

CalABLE

CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE ACT BOARD

ABLE Act of 2014

• Federal ABLE Act was signed by the President in 2014

 Allows states to create tax-advantaged savings accounts for people with disabilities while protecting eligibility for public benefits such as SSI, SSDI or Medicaid

 Account assets of up to \$100,000 are not counted in determining eligibility for means-tested federal or state benefits programs

California ABLE Act: "CalABLE"

CalABLE - California's ABLE program

o Generally mirrors the federal law

• Has been kept intentionally broad

• Will likely be a national plan

CalABLE Vision & Mission*

• VISION:

To provide greater financial security to Californians living with a disability

• MISSION:

 To meet the diverse needs of our customers and their families. We pledge to be customer-driven, accountable, and a trusted partner in providing financial services.

*Currently being vetted with stakeholders before board approval

CalABLE: Our Values*

Adaptability and Flexibility

• Trust

- Humility
- Transparency and Accountability
- Sustainability
- Collaboration
- Integrity

Some ABLE Basics: Funding

• Before the ABLE Act:

 A person with a disability could not save more than \$2,000 without impacting their SSI

• Now:

 You can save up to \$14,000 per year and up to \$100,000 in total before benefits are impacted

CalABLE accounts will have safeguards and notifications built in

More ABLE Program Basics

- ABLE accounts are *asset-protected* accounts.
- Eligible individuals may only have one ABLE account
- Accounts can function both like a savings and checking account, depending on how you want to use the account
- Account moneys are tax-exempt as long as they are spent on "Qualified Disability Expenses"

What is a Qualified Disability Expense (QDE)?

- Any expense related to the designated beneficiary as a result of living a life with disabilities
- Categories are intentionally broad
- Includes education, housing, transportation, health care expenses and more
- If funds spent on a non-QDE, expense is subject to regular taxes, plus a 10% tax penalty – and benefits may be at risk

Who is Eligible?

Must be disabled before age 26 AND

- Meets the eligibility criteria for disability benefits like SSI or SSDI OR-
- Self-certification: Has been diagnosed by a qualified physician with a physical or mental disability resulting in marked and severe functional limitations that is expected to last no less than 12 months.

Where can I open an ABLE Account?

- Individuals may open ABLE accounts outside of their state of residency
 - o Ohio (STABLE)
 - Tennessee (ABLE TN)
 - Nebraska (ENABLE)
 - Michigan (MiABLE)
 - o Alaska (Alaska ABLE Plan)
 - Oregon (Oregon ABLE Savings Plan)
 - Rhode Island (RI's ABLE)
 - Virginia (ABLEnow)
 - Nevada (ABLE Nevada)
 - North Carolina (NC ABLE)
 - Kansas (Kansas ABLE)
 - Illinois (Illinois ABLE)
 - o Iowa (IAble)
 - Minnesota (Minnesota ABLE Plan)

- Exceptions (for in-state residents only):
 - Florida (ABLE United)
 - Kentucky (STABLE Kentucky)
- Compare programs: <u>http://ablenrc.org/state_compare</u>

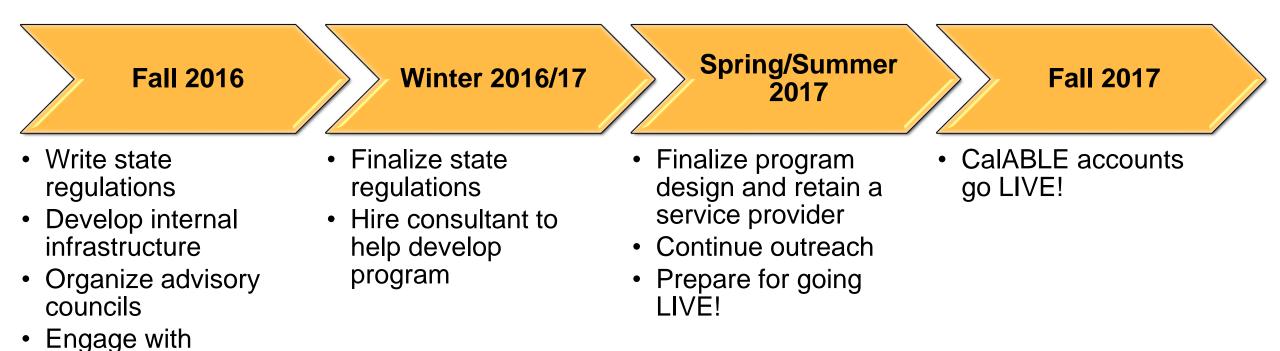
CalABLE Features and Benefits

- Program is in its development phase
- May include:
 - Ability to contribute automatically through routine transfers from a bank account
 - Ability to invite friends and family members to contribute directly to your account ("e-gifting")
 - Deposit online or by check
 - Low fees
 - Diverse yet simple investment options

Potential CalABLE Legislative Priorities

- Allow CalABLE to operate as a national plan
- Offer a tax credit/incentive to account contributors
- Remove Medi-Cal asset recovery for accountholders

CalABLE Implementation Timeline



stakeholders

Outreach: We Need Your Help!

- We want the collaboration of our constituents
- Robust outreach strategy that seeks to leverage existing state and local networks of both public and private advocacy and service provider groups
- Can your group help host a meeting?
- Webinar available on YouTube with captions please help share:

https://www.youtube.com/watch?v=zvngfJICjb0

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Questions?? Contact Us!

CalABLE Act Board

915 Capitol Mall, Room 101 Sacramento, CA 95814 Phone: (916) 653-1728 Fax: (916) 589-2860 CalABLE@treasurer.ca.gov

http://www.treasurer.ca.gov/able