

ABLE Account, Special Needs and Pooled Trust Comparison Chart

Individuals who work and receive Medicaid, Supplemental Security Income (SSI) or other public benefits may find it difficult to save money and still maintain their benefits. This is especially important for “means-tested” benefit programs, i.e., benefits in which income and countable resources of more than \$2,000 are considered when determining eligibility.

Protected savings accounts make it possible for individuals to maintain eligibility for benefits such as Medicaid, Free Application for Federal Student Aid (FAFSA), Housing and Urban Development (HUD), Social Security Income (SSI) and the Supplemental Nutrition Assistance Program (SNAP). This comparison tool demonstrates options for establishing protected savings: ABLE, pooled trust and special needs trust (first and third party).

ABLE National Resource Center partnered with the Special Needs Alliance to prepare this comparison chart to help determine which option(s) best meets the needs of an individual. ABLE information is provided by ABLE NRC and the trust information is prepared by the Special Needs Alliance.

Achieving a Better Life Experience (ABLE)

ABLE accounts are tax-advantaged savings accounts for individuals with disabilities who have a disability that began prior to age 46. The beneficiary of the account is the account owner.

The individual and their family, friends and employers, may make direct contributions into the account using after-tax dollars up to annual limits. Some states allow for state income tax credits or deductions for contributions made to an ABLE account.

ABLE funds can be spent on qualified disability expenses (QDEs) to maintain or improve the account owner’s health, independence or quality of life. These include expenses for education, food, housing, transportation, employment training and support, assistive technology, personal support services, health, prevention and wellness, financial management, administrative services, legal fees, expenses for oversight and monitoring and funeral and burial expenses.

Pooled Trust

Pooled trusts are managed by nonprofit organizations that pool the assets of multiple individuals into separate sub-accounts. The agency administrator makes decisions on how to invest and disburse the funds and is responsible for meeting reporting requirements to government agencies including the Social Security Administration (SSA). In consideration of a beneficiary's public benefits, pooled trust funds may be authorized directly to purchase a home and to cover related household expenses as well as other expenses that enhance a beneficiary's life such as entertainment, recreation and to pay for pre-paid funeral expenses.

Special Needs Trusts (SNT)

A special needs trust also may be used to cover supplemental needs, some of which public benefits may not cover. The trust may be funded by a person with a disability or by a third party.

A first-party account, funded by the person with a disability, comes from sources such as earnings, divorce settlement, inheritance, life insurance, a personal injury award or retirement.

A third-party account, funded by someone other than the person with a disability (e.g., a parent, grandparent or other family member), comes from sources such as income, life insurance, trust or will.

Other Trust Accounts

Some states recognize special types of trusts designed to reduce countable income to qualify for Medicaid. These trusts are called Qualifying Income Trusts, commonly known as "Miller Trusts." In some states they may have other names such as Income Only Trusts, Income Diversion Trusts, Medicaid Income-Only Trusts, Income Assignment Trusts, Income Cap Trusts and (d)(4)(B) trusts. This document is meant to compare trusts commonly used to exclude resources to maintain eligibility for federally funded, means-tested benefits.

Protected Savings Option Comparison Chart

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
Eligibility	Onset of disability prior to age 46. Disability must result in severe functional limitation(s).	Disability or moderate impairment. First-party account: Disability established before age 65. Third-party account: no age limitation.	Disability established before age 65.	No limitations.
Allowed Accounts	One (1)	May have multiple pooled trust accounts.	May have multiple first-party accounts.	May have multiple third-party accounts.
Account Opened By	Account may be opened by or for an eligible person of any age with a disability in this order: individual selected by person with a disability; individual's agent under power of attorney, conservator, or legal guardian; a spouse, parent, sibling or grandparent; or representative payee (individual or organization).	First Party: Account set up by the beneficiary, a parent, grandparent, court or legal guardian or by someone with authority to act for the beneficiary (e.g., an agent under the power of attorney). Third Party: Account set up by anyone other than the beneficiary.	Account set up by the beneficiary, a parent, grandparent, court or legal guardian or by someone with authority to act for the beneficiary (e.g., an agent under the power of attorney).	Account set up by grantor (anyone other than the beneficiary).

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
Allowable Use	Qualified disability expenses (QDEs) including food, housing, education, transportation, emergency needs, employment training and support, assistive technology, personal support services, health care expenses, financial management, administrative services, funeral and burial and other expenses determined by ABLE account owner; assistance by legal guardian or power of attorney allowable.	As determined by trust administrator, food and housing expenses may generate special issues, as may any direct distributions to the beneficiary.	Allowable Use	Qualified disability expenses (QDEs) including food, housing, education, transportation, emergency needs, employment training and support, assistive technology, personal support services, health care expenses, financial management, administrative services, funeral and burial and other expenses determined by ABLE account owner; assistance by legal guardian or power of attorney allowable.
Startup Cost	Initial minimum deposit between \$0 to \$250.	Typically, \$200 - \$1,000.	Attorney fees vary, and may include court costs; \$1,000s.	Attorney fees vary \$100s - \$1,000s.
Minimum Contribution	\$0 - \$250.	Typically, \$2,000 - \$10,000.	No limitation, but costs make it inefficient for smaller trusts.	No limitation.

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
Annual Contribution Limit	Visit ABLE Account Contribution Limits as amount is subject to change annually (\$20,000 in 2026). Contributions can be made by account owner, family, friends, 529 account, pooled trust or special needs trust. See below for additional sources of direct contributions.	No limit.	No limit.	No limit.
Additional Contributions Allowed	Additional contributions are permitted when the account owner or their employer do not contribute into an employer-sponsored retirement account in the calendar year (up to an additional \$15,650 or \$35,650 in total in 2026). Additional contribution amount cannot exceed earnings. Visit ABLE Account Contribution Limits for current year's amount.	Some pooled accounts allow the beneficiary to contribute earnings.	Third-party funds should not be added to a first party special needs trust.	Other family members may contribute additional amounts to a third-party special needs trust, but no funds of the beneficiary may be added.
Maximum Holdings	State plan balance limit varies by ABLE plan. (\$235,000 - \$596,925)	No limit.	No limit.	No limit.

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
Ongoing Management Fees	Fees vary with each ABLE plan. Costs are nominal and average \$0 - \$56 per calendar year.	Average \$200+. Enrollment and administration fees are almost always higher than those associated with ABLE accounts, but lower than for-profit businesses that offer trust services. Management fees for a pooled SNT can be less than 1% on an annual basis. A fee schedule should be available.	Often 1% - 2%. Enrollment and administration fees are likely higher than those associated with ABLE accounts but are often lower than for-profit businesses that offer trust services. Many first party trusts require court oversight, which may add expenses.	Often 1% - 2%. Trustees' fees and associated costs are almost certainly higher than those associated with ABLE accounts but may be lower than for-profit businesses that offer trust services.
Debit Card or Checks	Availability of prepaid debit cards, checking options and contribution gift cards; some plans use a True Link (prepaid VISA) card; fees vary by ABLE plan.	Yes – often arranged through True Link or similar card.	Yes – often arranged through True Link or similar card.	Yes – often arranged through True Link or similar card.
Investment Options	Yes, 0 – 15 options. These vary with each ABLE plan. Access the ABLE plan disclosure document or the plan's investment performance report for more information.	Yes. Trust funds are pooled for investment purposes, and an account is maintained in each beneficiary's sub-account. Pooled trust administrator decides, often in consultation with beneficiary and/or family.	Yes. The investment options are within the discretion of the trustee/administrator.	Yes. The investment options are within the discretion of the trustee/administrator.
Investment Option Fees	Yes, it varies by actual investment product.	Yes, it varies by actual investment product.	Yes, it varies by actual investment product.	Yes, it varies by actual investment product.

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
Medicaid Cost Payback Upon Death	Maybe. It depends on the state ABLÉ plan and varies by state law. Medicaid payback is subject to federal and state probate laws that apply to Medicaid expenses paid since the ABLÉ account was opened. Many ABLÉ plans have passed legislation to limit Medicaid payback.	First party: Yes, though nonprofit trustees may be permitted to retain some or all the balance rather than repaying Medicaid. Trustee arrangements vary. Third party: No payback requirement. Funds may be used for funeral or other last expenses.	Yes, if applicable, funds may not be used for funeral expenses prior to payback.	No. Remaining funds may be used for funeral or other final expenses, and remaining funds are then distributed to named beneficiaries.

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
SSI Resource	<p>If the ABLE account balance exceeds \$100,000, which causes the SSI resource limit to be exceeded, the SSI benefit is suspended until balance falls under threshold.</p> <p>Otherwise, an ABLE account is not counted as a resource for SSI purposes.</p> <p>Any amount of ABLE savings/investments do not impact Medicaid and Medicaid waiver eligibility nor eligibility for other federal, public benefit programs (housing, food, federal student aid, and Medicare savings plans).</p>	<p>Depends on date of establishment guidelines and source of trust funds.</p> <p>Third-Party Pooled Trust: refer to SNT – third party.</p>	<p>Trust principal is counted as a resource if: (1) a trust beneficiary has legal authority to revoke or terminate the trust and use the funds to meet food or shelter needs; (2) if the trust beneficiary can direct the use of the trust principal for his or her support and maintenance under the terms of the trust; or (3) if the trust beneficiary can sell his or her beneficiary interest in the trust, that interest is a resource.</p>	<p>Trust principal is counted as a resource if: (1) a trust beneficiary has legal authority to revoke or terminate the trust and use the funds to meet food or shelter needs; (2) if the trust beneficiary can direct the use of the trust principal for his or her support and maintenance under the terms of the trust; or (3) if the trust beneficiary can sell his or her beneficiary interest in the trust, that interest is a resource.</p>

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
SSI Income	<p>Disbursements or withdrawals may be made for QDEs such as shelter expenses, rent, mortgage payments, insurance, taxes, utilities and food without resulting in a one-third loss of SSI due to unearned income. Money taken out for rent, housing or housing-related expenses must be paid in the same month as the withdrawal or it is counted as a resource.</p>	<p>Cash, including gift cards or certificates paid directly from the trust to the SSI recipient, is unearned income and will reduce SSI. Housing or housing-related costs such as rent, mortgage payments, taxes and utilities received as a disbursement by a trustee/administrator to a third party are considered in-kind support for SSI and can reduce SSI benefits, but not necessarily by the amount of the distribution. Some disbursements from the trust that are not cash to the individual, or third-party payments that are not in-kind support and maintenance, are not countable income. Examples are educational expenses, therapy, medical services, phone bills, recreation and entertainment.</p>	<p>Cash, including gift cards or certificates paid directly from the trust to the individual, is unearned income. Housing or housing-related costs such as rent, mortgage payments, taxes and utilities received as a disbursement by a trustee/administrator to a third party is in-kind support and maintenance under the presumed maximum value rule. Some disbursements from the trust that are not cash to the individual or third-party payments that are not in-kind support and maintenance are not countable income. Examples are educational expenses, therapy, medical services, phone bills, recreation and entertainment.</p>	<p>When trust principal is not a resource, disbursement from the trust may or may not be income depending on the nature of the disbursement. Cash, including gift cards or certificates paid directly from the trust to the individual, is unearned income. Housing or housing-related costs such as rent, mortgage payments, taxes and utilities received as a disbursement by a trustee/administrator to a third party is considered in-kind support for SSI and can reduce SSI benefits unless it is contributed to an ABLE account and paid from that account. Some disbursements from the trust that are not cash to the individual or third-party payments that are not in-kind support and maintenance are not countable income. Examples are educational expenses, therapy, medical services, phone bills, recreation and entertainment.</p>

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
State Tax Qualified Contributions	Maybe, it depends on the ABLE plan and/or state law.	No	No	No
Federal Tax-Deductible Contributions?	Not for federal tax purposes; state deduction or credit may apply. Employed ABLE owners may qualify for the federal Saver's Credit.	No	No	No
Revocable	Yes, revocable. ABLE funds can be transferred to another qualifying individual (sibling, half-sibling or adopted sibling with some restrictions).	No, a first-party Pooled Trust is irrevocable.	No, the trust is irrevocable.	The trust can be revocable or irrevocable. If the beneficiary has the power to revoke, public benefits may be jeopardized.
Heirs upon Death of ABLE account owner (ABLE) or Beneficiary (Trusts) of Owner / Trustee after Medicaid Recovery	ABLE plans may allow for a designated beneficiary to be named, or the beneficiary is identified in the ABLE account owner's Last Will and Testament.	Specific beneficiaries can be designated in the document.	State laws may vary, but generally remaining balances are payable to the beneficiary's heirs or estate.	Specific beneficiaries can be designated in the document.

Comparison Criteria	ABLE	Pooled Trust (First or Third Party)	Special Needs Trust (First Party)	Special Needs Trust (Third Party)
Death of Owner / Trustee	Balance paid in following priority: 1. outstanding QDEs including funeral and burial expenses. 2. Medicaid payback, if applicable to the state ABLE plan. Note that this is subject to a reduction for any Medicaid Buy-in program premium payments made by or on behalf of the ABLE account owner. 3. Remaining funds are payable to the ABLE beneficiary's estate or if the plan permits, to a successor designated beneficiary.	Balance paid in following priority: Trust retention, if any. Medicaid payback (for First party only). Final distribution as required by trust agreement and joinder. Third Party: the trust's terms will control distributions upon death. Agency may retain a portion of account balance at the time of beneficiary's death. Trustee arrangements vary.	Balance paid in following priority: Medicaid payback for lifetime of beneficiary. Final distribution as required by trust agreement and/ or laws of decedent's jurisdiction.	The trust's terms will control distributions on death of the beneficiary.

Individuals may want to make use of more than one, or all, of these protected savings options. For example, funds from pooled and special needs trusts can often be deposited directly into an ABLE account. This strategy expands options for people, empowering them to spend the funds as they choose, within the range of qualified disability expenses. In addition, and equally important, the ABLE account owner can be in charge of the timing and payment of ordinary living expenses. Funds may not be distributed from the ABLE account into a pooled and special needs trust because it is not a qualified disability expense.

Funds spent on items not within allowable guidelines of ABLE, pooled and special needs trusts may cause a beneficiary to lose eligibility for SSI and Medicaid during the time that the funds were determined as countable income or resources. Unapproved payments from an ABLE account may result in a modest income tax liability for the ABLE account owner.

Additional ABLE Direct Deposit Contributions Allowed:

Structured settlements, alimony, and child support are excluded from SSI income and from resources when they are part of an irrevocable, court-ordered agreement that requires the funds be deposited directly into the ABLE account and when the beneficiary cannot modify or assign the agreement or access the funds prior to deposit. They are excluded because the beneficiary lacks control of the funds prior to deposit. SSA must review the court order.

Direct ABLE deposits made by an employer do not count as income. However, when an ABLE account owner works and deposits a portion of their employment income into ABLE, it is countable employment income.

Additional Resources

[**ABLE National Resource Center website**](#)

[**Special Needs Alliance website**](#)

[**Special Needs Alliance Disabilities Handbook**](#)

[**Special Needs Alliance Trustee Guide**](#)

Disclaimer

This article is for informational purposes only and does not constitute tax, legal, financial, or investment advice.

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