



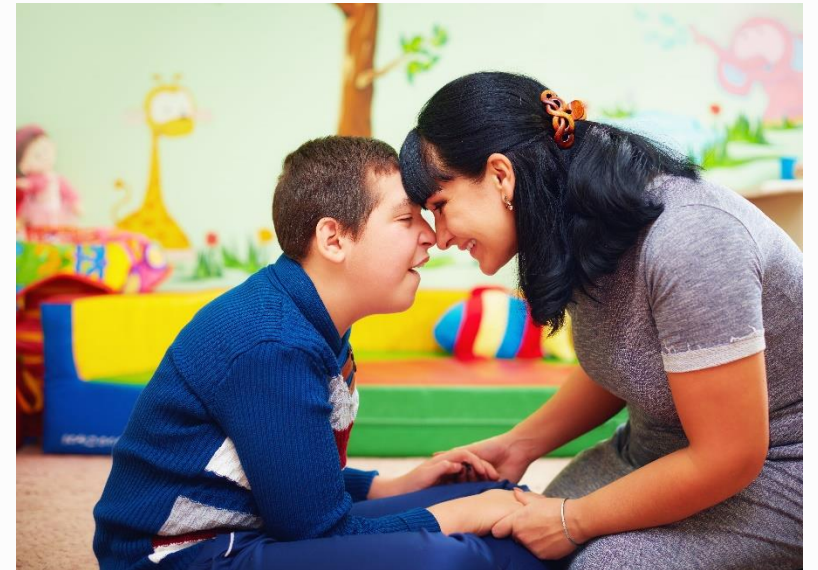
CalABLE

Providing greater financial security to Californians living with a disability

California ABLE Act: “CalABLE”

CalABLE - California’s ABLE Program

- Federal Law 2014
- Program administered by the State Treasurer
- Launched on December 18, 2018



ABLE Basics

- Only one ABLE account
- Invest and/or save
- Beneficiary is always the account owner
- Account can be opened by the beneficiary or an **Authorized Legal Representative** (parent, legal guardian/conservator, Power of Attorney)
- Online Account

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 at least one year.

Contribution Limits

- \$15,000 annual contribution limit
- Build account up to \$529,000
- Up to \$100,000 disregarded by SSA
- ABLE to Work permits working account owners to contribute above the \$15,000 annual contribution limit, if they or their employer are not contributing to a retirement plan
 - Can contribute whichever is less:
 - Amount equal to annual gross salary – **OR** –
 - Federal Poverty Level (\$12,490 in 2020)
 - For a potential \$27,490 per year



Qualified Disability Expense (QDE)

- ABLE Account growth is tax and penalty free as long as withdrawals are spent on Qualified Disability Expenses
- Any expense related to the designated beneficiary as a result of living a life with disabilities that **helps maintain or improve your health, independence or quality of life**
- Categories are **intentionally broad**, and include education, **housing***, transportation, health care expenses and more
- **Non-QDE:** Not illegal, but if taken, expense is now subject to regular income taxes, plus a 10% tax penalty on account earnings – and benefits may be at risk (expense may now be considered a resource)

Examples of QDE

- Vacation expenses
- Replacement windows
- New HVAC
- Walk-in tub
- Housing

CalABLE Staff

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Need Help with the Enrollment Process?

CalABLE Customer Call Center

Open 9:00 AM to 5:00 PM Pacific Time
Monday – Friday

833-Cal-ABLE (833-225-2253)

CalABLESupport@CalABLE.ca.gov



Disclaimer Statement

Consider the investment objectives, risks, charges and expenses before investing in the California 529A Qualified ABLE Program (CalABLE Program). Please call toll-free 833-CAL-ABLE for a Disclosure Statement containing this and other information. Read it carefully.

Before investing in any ABLE program, you should consider whether your home state provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state's ABLE program. You also should consult your financial, tax, or other adviser to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to directly contact your home state's ABLE program, or any other ABLE program, to learn more about those plans' features, benefits and limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The CalABLE Program is offered by the State of California. TIAA-CREF Tuition Financing, Inc. (TFI), program manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter.

None of the State of California, its agencies, TFI or TCS nor any of their applicable affiliates insures accounts or guarantees the principal deposited therein or any investment returns on any account or investment option, and you may lose the principal amount invested. The FDIC Insured Portfolio is FDIC-insured up to \$250,000, subject to certain restrictions. Interests in the CalABLE Program are not registered with or in any way approved by the Securities and Exchange Commission or by any state securities commission.

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Questions?

- Why should I choose a California ABLE account?
- Which banking institution manages CalABLE accounts?
Do I have a choice?
- Can housing costs be paid as part of a mortgage or rent when the account beneficiary live with their parents?
- If family members make contributions to my CalABLE account, will this affect my SSI benefits?



Questions?

- Can my paycheck be deposited directly into my CalABLE account?
- Can my employer deposit money into my CalABLE account as part of a payroll deduction, much like a 401(k)?
- If you are not required to file taxes, do you have to file them if you open an ABLE account?
- Can I transfer a 529 account into a CalABLE account? If yes, are there any tax issues?



Questions?

- Can the Authorized Legal Representative and the Beneficiary both have Prepaid Debit Cards connected to the same CalABLE account?
- Can a disabled person have an ABLE account and a Pooled Trust? What is the difference between the two programs?

Upcoming Events

Pasadena Civitan Club

July 23, 2020

Online Presentation

10:00 AM Registration - <https://attendee.gotowebinar.com/register/771548607926634256>

7:00 PM Registration - <https://attendee.gotowebinar.com/register/8432411267618819600>

Webinar: CalABLE and Special Needs Trusts

August 14, 2020

More information to come

