \(Cardenas\)](#)

- Both introduced in early 2019
- Increases the age of disability onset from 26 years of age to 46 years of age



Final IRS Regulations

- New hierarchy of individuals who can serve as ALR
 - POA
 - Conservator/Guardian
 - Spouse
 - Parent
 - Sibling
 - Grandparent
 - Beneficiary Rep Payee
 - Person of Beneficiary's Choosing*



Special Needs Trusts & ABLE Accounts

- SNT is another exempt asset that allows an individual to maintain public benefits.
- Different types of SNT's for different situations (see handout)
- A person may have both a SNT and an ABLE account.

Other Considerations

- ABLE accounts accept Cash only
- ABLE account w/ SNT's
 - Do not co-mingle 1st person and 3rd person \$\$
 - Use for “good problems” of having too much money.
Preserve up to \$15k/year
 - Other options – Spending down, Disability Trust (1st party)

2021 Board Meetings - Quarterly

- Tuesday, March 16, 2021 at 1:30 P.M.
- Wednesday, June 23, 2021 at 10:00 A.M.
- Tuesday, September 14, 2021 at 10:00 A.M.
- Tuesday, December 14, 2021 at 1:30 P.M.

CalABLE Staff

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