



# CalABLE Basics

January 26, 2022



# Webinar Setup

## ASL Interpreters

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

## Captioning

- Turn on Closed Captioning in the webinar controls.
- Adjust the captioning settings if needed
- A transcript view is also available.



# Webinar Setup

## Presentation Slides

Please visit the **CalABLE** website for a copy of today's slides.

[treasurer.ca.gov/able/events/webinars/2021/index.asp](https://treasurer.ca.gov/able/events/webinars/2021/index.asp)



# Audio Options for the Webinar

## Via your computer speakers

- Please make sure your speakers are turned on or your headphones are plugged in.

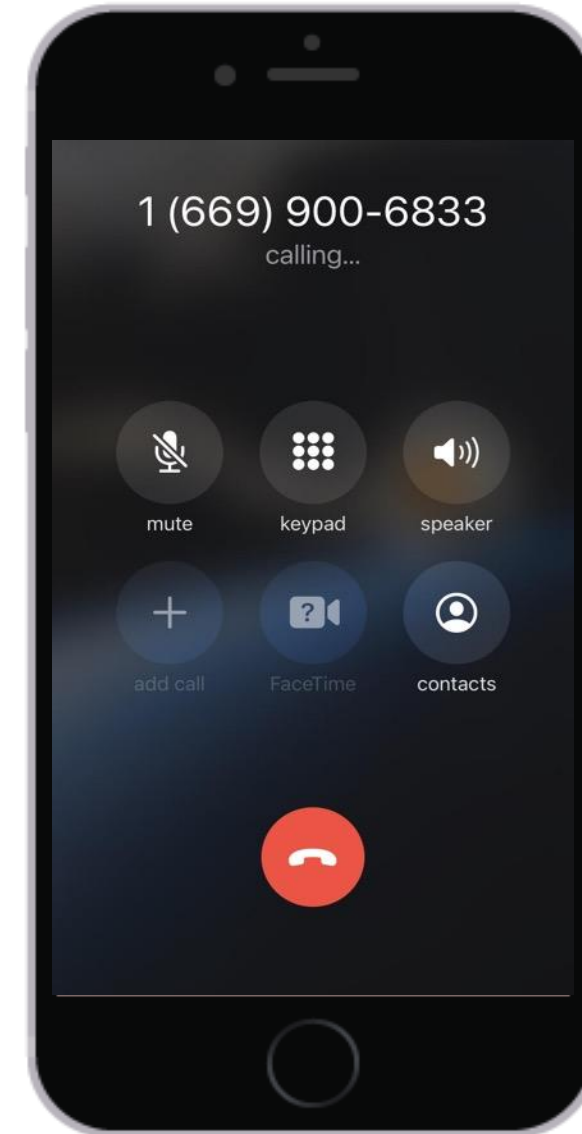
## Don't forget

- You can adjust the volume if needed.

# Audio Options for the Webinar

## Via telephone:

1. Call: [1-669-900-6833](tel:1-669-900-6833)
2. Enter Webinar ID:



# Submitting Questions

We will address your questions at the end of the presentation.

## Q&A box

Submit your questions using the **Q&A box** at any time.

## Audio-only participants

Audio-only participants may email us at [CalABLE@treasurer.ca.gov](mailto:CalABLE@treasurer.ca.gov).





# Welcome

Fiona Ma  
*California State Treasurer*



# FinanciallyABLE



## Poll #1

# What Are You Saving For?

Share your savings goal in the Zoom poll!

☒ First home

☒ Education

☒ Service dog

☒ Recreation and vacation

☒ Accessible vehicle

☒ Technology or equipment

☒ Health and wellness



# Today's Topics

1 What is **ABLE**?

2 **ABLE** Basics

3 How do **ABLE** accounts work?

4 eGifting

5 Investment Options

6 Account Management Fees

7 Opening an account

8 Resources and contacts

9 Connect with CalABLE

10 Q&A

# What Is **ABLE**?

# Achieving a Better Life Experience (ABLE) Act

- **ABLE** offers a tax benefit specifically for people living with disabilities, helping them reach their financial dreams. The act allows states to offer savings and investment plans. -
- Since Launch people have entrusted CalABLE with over 60 million in assets under management and opened over 6,000 accounts.



# ABLE Changes for 2022

- The annual contribution limit is now \$16,000 compared to \$15,000 last year.
- The federal poverty level has increased from \$12,760 to \$12,880.
- Three new ABLE programs launched in Hawaii, Maine, and Utah.
- Updated Medi-Cal Program Facts Sheet

# Achieving a Better Life Experience (ABLE) Act

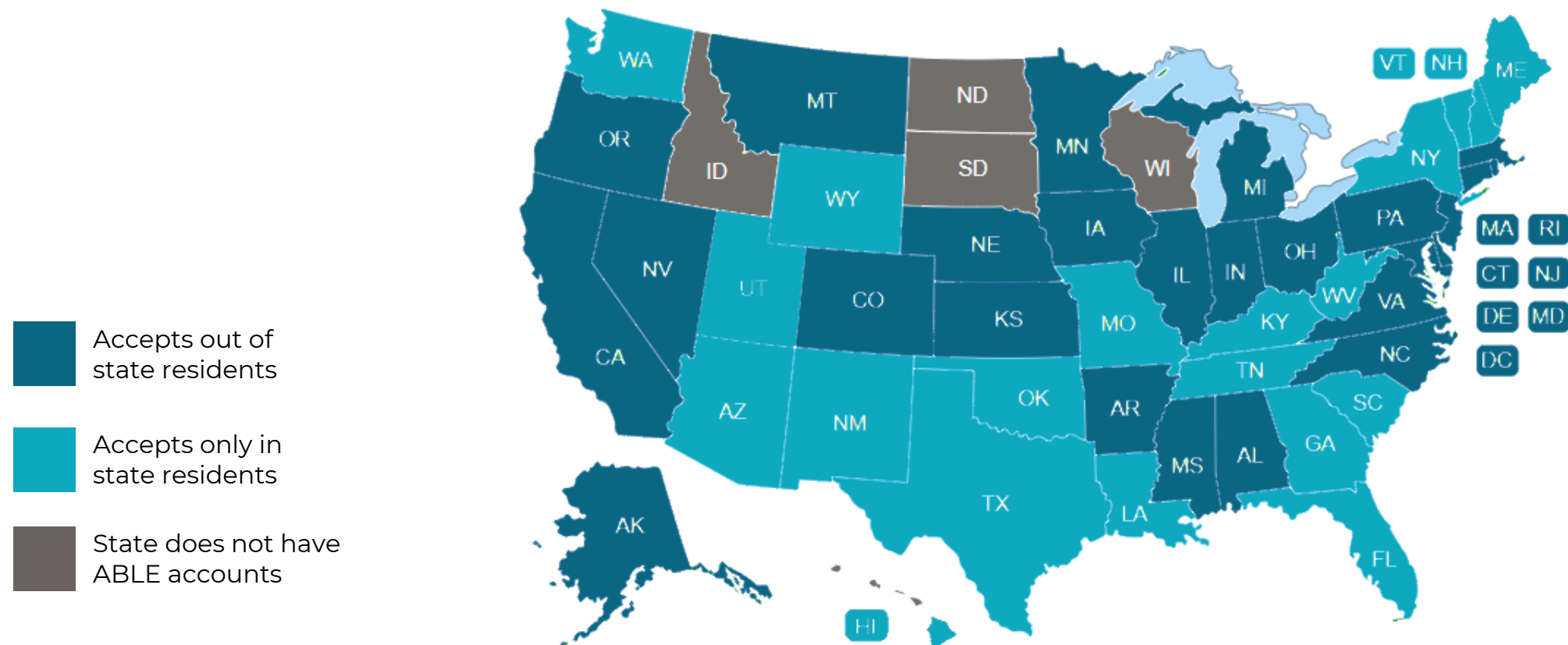
## Why save in an ABLE account?

- You can save up to \$100,000 without the risk of losing your other benefits.
- Offers a variety of professionally managed investment portfolios to fit your life situation, risk tolerance and savings goals
- Use money for qualified expenses without taxes and penalties.





# ABLE States



# ABLE Basics

# Who is Eligible?

- You can open an ABLE account if your disability began before age 26.
  - If you meet the eligibility criteria for disability benefits like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).
  - Your disability is on the SSA List of Compassionate Allowances or Blue Book listing.
- 



# What if I'm not on benefits?

- You can [self certify](#).
- You must confirm under penalty of perjury you were disabled [before age 26](#).
- You simply need a signed letter from a [qualified physician](#) that the applicant has a physical or developmental disability resulting in marked and severe functional limitations that is expected to last at least one year.



# Who can open an account?

- You can open an account any age, as long as the onset of [your disability began before age 26](#).



# More ABLE Basics

- Participants can only have **one ABLE** account
- **The person with a disability** is always the **ABLE** account owner and beneficiary
- Account can be opened by the person with a disability or an **Authorized Legal Representative** (parent, legal guardian/conservator, Power of Attorney)



## Part 1

# Authorized Legal Representatives | ALR

## Currently:

- Parent
- Conservator or legal guardian
- Power of attorney

## Part 2

# Authorized Legal Representatives | ALR

The Final IRS Regulations published in 2021, allow for additional individuals to serve as an ALR. States have two years to implement these changes.

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

## Poll #2

# Do you know anyone who has opened a **CalABLE** account?

Share your answer in the Zoom poll!

☐ YES

☐ NO



# How do **ABLE** accounts work?

# How do **ABLE** accounts work?

- Accounts **protect assets**, but cannot shelter income
- They can function like a **savings** account to potentially **grow your money** through investing
- Any earnings are tax free as long as they are spent on “Qualified Disability Expenses”
- Accounts holders can split their funds between savings and investments
- Anyone can contribute

# 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 \$16,000 per year (or more in certain cases) and up to \$100,000 in total before SSI is impacted.



# Account Contributions

**\$16,000**

**Annual  
contribution cap**  
*(contribution only)*

**\$100,000**

**Total cap for  
recipients of SSI  
benefits**  
*(contribution + earnings)*

**\$529,000**

**Total contribution  
cap for CalABLE**  
*(contribution + earnings)*

**CalABLE** will automatically reject excess contributions

# ABLE to Work

The ABLE to Work program permits working account owners to contribute above the \$16,000 annual contribution limit, if they or their employer are **not** contributing to a retirement plan **that calendar year**.

# ABLE to Work

## Account holders can contribute whichever is less:

- Amount equal to annual gross salary or
  - Federal Poverty Level ( \$12,880 in 2022)
  - For a potential maximum of \$28,880 per year (\$16k + \$12,880)
- 





# Save, but also spend

- The money you save is for your needs and goals and can be spent any time for qualified disability expenses.
- No waiting until retirement age to take out money like a 401k or other accounts

# What Is a Qualified Disability Expense (QDE)?

Any expense related to the ABLE account owner as a result of living a life with a disability that helps maintain or improve health, independence or quality of life.

Categories are intentionally broad and include education, employment, housing, transportation, healthcare expenses and more.

# Examples of QDEs

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

IMPORTANT NOTE: If CalABLE money is used for a non-qualified disability expense (non-QDE), the expense would be 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.



# eGifting

# Benefits to eGifting with CalABLE

- Contributions into a CalABLE Account can be used for Qualified Disability Expenses
- Anyone can contribute to the Account
- Expensive items are easier to save for and purchase

# 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

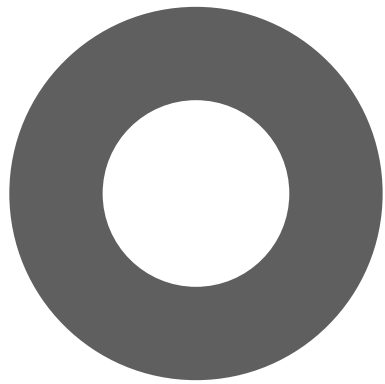
# Risk

In general, investing always comes with some risk. When choosing investments, understanding your tolerance for risk is important.

At CalABLE, we've designed our investment portfolios to be easy to understand with clear information on the risk level for each.

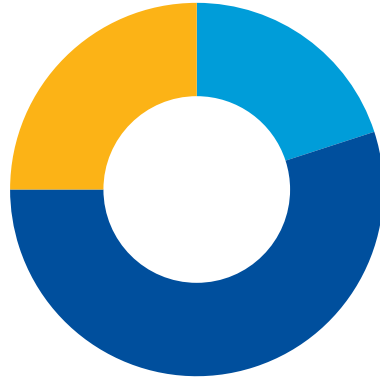
We also offer educational resources about our portfolios to help you assess the risk you may face depending on the investments you choose.

# Saving and Investing



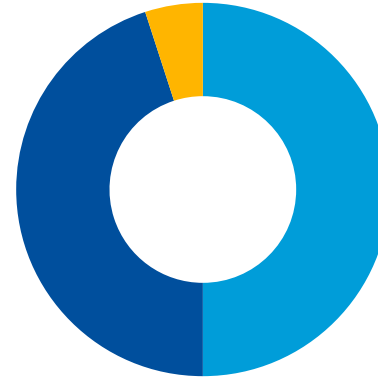
**FDIC- Insured  
Portfolio**

- 100% Interest-Bearing



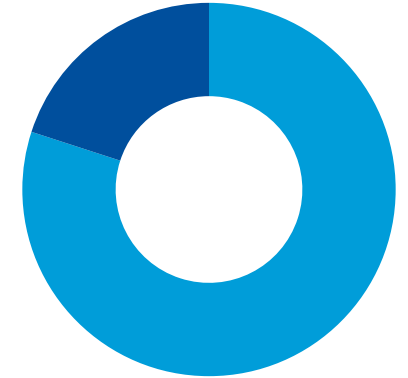
**Conservative  
Portfolio**

- 20% Stocks
- 55% Bonds
- 25% Funding Agreement



**Moderate  
Portfolio**

- 50% Stocks
- 45% Bonds
- 5% Funding Agreement



**Aggressive  
Portfolio**

- 80% Stocks
- 20% Bonds

# Account Management Fees

# Account Fees

- CalABLE accounts are designed for affordability
- There are no enrollments fees
- Fees may vary based on your investment choices



# Types of Fees

- Annual Account Maintenance Fee (Time based)
- Asset based Fees and Expenses
  - State Administrative Fee
  - Underlying Investment Fees and Expenses
- Other Account Fees
  - Print & Paper statement delivery fee
  - Insufficient Funds fee
  - Outgoing Check Processing Fee

# CalABLE Fees

## \$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
<b>Total Annual Fees*</b>	<b>\$37</b>	<b>\$52.60 to \$52.90</b>

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

# Medicaid & ABLE

Medi-Cal, California's Medicaid Program, provides health care services including medical, dental, mental health, substance use treatment, long-term care services and support for low-income adults, children, seniors, pregnant women, and persons with disabilities.

- ✓ Any outstanding QDEs, including funeral and legal expenses, may be paid using ABLE funds.
- ✓ The account is then transferred into the deceased individual's estate.

# Medi-Cal Recovery

## *SB 833*

Medi-Cal will only attempt recovery if (**ALL** must apply):

- ✓ The deceased was age 55 or older
- ✓ The individual was a user of comprehensive Medicaid services (in home support, skilled nursing, etc.)
- ✓ The individual's estate is required to go into probate (\$150,000 or more)
- ✓ The individual is not survived by a spouse or children under 21 or a disabled child of any age.

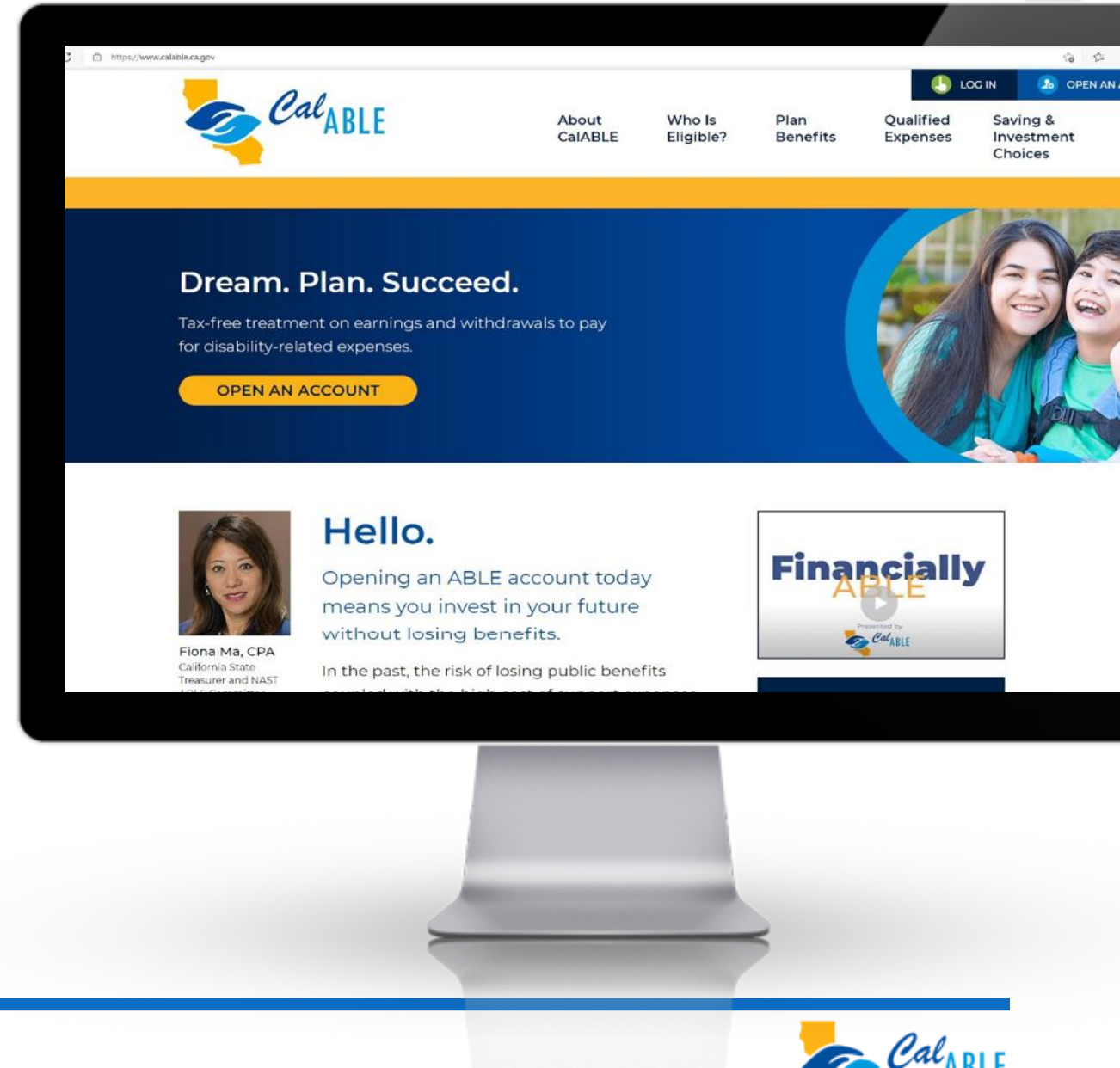
Medi-Cal will not seek recovery from a CA resident and CalABLE account holder.

# Ready to Open Your Account?

Get started at [CalABLE.ca.gov](https://CalABLE.ca.gov)

# Resources

- A collaboration between NDI and CalABLE:  
[nationaldisabilityinstitute.org/achievable-corner](https://nationaldisabilityinstitute.org/achievable-corner)
- **CalABLE** Resources:  
[treasurer.ca.gov/able/resources.asp](https://treasurer.ca.gov/able/resources.asp)
- **ABLE** National Resource Center: [ABLENRC.org](https://ABLENRC.org)
- Disability Benefits 101: [DB101.org](https://DB101.org)
- **POMS**:  
<https://secure.ssa.gov/poms.nsf/lnx/0501130740>



# CalABLE Staff

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Executive Director



**Anne Osborne**  
Program Manager



**Matt Harmetz**  
Program Analyst



GET IN TOUCH

# Need Help?

**CalABLE**

📞 1-833-Cal-ABLE (1-833-225-2253)

✉️ [CalABLESupport@CalABLE.ca.gov](mailto:CalABLESupport@CalABLE.ca.gov)

**Open**

9:00 am to 5:00 pm (Pacific Time)  
Monday - Friday

# Connect with CalABLE

Stay in the know with  
our latest updates!

## Follow CalABLE on social media:



<https://www.facebook.com/CalABLE/>



[https://twitter.com/calable\\_board](https://twitter.com/calable_board)



<https://www.linkedin.com/company/california-able-act-board/>



[https://www.instagram.com/calable\\_act\\_board/](https://www.instagram.com/calable_act_board/)

**[Sign up for our emails here.](#)**



# Share your story with us!

- CalABLE account holders have incredible stories about how saving is impacting their financial future
- As we continue to promote this important program, we need your help!
- Stay tuned for an invite soon on how to share your story with us in a testimonial video, interview or on social media

### Poll #3

# Will you tell three people about CalABLE?

Share your answer in the Zoom poll!



Yes - I'm excited about the value this program offers!



Not yet - I need to learn more about CalABLE.



# Your To-do List:

- ☑ **Explore** important resources, Disclosure Statement, investment options, and financial education
- ☑ **Open** your CalABLE account
- ☑ Share with **three** other people how CalABLE can help
- ☑ Consider a circle of support of people who can **contribute** to your CalABLE account



# February Webinar

## Qualified Disability Expenses

Date: Wednesday, February 16, 2022

Time: 2:00pm -4:00pm

Register today:

[https://us06web.zoom.us/webinar/register/WN\\_Yng6uBdlSlal-8Y6TM62ZQ](https://us06web.zoom.us/webinar/register/WN_Yng6uBdlSlal-8Y6TM62ZQ)



### CalABLE Qualified Disability Expenses

February 16, 2022

2:00 P.M. - 4:00 P.M.

This program is free and open to the general public. For more information about CalABLE events and to register now, visit:

[https://us06web.zoom.us/webinar/register/WN\\_Yng6uBdlSlal-8Y6TM62ZQ](https://us06web.zoom.us/webinar/register/WN_Yng6uBdlSlal-8Y6TM62ZQ)



### CalABLE Monthly Webinar Series



TIAA-CREF Tuition Financing Inc. (TFI), program manager.  
TIAA-CREF Individual & Institutional Services, LLC, Member  
FINRA, distributor and underwriter.

CalABLE is a savings and investment program offered by the state of California to people with disabilities that began before reaching age 26.

What You Will Learn:

- What is ABLE?
- Advantages of saving in an ABLE account
- How do ABLE accounts work?
- What are qualified disability expenses?



# 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: [treasurer.ca.gov/able/final.pdf](https://treasurer.ca.gov/able/final.pdf)
- CalABLE YouTube channel: [youtube.com/channel/Uck02cbbE8PCkHATlvrsTfIA](https://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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**Thank You.**