



ABLE: Achieving a Better Life Experience Act of 2014

The National ABLE Alliance is a partnership of States dedicated to providing those living with disabilities with an ABLE investment product that offers multiple financial options at low cost



Overview of ABLE

Giving those with disabilities the ability to save

Agenda

- **Legislative History**
- **What is ABLE? & Why have an ABLE account?**
- **Eligibility**
- **Opening & Managing an Account**
- **Additional Details & Considerations**
- **Resources**
- **Q & A Forum**



History

2014

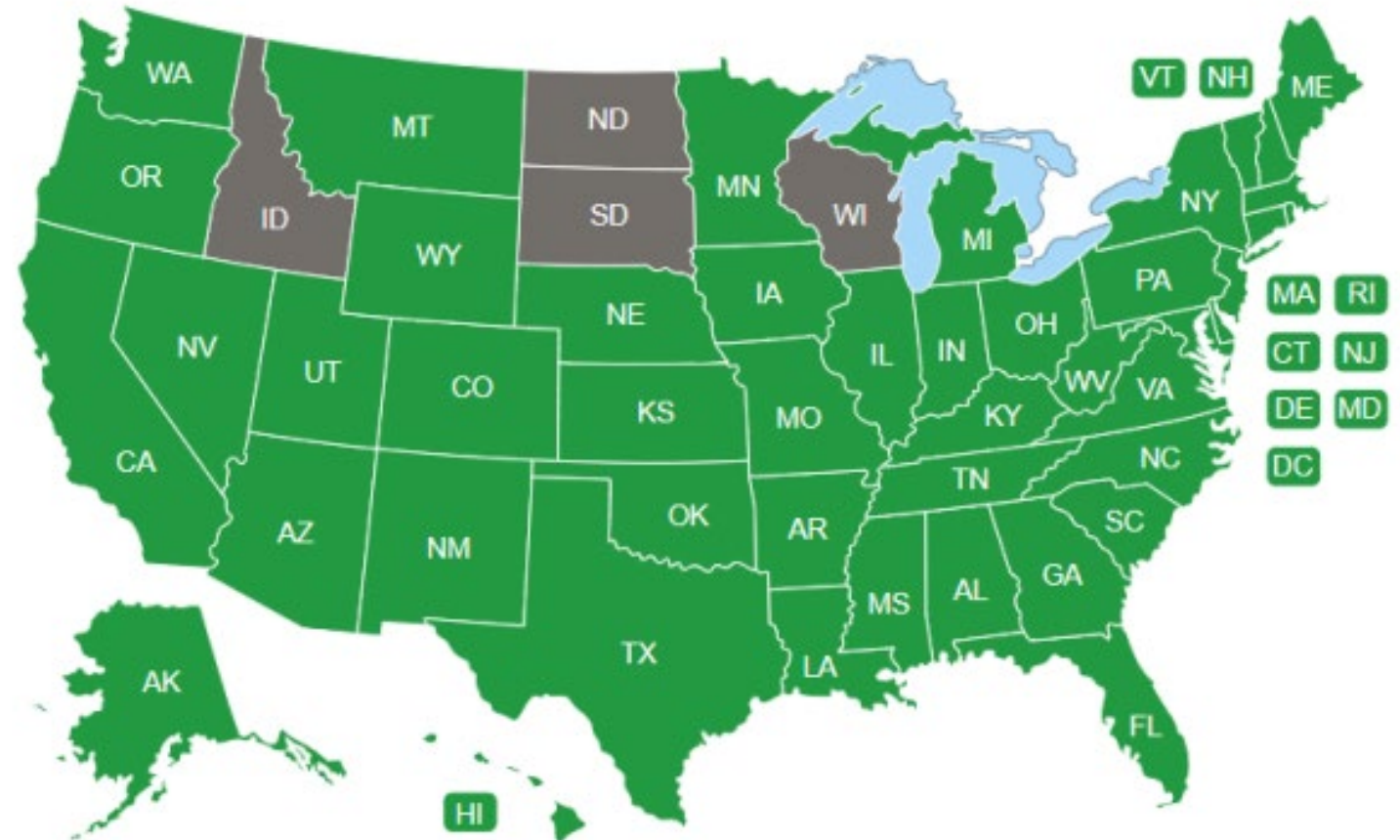
- The Stephen J Beck Jr. ABLE Act became federal law
- ABLE amended the 529 College Savings Tax Law to include ABLE, also known as 529A.

2016

- NJ ABLE adopted
- NJ Department of Human Services administers NJ ABLE
- NJ joined the National ABLE Alliance

ABLE in 2024

- Active in 46 States
- Over \$1.5 billion in assets
- Over 158,000 ABLE Accounts nationwide



Picture credit: ARNC

What is ABLE?

Why people with disabilities should have an ABLE account

What is ABLE?

ABLE is a 529A tax-advantaged savings program for persons with a disability, which allows for saving money for qualified disability expenses, tax-free.

The savings can be held in:



**A Checking/
Savings Account**

OR



**An Investment/
Portfolio Account**

OR



A Combination

Why have an ABLE account?

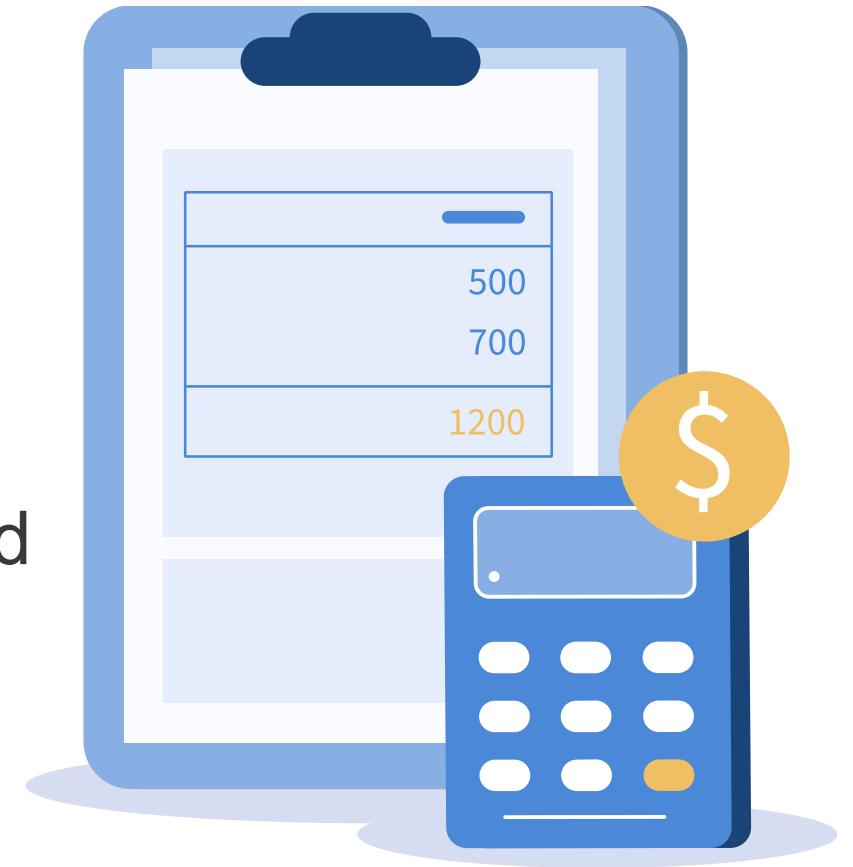
- People with disabilities can now save money:
 - In their own names
 - Beyond current asset limits and still maintain eligibility for many means-tested government benefits, namely **Medicaid**, **SSI**, and **HUD** benefits
- ABLE accounts are empowering!
 - Eligible savers can save money and make their own financial decisions



Why Choose ABLE?

Tax benefits

- ABLE accounts are a way to save for disability-related expenses, tax-free
- Earnings (interest/income) are compounded and are federally tax-deferred
- Withdrawals are federally tax-free



Eligibility for Saver's Credit:

- Also known as the Retirement Savings Contributions Credit
 - Provides a tax credit to low and moderate income taxpayers who make contributions to retirement accounts
- This Federal tax credit is a maximum of \$2,000/year.
 - Total credit is based on a percentage of your contribution, and depends on gross annual income
- For more information: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>

Eligibility

Who is eligible to have an ABLE account?

Eligibility for ABLE

To be eligible, individuals must meet two requirements:

1. **Disability onset before age 26 (46 in 2026); and**

2. **One of the following is true:**

- You are eligible for SSI or SSDI because of a disability; OR
- You are determined legally blind, as defined by the Social Security Act; OR
- You have a disability that is included on the SSA list of compassionate allowances conditions; OR
- You have a similarly severe disability with a written diagnosis from a licensed physician that can be produced if requested.

How does one qualify?

- 1. Self-Attest/Self-Certify that you meet the criteria aforementioned**
No documentation needed
- 2. You don't already have an existing ABLÉ account**

Advised: Keep a file of diagnosis and benefits verification, in the event it is requested by the governing bodies.



Opening & Managing an ABLE account

Saving Options with ABLE



**Debit/Checking
Bank Account**
Managed by Fifth
3rd National Bank,
FDIC insured



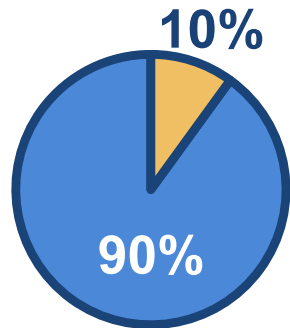
**Portfolio/Investment
Account**
Managed by Ascensus
Investment Advisors, LLC



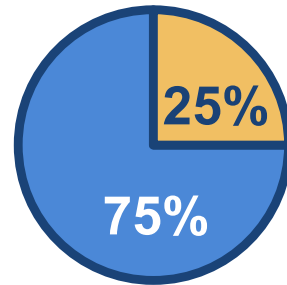
Or a Combination

Investment options to fit your needs

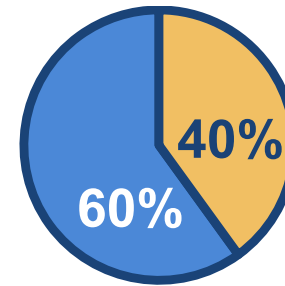
Aggressive



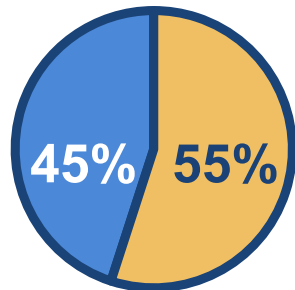
Moderately Aggressive



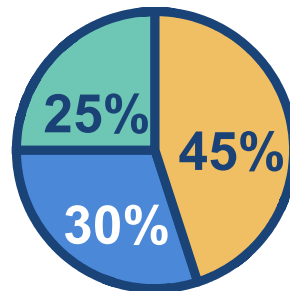
Growth



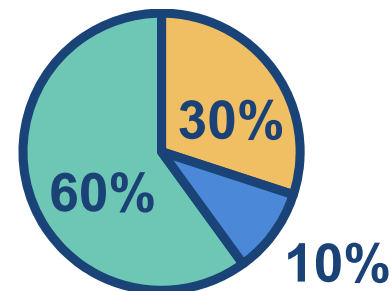
Moderate



Moderately Conservative



Conservative



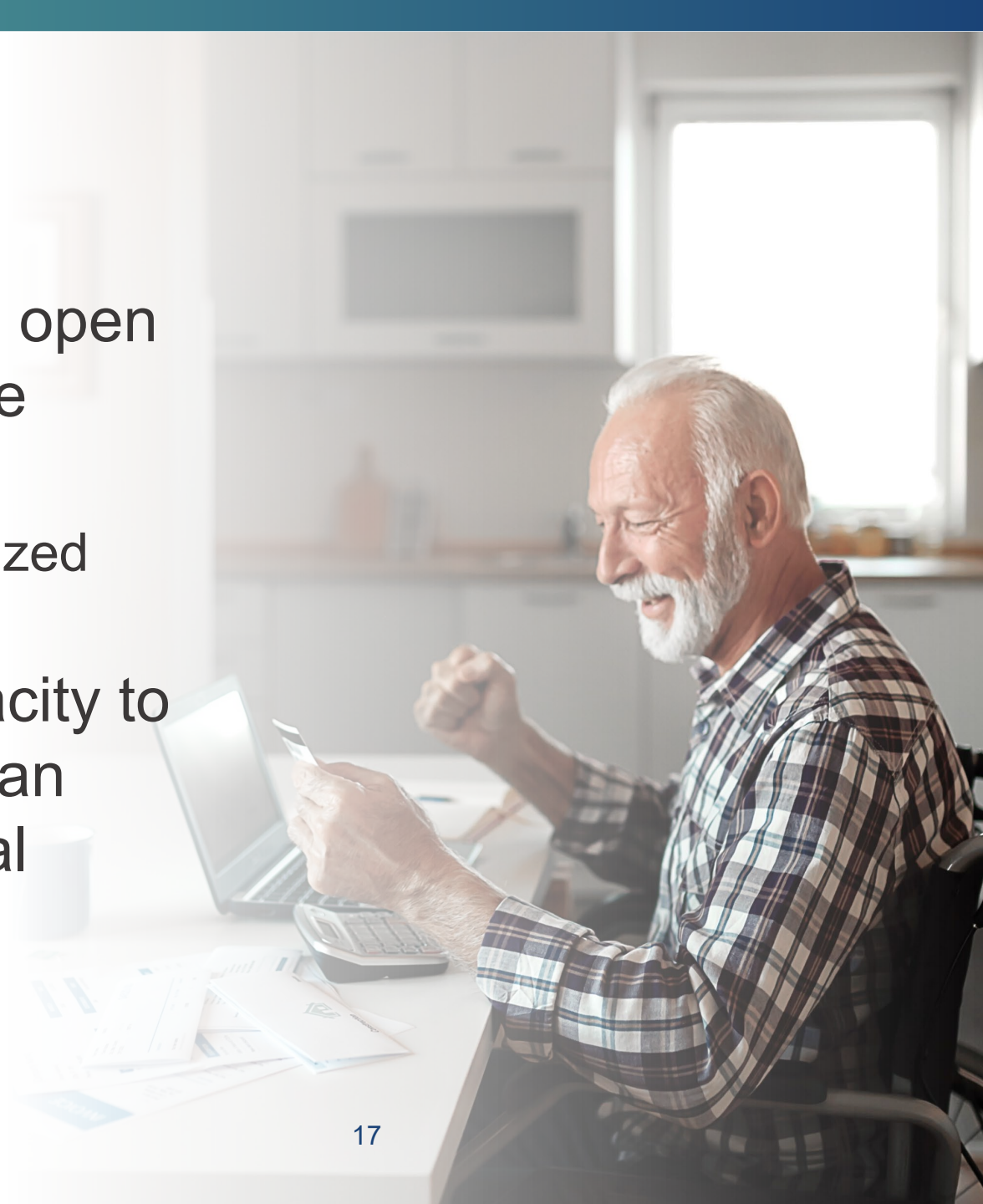
Stocks

Bonds

Cash

Opening an Account

- As a person with a disability, you can open your own ABLE account – you are the Account Owner
 - You can choose to designate an Authorized Representative for signature authority
- Eligible individuals lacking legal capacity to open an account can be assisted by an Authorized Individual, in order of legal hierarchy



Who are Authorized Individuals/Representatives?

- Who can have signature authority?
(By order of priority):
 - Power of Attorney
 - Conservator or Legal Guardian
 - Spouse
 - Parent
 - Sibling
 - Grandparent
 - Social Security Representative Payee



How to Contribute

Ways to Deposit into an ABLE account:

- Online by bank transfer
- By mailing a check or money order
- Payroll Direct Deposit
- Recurring Contributions
- Ugift: online secure gifting portal
- 529 to 529 Rollover



How to Withdraw



Online request



Call NJ ABLÉ



In writing



NJ ABLÉ debit card



Write a check



ATM withdrawal

NJ ABLE Maximum Contributions

\$18,000 per year max*

**Plus more if you are employed, per legislation through
'ABLE TO WORK ACT'*

Balance Limit:

\$305,000 (NJ-specific)

Additional Contributions Above \$18,000

“ABLE to Work Act”

- Allows ABLE account beneficiaries who work, and earn income, to contribute above the \$18,000 annual contribution limit
 - **How much more?** Up to \$32,580 combined
 - *Additional contributions above \$18,000 are allowed up to the annual federal poverty limit (\$14,580 for 2024), or up to the amount of their earned income, whichever is less*
- Contributions above \$18,000 are limited to contributions made specifically by the account beneficiary into their ABLE account – no gifting
- **Additional contributions are only allowed if the beneficiary is not participating whatsoever in his/her employer-based retirement fund**



Ways to OPEN an NJ ABLE Account

- Online:
www.savewithable.com/nj/home.html
- Call Ascensus: **1-888-609-8869**
- Email:
nj.clientservice@savewithable.com
- US Mail:
Print a paper application and mail to:
**NJABLE P.O. Box 219289 Kansas City,
MO 64121**



NJ ABLE: FREE To Open, \$25 to initially fund, minimal fees

Each Account is charged an account maintenance fee: **\$58.00/year**

Investment accounts: **Fee range is less than 1% (.34% - .38%)**

Checking Account Fee: *Monthly fee: \$2.00*

Checking Balance over \$250: **\$0 fee**

Opt. for E-Delivery of Statements: *Annual Fee drops to: \$33/year*

Additional Details & Considerations

Qualified Disability Expenses

- ANY expense that is incurred as a result of living with a disability and is intended to improve health, independence and quality of life
- Not limited to medical necessity

- Education
- Health and wellness
- Housing
- Transportation
- Legal fees
- Financial management

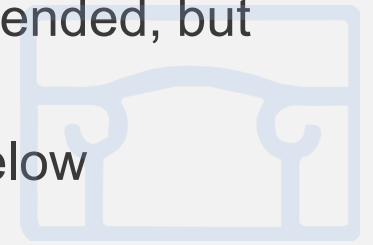
- Employment training and support
- Assistive technology
- Personal support services
- Oversight and monitoring
- Prepaid funeral and burial expenses



Impact on Benefits

Supplemental Security Income (SSI)

- Balances of \$100,000 or less are excluded from your SSI resource limit
- When combined savings exceeds \$100,000, SSI cash benefits will be suspended, but your Medicaid benefit will continue
- Cash benefits will be **automatically** reinstated when the balances drops below \$100,000 again



Medicaid Eligibility

- ABLE assets are disregarded
- NJ ABLE is subject to “Medicaid Payback” provision



SNT vs. ABLE

What is the difference between an ABLE Account & a Special Needs Trust or Pooled Income Trust?

Control

With ABLE:
Individual Control

With SNT:
Trustee(s) have Control

Initial Costs

ABLE: \$25 to establish

SNT: high minimums and
require an attorney

***You CAN have both**

Access To Funds

With ABLE: ...easy

Trust: more complicated
& more rules to preserve
eligibility for benefits

<https://www.ablenrc.org/able-account-special-needs-and-pooled-trust-comparison-chart/>

Resources & Contacts

ABLE Resources

- **ABLE National Resource Center:** www.ablenrc.org
- **Social Security Administration on *ABLE* accounts:**
<https://secure.ssa.gov/poms.nsf/lnx/0501130740>
- **Internal Revenue Service (IRS) on ABLE Accounts:**
<https://www.irs.gov/government-entities/federal-state-local-governments/able-accounts-tax-benefit-for-people-with-disabilities>
- **ABLE Today:** <https://www.abletoday.org/>

State Contact Information

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Available for presentations anywhere in NJ.

To sign up for DDS List Serv:

<https://listserv.dhs.state.nj.us/scripts/wa.exe?SUBED1=NJDDS&A=1>

