



## ***The ABLE Act: Achieving a Better Life Experience***

Governor's Council on Disabilities & Special Education

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### New Federal & State Law

- ✓ Signed into law federally in Dec. 2014
- ✓ Signed into law in Alaska in Aug. 2016



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## ABLE Accounts: Things You Must Know

### *What is an ABLE account?*

- **Tax-advantaged** savings accounts for individuals with disabilities and their families
- Income earned by the accounts = **not taxed**
- Contributions to the account = not tax deductible

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## ABLE Accounts: Things You Must Know

### *Why is there a need for ABLE accounts?*

- Previously, public benefit eligibility required an individual to remain at or below poverty levels
  - **ABLE savings accounts will not affect eligibility for SSI, Medicaid/other federal public benefit programs!**
- There are extra costs of living with a disability




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## ABLE Accounts: Things You Must Know

*What are the annual ABLE Account contribution limits?*

- **Total annual contributions = \$14,000**
  - Amount will be adjusted annually for inflation
  - Gift Tax Exclusion: \$14,000 = maximum amount individuals can give & not pay taxes

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## Limits Continued...

- **Total limit over time = determined by state:**
  - **SSI/Medicaid recipients = exempt from resource limit up to \$100,000**
    - Exceeding \$100,000 = loss of SSI eligibility/benefits
      - » Medicaid eligibility continues, however

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## ABLE Accounts: Things You Must Know

### What can ABLE account funds be used for?

- Qualified disability expenses, related to individual's disability and made for his/her benefit, including:
  - Education
  - Housing
  - Transportation
  - Legal fees
  - Employment training and support
  - Assistive technology and personal support services
  - Health, prevention, and wellness
  - Financial management and administrative services
  - Expenses for oversight and monitoring
  - Funeral and burial expenses
  - Any other expenses approved by Secretary of the Treasury under regulations consistent with purpose of the program
- Expenditures for non-qualified expenditures will be penalized (tax and potential SSI penalties).

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## ABLE Accounts: Things You Must Know

### *How is an ABLE Account different than a special needs or pooled trust account?*

- *More choice and control*
- *Low startup costs*
- *Account owner ability to control funds*



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## ABLE Accounts: Things You Must Know

**Can I have more than one ABLÉ account?**

**-No.**

- The ABLÉ Act limits the opportunity to one ABLÉ account per eligible individual.



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## ABLE Accounts: Things You Must Know

**Am I eligible for an ABLÉ account?**

**Eligibility = individuals with significant disabilities**

**Age of onset before turning 26**

**Types of Disabilities**

Federal law and the university define a "disability" as a physical or mental impairment that substantially limits or restricts the condition, manner, or duration under which an average person in the population can perform a major life activity, such as walking, seeing, hearing, speaking, breathing, learning, working, or taking care of oneself.



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## Eligibility Continued...

- **SSI and/or SSDI = automatically eligible**
- **No SSI and/or SSDI = eligible if you meet SSI criteria**
  - Significant functional limitations
- **Can be under 26 or over 26**
  - If over 26, documentation of onset needed
- **Proof of eligibility is on the individual and the IRS, not the state**
  - E.g. Taxes – you lie on your taxes it's perjury
  - Saves states administrative burden of collecting medical information
  - No HIPAA concerns

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## ABLE Accounts: Things You Must Know

***How many eligible individuals and families might benefit from establishing an ABLE account?***

- U.S.A. = 58 million individuals with disabilities
  - Eligible for ABLE account = significant disability
    - **Estimated at approx. 10% of 58 million**
    - » **Approximately 5.8 million individuals & families nationwide**



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## ABLE Accounts: Things You Must Know



***How many eligible individuals and families might benefit from establishing an ABL account in Alaska?***



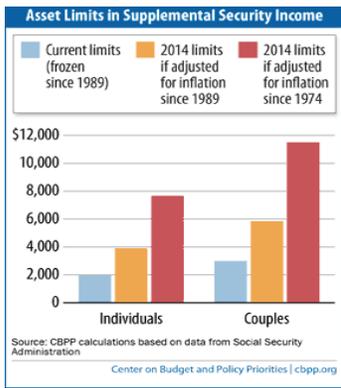
- Current projections are approx. 3,500-7,000 Alaskans might apply to open an ABL account.

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## The ABL Act is an *Empowerment Tool:*

- The ABL Act is a critical new tool to facilitate employment possibilities:
  - ***Allows saving above the Medicaid and Social Security (SSI) Resource Limits!!!***
  - Save money earned without risking necessary public benefits that enable employment in the first place
  - Reduced reliance on government by allowing a better opportunity for personal saving



Source: CBPP calculations based on data from Social Security Administration  
Center on Budget and Policy Priorities | cbpp.org

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# Alaska ABLE Act:



## How can I open an ABLE account in Alaska?

- The Department of Revenue projects availability of Alaska ABLE accounts in early 2017!
- Visit the new Alaska ABLE website:  
<http://dor.alaska.gov/ABLE-Program.aspx>  
– Email Contact: [akableprogram@alaska.gov](mailto:akableprogram@alaska.gov)

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# National Partners in Implementation

**National Resource:**  
<http://www.ablenrc.org/>



**ABLE** NATIONAL RESOURCE CENTER  
ACHIEVING A BETTER LIFE EXPERIENCE ACT



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# Questions?



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