



Tips for Opening a CalABLE Account



Webinar Setup

■ Presentations Slides

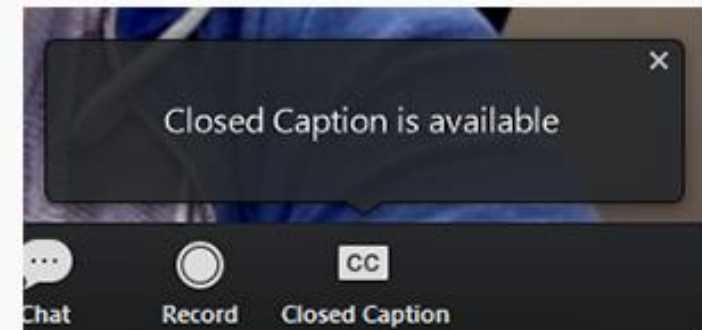
- Please visit the CalABLE website for a copy of today's slides.
<https://www.treasurer.ca.gov/able/events/webinars/2021/index.asp>

■ ASL Interpreters

- View the speaker gallery to find a video feed of our ASL interpreters.

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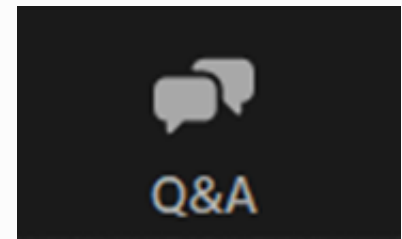
Webinar Setup

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- Via telephone:
 1. Call **+1-669-900-6833**
 2. Enter Webinar ID: **984 8314 6264**
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■ Submitting Questions

- Submit your questions using the **Q&A box** at any time.
- Audio-only participants may email us at calable@treasurer.ca.gov
- We will address your questions at the end of the presentation.



Welcome

Fiona Ma, California State Treasurer



Today's Topics

- I. ABLE Background
- II. ABLE Basics
- III. How Do ABLE Accounts Work?
- IV. Investment Options
- V. Opening an Account
- VI. Resources and Contacts
- VII. Q & A



ABLE Background

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.

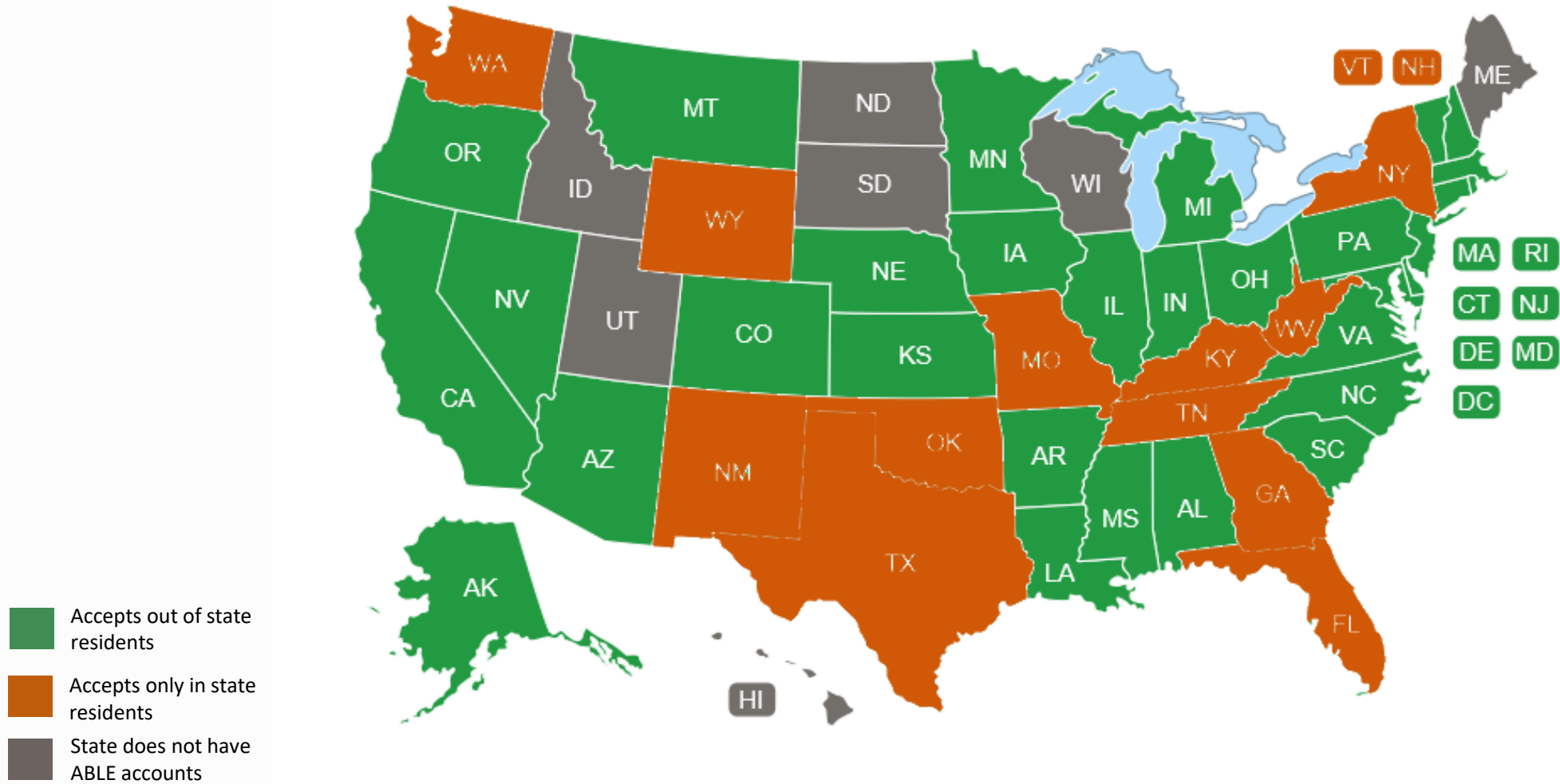
California ABLE Act: “CalABLE”

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 seven-member Board
- Launched on December 18, 2018



United States ABLE Programs Map



ABLE Basics

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

Some ABLE Basics

- Only one ABLE account
- The Beneficiary is always the Account Owner



Authorized Legal Representative (ALR)

Currently:

- **Parent**
- **Conservator or legal guardian**
- **Power of attorney**

The Final IRS Regulations approved in November 2020 allow for additional individuals to serve as ALR. States have been given 2 years to implement these changes.

- Spouse
- Sibling
- Grandparent of the eligible individual
- Representative Payee appointed for the eligible individual by the Social Security Administration (SSA)



How Do ABLE Accounts Work?

- Accounts are designed to **protect assets**, but they cannot shelter income
- Function both like a savings or an investment account
- Anyone can contribute
- Funds are tax-exempt as long as they are spent on “Qualified Disability Expenses”



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

\$529,000 total contribution cap for CalABLE (contribution only)

\$100,000 total cap for recipients of SSI benefits (contribution + earnings)

\$15,000 annual contribution cap (contribution only)

ABLE to Work

- Permits working account owners to contribute above the \$15,000 annual contribution limit, if they or their employer are not contributing to a retirement plan
 - Can contribute whichever is less:
 - Amount equal to annual gross salary – **OR** –
 - Federal Poverty Level (\$12,760 in 2021)
 - For a potential \$27,760 per year

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.)

Examples of QDEs

- Education;
- Housing;
- Transportation;
- Employment training and support;
- Assistive technology and related services;
- Personal support services;
- Health;
- Prevention and wellness;
- Financial management and administrative services;
- Legal fees;
- Expenses for ABLE account oversight and monitoring;
- Funeral and burial; and,
- Basic living expenses.

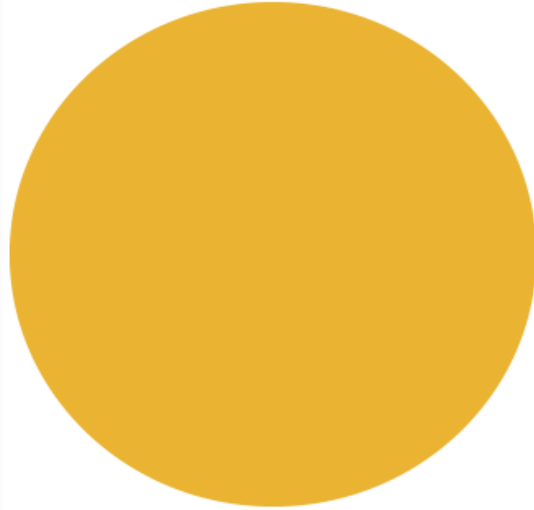
Investment Options

Saving and Investing

- Investments managed by TIAA-CREF
- Money can be deposited into an FDIC-insured portfolio or invested in any of three Target Risk Investment Options
- Fees vary based on the savings / investment options selected
- Funds may be transferred between portfolios two times annually

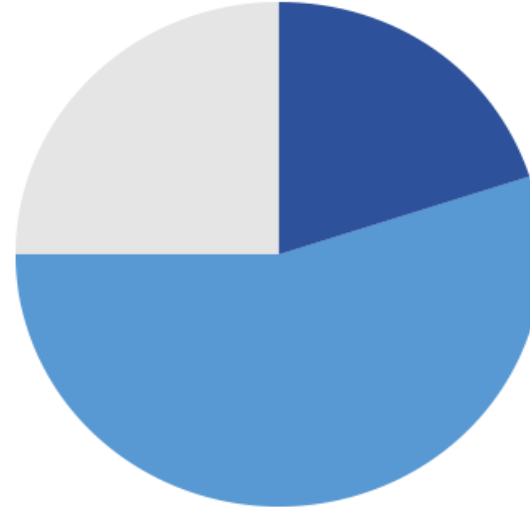
FDIC- Insured Portfolio

100% Interest-Bearing



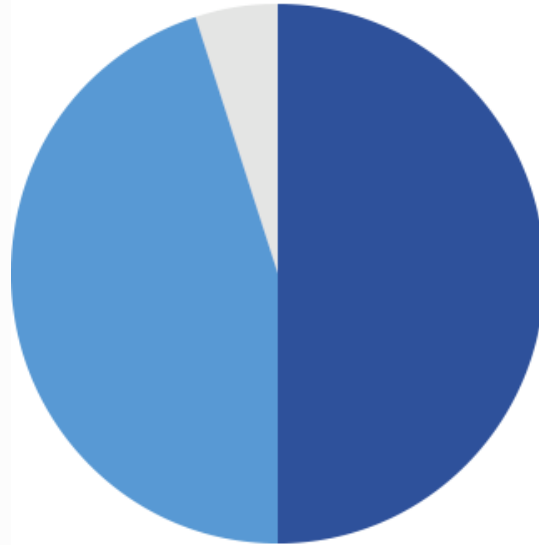
Conservative Portfolio

20% Stocks
55% Bonds
25% Funding Agreement



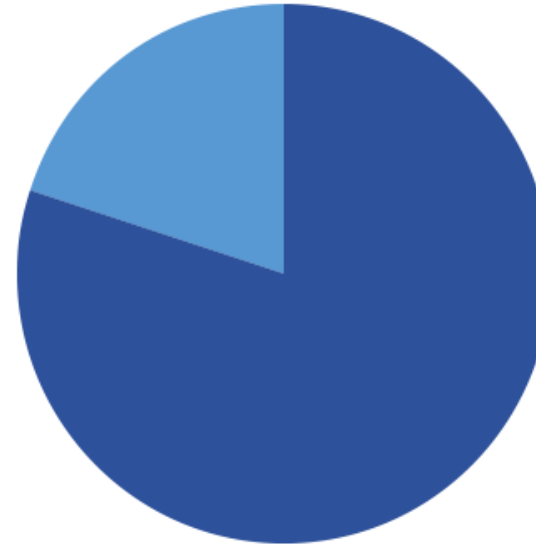
Moderate Portfolio

50% Stocks
45% Bonds
5% Funding Agreement



Aggressive Portfolio

80% Stocks
20% Bonds



CalABLE Fees (cont'd)

\$3,000 Assumed Assets		
Investment Option	FDIC-Insured Portfolio	Investment Portfolios
Account Maintenance Fee	\$37	\$37
Underlying Investment Fee 0.00% FDIC 0.09% Conservative 0.09% Moderate 0.08% Aggressive	\$0	\$2.40 to \$2.70
State Administrative Fee	\$0	\$13.20
Total Annual Fees*	\$37	\$52.60 to \$52.90

**Paper statements will include an additional annual \$10 fee*



Opening an Account

Ready to Open Your Account?

Get started at CalABLE.ca.gov



Be a CalABLE Ambassador ▶ [LEARN MORE](#)

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- [Plan Benefits](#)
- [Qualified Expenses](#)
- [Saving & Investment Choices](#)

Save & invest for the future without affecting public benefits.

Tax-free treatment on earnings and withdrawals to pay for disability-related expenses.

[OPEN AN ACCOUNT](#)



Guest Speaker

Malcolm Harmon

Service Delivery and Engagement Manager

Malcolm has 20 years of experience in the Financial Services industry, with a primary focus on developing and managing operational processes and teams. Malcolm was the first operations employee hired by Intuition ABLE Solutions in 2015 and has been an integral part of the successful launch and continuous growth of several ABLE plans. He is currently responsible for oversight and development of the Customer Engagement Center and Operations. Malcolm also serves as the day-to-day contact for IAS clients.



Resources and Contacts

Resources



A collaboration between
NDI and CalABLE

nationaldisabilityinstitute.org/achievable-corner

CalABLE Resources - treasurer.ca.gov/able/resources.asp

ABLE National Resource Center - ABLENRC.org

Disability Benefits 101 - DB101.org

POMS - <https://secure.ssa.gov/poms.nsf/lnx/0501130740>



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Need Help?

CalABLE Customer Call Center

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

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

CalABLESupport@CalABLE.ca.gov



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

- Join our **email distribution list** – visit <http://www.treasurer.ca.gov/able>; under “Quick Links” in left side bar, click “Sign Up to Receive CalABLE Information”



Submitting Questions

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

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

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