



CalABLE Webinar

Working Together: CalABLE and Your Benefits Providers

Original Broadcast Date: March 24, 2021

SANDRA KENT: Good afternoon and welcome to CalABLE's webinar series. We will be discussing how CalABLE and your benefits providers work together. My name is Sandra Kent, and I am an analyst with CalABLE. Before we begin the webinar, I'd like to quickly go over some housekeeping items for the broadcast today.

So, this afternoon, you should have received an email reminding you about the webinar and giving you the login information. The presentation slides were included as part of that. There is a link down at the bottom of that reminder email you got about an hour ago, so if you scroll all the way down, you'll find a link to the presentation slides.

We do have ASL interpreters with us today, so if you need that service, please look in the speaker gallery and pin their video feeds so that you can see one of them – there are two of them – at all times.

Live captioning is being provided and down at the bottom, you should see the option to turn on captions if you need those.

And then also audio options for the webinar. We have two. The first is through your computer speakers so please make sure your speakers are turned on and your headphones are plugged in. The second option is via telephone by calling 669-900-6833 and enter webinar ID: 924 8605 9243.

If you do experience some problems with the streaming quality and the audio, you can usually improve that by closing tabs on your computer or any applications that you are not using at the moment. That tends to help some of the streaming quality if you do those two things.

You can submit questions through the Q&A box at any time during the presentation. We'll address them at the end. Please note that we do receive numerous questions and will get to as many as we can. If you have questions that are outside of the scope of today's topic or pertain more to the basics of the CalABLE program, you can email us at calable@treasurer.ca.gov. The audio only participants can email us there as well. We also have a Frequently Asked Questions posted to our website. We will take questions submitted via the Q&A box first. If we have time at the end, we may open up the audio to allow people to ask questions verbally. We do usually have quite a few questions so we may not get to that portion. We'll do our best.

And finally, I wanted to note that there will be a replay of this webinar, and it will be made available on our [YouTube channel](#) within about two weeks. We'll go over a few things related to

the CalABLE program today, but for those of you who are new to the program and would like a discussion of the program basics, we encourage you to watch our [CalABLE 101](#) video that's on the YouTube channel. That video will give more of a detailed explanation of the program.

We have some opening remarks from the California State Treasurer, and I'd like to share those with you.

CALIFORNIA STATE TREASURER FIONA MA: Good afternoon, everyone. I am California State Treasurer Fiona Ma, and I would like to welcome you to the CalABLE webinar series. Today's webinar focuses on CalABLE and your benefits providers working together. CalABLE staff have assembled a panel of specialists who will discuss how ABLÉ accounts and certain programs can work hand in hand while preserving your benefits. The rules can seem complex, but our panelists are here to provide some clarity on what having an ABLÉ account means to their respective programs. Both CalABLE and your benefits providers hear your concerns and are here to address them.

CalABLE is a new and important tool designed to enable people with disabilities achieve their financial goals. As State Treasurer, I am deeply committed to promoting this program because I believe it can be a game changer in helping Californians achieve better life experiences.

Thank you for joining us today and for your continued support for the CalABLE program. I hope you find the information useful. Now, I would like to turn things over to CalABLE Executive Director Dante Allen.

DANTE ALLEN: Thank you, Treasurer Ma. It's our pleasure to have you all here today and to have you continue to join us on this journey. We started a little over a year ago with this webinar series and have been bringing to you information we feel will be helpful to you. And it's not just what we think might be helpful. It's what you're sharing with us. So, after today's webinar ends, you'll receive a survey, and that survey gives you an opportunity to share additional items you'd like to see us cover in future webinars. We definitely read those. We take heed of what you share with us so we really encourage you to fill those out and resubmit them to us.

Today's webinar is designed to help you with some of your most significant questions. Oftentimes, we have folks looking at CalABLE as the experts for your benefits programs, whether you participate in SSI or Medi-Cal or maybe even CalFresh. And we have learned as much as we can about those programs, and we'll continue to learn more as we go along, but we are not the foremost experts. What we wanted to do today is bring together some of those individuals so you can hear directly from them about how CalABLE intersects with those programs, as well as be able to ask direct questions of that group.

What we hope to go over and what we've learned is that – and I can already see through the Q&A – is that for many of you, this is your first time attending a CalABLE presentation. We understand that you need some of the basics, and we'll give that to you but only very briefly

today. And as Sandra just said previously, we do have our YouTube channel, where you can go and see previous presentations where we'll spend a lot more time on the basics, including what you can do with an ABLE account, who is eligible, what you can spend the money on. Those kinds of things. We'll spend a lot more time on those in other presentations. Today, we'll give you a brief precursor because we want to go right to the folks that we have with us today. And we have distinguished presenters from the Social Security Administration, the Department of Social Services, and the Department of Health Care Services. So, we'll also share with you at the end of the presentation some resources where you can go for additional information, including websites and email addresses, and so all of that will be included as we go along.

And then finally, we'll hit the Q&A. And what we've learned over our presentations is that the Q&A is often the most valuable time, whether you are new to CalABLE, or you're still considering things, or you've had an account for some time, the Q&A may be the place where you find to be most valuable. So, thank you all for taking the time to join us this afternoon. Let me say for the Q&A portion if you do have questions, we encourage you to put them in the Q&A box. You can start doing that. The Q&A box is open right now. We've actually disabled the Chat function so we don't have questions going in multiple places. And if there's time, we will also open up the phone line so for those of you who have dialed in via phone, you'll be able to unmute yourself and ask a question directly. And I say that if there is time because we do have a time limit.

We've taken a number of steps to make sure that today's presentation is as accessible as possible, and so that includes closed captioning as well as American Sign Language interpreters, and we want to be respectful of their time. They have a hard stop. We have set things for two hours today, and we hope to be done by 4:00 PM. And if there's time we'll take questions directly from the phones. I mentioned that we'll include our contact info for all the presenters so you'll be able to reach out to them and connect with them directly as well. We can go to the next slide.

So, ABLE literally stands for Achieving a Better Life Experience, and it is a change to the federal law that was passed in 2014. It added a new section to the IRS tax code that allowed states to create these programs. They're tax-advantaged savings and investment programs specifically for people with disabilities. Next slide.

The one of the great things about these ABLE accounts is that they will not affect your eligibility for means-tested benefits programs like SSI or Medi-Cal. It allows individuals to save above and beyond those programs' established resource limits, and for most of those, that's just \$2,000. An ABLE account to let you go well above that, and the assets in your ABLE account are protected so that people with disabilities can provide financial support for themselves as well as their family members. Next slide.

CalABLE is California's version of the federal ABLE Act. It's a national program meaning that you do not have to be a resident of the state of California in order to open a CalABLE account. It's an online-based savings and investment program. There are no branches that you can go into to do

your transactions. The way that you interact with the program is primary online, although we do have a Customer Engagement Center where you can call or you can always email us as well. The program is administered through the State Treasurer's Office, and we're overseen by a seven-member board. We meet quarterly, and the public is open to attend at any time.

Our program launched in December of 2018, and since that time, we had nearly 7,000 accounts opened and just under \$45 million in assets invested in just a little bit over two years. So, we're excited about where we are, but of course, we want to continue to spread the message that this is a great program that can benefit many others. Next slide.

This is a map of the other ABLE programs that exist. You can see the green and the orange-ish brown color represent the different programs. Green represents states like California that are national programs, meaning that you don't have to be a resident of those states in order to open an account. The reddish-brown color is programs where you must be a resident of that state in order to open an account.

Now, for the most part, ABLE programs are very, very similar. They're all based on the federal law and so there are things that will be the same no matter which program you participate in. The eligibility requirements will be the same. The Qualified Disability Expenses, or the ways that you can use the money, are going to be relatively the same. And even the way that you access funds in general will be very much the same. The thing that may differ between ABLE programs primarily have to do with the fees associated with these accounts can vary from state to state. The choices that you have in how you invest your money may vary from state to state. The other thing that may vary depending on which program you participate in is that some states have passed additional laws that make it more advantageous if you're a resident of that state in order to open an ABLE account in that state as well because there may be additional benefits or protections that will be available to you. So, it's a good thing to know that there are other programs and that you may want to look at those if you're considering an ABLE account, but keep in mind that it may be to your best advantage to open an ABLE account in the state that you live in. Next slide please.

So, I'm going to quickly go over the eligibility requirements. In order to be eligible for an ABLE account, you must have a disability and that disability must have begun before your 26th birthday. If those two things are the case and you currently meet the eligibility criteria for a program like SSI or SSDI, you're automatically eligible to open an ABLE account. But that's not to say that you have to be receiving benefits or have previously been made eligible for benefits in order to open an ABLE account.

If you're not receiving benefits or have never been qualified, you can also go through a process that we call self-certification, and that's where you attest under penalty of perjury that you have a physical or mental disability that began before your 26th birthday and is expected to last a year or longer. And you can go right ahead and open an ABLE account. We also ask that you get a

letter from a physician that says those same things. It has a diagnosis and it attests that that disability began before the individual's 26th birthday. And we go by the same definitions that Social Security goes by in their List of Compassionate Allowances or The Blue Book, and that includes things like physical disabilities, developmental or intellectual disabilities, and many mental health conditions would all make you qualified to open a CalABLE account. Next slide.

So, what can you do with the CalABLE account? One of the greatest benefits is maintaining your eligibility for benefits programs even when you exceed the resource limits or what they'll say that you can have in savings. So, before the ABL Act, if a person who was receiving SSI couldn't have more than \$2,000 in savings without impacting their SSI benefits. What typically would happen is you get a letter from SSI that says we've detected that you have an excess of resources and you need to spend that down to below \$2,000, or if you don't do it within that time frame that they set, your benefits would be suspended until you got below that \$2,000 threshold.

Now, with an ABL account, you can actually put away up to \$15,000 a year and up to \$100,000 in total without your SSI being impacted at all. And CalABLE is designed to automatically reject any excess contributions that you try to make. Now, the one thing that I will say here is that if you're not worried about your benefits, you can actually contribute up to \$529,000 into an ABL account, and then your account because it is an investment program can continue to grow above that \$529,000. But keep in mind that after you reach \$100,000, the same thing that would have happened at \$2,000, meaning the letter from SSI that says hey, you have an excess of resources, would happen. So, you would be probably off benefits once you exceeded \$100,000 but you could build it to over a half a million dollars. Next slide please.

And you can use the money in your CalABLE account at any time, and when you use it for a Qualified Disability Expense though, the growth that you've had in your account is tax- and penalty-free. So, what's a Qualified Disability Expense? I know that Michael is going to go into this in a little more detail later, so I'll be brief here. But let's say it's a very broad definition. Essentially, it is anything that helps to improve the Beneficiary's health, independence, or quality of life. And so, as you can imagine, that is extremely broad, and like I said, Michael will go into this a little further in just a moment. Next slide.

So, with that, those are the basics. I'm going to turn things over to Anne Osborne. She's a program manager with CalABLE. So, Anne, take it away.

ANNE OSBORNE: Thank you, Dante. And again, I want to thank our guest speakers that are with us today on the panel. Our first speaker is going to be Michael Kojis, a PASS specialist from the Social Security Administration's PASS program. This lets disabled individuals assign income and resources to pay for items or services needed to achieve a specific work goal. Michael also serves as an agency liaison and policy contributor for various Social Security Administration work incentives. Prior to working at SSA, Michael held positions as a project supervisor with the San

Diego Urban Corps and was a case manager for the San Diego Labor Council. Michael, thank you for joining us and for your presentation.

MICHAEL KOJIS: Thank you, Anne, and thank you, Dante and Sandra as well, for the opportunity to present on the interaction of ABLE and particularly SSI. Social Security's policy is nothing if not complex, but broken down into parts, it can be understood and applied to everyday lives. And with ABLE particularly, the impact is on the SSI benefit.

There are two disability benefits that are of paramount usage through the country administered by Social Security Administration. One is Social Security Disability Insurance, or SSDI, and that's a disability benefit based on work history. You have to have had a work history in order to qualify for that benefit. And resources are not an issue for that benefit. We don't check to see if anyone has resources over a certain limit. It just doesn't factor in.

The other benefit of which I'm going to speak today is the SSI disability benefit, short for Supplemental Security Income. And that's very much a needs-based disability benefit. You have to have low income and resources and of course qualifying disabling condition or conditions to receive that benefit. Some people have both, but again, today I'm going to focus principally on SSI because a lot of the provisions regarding ABLE affect that benefit versus the SSDI. Next slide.

So, the main benefit of an ABLE account is, like Dante had referred to, getting beyond the original resource limit for SSI, which is of course \$2,000 for an individual and \$3,000 for a couple. And you can save up to \$100,000 in an ABLE account. So, if your account goes over \$100,000, then it's subject -- any money over \$100,000, I should say, is subject to the regular resource limit for SSI. Also, I wanted to mention that any unspent distribution, and we'll get into that in a little bit, but say a distribution from the ABLE account that goes into another account and just stays there, if it's not for housing, typically that doesn't count as a resource for SSI either. I'll go over, like I said, a little bit more detail into that concept, but mostly distributions don't count as resources either for SSI. It's a game changer policy-wise for individuals that want to save up for various things, for work expenses, school expenses, living expenses. And we'll go over those in detail as well. Next slide.

Income considerations. We just talked about resources, but income is another big topic with SSI. So, contributions to the account may be made by any person up to a total limit of \$15,000 per year, and contributions by persons other than the account owner are not considered income for SSI. If Auntie Jean wants to put money into the ABLE account, again, subject to that \$15,000 a year total limit for all contributions, that's absolutely fine. It does not become income considered towards the limit for SSI. Doesn't count, so to speak, against the person's SSI. Now, working account owners – and this is a policy change that is more recent – can contribute above the \$15,000 annual limit if they or their employer are not contributing to a retirement plan. Right now, in California, that additional amount is over about \$12,000 per year. So, a working account

owner of an ABLE account – essentially the SSI Beneficiary for our purposes – can have up to \$27,000 in contributions per year, theoretically. Next slide.

Now, if an SSI recipient decides to contribute part or all of their income from work, unemployment, SSDI, this is the person's own income again, those funds still count as Income for SSI before going into the ABLE account – all the regular income provisions for SSI still apply. If someone's working, their wages still count against their SSI. Granted, less than half of their income from work counts against SSI and there's other exclusions, but it does still count. Same thing with unemployment insurance, Social Security Disability Insurance, pension – anything that would normally count towards the SSI benefit from the individual. We've talked about their contributions directly to the ABLE account from other individuals that does not count as income towards SSI. Now, if so desired, someone's own Social Security benefits – be it SSDI, SSI or both – can be directly deposited into an ABLE account. That is fine because ABLE accounts are recognized by Social Security as acceptable financial institutions for such direct deposits.

Also, even retroactive SSI or SSDI benefits. Say someone has filed and got denied initially for benefits, and then maybe it went to a hearing where two years later they approved all the way back to the application date, and a lump sum of benefits is created for the individual. That money can be deposited into the ABLE account as well. Another note: the 529 savings plans for education, those can be rolled over into an ABLE account as well. They're subject to the same \$15,000 a year cap as are other contributions as well – other than wages from or self-employment earnings from the...well, technically wages from the individual who is the Beneficiary or the owner of the ABLE account. Next slide.

Now, ABLE account distributions are excludable if used for Qualified Disability Expenses, and these are basically transactions where money is coming out of the ABLE account to the individual. There's a lot of these QDEs. By no means is what I'm putting here, nor in our policy, an exhaustive list of things. Education, housing, transportation, health, and assistive technology. There's a myriad of things that are acceptable distributions of ABLE funds. Very limited are those things that that aren't QDEs. It's more on the side of our policy being okay with most everything that's a distribution. Next slide.

There's other expense factors and even basic living expenses such as food are also QDEs, as are personal support, prevention and wellness services, legal fees, financial management, funeral and burial costs, housing expenses, too – mortgage, rent, property taxes, gas, electric, water and sewer, and garbage removal. These are just some examples of things that qualify as acceptable distributions in the realm of SSI towards the ABLE account holder. Next slide.

And any distribution for housing expenses or for non-QDEs (qualifying disability expense) is counted as a resource for SSI if retained by the account owner past the month of receiving it. So, say they got it in May of a particular year, the distribution to some other account – it could be a regular direct deposit account with Social Security or any random savings account that they have

– if that money is kept, say, into June, then it could be counted as a resource for SSI. So that's the one caveat: if you're going to withdraw for housing expenses, and you don't want to run up against that distribution being counted towards the SSI resource limit, you're going to want to spend it in the same month. Now, a lot of people avoid any issues with that by just lining up payments towards rent or other living expenses being automatically deducted from their bank account, and it's really not an issue. It's only when it's a manual consideration, and you forget or let the money drag in there.

Now finally, it's recommended that the monthly ABLE account statements as well as receipts for large distributions be kept in order for any SSI reviews. Now, do know that Social Security has electronic communication with financial institutions such that we receive balance data of various accounts on a monthly basis. ABLE accounts are included in that, so a lot of times, we'll know what the balance is when we do an SSI review, for instance, when we're checking living arrangement resources and income for the past year for the SSI Beneficiary. But distributions can – we don't really receive a whole lot of data or specific data, I should say – on that so it's always a good idea to keep those statements from the ABLE account or any accounting thereof on hand, a running tally in a folder, or otherwise electronically, just in case if SSI does a review and asks for them. That can help alleviate any instance where we through Social Security might be counting something that if we're given proof that it's acceptable, that it would not count. So, keep that in mind. Next.

And here are some basic contact methods for Social Security if you wanted to call. Also, my information will be given to you as well. If you have questions about ABLE accounts, there's our website as well and up top is the actual policy you can go on our website and find that policy about ABLE accounts and arm yourself with the do's and don'ts and what's happening with Social Security in view of how we count or do not count certain things with ABLE.

So, I want to thank you all for being on the webinar today. It was a pleasure to present on this topic, and I imagine we'll be dealing with plenty of questions. And thank you.

ANNE OSBORNE: Thank you so much, Michael, for that presentation. Now, we are going to hear from the Department of Social Services. We have Julian Nunn, who is the staff services manager of the Enterprise Bureau Unit. And we also have Yazmin Saenz, and she is the CalFresh Policy Section chief. She is the one who will be speaking today. She joined the branch in on July of 2015. Most recently, her role has been supporting the development of policies and procedures, providing technical assistance and guidance, and leading special projects to improve program access. Thank you, Yazmin, for being with us and please enjoy her presentation today.

YAZMIN SAENZ: Good afternoon, everyone, and thank you for the opportunity to participate in today's webinar. Today, I'm going to give you a high-level overview of the CalFresh program and then dive into the treatment of CalABLE accounts for CalFresh. Next slide, please.

So, what is CalFresh and who is it for? CalFresh is federally known as the Supplemental Nutrition Assistance Program, or SNAP, but in California, we call it CalFresh. CalFresh is for people with low income who meet federal income eligibility rules. CalFresh provides nutrition benefits to supplement the food budgets of individuals and families with low income so that they can purchase healthy food. CalFresh is the largest food assistance program in California and also provides economic benefits to local communities. CalFresh benefits are issued on a monthly basis through the electronic benefit transfer, or EBT, card. The EBT system is used in California for the delivery, redemption, and reconciliation of benefits such as CalFresh and CalWORKS.

The CalFresh application process may take up to 30 days, but households may be eligible for expedited service if they find themselves in an emergency situation. And in that case, their application is processed within the three-day time frame. Next slide, please.

Okay, the amount of CalFresh benefits a household gets depends on how many people are in the household, their monthly gross income, and monthly net income. So, for CalFresh, we call our recipients "households." Generally, households must have gross income below 130% of the federal poverty level (FPL) and a net income below 100% of the FPL. If the household includes an elderly or disabled person, there's a higher gross income limit. So that's 165% of the FPL if all members of the household are elderly and or disabled, then the household does not have to meet any gross income limits, but that said, the household would still need to meet the net income limit of 100% of the federal poverty level to qualify.

To determine the net income, there are various deductions and credits used to reduce the household's overall earned or other income, which we refer to as unearned income. After all the deductions are applied and it is determined that the household's net income is below the net income limit, these various deductions and credits are used to calculate the amount of benefits the household will receive. The income limit determination and CalFresh benefits are based on the household's size. Next slide, please.

Now, let's discuss the treatment of CalABLE accounts for CalFresh. How is a CalABLE account treated for CalFresh? For CalFresh eligibility purposes, any income in the ABLE or CalABLE accounts are not counted as income or resources. However, there are some nuances to consider. Next slide, please.

How are income contributions treated? So, for CalFresh eligibility purposes, income contributed – so that is money the client deposits or money that is directly deposited into the CalABLE account – is counted as income in the month received and is considered an excluded resource thereafter. For example, a household has their Social Security income or SSI, the Supplemental Security Income, of \$847 directly deposited into their CalABLE account. For CalFresh, the \$847 is counted as unearned income in the month received so that would be included in the household's budget, but then it's excluded as a resource thereafter once it has been deposited into the CalABLE account.

How are withdrawals treated? For CalFresh eligibility purposes, any withdrawal of funds from a CalABLE account that are used towards qualifying medical expenses are not counted as income for CalFresh. I'll hand it off to Anne.

ANNE OSBORNE: Thank you again, Yazmin, for that presentation. And now we're going to hear from the Department of Health Care Services, the Medi-Cal Division. And we do have Sara McDonald in the audience supporting her team today. Our first guest speaker is Meuy Saeteune, and she is currently a program analyst in the Financial Eligibility Unit, which is at the Medi-Cal Eligibility Division at the Department of Health Care Services. She started her career as an analyst for the Managed Health Care Options Division as an ombudsman. Prior to state service, she worked at Sacramento County as an eligibility specialist for the Medi-Cal program. Thank you, Meuy, for being here. We look forward to your presentation.

And then we will have Oksana Hill, and she is the chief of the Special Collections Branch within the Third Party Liability and Recovery Division at the Department of Health Care Services. She oversees several tort recovery programs, including estate recovery, special needs trust, medical malpractice, class action, and workers compensation. During the past nine years with the division, her successes include redesign of the personal injury and other recovery programs, implementation of innovative business processes, and the development of new case management system. Oksana also serves as the assistant division chief.

So, we thank both of you for being here, and I believe it's going to be Meuy who starts the presentation.

MEUY SAETEUNE: Okay, thank you, Anne, and thank you, everyone, for having me here today. So, I'm going to be discussing some frequently asked questions that we received about Medi-Cal and Medi-Cal eligibility. So, one of the questions that we received was: does contributing to an ABLE account to help reduce my income to qualify for Medi-Cal? And the basic answer is no. A Beneficiary cannot reduce their countable income by diverting it into an ABLE account. Having an ABLE account does not change the income counting rules for Medi-Cal. Next slide, please.

Okay, so let's look at this income contribution example. So, let's say a Beneficiary has their Social Security income of \$900 directly deposited into their ABLE account each month. The \$900 is countable income in that month even though it is deposited into an ABLE account. The result is the same if the Beneficiary first deposits their income into a non-ABLE checking account and then transfers that into an ABLE account. The income is counted one time when it is received.

Another question that we received was: does Medi-Cal know that I have an ABLE account or do I need to tell them? So, Medi-Cal would not know about any accounts that a Beneficiary has if they do not report it to the county. So, once it is established, the Beneficiary should report with 10 days of the change to their county.

And then another question was: will my benefits be cancelled if I have an ABLE account? Having an ABLE account does not disqualify a Beneficiary or applicant for Medi-Cal. However, something that may affect a Beneficiary's Medi-Cal eligibility is taking a distribution for a non-qualifying disability expense. Also, if the funds are retained for many months but is saved for a qualifying disability expense, the funds are not counted for Medi-Cal eligibility determination.

Another question we received was: I am my son's IHSS provider. Can I deposit this income into an ABLE account? So, third-party contributions made by persons other than the designated Beneficiary to an ABLE account are disregarded in determining Medi-Cal eligibility. Now, if you deposit your income into your own ABLE account, again, it will count the month it is received as income and is countable in determining your Medi-Cal eligibility.

So, is CalABLE compatible with other Medi-Cal programs such as Health Homes Program, Coordinated Care Initiative, or ACEs Aware? So, these programs are special programs, and they have different rules for program enrollment aside from a Medi-Cal eligibility determination. So, for example, the Coordinated Care Initiative is county-specific and would require that the Beneficiary to have full scope Medi-Cal prior to being enrolled into this program.

Some treatments of distributions. So, distributions from ABLE accounts are not counted for Medi-Cal eligibility purposes when they are used for Qualified Disability Expenses. Distributions from non-qualifying disability expense may affect your Medi-Cal eligibility and must be reported by the Beneficiary to their county, and the county must determine if the distribution is countable as income or property. So, you can also refer to our [All County Welfare Directors Letter 19-21](#) for more information on the ABLE accounts. And now, I'll pass it on to Oksana, who will speak about ABLE and estate recovery.

SANDRA KENT: Oksana, I think you're muted.

OKSANA HILL: Thank you. I'm so sorry. My name is Oksana Hill. Thank you so much, Meuy, for passing the baton to me. I am with the Department of Health Care Services, and my division is called the Third Party Liability and Recovery Division. We administer numerous programs that collect funds from liable third parties. We collect hospital quality assurance fees, and we also pay premiums for millions of Beneficiaries. I am the chief of the Special Collections Branch, and we administer the Estate Recovery Program and the Special Needs Trust Program. And today, I will talk about how these programs interact with CalABLE.

So, first question, which is probably one we get most often, is: will Medi-Cal seek estate recovery against remaining CalABLE account funds upon a Beneficiary's death? So, before I go into detail, I want to preamble and say that the federal law does require states to seek recovery against the estate of certain Medicaid Beneficiaries. However, in California, that would apply to a small number of estates in a very narrow set of circumstances. Next slide, please.

So, what does it mean exactly? Here are the conditions that have to be met in order for Estate Recovery to assert a claim. So, first of all, the Beneficiary had to have been age 55 or older at the time of death. Second, the Beneficiary's estate must be in formal probate. So, in California the minimum asset threshold for formal probate is \$166,250. This means that the assets that would have to be probated would have to be worth at least \$166,250. So, for most Beneficiaries their main asset is a home so if the home was left, or when the Beneficiary passed, if it was left in the Beneficiary's name and it cannot be passed down to the heirs without going to court and opening probate, then potentially the Estate Recovery Program may have a claim against the estate. So, another condition under which the Estate Recovery Program may have a claim is when the Beneficiary had specific services that the Medi-Cal program paid for. So, those include nursing facility services, home and community-based services, and also related hospital and prescription drug services. So, on top of that, Estate Recovery may recover only if the Beneficiary was not survived by a spouse, a registered domestic partner, a child under the age of 21, or a disabled child of any age.

So, these are exact exemptions, and the program can determine that there would be no recovery either before or after the estate recovery claim is filed. So, if all of these conditions are met, Estate Recovery may have the right to recover against the estate. So, if the CalABLE account became part of the estate – so it would have to be probated and there's no Beneficiary – then the Estate Recovery Program may recover against it, against the funds in the CalABLE account. Keep in mind that we can only recover up to the amount of payments that the Medi-Cal program paid for, which includes managed care premiums, or the value of the estate, whichever is less. So, if there is a claim and the heirs of the decedent can apply for a hardship waiver if paying on the claim would result in substantial hardship. There are certain criteria that have to be met in order to qualify, and that information is sent out with every claim that we send to heirs, attorneys, and all the representatives of the estate. So next slide, please.

So, what happens to money in the ABLE account when a Beneficiary passes away? According to the Welfare and Institutions Code Sections 4875-4885, up to \$100,000 of the money in the CalABLE account is exempt from money judgments from general creditors. Prior to death, the Beneficiary can designate another ABLE account Beneficiary to receive the funds, and the Beneficiary's estate can make a designation also. The funds can be inherited by heirs or loved ones from the Beneficiary's estate if that estate is not subject to estate recovery and does not have to be probated. Next slide, please.

Okay, I guess we went to the next slide. I also have a question about special needs trusts that was in it. Anne, would you like me to cover it?

ANNE OSBORNE: Dante, I believe, was going to cover that. The two of you were going to cover that one?

DANTE ALLEN: Please do. We have a number of questions already in the queue regarding special needs trusts so please do.

OKSANA HILL: Okay, so we received the question: how do ABLE accounts interact with special needs trusts? So, during their lifetime, qualified Beneficiaries can distribute funds from their special needs trust to a CalABLE account up to the limit allowed by law, so it's \$15,000 annually from all sources. A CalABLE account is actually an instrument that is separate from a special needs trust, so if the Special Needs Trust Program had a claim against the special needs trust, that would not include a CalABLE account, so our recovery would not apply to a CalABLE account. Okay, that's all the questions I had.

DANTE ALLEN: I think, Oksana, the one thing that I would add to that – and we do get questions about special needs trusts all the time – is: if I have an ABLE account, do I need a special needs trust? Or if I have a special needs trust, do I need an ABLE account? Is one better than the other, etc.? And the thing that we try to share with folks is that there are different reasons for each, and there are limitations for each. Special needs trusts require aid in being set up by a lawyer, and in order to access the funds in a special needs trust, you need to have someone serving as a trustee. So, there are typically additional expenses related to that, whereas ABLE accounts are usually free to open and are very low cost to maintain, and the Beneficiary, if they have the desire and the capacity to manage the ABLE account, can do it themselves. So, they don't need anyone else.

But what we find often is that there are many people that are using a special needs trust in tandem with their ABLE accounts so it's not an either/or. They actually work very well together. You can have a special needs trust set up, and the reason why you may want to have that is, let's say you wanted to put in more than \$15,000 in a single year, and your ABLE account only allows you to put in that \$15,000. You can have a special needs trust and then you can use that special needs trust to fund your ABLE account and then have all of the protections and the benefits of ABLE accounts for Qualified Disability Expenses whenever you need to use that money. So, I think that that's a good place to say that yes, they do have similar protections but there are different reasons why you may want to have either, or both, and they do work very well together.

So, thank you, Oksana. Thank you to all of our presenters. I know that we went through a lot of this information very quickly, but like I said, we have plenty of time left for questions and answers, and so if you've been following the Q&A section, I've been typing fast and furiously on many of your questions. But I've also been saving a number of them to answer live. So, with that, if you submit your questions in the Q&A section, we'll get to as many as we possibly can.

But I want to be able to point you to a few resources that we have available to you. And so first and foremost, we have our Frequently Asked Questions and many of those are some of the same questions that you put into the into the Q&A box. And for those, I've tried to give you quick answers, but if you visit our website at www.treasurer.ca.gov/able and if you go into

www.treasurer.ca.gov/able/final.pdf, you can see our Frequently Asked Questions. You'll also see additional information available on the Treasurer's web page.

The other we'll point you to is the [CalABLE YouTube channel](#). And as a reminder, we'll send you these slides so you can click on the link or if you get to the YouTube page, you can type in CalABLE into the search box, and our channel will come up. And you can watch a number of videos. We have our [CalABLE 101](#), which is the basics of CalABLE. We also have one dedicated to special needs trusts. So, the kinds of questions that we just answered are gone into a lot more detail on that particular video. And then, we have specific videos on what are Qualified Disability Expenses and what kind of Rollovers that you can do. So, please visit those when you get the chance. Next slide.

There are a number of government resources. Michael mentioned the guidelines that the Social Security representatives use when they talk to folks. That is available online. It's the [Program Operations Manual System](#). There's a link here to get it, but if you did a Google search for ABLE POMS, you can get directly to this website as well.

I see a question in the Chat about how is Section 8 affected by an ABLE account? And you can look up [Treatment of ABLE Accounts in HUD-Assisted Programs](#). It's a great resource. And then [CalABLE's Impact on Medi-Cal](#) is available if you visit again the Treasurer's website, or you can do a search for ABLE and Medi-Cal and get to this webpage as well. Next slide.

In addition to those resources, CalABLE has on its website a section called [AchievABLE Corner](#), and this is a collaboration between a partner of ours, the National Disability Institute, and we've provided these resources in order to help you no matter where you are in the stage of opening a CalABLE account. So, if you need some help on what's needed to open a CalABLE account, you can use AchievABLE Corner, or if you've already opened an account and you want to learn about how to make the best or get the most out of your ABLE account, there are plenty of good resources on the AchievABLE Corner for you to learn that. I've also mentioned the Treasurer's website.

One that I've pointed to in the Q&A section already is the ABLE National Resource Center. This is a great website if you want to compare and contrast the various ABLE programs. I've seen questions in the Q&A box that say, well, which program has the cheapest fees? And if you want to learn that, you can go to www.ablenrc.org and do a side-by-side comparison of ABLE programs to learn just that. The one thing that I will remind you of, though, is that while you may think it's a better deal to go with the program with the cheapest fees, fees aren't the only thing that you should be looking at when you're just trying to decide which ABLE account to open. Like Oksana or like our Medi-Cal folks mentioned, here in California we've passed a law that says that Medi-Cal won't try to recover on you if you're a California resident with a CalABLE account, and that may be a much greater benefit than having a dollar a month cheaper fees. So that's something

to consider and so with www.ablenrc.org you can compare and contrast all of the elements that make up those ABLE accounts, not just the fees. So please keep that in mind.

The other that I'll point you to is Disability Benefits101. www.db101.org is a great website that has great information about ABLE. It also has information about benefits, so if you're trying to explore what benefits you may qualify for, this is a great website for you to visit. Next slide.

You've already met the CalABLE team or at least most of us: myself, Anne Osborne, and Sandra Kent, who's behind the scenes on today's webinar. We also have Alyssa Delacruz, who is monitoring today's call with us. And you can email any of us at calable@treasurer.ca.gov, or you can give us a call at 916-653-1728. Next slide.

And as always, if you need any help, whether you have already opened an account or you're trying to open an account and are having trouble, our Customer Engagement Center is available 9:00 AM to 5:00 PM, Monday through Friday. You can also call them at 833-CalABLE. That's 833-225-2253. Or you can send them an email at CalABLESupport@CalABLE.ca.gov. Next slide.

We're also all over social media – Twitter, YouTube, Facebook, LinkedIn. Please “like” us or follow us on any of those platforms to receive our information. You can also, if you go to our page on the Treasurer's website, you can sign up for our email distribution list. We don't spam you, I promise. We do send out notifications for webinars like this. We also send out a quarterly newsletter. In addition, if there are any changes that are being made to the program, we send out notifications via this email distribution list, so please if you're interested, join us or sign up for the list at www.treasurer.ca.gov/able. Next slide.

And here's the fine print. And essentially, CalABLE is a savings and investment program and like with any investment program, there is a potential for risk, meaning that there's a possibility that you could lose money. And so, you should be aware of those risks before signing up for any investment program. There's no investment program that'll tell you that you're guaranteed never to lose money. If they are telling you that, you shouldn't believe it because it's illegal for them to tell you that. And so, keep that in mind. We do have a full [Disclosure Statement](#) on our website that goes into more detail about what that risk entails. With that, I'm happy to open things up for questions, and we can actually....

SANDRA KENT: Dante, before we do that, did you want to show them the Financially ABLE video?

DANTE ALLEN: Oh, we were going to take a break, you're absolutely right, between our question-and-answer period. We're going to take a five-minute break and rather than go dark for five minutes, we thought that we would share with you a new video that we've developed. It's called Financially ABLE, and it features a real-life CalABLE account holder. And she's talking about the steps that she's taking and the benefits of having a CalABLE account in helping her to achieve her financial goals. So, let's turn it over to the video.

SANDRA KENT: All right, just give me a second while I cue that up for us. Okay.

FINANCIALLY ABLE VIDEO: Money can't buy you happiness. We've all heard that before, right? While that may be true, achieving your dreams often requires learning to manage your finances. Whether your dream is to own your own home, get an education, or just become more independent, saving money is often the first step. I know talking about managing money can be very intimidating, especially for people with disabilities who also have to consider the added expenses of living a life with a disability and the limits placed on what we can save if we receive government benefits. Your dreams can come true. It's happening for me.

I have a disability and saving for my goals is now reality since I opened my CalABLE account. With CalABLE, I am investing some of my money so that it has a chance to grow. I'm saving for an accessible home and to grow my business. Maybe you want or need to save for expenses like moving or getting a smartphone or a computer. Maybe you want to save for something big like a vehicle or to purchase a home. Maybe you don't have a lot of money and that's okay. The first step is to set goals and to create a plan to achieve them. CalABLE is a great tool that can help you get there.

Opening a CalABLE account is quick and easy. Once your account is open, you can begin to save regularly, maybe for the first time in your life. A CalABLE account is for those of us who have a disability that began before turning 26 but they can be opened at any age. The sooner it is open, the more time your money has a chance to grow. Earnings in an ABLE account are not counted as income. It's tax-free and you can use the money whenever you like as long as you use the money to pay for expenses of living life with a disability.

So many times, those of us with disabilities have been held back from reaching our dreams. We are told to limit our earnings and savings to keep any benefits we may need just to cover our basic living expenses. With a CalABLE account, we don't have to hold back. In fact, you can save up to \$100,000 and still be eligible for public benefits such as housing, food assistance or health coverage. Best of all, when friends and family contribute to your ABLE account, those contributions won't count against your benefits like crowdfunding apps can.

So, if you're like me or have a family member with a disability, and you wish you could save money to help towards expenses today or in the future, join me and thousands of others like me from across the country and open your very own CalABLE account. With my CalABLE savings, I can plan for the future and so can you.

Call the number on your screen or visit CalABLE.ca.gov to become a CalABLE saver. If you would like to learn more about financial planning like setting a budget saving to buy a house or even understanding your credit score, visit the California State Treasurer's website. The National Disability Institute and ABLE National Resource Center provide information specifically for people with disabilities on the path to saving and investing. With CalABLE, dream, plan, succeed. CalABLE will help you plan for your best possible life. Dreams can come true and you can make it happen.

Follow these three simple steps: 1) Ask yourself what would it take to change your life for the better; make a list of what you are saving for and estimate the costs for each item on your list to set your savings goals. 2) Share your goals with family and friends and see how you can all contribute to your account to meet those goals. Keep your loved ones up to date. 3) Stick with your plan. Learn more as you go and celebrate when you achieve your goals. Let's dream plan and succeed together.

DANTE ALLEN: So, thank you for taking a look at our video. That is brand new. We're scheduled to launch it in April and we plan we also plan to add additional resources regarding financial education and financial literacy to CalABLE. We're learning that many of the folks that are signing up for CalABLE accounts are first-time savers, first-time investors, and they want to get as much help as possible regarding how to plan for their financial future. So, we're very excited to be able to bring that to CalABLE in the coming months. So, with that, let's turn things over to the Q&A.

ANNE OSBORNE: Okay, I've got the questions here. I've put them together by groups here so give me one second. Okay, I'm going to start with Michael. I have a few questions for you. The first question is: I haven't been able to visit my disabled brother in his nursing home for a year now because of COVID-19. Is SSA okay with me just moving the excess funds he received into his CalABLE account as opposed to making me spend them down for services or items for him?

MICHAEL KOJIS: Well, though you can move money into the ABLE account. Granted, it's subject to that \$15,000 a year annual contribution limit, but it is possible to direct those funds to the ABLE account for expedience and convenience. Just to be aware of the limits like I mentioned.

ANNE OSBORNE: Okay, this is kind of a multi-part question. A person on SSI, SSDI, Medi-Cal and pay Medi-Cal premium, does a person need to keep all monies under \$2,000 in order not to get kicked off of benefits?

MICHAEL KOJIS: The key part of that question was the mention of the type of benefit. If it's SSDI, or Social Security Disability Insurance, there is no \$2,000 limit. Literally, Social Security doesn't care about resources in that instance. It's only with SSI. So, no harm, no foul with any resource limit with Social Security when it's SSDI. An individual with SSDI and interested in actually having an ABLE account, it's the tax advantage, it's the savings and the kind of the goal-setting through ABLE that is the advantage. It does not affect anything at all with their benefit as far as resources or losing eligibility because of going over a certain limit is only with SSI.

DANTE ALLEN: Hey, Anne, I've actually answered a number of these questions in the Q&A but there were a few that I had set aside to talk about live. So, if you don't mind, can I jump to those?

ANNE OSBORNE: You certainly can, Dante.

DANTE ALLEN: Thank you. Here's a question regarding self-determination. This is one that we receive quite a bit, and I'm not sure, Michael, if you're very well-versed on this, but let's pose the question first? So, will the webinar address the impact of ABLE accounts on upcoming self-

determination budgets and/or spending plans through the regional centers? I've heard from someone else that the regional center said they need to use ABLE funds rather than including some items in their budget and spending plans for self-determination. This is something that's very distressing to a number of people. And so, I'm not sure if, Michael, you have a response to this or any of our DSS folks.

MICHAEL KOJIS: I do not purport to be any expert on the regional center policy. I would direct them to contacting their local regional center for any clarity on that or anyone on the panel.

DANTE ALLEN: Julian, is this something that you've been tracking at all or anyone from DSS?

JULIAN NUNN: No, I haven't.

DANTE ALLEN: Okay, so I can tell you the little bit I know about self-determination. It's actually been in its pilot phase and so they've limited who has access to it. And yes, there have been some folks that have interpreted ABLE accounts as being required to be used instead of being able to use self-determination budgets. My initial interpretation of that is that it's done in error. I think that the regional centers have had the flexibility because it's been in a pilot program, but once they open things up to a more broader application that the funds in the ABLE account can't be required to be used for additional purposes because that money in the ABLE account belongs to the Beneficiary, is not counted as a resource for benefits, and shouldn't limit the benefits that any individual is able to receive. We definitely will continue to follow this, and we'll provide more detailed information once it is available.

I'm going back to the questions that we have. Here's one that I wasn't completely sure of the answer to but thought that maybe one of our panelists could help us. If I'm using a special needs trust to fund my brother's ABLE account, the distributions will go into my brother's tax return through an IRS form K-1. Will the IRS report this to the Social Security Administration and would the Social Security Administration understand that it's not countable as income or a resource? Before I turn it over to you, Michael, I'll say that for the purposes of this webinar or any future webinars, CalABLE will not offer you tax advice and so we advise you to seek the advice of a licensed tax preparer. But with that in mind, we can turn it over to you, Michael. I'm not familiar with the form K-1 but if you can give us any insight on how the Social Security Administration would look at something like that.

MICHAEL KOJIS: Sure, I could say that there are some electronic communications between ABLE account institutions and Social Security as far as the monthly balance and sometimes with distributions as well. The idea of it counting or not counting, that is very much a determination during what we call a redetermination interview, which can happen every year to two years. Sometimes, three or more years pass without one of those, but typically every year where we're analyzing over the last year what is the person's living arrangement, their income, and resources, and if the individual has an ABLE account, only when it's maybe a big-ticket item or something suspicious might we even ask about a distribution. It's not a very common occurrence, but like I

said during my presentation, to err on the side of caution, it's always a good idea to keep in your own records a running tally such that if a question is brought up by Social Security in a redetermination interview, you have the documentation to provide what they need. But up till now – I've polled several other colleagues – it's not been a huge issue, but again, there are some distributions that could potentially count such that you'd always want to keep an accounting.

DANTE ALLEN: Thank you, Michael, for that. Here's a question and I think I may be about to answer this one directly. It is: how do I upgrade my maximum limit without losing my SSI? And I feel like I have to do a little bit of interpretation here. I'm thinking the question is asking: how can I exceed the resource limit without losing my SSI? And I think the best answer for that is to open an ABLE account. With an ABLE account, you can exceed that \$2,000 resource limit significantly. You can actually build an ABLE account up to \$100,000 and anything under that \$100,000, SSI will completely disregard that money held in that ABLE account. That is the best way to be able to exceed that resource limit. There are some programs that are offered through the State of California in the Department of Rehabilitation that may allow you to earn money and still maintain your SSI benefits. And so, Michael, do you want to talk a little bit about those?

MICHAEL KOJIS: Sure, since the question is asked, I'll take the time to plug a little bit my own program, PASS, Plan to Achieve Self-Support. That is a program that is normally an income exclusion program for income counting against SSI, but it's also a resource exclusion program as well, such that someone could save up funds for things related to education principally, or self-employment startup costs, or funding needed to obtain a job, things like that. If anyone is interested in PASS, they can contact myself or go on our website and search "PASS cadre." Also, there's various exclusions through Social Security on resources related, for example, to self-employment costs. In particular, there's PESS, Property Essential for Self-Support, where things that you have – tools and equipment, sometimes brick and mortar property, as well that you use for your business – are not counted, bank accounts included, for their business accounts. Those are not counted towards the SSI resource limit as well, just as an example.

DANTE ALLEN: Thank you for that. This question I think is directed towards the CalABLE team and it said: at the end of the year, CalABLE had about 4,300 people enrolled in CalABLE accounts and he estimates that there are about a million people eligible for CalABLE here in California alone. What insights do we have on the barriers folks are facing now? And that's a great question. I think there are a number of barriers. First and foremost, getting the word out is the most important thing that we all can do to let folks know that that CalABLE is real. This is a new program. Like I said, we're just over two years and so we're working hard to try to get the word out. We're being fairly successful at that. That 4,300 number that you cited was where we were at the end of the year. Just three months into the year, we're just under 7,000, so there we're moving quickly and growing those accounts, especially in comparison to other ABLE programs across the nation.

The other barrier that I think is in place is that for many people CalABLE can sound too good to be true. It goes against what many SSI recipients have been told their entire lives: never save above that \$2,000 because you run the risk of having your benefit suspended. And so, we have to do some education, like yes, that still is true that you don't want to do that, but if you have a CalABLE account, you can actually go significantly above that \$2,000.

The other thing is that there's a complexity about the eligibility, right? Your disability beginning before age 26. Does that mean that you had to have a diagnosis before your 26th birthday, or I'm 46 and my disability began at birth, can I open an ABLE account? So, there are some complexities to that.

The other thing is that we're working to pass a law that actually expands the eligibility. So, instead of your disability beginning before your 26th birthday, there's a bill in Congress right now that's looking to have that extended to if your disability began before your 46th birthday. And you can all play a role in ensuring that that bill is passed. It's called the [ABLE Age Adjustment Act](#), and if you write to your congressmen and women or senators and say hey, I want to make sure that the ABLE Age Adjustment Act is passed, that will play a role in ensuring that we can have that passage here. And if that is passed, it's estimated that many, many more people will become eligible for ABLE accounts. So, if you're interested in doing that, please do.

The other thing that I mentioned is that financial education or what we call financial literacy is also one of those barriers for enrollment. Many people, especially those who are receiving benefits, feel like the money they get right now barely makes it to the end of the month, and so they don't have a lot of extra money to save or invest. And what we feel and know about our financial realities is that even with just a little bit of money, you can start planning and saving for a future that can be beneficial for you. And so, there are ways that just having an ABLE account can actually ensure that you receive your maximum SSI benefits as well position you for a brighter financial future, including if and when you have family members that are willing to help you, if you have an ABLE account and they're contributing directly to that ABLE account, that money isn't counted against you for those benefits either as income or as a resource. So, those are all things to keep in mind and that we'd like to continue to educate people about. So, please help us spread the word.

ANNE OSBORNE: We have a great question here, Dante. Does the stimulus payment to an SSI recipient count as the \$2,000 allowed resource?

DANTE ALLEN: Do any of our panelists want to take that?

MICHAEL KOJIS: Yeah, okay, it does not count. I'll have to double check, but typically anything issued by the IRS as the stimulus payments are, be it a tax refund or what have you, it does not count as income to the individual and it would only count as a resource if unspent for 12 months. So, in most cases, that money doesn't last 12 hours, much less 12 days. I've only had one case in my career where someone kept that money in their account and didn't spend it within 12

months' time, but I'll have to double check. I think, if anything, the stimulus might even be just not counted as a resource period, but at worst, you'd have 12 months to spend it before it would ever count as a resource.

DANTE ALLEN: Yeah, I've studied this as well, Michael, and you are correct that for the first 12 months, any stimulus money is not counted as a resource if you were to hold on to any of that money. And given that we've had three stimulus payments now, so you could have accumulated money that would have made it more than \$2,000. And if you want to protect that money, if you hold on to it for more than a year, the best way to protect that money is to open up an ABLE account because, again, anything below \$100,000 will be disregarded and won't count against your benefits.

ANNE OSBORNE: I do have a question for CalFresh and this is a question we've had before about a CalABLE account holder who is a CalFresh recipient, and they are trying to count their CalABLE account as a resource. What can that person do? We've had this question several times.

YAZMIN SAENZ: For households, they would have to follow up with the county and let them know that the policy is for any amount in the ABLE accounts to be disregarded as income and resources. We do also have an All County Letter that was issued back in 2017 as [ACL 17-61](#) that they can reference when dealing with the county. So, the county would be the one determining the eligibility but on our side, we can make sure that we're providing technical assistance to the county so that they know how to treat these accounts for CalFresh purposes.

DANTE ALLEN: Here's one for Medi-Cal, Anne. A person on SSDI and Medi-Medi and pay Medicare premiums, does a person need to keep all their monies under \$2,000, not including an ABLE account in order to maintain their benefits? So, my interpretation of that is, it's a person receiving Medi-Cal not as a result of being on SSI. Do they have the \$2,000 resource limit in order to maintain their Medi-Cal/Medicare benefits?

SARA MCDONALD: Yes, Medi-Cal does have that \$2,000 property limit for one person, and it does increase to \$3,000 for a couple. So, individuals do have to be at or below that amount to be eligible.

DANTE ALLEN: They can maintain their eligibility by having any money that exceeds that \$2,000 or \$3,000 limit in an ABLE account, right. Thank you for that. Let's see. Anne, do you have a question?

ANNE OSBORNE: I do and this is, again, I think just in terms of reporting. It says: if I report income to CalFresh, do I have to call Medi-Cal as well?

YAZMIN SAENZ: For reports, I think it usually depends on the county. Some counties have call centers where if they reported once, it'll be reported to both programs, but I think it would be a matter of making sure that when they're calling to report it to the county to ensure that it's also

going to be reported for the other program or if they need to take an additional step to report it to Medi-Cal.

SARA MCDONALD: I agree with Yazmin.

DANTE ALLEN: Let's see. Here's a CalABLE-related question. A family member elected to receive no paper statements for their CalABLE account. Will online statements be available forever, like from inception to the present, if SSI requires statements and receipts?

So, yes, in a CalABLE account, you can go in at any time and look up the full history of your ABLE account even without a statement. You also should receive on a quarterly basis, you'll receive an email with your statement so you will have that information available to you without any expiration date on it. The other thing is that we still recommend that you keep good records of whenever you're using money from your ABLE account. You should look at keeping receipts and notes on what you made those purchases on in case you're ever asked, whether it's by Social Security or by the IRS, into how you're using the money from your ABLE account.

ANNE OSBORNE: Here's a good question: how does the estate recovery work for people under the age of 55? Because some disabled people don't live to 55 due to health.

OKSANA HILL: So, Estate Recovery generally recovers when the decedent was age of age 55 or older at the time of death. If they were younger than 55, if the Estate Recovery Program placed what we call a lien – it's called TEFRA lien – on the property, then they may have recovery rights. If there is no such lien, which they're rare nowadays, there would be no recovery. Now, Special Needs Trust is a separate program. It recovers on decedents of all ages, so I just want to make that distinction, but again CalABLE is a separate instrument from a special needs trust and there is no recovery for CalABLE.

ANNE OSBORNE: Here's another one: are there changes to be aware of to CalABLE when a disabled adult SSI recipient has a parent retire or pass away? My understanding is that government funds to the disabled adults change when the parent retires or dies.

DANTE ALLEN: I'm not aware of any changes that need to be made with the CalABLE account. If the parent was the Authorized Legal Representative, a new Authorized Legal Representative will need to be assigned to the ABLE account, but as far as any changes to benefits, none that I can say directly related to the ABLE account. I'm not sure if there's an implication, Michael or anyone else, related to if an individual is receiving say SSDI based on the parent's eligibility or something. I don't know if there's a change that that would be affected there.

MICHAEL KOJIS: Just in terms of regular benefits, potentially a survivor's benefit, but that would just be a general checking in with Social Security with the death certificate if it's not already provided by a mortuary or what have you. And sometimes we even contact individuals as well in writing ahead of time. But with reference to the ABLE account, I don't really see any way that would impact in anywhere.

DANTE ALLEN: Thank you. Here's a question I believe is related to Authorized Legal Representatives. It says: do you have to be a conservator if the person that you open an ABLÉ account for is an adult? This person is a representative payee, but she doesn't have a conservatorship. And so the rules, in order to become an Authorized Legal Representative and manage an ABLÉ account for someone else, you have to be a parent, a legal guardian or conservator, or someone who has power of attorney over the financial affairs of the Beneficiary. So, those are the current rules in order to become an Authorized Legal Representative. So, you don't have to have conservatorship for an adult, but you should have at the very least power of attorney over their financial affairs.

But I can say that the rules are changing. The IRS at the end of last year changed the final regulations for ABLÉ accounts, and it broadened the definition of who could become an Authorized Legal Representative, and it can now include folks like siblings. It can include representative payees. It can include anyone that the Beneficiary designates. But there is a hierarchy in it, and in order to become an Authorized Legal Representative under these new rules, you will have to attest under penalty of perjury that, yes, there is no one that exists higher on the hierarchy that is either capable or willing to become the Authorized Legal Representative for this ABLÉ account. We're working to implement that change now. We have up to two years in order to do that. Our hope is that we'll be able to do that a lot sooner because we believe that having a broader list of folks who can become Authorized Legal Representatives will help make the adoption of ABLÉ accounts that much easier. So, we're looking to do that as quickly as we can, and we'll keep you all informed when that is available

ANNE OSBORNE: Here's a question, and I know we have said that CalABLE reports to SSI, but are there any special forms that a person would need to fill out for SSI or Medi-Cal to let them know that they have a CalABLE account?

MICHAEL KOJIS: As far as I know, it's just a matter of calling Social Security to let them know, and there's a short interview where we gather certain basic information about the ABLÉ account. It's, like I said, very simple and then going forward, we have electronic verifications that happen behind the scenes once we get all the information. It's similar to reporting that you have a new bank account period, but there's a few more questions that are tailored to CalABLE accounts specifically.

SARA MCDONALD: And from Medi-Cal all they would need to report to the county is just they have the account, and if they could provide an account statement to their worker, that would suffice.

ANNE OSBORNE: Anything for CalFresh?

DANTE ALLEN: I have one teed up for Medi-Cal. Is estate recovery just for Medi-Cal or does it apply to Medicare as well?

OKSANA HILL: The program we administer, the State's Estate Recovery Program, is just for Medi-Cal.

DANTE ALLEN: Right, and so my understanding for Medicare, there are essentially two programs, Medicare and Medicaid, and for ABLE and the regulations for ABLE is that Medicaid could seek to recover, not Medicare.

OKSANA HILL: Well, Medicaid is same as Medi-Cal because Medicaid is the federal program that provides pays for medical services for Beneficiaries, and California calls its Medicaid program Medi-Cal. So, we only recover for services that Medi-Cal paid for Beneficiaries.

DANTE ALLEN: Right. So, Medicaid in California equals Medi-Cal. Medicare is a different program not part of Medicaid.

OKSANA HILL: Correct.

DANTE ALLEN: Okay, here's a question: please include an explanation of the interaction of Medi-Cal Working Disabled Program income with the CalABLE account holder. I'm not sure I fully understand that question.

SARA MCDONALD: Is there a little bit more to that?

DANTE ALLEN: That's all of it. Bryan McDonald, if you're still there, if you want to type in additional information to it.

SARA MCDONALD: They can always feel free to contact us as well. I believe that you guys will provide our contact information at the end. Yes, so more than happy to take that back and answer it later on.

DANTE ALLEN: Okay, here is a CalABLE-related question. How much is the transaction fee when I deposit or withdraw from a CalABLE account? There is no transaction fee for deposits or withdrawals to a CalABLE account. The only time that there is a fee related to withdrawal from a CalABLE account is if you ask CalABLE to issue a check to the Beneficiary, to the Authorized Legal Representative or to a payee of your designation. There's a \$5 per check charge for that, but you can do withdrawals and make payments without having a check issued if you link your CalABLE account to a checking or savings account. You can make electronic transfers, electronic withdrawals with no fee. Also, if you have the CalABLE prepaid debit card, while there is a monthly fee for that card, there is no per transaction fee. You can load money at no cost to that prepaid debit card and then use that card everywhere that Visa is accepted. So, those are ways that you can withdraw money from your ABLE account without a fee.

And then how much is the yearly fee to maintain an ABLE account? There is a \$37 annual account maintenance fee for a CalABLE account. It's taken out in monthly installments of just over three dollars a month and then there are additional fees depending on what investment options that you choose. And if you want to know fully about the fees, you can visit the [CalABLE website](#).

We're very clear and transparent about all the fees that are associated with it, but those are the primary fees.

Here's another question related to CalABLE. Can a court-appointed blocked trust account be transferred to an ABLE account? Also, will this be recorded for review later? Yes, this webinar will be recorded. We should be able to post it within about a week or two on our [YouTube Channel](#) so please visit it there. And can a court-appointed blocked trust account be transferred to an ABLE account? I'm not familiar with court appointed blocked trust accounts. We are working more in tandem with courts to ensure that ABLE accounts can be used to support court ordered judgments, and so I'll have to look into that. Candy, if you want to email us your question, we can make sure that we can get this answer back to you regarding court-appointed blocked trusts.

Traditionally, only cash can go into an ABLE account, so you can't say, well, I own stock. Can I move that stock into an ABLE account? The reality is you have to liquidate that stock in order to be able to put it into your ABLE account, and when you liquidate it or when you turn it into cash that usually creates what we call a taxable event, so under normal circumstances, the answer is that only cash can go into an ABLE account, so I'm not sure if this blocked trust account can be transferred. We'll have to take a look into that for you. Anne, are you following any other questions?

ANNE OSBORNE: Yes, we did get a clarification from Bryan McDonald. He said the question is: there are Medi-Cal rules when applying directly to a Medi-Cal program that are different from accessing Medi-Cal automatically via the SSI program. I guess he wants further clarification on this and he says it matters to CalABLE folks.

DANTE ALLEN: Did that help you at all, Sara?

SARA MCDONALD: I'm sorry. It doesn't.

DANTE ALLEN: Yeah, how about, Bryan, we talk with you offline to try and answer your question.

ANNE OSBORNE: There is still a little confusion between SSI and SSDI.

DANTE ALLEN: Yeah, and the short answer for that I've answered it a number of times in the Q&A. The short answer is that SSDI does not have that same \$2,000 resource limit that SSI has, so if you're if you're receiving SSDI, you don't have to be concerned about having more than \$2,000 in a bank account. An ABLE account still may be beneficial for you. You still have the ability to save and grow your money tax- and penalty-free. You can still use it for Qualified Disability Expenses. You're just not as concerned about exceeding that resource limit.

I have a question here that's a little lengthy about Medicaid so here let me run this one by you. This individual knows that you can shift money between 529 college savings accounts and CalABLE, and so she's wondering if for a child with a serious disability that may die before they get to college, does it make more sense to start saving money in a college savings account and

then move it over for additional benefits that would be covered under a CalABLE account rather than having the grandparents who opened the college savings account spend down assets in order – I'm trying to do some paraphrasing because it's worded a little awkwardly – but what's the best way to protect benefits if you're saving for college but want to make sure that they're available for an individual who may pass away before they go to college?

And so, there are a number of ways that you can look at this. The main thing that I would want you to keep in mind is that with an ABLÉ account, money in an ABLÉ account can be used to pay for educational expenses as well, so you don't have to open a college savings account to save money for college and then use it in other places if you want to use it for disability-related expenses. In an ABLÉ account, educational expenses including the cost of going to college are a Qualified Disability Expense, so you don't have to start saving the money one place and then move it somewhere else if you don't want to, but you certainly have the option if you have a college savings account open and you want to move it to an ABLÉ account either for greater flexibility or for whatever reason, you have the ability to do that as well. Related to the grandparents and protecting their assets, I would recommend that you talk to somebody an estate planner or someone who can give you some real advice on the best way to protect their assets.

SANDRA KENT: Pardon me, Dante. It's Sandra. I just wanted to interject and give you your five-minute warning. We're coming toward the end of our time period, so if we have questions that really, really need to be answered, now's the time.

DANTE ALLEN: Okay. Anne, do you have anything in queue?

ANNE OSBORNE: The only other thing I had was – this for Michael – I was told that PASS was only for SSI not SSDI?

MICHAEL KOJIS: Good question. The majority of our PASS applicants and PASS participants only have SSDI actually before applying for the program. You do not have to have SSI to have a PASS. In those instances, if their plan is approved based on their application, we have them apply for SSI and the case goes for disability determination. And if approved, we can put in exclusions such that they could become eligible for SSI and that SSI funding is essentially the PASS funding. Good question.

DANTE ALLEN: Yeah, I have another good question here, actually a couple of questions related to ABLÉ and its impact on housing. Does an ABLÉ account impact low-income housing or Housing Choice Voucher programs? Are the ABLÉ funds considered in determining such housing assistance? And the short answer is no, they are not considered for housing programs, and we actually are planning for a future webinar to have a representative from HUD with us on the call, but for all intents and purposes, ABLÉ accounts are not used in determining household income. ABLÉ accounts are not counted as a resource, and when you take distributions from ABLÉ accounts, they're not counted as income. So, yes ABLÉ is actually very handy when it comes to

housing. The main thing that you should know when you're using your ABLE account to pay for housing is the withdrawal from your ABLE account and the payment for that housing expense need to occur within the same calendar month. If they don't occur within that same calendar month, you run the risk of having that that withdrawal count against you for your benefit. So, if you're using your ABLE account to pay for housing, you should definitely make sure you're doing it within the same calendar month.

We're down to the two-minute mark. Anne, do you have any great question to add? Last question?

ANNE OSBORNE: You talked about housing, and again we've had a lot of people asking about Section 8 housing. And just to let them know that CalABLE does not count for Section 8 housing benefits as well.

DANTE ALLEN: Okay, so the final question that I see here is if a CalABLE distribution is used for a Qualified Disability Expense, will that impact SSI? And again, the answer is no. If you're using the money from an ABLE account to pay for a Qualified Disability Expense, it's not counted as income as long as you're using the money and not sitting in an account for an extended period, it's not going to count against you as a resource. So, your money is safe even when withdrawing it from an ABLE account for a Qualified Disability Expense.

With that in mind I want to thank my panel. Thank you very much. You have been very enlightening on the ways that your programs impact CalABLE. As you see, these are the kinds of questions that we receive all the time, so we're very happy to have your expertise available to us. To all those in attendance, thank you for taking the time to spend with us today. Please join us for our future webinars. We'll continue to take these deeper dives with you as well as bringing the basics of ABLE to you. So, please join us in April. We're hopeful to have another presentation on the ABLE Age Adjustment Act and how you can play a role in that. Thank you for joining us today, and we look forward to seeing you again in the future. Bye, everyone.

For more information, please contact CalABLE at (916) 653-1728 or CalABLE@treasurer.ca.gov.

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. All social media platforms are managed by the State of California.

These stories describe(s) the circumstances and experiences of specific CalABLE account owners. It may not be representative of the experience of other CalABLE account owners and is not indicative of future performance or success. Individual results and experiences will vary.

If funds aren't used for qualified expenses, the earnings portion of a non-qualified withdrawal is subject to federal income tax, possibly including the additional federal tax. Non-qualified withdrawals may also be subject to state and/or local income tax. For those Beneficiaries subject to California income tax, the earnings portion of a non-qualified withdrawal is subject to California income tax and the additional California tax.

This CalABLE informational program was brought to you by the State of California's CalABLE Board. Any statements or opinions contained within are those of the State of California. Your experience may differ based on a variety of factors, including your own state-of-residence, your needs-based benefits, tax and financial circumstances. 1590752