

## Question & Answers: Qualified Disability Expenses (QDE) Fundamentals

### **Q. Would a gym membership be a QDE? OTC medicines? Supplements?**

A: An ABLE account owner may request a prescription from their physician (MD or DO) as documentation for the need of a gym membership, over-the-counter (OTC) medications or supplements as a QDEs.

### **Q: How does one find a financial advisor who is familiar with ABLE?**

A: Several of the state plans offer financial planning services as part of their ABLE support services. All enrollment and documentation is available on each state plan's website. Investment options and support services can be compared by viewing each state ABLE plan's disclosure documents. Please visit the [state review page](#) on the [ABLE National Resource Center website](#) for more information.

### **Q: What are the best ways to account for and document specific ABLE distributions?**

A: The best way to keep track of ABLE purchases is the way that works for the ABLE account owner. Some people keep all receipts for purchases, some save their receipts in envelopes marked for the category of QDE and others prepare a spending plan and designate certain categories of expenses for ABLE to pay; then those statements or receipts are stored by calendar year. Other individuals keep detailed spreadsheets of expenditures for each calendar year or use [finance tracking apps](#). Receipts should be kept for at least three years.

### **Q: What are examples of health prevention and wellness?**

A: Examples are likely to be different for each person, depending upon the nature of their disability. If a MD or DO prescribes yoga for a person with a physical disability or mental health diagnosis, that may be a QDE for that individual.

### **Q: If costs associated with employment are QDEs, what about costs for volunteer work, especially if it is recommended therapy?**

A: Cost related to volunteering or working may be QDEs.

### **Q: Can you have a 529 college savings account AND an ABLE account at the same time?**

A: Yes, you can have both at the same time.

### **Q: Can you roll over a special needs trust into an ABLE account?**

A: No, a special needs trust (SNT) cannot be rolled over into an ABLE account. However, if a SNT distribution is authorized, the SNT can make a contribution of up to \$15,000 into an ABLE account each year. An ABLE account owner who works, and does not have an employer sponsored retirement account, may save up to an additional \$12,140 from their earnings, for a total of \$27,140 in 2019.

**Q: If an education 529 is rolled into an ABLE account, does that mean Medicaid will take the balance of the account if the disabled person passes away regardless if it was 3rd party income?**

A: Perhaps. Some state ABLE plans have waived Medicaid pay-back while others have not. Many individuals who have a disability do not have Medicaid. ABLE account owners who have had Medicaid services since establishing their ABLE account may be subject to Medicaid pay-back upon death for costs paid by Medicaid since the establishment of their ABLE account. QDEs include funeral and burial expenses along with unpaid QDEs. All outstanding creditors will be paid before Medicaid.

**Q: In another presentation, I heard that a vehicle could be purchased for the individual with a disability. Do you agree?**

A: Yes, a vehicle to transport a person who has a disability would qualify as a QDE.

**Q: Would airfare or tuition to a meditation retreat count as a QDE for someone who has a mental health disability - or for someone with a physical disability who is dealing with chronic pain?**

A: For documentation purposes, if a MD or DO provides a written statement indicating that these items are medically indicated, it would likely qualify as a QDE.

**Q: My adult brother is in a residential care program. The program expects that our family provide care for him during three weeks of respite. He requires supervision most of the day. I must travel from out of state to pick him up and bring him back. Do the transportation costs qualify as QDEs?**

A: Yes, transportation costs for respite care would be QDEs.

**Q: Is it OK to have both an ABLE account and a special needs trust?**

A: Yes, many people are asking that their special needs trust include language allowing for distributions into ABLE. This allows for ease of access to the funds and more flexibility in QDE costs such as housing.