

# ABLE: An Overview for Families

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# What is ABLE?

## Achieving a Better Life Experience

- Result of the federal Stephen Beck, Jr. Achieving a Better Life Experience Act, December 2014
- Eliminates \$2,000 asset limit and spend down issues
- Tax-advantaged savings accounts for people with disabilities (mental health, physical, developmental, congenital, and more)
- Contribute up to **\$17,000** a year without impacting eligibility for means-tested disability benefits
- Washington ~ 4,000 accounts / \$36m assets

# Who is Eligible?

## Disability onset before age 26

- Is entitled to Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits based on blindness or disability
- or
- Self-certifies that they have a qualifying disability diagnosis from a physician or psychiatrist



[washingtonstateable.com/assets/docs/washington-able-physician-form.pdf](https://washingtonstateable.com/assets/docs/washington-able-physician-form.pdf)

# Qualified Disability Expenses

**Expenses which help improve health, independence, and/or quality of life**



**Basic Living Expenses**



**Housing**



**Transportation**



**Education**



**Assistive Technology**



**Employment Training**



**Personal Support Services**



**Legal Fees, Funeral, Burial**



**Health & Wellness**



**Financial Management**

# ABLE Exemptions

## HCA Apple Health

- Permanent rule filed. ABLE exempt.

## DSHS SNAP, TANF, etc.

- Permanent rules filed. ABLE exempt.

## Social Security Administration

- POMS SI 01130.740. ABLE exempt.

## HUD Section 8 (Housing)

- PIH 2019-09 issued April 26<sup>th</sup>. ABLE exempt.



# Prepaid Card

- Optional - \$1.25/month
- Load from \$10 to \$20,000
- Transactions tracked online
- FDIC insured
- Cannot be used for cash or at ATMs



# Gift Contributions

**Anyone can contribute!**

- Account owner / ALR sets up gifting page
- Shares link with family & friends, posts to social media
- Allows contributions online or by mail
- \$17,000 annual contribution limit still applies

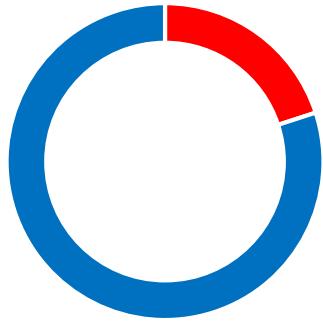


*<https://www.washingtonstateable.com/faqs/category/Gifting>*



# Investment Options

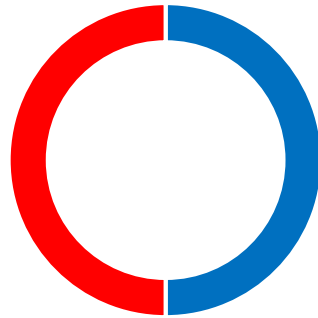
## Conservative



■ Stocks ■ Bonds

Conservative seeks to provide current income and some growth by investing in a portfolio of mutual funds that consists of 20% global public stocks and 80% bonds. Overall, there's a small amount of risk and limited appreciation potential, designed for a shorter investment period.

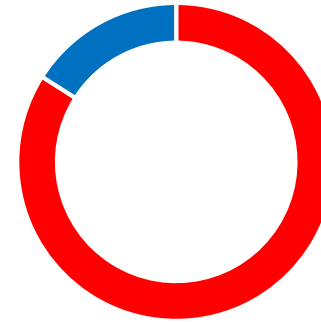
## Moderate



■ Stocks ■ Bonds

ABLE Moderate seeks to provide a combination of growth and current income by investing in a portfolio of mutual funds that consists of 50% global public stocks and 50% bonds. Overall, there's a medium level of risk for a pursuit of investment return, designed for a medium or uncertain time horizon.

## Aggressive



■ Stocks ■ Bonds

ABLE Aggressive provides the potential to grow by investing in a portfolio of mutual funds that consists of 84% global public stocks and 16% bonds. Overall, there's a higher level of risk and potential for return (or loss), designed for a longer investment period (10 years or more).





# Account Costs

- No enrollment fee
- Annual \$35 maintenance fee
- Investment fees 0.30% - 0.38%
- Monthly \$1.25 fee for debit card
- Miscellaneous fees (mailing)



# ABLE to Work

- ▶ If working, may contribute an additional amount equal to current year gross income up to \$13,590
  - ▶ Eligible only if beneficiary or employer is NOT contributing to a defined contribution plan
- ▶ Payroll Deduction (Online or forms available for your employer)
- ▶ IRS Savers Credit (claimed on your 1040 form)

<https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>

# New Expanded Features

- ▶ Expansion of Authorized Legal Representative:
  - ▶ eligible individual with a disability
  - ▶ individual selected by the eligible individual
  - ▶ individual's agent under a power of attorney, conservator or legal guardian
  - ▶ a spouse, parent, sibling or grandparent
  - ▶ representative payee (individual or organization)

# Is there a catch?

Balances over \$100,000 count as a resource only for SSI recipients

- SSI suspended (not terminated)
- No affect to Medicaid benefits (Keep your Apple Health)

If you hold onto the money from one calendar month to the next, then housing expenditures and non-qualified expenditures count as resources

Non Qualified Disability Expenditures incur 10% penalty and taxes are owed on the expenditure amount

Medicaid Recovery against the ABLE assets after death



# Washington State

ABLE SAVINGS PLAN

[washingtonstateable.com](http://washingtonstateable.com)

Two programs  
that can be used  
together

Easily transfer money  
from the special needs  
trust to the ABLE account

# Washington State



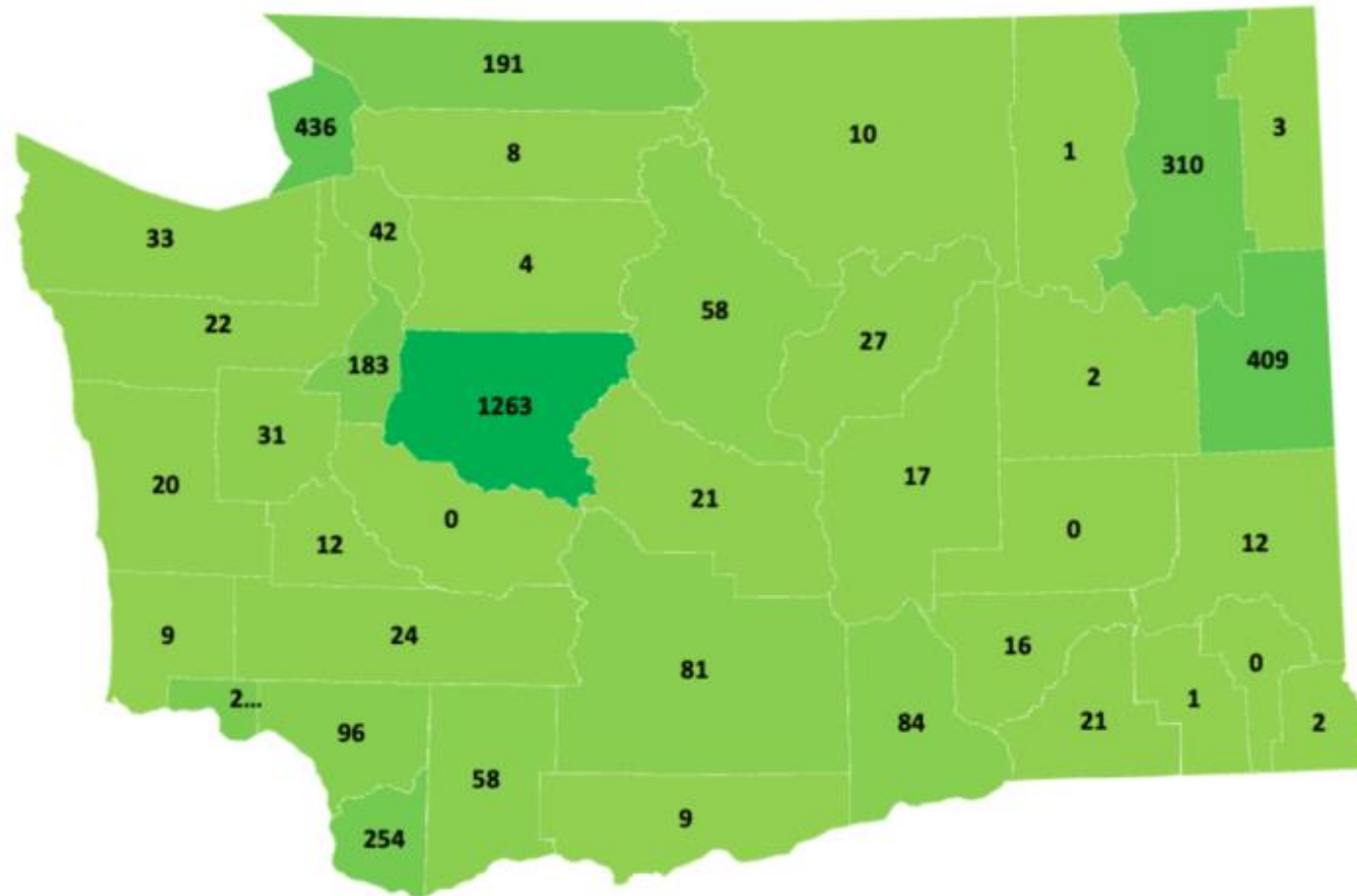
Developmental  
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Visit us online at <https://ddetf.wa.gov>

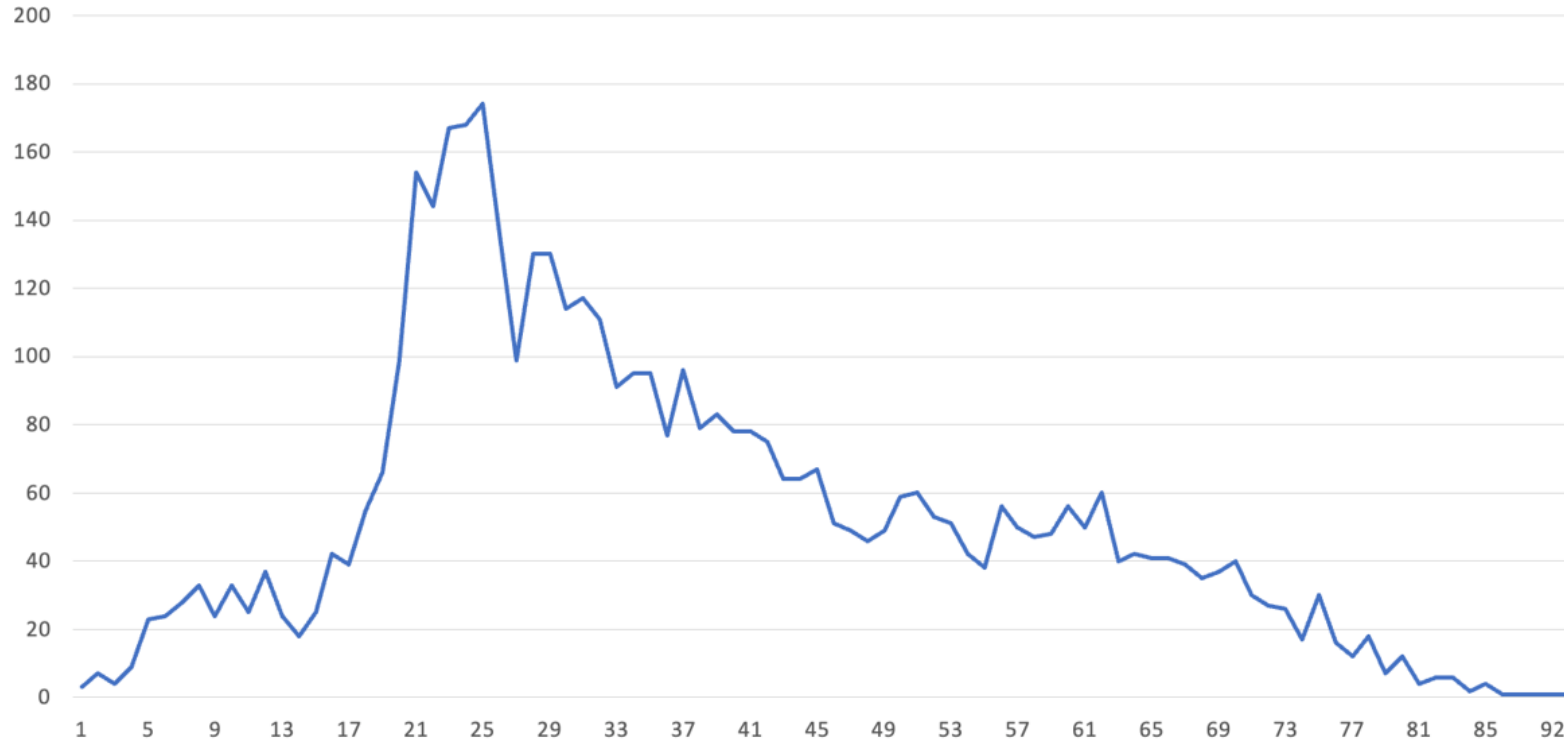
# ABLE Accounts by County



Nearly  
3,997  
active  
accounts  
and \$36  
million in  
assets

Powered by Bing  
© Geotames, TomTom

# ABLE Accounts by Age

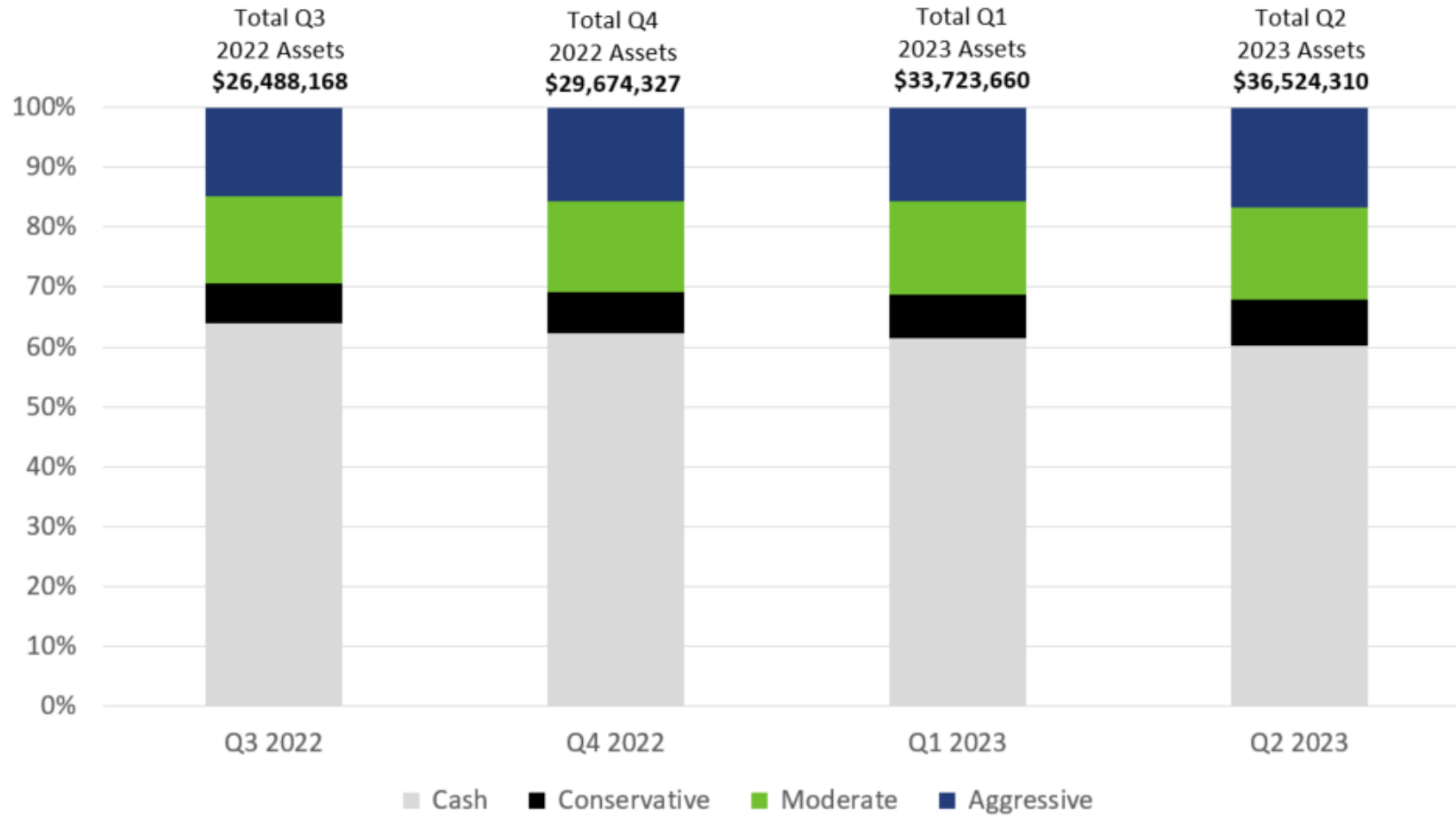


Ages range from 0 to 92 but the peak is transition aged kids



# Asset Allocation by Investment 2Q23

Net Asset Growth by Investment Option

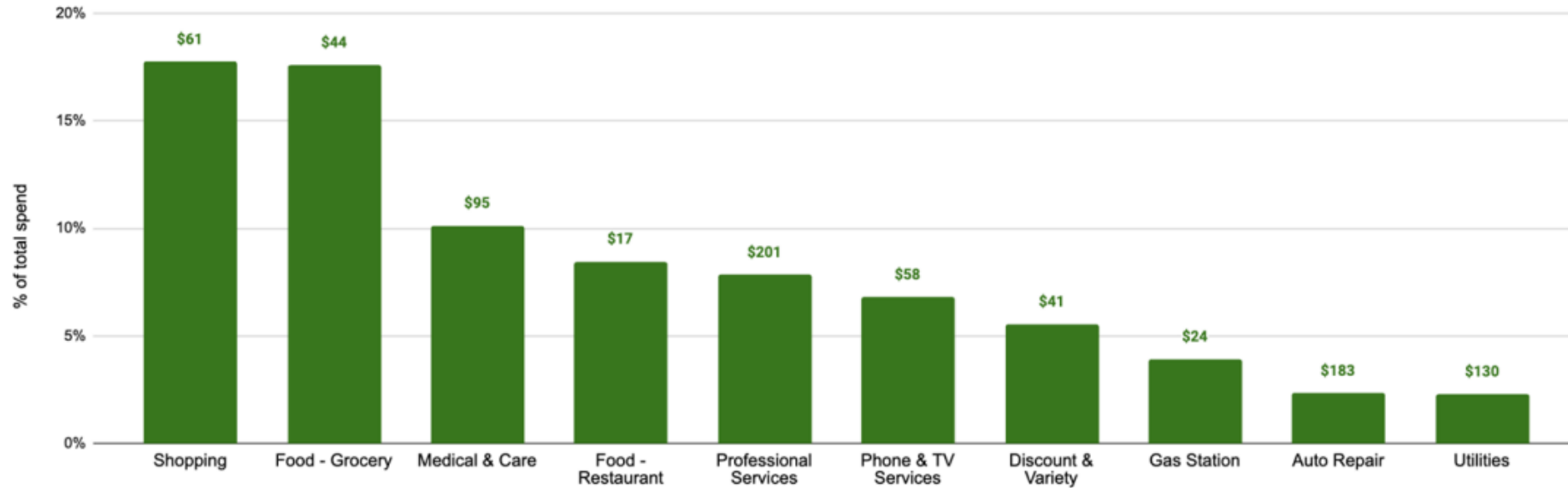


# Top spending categories - prepaid card

## Top 10 spending categories, by dollars spent<sup>1</sup>

FY 2022

**Note:** Avg purchase amounts appear in **green** above the category.





# Recap


- Sign up / manage account online
- People older than age 26 can open an account
- Disability onset prior to age 26
- Washington resident at time of enrollment
- \$17,000 cap on annual contributions unless qualify for ABLE to Work
- Anyone may contribute
- \$100,000 account exclusion limit if receiving SSI; \$500,000 if NOT


▶ *[Washingtonstateable.com/FAQs](https://www.washingtonstateable.com/FAQs)*


# WASateABLE YouTube Videos

- 

1 **How to Set up an ABLE Gifting Page**  
WASateABLE • 87 views • 1 year ago  
2:44
- 

2 **How to Make a Contribution to A Washington State ABLE Savings Plan**  
WASateABLE • 53 views • 1 year ago  
6:55
- 

3 **How to Make an ABLE Gift**  
WASateABLE • 652 views • 1 year ago  
3:34
- 

4 **How to Make a Withdrawal from a Washington State ABLE Account**  
WASateABLE • 172 views • 3 years ago  
6:16
- 

5 **How to Enroll in the Washington State ABLE Savings Plan**  
WASateABLE • 331 views • 3 years ago  
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<https://www.youtube.com/channel/UCBSI5MmR7b6nwjgsKoByT6g>

# Thank You!

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