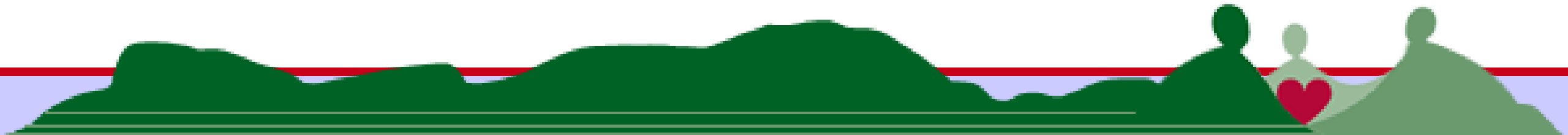




ABLE Savings Programs

A NEW OPTION FOR VERMONTERS WITH DISABILITIES



TASKS TODAY

- Significance of ABLE
- Review how ABLE Savings Accounts work
 - Who is eligible?
 - What can ABLE funds be spent on?
 - Are there limitations to this benefit
- How do I become “ABLE Ready”?
- Your Questions



Disclosures...





History and Significance of ABLE

A sea change in the way we view disability benefits

Families and Self-Advocates made trips to the Hill for nearly a decade asking that they be allowed to save.



Nine Years in the Making...

The **Achieving a Better Life Experience (ABLE) Act of 2013 (S. 313/H.R.647)** was introduced in the 113th Congress by a bipartisan, bicameral set of Congressional Champions.

Moved quickly through the House and Senate to President Obama's desk, December, 2013.



What does ABLE do?

- Amends Section 529 of the Internal Revenue Service Code of 1986 to create tax-free savings accounts for individuals with disabilities.
- Legislative intent:
 - To encourage private savings for the purpose of supporting people with disabilities to maintain health, independence, and quality of life.
 - To supplement, not supplant, benefits provided through Medicaid, Social Security, and other government programs.



85% of Congress co-sponsored ABLE

Sold to Congress
as a matter of
basic fairness:

Families save for college for children who do not have disabilities, so they should be given the same tool to prepare for the future needs of children with disabilities.



Advocates knew it was so much more....

- ABLÉ accounts are in the name of the eligible beneficiary.
- Federal mean-tested programs like SSI, SSDI, and Medicaid will not be jeopardized.
- The first time individuals who receive significant public assistance are permitted to have an asset.

Developments since 2013



- Vermont passed enabling legislation
- VT Able Task Force
- IRS created rules.
- Vermont legislation amended
- Agreement with Ohio
- Ongoing effort to amend federal law.



How does ABLE Work?

An ABLE Account Is...

- An investment account, not a regular checking or savings account. Account holder will choose from a range of investment options – some designed for long term savings, some not.
- “Tax advantaged,” not tax free.
 - Contributions are post-tax dollars. But interest is not subject to federal tax.
 - When spending from an ABLE Account, the funds are not taxable and do not appear on the individual’s tax return.

Designated Beneficiary

- May only have one account.
- Owns the account.
- Enrolls on-line.
- Can use any program open to nationwide enrollment.
- Must have a significant disability acquired before the age of 26.
- Must have lived with the disability for at least one year; or expect the disability to last more than 3 years



Paths to Eligibility



Individual qualifies for SSI
or SSDI

Or

Has a condition listed on
the Social Security
Administration's List of
Compassionate Allowances
Conditions

Or

Or be able to **self-certify**
their disability and
diagnosis



Has a written, signed
diagnosis from a
licensed physician

And

Is blind, as defined by
the social security act

Or

Has a medically
determinable
physical or mental
impairment that
results in "marked
and severe functional
limitations"



Notice

You do *not* need to be an SSI or SSDI recipient to qualify for an ABLE Account

You do *not* need to show your letter or produce other “proof” when self-certifying your eligibility or the eligibility of a child. You just need to be able to do so if the IRS were to ask for proof.

Qualified Disability Expense

- You incurred the expense at a time when you were an Eligible Individual.
- The expense relates to your disability;
- The expense helps you to maintain or improve your health, independence, or quality of life.

Examples include...

EDUCATION & TRAINING

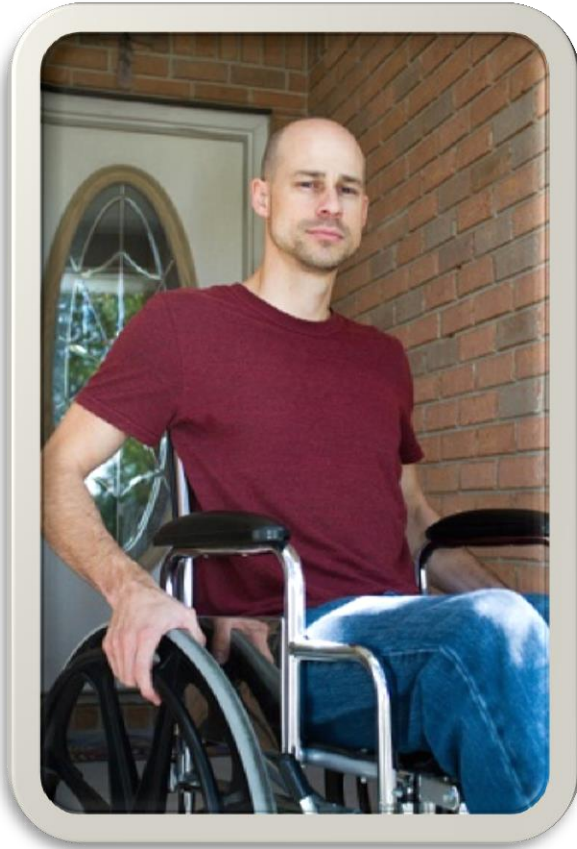


TRANSPORTATION



Examples include...

HOUSING



ASSISTIVE TECHNOLOGY



Examples include...

EMPLOYMENT SUPPORT



HEALTH & WELLNESS



Examples include...

LEGAL FEES



FINANCIAL
MANAGEMENT



FUNERAL EXPENSES
ADMINISTRATIVE FEES
PERSONAL CARE
RESPIRE



But not....

A fancy vacation

Lottery tickets

A night on the town

Tracking Expenses

*Headache...
or opportunity*



- The designed beneficiary is responsible for tracking expenses.
- The financial institution does not ask how the money is spent.
- The IRS has a right to ask the account holder for proof.

Other important rules & limitations

- ABLE Accounts are not free. There is a monthly or annual fee (about \$50 to \$60 annually), and a percentage charged by the investment firm that manages the money.
- Annual contribution limit is \$14,000
- Cap of \$100,000 for exception from SSI rules. If over that amount even for 1 day, individual will lose SSI benefits.
- The Medicaid “claw back.” States seek reimbursement for Medicaid expenses upon the death of the account holder.



Is ABLE Right for Me? For my Family?

Maybe...

LONG TERM SAVERS

Families that want to save for a loved one and either cannot afford a special needs trust or want to complement a trust with another option.

Talk to a professional.

WORKING ADULTS WITH DISABILITIES

Individuals who frequently bump up against the \$2000 asset limit in Social Security.

Other considerations:

- Section 8 housing
- Food Stamps (Three Squares Vermont)

Resources

- ABLE National Resource Center: <http://ablenrc.org/>
- Ohio STABLE: <http://stableaccount.com/>
- Vermont State Treasurer, ABLE Task Force:
<http://www.vermonttreasurer.gov/reports/ABLE-task-force>



Your Questions

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