



ABLE Age Adjustment Act

A Virtual Town Hall Discussion

May 20, 2021



Webinar Setup

■ Presentation Slides

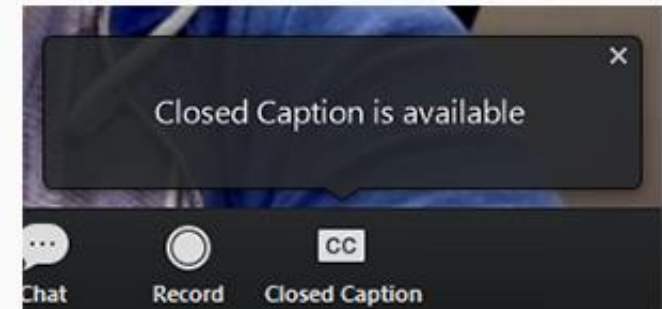
- Please visit the CalABLE website for a copy of today's slides.
<https://www.treasurer.ca.gov/able/events/webinars/2021/index.asp>

■ ASL Interpreters

- Please be sure to view the Speaker Gallery, find the two ASL interpreters, and pin their video feeds to make them visible to you at all times.

■ Captioning

- Turn on Closed Captioning in the webinar controls.
- Adjust the Captioning Settings if needed.
- A Transcript view is also available.





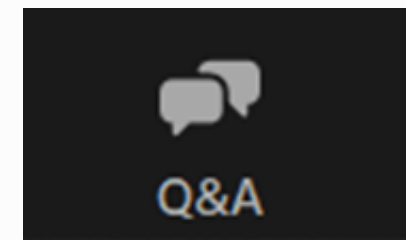
Webinar Setup

■ Audio Options for the Webinar

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- **Via telephone:** Call **+1-669-900-6833** and enter Webinar ID: **975 3756 5090**
- A secondary **audio channel in Spanish** is available by clicking on “Interpretation” in your webinar control panel and selecting “Spanish.” This audio is only available if you are listening through your computer speakers.

■ Submitting Questions

- Submit your questions using the **Q&A box** at any time.
- We will address your questions at the end of the presentation.



FinanciallyABLE

View the [FinanciallyABLE video](#) on YouTube



Agenda

- I. Welcome and Introductions
- II. ABLE Act Information
- III. Disability Rights of California
- IV. Treasurer Ma and Congressman Cardenas Discussion
- V. Resources and Contacts
- VI. Q & A

Achieving a Better Life Experience Act (ABLE)

Background

- 2014 - The ABLE Act was established to empower people with disabilities and help them save to cover the additional costs of living and working with a disability.
- Added Section 529A Qualified ABLE Program to the Internal Revenue Code
- Allowed states to create **tax-advantaged** savings and investment programs for people with disabilities.



ABLE Background

- An ABLE account **will not affect eligibility for means-tested benefits like SSI or Medi-Cal.**
- Allows individuals with disabilities to maintain public benefit status even while saving and investing above the established resource limit of \$2,000.
- The assets in your ABLE account are protected so people with disabilities can provide financial support for themselves and their families.



California ABLE Act: “CalABLE”

CalABLE - California’s ABLE Program

- A national program and mirrors the federal law
- Online-based savings and investment program
- Program administered by the State Treasurer and overseen by a seven-member Board
- Launched on December 18, 2018



ABLE Basics

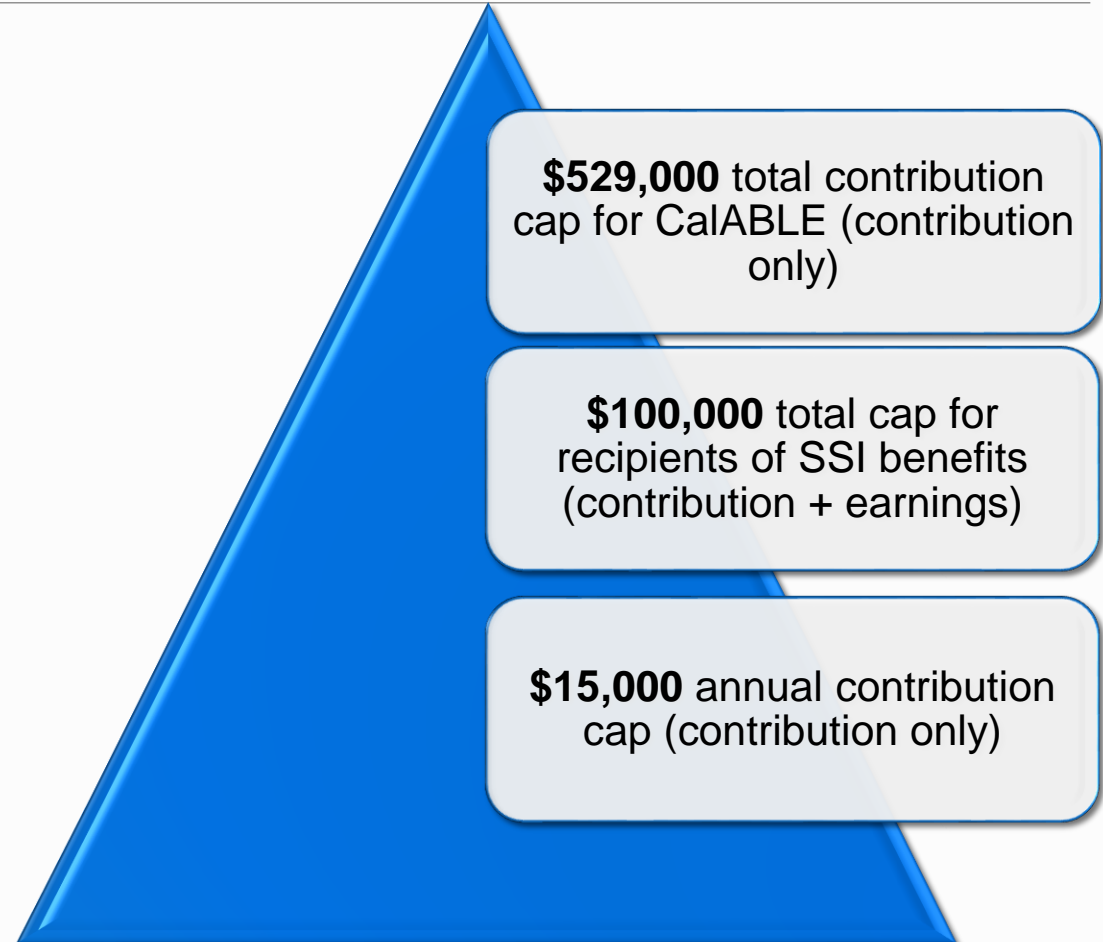
- Only one ABLE account
- Beneficiary is always the account owner
- Account can be opened by the beneficiary or an **Authorized Legal Representative** (parent, legal guardian/conservator, Power of Attorney)

Who is Eligible?

- Onset of disability 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
- Condition is listed on SSA's List of Compassionate Allowances or Blue Book Listings

Account Contributions

- Before the ABLE Act
 - A person with a disability could not save more than \$2,000 without impacting their SSI
- Now
 - You can save up to \$15,000 per year and up to \$100,000 in total before SSI is impacted
- CalABLE will automatically reject excess contributions



What is a Qualified Disability Expense (QDE)?

- 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:** If the money is used for a Non-QDE, the expense is now subject to regular income taxes, plus a 10% tax penalty on account earnings – and benefits may be at risk. (Money used for Non-QDEs may now be considered a resource.)

ABLE Age Adjustment Act

- The United States Congress introduced the ABLE Age Adjustment Act (S. 331 Senator Casey and H.R. 1219 Congressman Cardenas) in February 2021
- Increases the age of eligibility of beneficiaries of ABLE accounts from the onset of disability before age 26 to onset before age 46
- Over 6 million Americans would become eligible for ABLE accounts



Fiona Ma, CPA



Rep. Cardenas



Resources

ABLE Age Adjustment Letter/ Congressional Representatives

<https://www.treasurer.ca.gov/able/index.asp>

State Treasurer Fiona Ma, CPA Website

<https://www.treasurer.ca.gov>

Representative Cardenas Website

<https://cardenas.house.gov>

CalABLE Website

calable@treasurer.ca.gov

Quick Links

- [Open a CalABLE Account](#)
- [Sample ABLE Age Adjustment Act Letter](#)
- [Find Your Congressional Representatives](#)



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Website: <https://cardenas.house.gov/>

Twitter: @RepCardenas

Facebook: @CongressmanCardenas



Submitting Questions

Please use the Q&A box to submit any questions you have. We will try to answer them all.

CalABLE Additional Resources

- Frequently Asked Questions: <https://www.treasurer.ca.gov/able/final.pdf>
- CalABLE YouTube channel: <https://www.youtube.com/channel/UCk02cbbE8PCkHATlvrsTfIA> has additional information on topics such as CalABLE 101, Special Needs Trusts, Qualified Disability Expenses and Rollovers.



Disclaimer

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.

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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.

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