



NATIONAL RESOURCE CENTER
ACHIEVING A BETTER LIFE EXPERIENCE ACT



Becoming ABLE Ready in 2016

Moderator: Michael Morris, Executive Director
National Disability Institute (NDI)



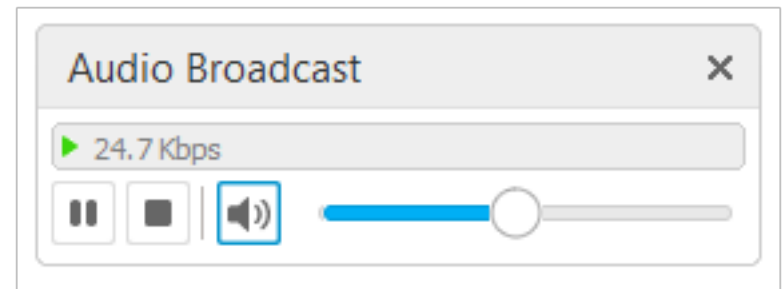
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Presenters and Panelist

Presenter and Moderator:

- Michael Morris, Executive Director, National Disability Institute
- Chris Rodriguez, Senior Public Policy Advisor, National Disability Institute

Guest Panelists:

- Tom Foley, Deputy Director, World Institute on Disability
- Alex Ghenis, Policy and Research Specialist World Institute on Disability
- Aaron Kaufman, Senior Legislative Associate, Jewish Federations of North America
- Sergio Zarate, Co-Founder and President of Down by the Border (a Texas-based association helping children with special needs)

Agenda

- Introduction
- Understand ABLE and ABLE Basics
- Consider Eligibility Criteria
- Assess Your Disability Related Needs
- Identify and Communicate with Potential Contributors
- Examine and Compare Available Programs Based on Your Needs
- Guest Panelists Q&A

Introduction

2016 marks the first year in which ABLE accounts will be available to qualified beneficiaries at large.

- We expect several ABLE programs to be up and running before 2017, with the first programs launching at the beginning of this summer.
- While state ABLE programs will be similar in many ways, there may still be significant differences from one ABLE program to another.
- Understanding these differences may help you pick a program that best meets your particular needs, and allows you the best opportunity to maximize the benefits of having an ABLE account.

Getting Started



Understanding ABLÉ and ABLÉ Basics

The Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act

- Became law on December 19, 2015
- Creates a new option for *some* people with disabilities and their families to save for the future, while protecting eligibility for public benefits.

ABLE Basics

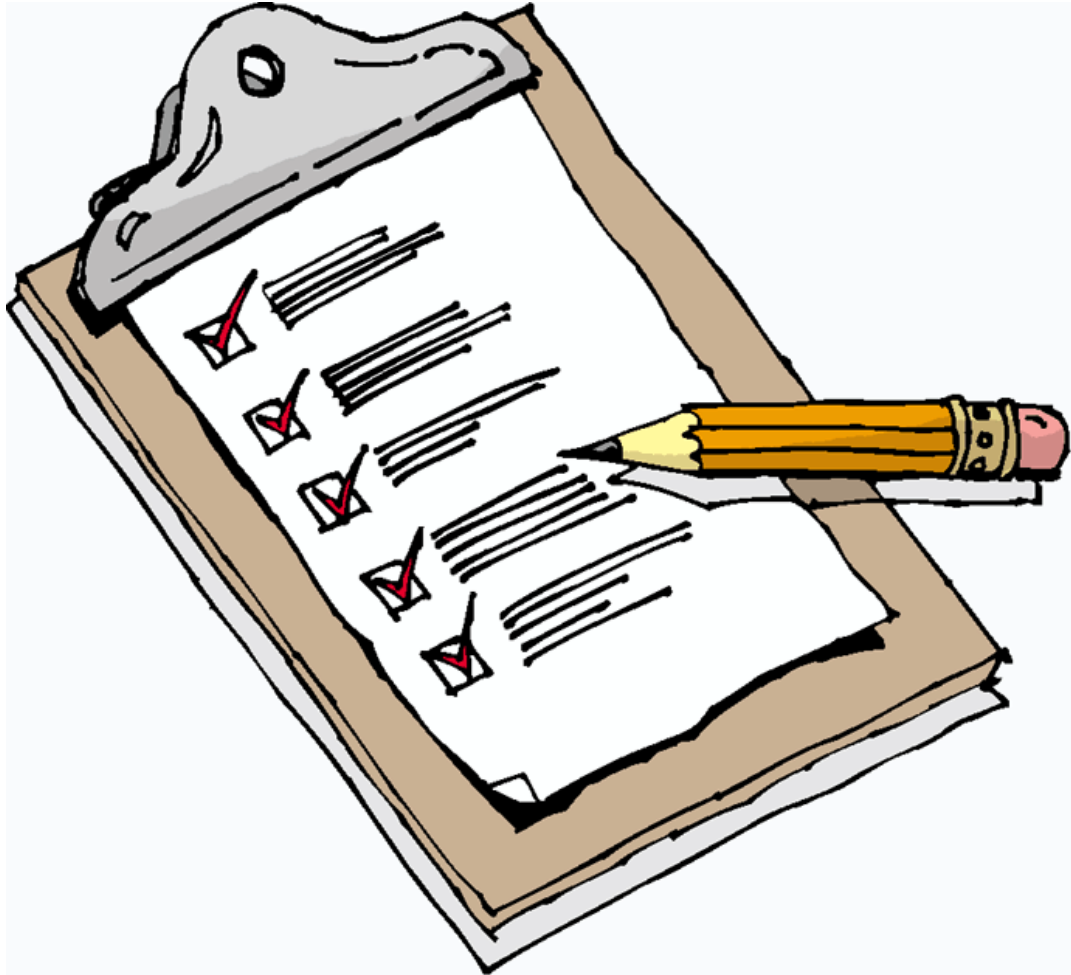
- You must meet certain eligibility criteria to open an ABLE account and a beneficiary may only have one ABLE account at any given time.
- The “designated beneficiary” is always the account owner (although another person such as a parent or guardian may be allowed signature authority over the account).
- Funds in the ABLE account will not be taken into consideration when determining eligibility for federally funded benefits, such as Social Security and Medicaid (with one exception related to SSI if/when the account exceeds \$100,000)
- Contributions to an ABLE account are made with post-tax dollars and funds in the account are to be used exclusively for “disability related expenses”.

ABLE Basics Continued

- Total annual contributions from all contributors to an ABLE account may not exceed the federal gift tax contribution, which is currently \$14,000 (this may periodically be adjusted for inflation).
- An individual account may not exceed the state limit for 529 savings accounts, typically set at over \$250,000 (at such point the ability to contribute will be temporarily suspended).
- There is no longer a residency requirement in the federal law, however some states may decide to restrict enrollment in their program to residents of their state (Ex: Florida United Program).

For more detailed information related to “ABLE Basics” please refer to the ABLE National Resource Center website (www.ablenrc.org)

Consider Eligibility Criteria



Are You Eligible?

To be eligible to open an ABLE account, individuals must meet two requirements:

- 1) Age requirement: must be disabled before age 26
 - 2) Severity of disability:
 - Have been determined to meet the disability requirements for Supplemental Security Income (SSI) or Social Security disability benefits (Title XVI or Title II of the Social Security Act) and are receiving those benefits,
- OR**
- Submit a “disability certification” assuring that the individual holds documentation of a physician’s diagnosis and signature, and confirming that the individual meets the functional disability criteria in the ABLE Act (related to the severity of disability described in Title XVI or Title II of the Social Security Act)*.

Assess Your Disability Related Needs



Things to Consider

- Identify your current disability related expenses.
- Consider making a list of short and longer term needs/supports that may require financial assistance.
- Consider whether these needs/supports will be covered by any public benefit program you currently receive or may receive in the future.
- Consider other sources of income you may have and how an ABLE account might interact and/or complement them (are you earning income through employment, are you receiving a cash benefit through SSI or SSDI, do you have a special needs trust?).
- Consider researching financial institutions and perhaps opening a savings or checking account (this may help with managing your ABLE account).

Examples of Short and Long Term Needs/Supports

- Some examples may include:
 - Long-term supports like personal assistance services which a government funded benefit may cover, but restricts the number of hours per week or month;
 - Renovations to where you live to be more accessible;
 - Assistive technology like hearing aids or repairs to a wheelchair;
 - The purchase of a computer or iPad;
 - Supported or customized employment assistance including on-the-job training;
 - Public benefits planning; and
 - The purchase and retrofitting or modifying of a van.
- Investigate costs to meet identified needs and develop a short-term (up to three years) and longer term budget. This can help guide and motivate your ABLÉ savings.

Identify and Communicate with Potential Contributors



Identify and Begin to Educate Potential Contributors to Your ABLE Account

- Friends, family and an employer may all be invited to contribute to your ABLE Account.
- Your contributions to an ABLE account are not tax deductible for purposes of filing your federal taxes, but may be deductible for purposes of your state income tax depending on where you live.
- While you or your family may not have the resources to contribute \$14,000 annually, you might also consider crowdsourcing or letting relatives and friends know about your specific future savings goals and how they can help make it happen.

Choosing the “Right” ABLE Program



Your Needs Are Unique

- No two eligible individuals have the same needs for opening, managing, and utilizing an ABLÉ account.
- Consider talking with people you trust. Create a circle of support comprised of family and friends.
- While not mandatory, perhaps consider consulting a financial advisor who has documented experience with creating and/or managing funds related to individuals with special needs, such as pooled trusts and special needs trusts.

Comparing ABLE Programs



Opening an Account

You may want to consider the following questions:

- How does the enrollment process work (done online?)
- What proof will the ABLE program require for you to document in order to open an account or show that your disbursements are qualified expenses
- Is there a fee to open an account and, if so, how much is that fee?
 - Do they differ for in-state to out-of-state residents?
- Is there a required minimum contribution to your account? If so, what is the amount?

Maintaining and Utilizing the Account

You may want to consider the following questions:

- Is there a required minimum contribution to your account? If so, what is the amount?
- Are there annual maintenance fees (set and/or balance-based)?
- Are the fees front end loaded or are they reduced if you leave your funds invested for several years?
- Are there restrictions or fees associated with how often you can withdraw funds from your account?
- Can you access the funds as soon as the ABLE account is opened?
- Is there a “debit card/purchasing card” available with the program? Are there added costs to the use of the card?

Investment Considerations

You may want to consider the following questions:

- What are the investment options the state ABLE program offers?
- Are the options likely to meet your needs for limiting risk with the growth of your contributed dollars to the ABLE account?
- Does the program offer any unique or value added program elements to help you save, contribute to your account, grow the account, and manage your invested dollars?
- What has been the history of the rate of return of the investment fund?

Possible Residency Advantages

You may want to consider the following questions:

- Does your state have a program and, if so, do they offer a state income tax deduction or credit for contributions to their account, or any 529A program?
- Does the state program offer any unique or value added program elements (such as a match or rewards program, financial literacy info or program for beneficiaries) to help you save, contribute to your account, grow the account, and manage your invested dollars? If so, what is it?

Stay Informed



Always Be An Informed Consumer

- As states open ABLE programs, The ABLE National Resource Center will compare and contrast individual state programs to help you make informed decisions.
- For more information about the ABLE Act, please visit the ABLE National Resource Center at www.ablenrc.org

Panel Questions



Question 1

What do you anticipate will be the most significant benefit of being able to have an ABLE account for you personally?

- Tax free growth?
- Saving without jeopardizing federal benefits?
- Opportunity to increase financial independence?

Question 2

What are examples of disability related expenses that you might want to use your ABLE account for?



Question 3

What are the most important ABLE characteristics that you will take into consideration when choosing a program for you, and why?



Question 4

How do you see yourself using an ABLE account?



Question 5

- What might cause you to be hesitant about opening an ABLÉ account?



Question 6

- If you could change one thing about the current ABLE program guideline/characteristics what would it be?



Question 7

- Are there questions about ABLE accounts that you would still like more information about?

For Further ABLERelated Questions Contact

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