



# CalABLE – How CalABLE Can Improve Your Health

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## Anne Osborne:

Good afternoon and welcome to CalABLE's webinar series. Today we'll be discussing how CalABLE can improve your health. My name is Anne Osborne, and I am the program manager with CalABLE.

I would like to introduce Deputy Treasurer Audrey Noda. She has prepared some opening remarks for us today that she would like to share.

**Audrey Noda:** Thank you, Anne. Good afternoon. I am Audrey Noda, as Anne said, Deputy Treasurer for Health and Education, overseeing CalABLE. On behalf of the state Treasurer, Fiona Ma, I'd like to welcome you to the CalABLE webinar series. Today's webinar will explore the question, "Can CalABLE Improve Your Health?" We want everyone to be able to lead long and healthy lives. We recognize that having a disability can result in unique challenges to your health. Additionally other factors such as financial status can impact a healthy lifestyle. This webinar will define the concept of financial wellness and describe how it can impact your health. This webinar will also explore how CalABLE can be a tool to help achieve financial wellness and better health. We hope that by the end of this webinar you will gain a better understanding so you can use your CalABLE account to improve your health and quality of life.

State Treasurer Ma and I believe that CalABLE is an excellent financial tool for Californians with disabilities. This program is a critical step toward ensuring that people with disabilities have access to opportunities needed to thrive economically. CalABLE account owners are already taking advantage of tax free savings and investments, with more than 7600 account owners and over \$78 million deposited in their CalABLE accounts. And unlike a 401K or Roth IRA, account owners may access those funds at any time without taxes or penalties. For the first time, individuals on means-tested benefits programs can save up to \$100,000 without having their benefits impacted. This



is a game changer that's designed to empower this community to begin saving for their financial futures.

So, thank you for joining us today and for your continued support of the CalABLE program. Now I'd like to turn things over to CalABLE Executive Director Dante Allen.

**Dante Allen:** Thank you, Audrey. Thanks for joining us, and welcoming everyone to today's presentation. As Audrey explained, my name is Dante Allen and I am the Executive Director for CalABLE. CalABLE is a savings and investment program, tax-advantaged, offered by the state of California that allows people with disabilities to save up to \$100,000 without affecting means tested benefits programs like SSI.

I'm here today to really facilitate today's discussion on whether or not CalABLE can help improve your health.

Before we begin, let me tell you what today's presentation is and what it is not. Today's presentation is a general overview on the CalABLE program. So we'll go over some of the basics about the program, the eligibility requirements. We'll also talk about the ways that one of the major benefits of CalABLE, which is helping to improve your financial well-being, can also impact your physical well-being. It's not a promise to you that just by opening a CalABLE account will help you improve your blood pressure. We'll be talking about trusted public health information that makes a distinct link between having financial security and independence and the impact that those have on your health. We'll be joined today by a guest presenter, Madeline Handy, who is working in the CalABLE team as an intern. I'll give a bit more of an introduction about her in just a minute. We'll also have a presentation from one of our CalABLE Ambassadors for 2022, Jennifer Obakhume, and she'll give you some real-life information about how she is using her CalABLE account to better impact her health.

If you are a first time visitor to one of our webinars, or this is the first time that you are hearing information about CalABLE, let me point you towards some of our previous webinars, where we went over in more detail an overview of the CalABLE program. Today I'll touch on these aspects just briefly, but there is a lot more information for you to learn if you need a little extra background. I want to thank you all for attending. If you have questions that you'd like to include as part of today's presentation, please feel free to put those in the Q&A, and we should have plenty of time at the end to address as many of those questions as possible.

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So let me talk specifically about what is ABLE? ABLE is a federal law. ABLE stands for the Achieving a Better Life Experience Act. It was passed in 2014 and it offers a tax benefit specifically for people with disabilities, to help them reach their financial dreams. The Act allows states like California to offer savings and investment programs and CalABLE is California's version of the federal ABLE Act. We launched in 2018, and now we have more than \$78 million in assets matched up with more than 7600 people who've opened up these accounts, since the end of 2018. If you can go to slide 8 please.

So, what are the benefits of an ABLE account? First and foremost, you can save money in a tax-advantaged way and have the potential to grow your money through investments and access that money at any time without taxes or penalties when you use your account for qualified expenses. You can take advantage of CalABLE's professionally managed investment portfolios that best suit your needs and your risk tolerance. And individuals on means tested benefits can save up to \$100,000 without the risk of losing their benefits. Slide 9, please.

If you are a person with a disability and that disability began before your 26th birthday, you are eligible to open a CalABLE account. If you've already met the eligibility criteria for disability benefits like SSI or SSDI, then you can automatically open a CalABLE account. You don't need to do anything other than go to the website and fill out that application. It takes only about 15 minutes to complete.

If you have never been, had your eligibility tested for those programs, you can still open an account. It's not mandatory that you are receiving benefits in order to qualify for CalABLE. You just have to go through a few extra steps. And we call that self-certification, and that's where you have to attest under penalty of perjury that you do have a disability, that disability began before your 26th birthday, and it is expected to last a year or longer.

Now at CalABLE, we use the same definitions that the Social Security Administration uses for disability. So that's listed in their list of compassionate allowances or the Blue Book that talks about the many disabilities that are eligible for ABLE. And that includes many physical disabilities, mental health conditions, intellectual or developmental disabilities, a very wide spectrum of disability. Slide Number 10, please.



So all that you need to open a CalABLE account is web access. This is a web-based program, so the way that you would sign up for the program and even the way that you interact with your account is all done online. And so web access is an essential for operating a CalABLE account. You also need a Social Security number along with a date of birth and contact information with mailing address. You need a minimum deposit of \$25, and that's not an enrollment fee, that money goes directly into your account, but you have to start with at least \$25 in your ABLE account. And you can link a commercial checking or savings account to your ABLE account, that gives you ready access to transfer money back and forth between the two.

We recommend this as one of the easiest and most convenient ways of accessing funds in your ABLE account, but there are also several other ways that I can talk about in just a moment. Slide Number 11, please.

So how do CalABLE accounts work? First and foremost, they are designed to protect assets, but they're not a shelter for income. What do I mean by that? If you are working, just because you have a CalABLE account, you can't take all of your earned income and then put it in the CalABLE account and then be expected to qualify for income tested benefits programs like SSI. It doesn't work like that. An ABLE account is designed to protect your assets, meaning that the money that you have in an ABLE account won't count against that \$2,000 dollar resource limit that SSI has set up. As long as you have the money in the ABLE account it is not counted. When you pull it out of the ABLE account, as long as you are using it for what we call qualified disability expenses, it won't be counted as an asset against your benefits program.

Account holders can choose to put their money in a savings option that's FDIC insured, or you can potentially grow your money through our investment portfolios, that are designed to take into account your tolerance for risk. Any earnings on the money that you invest is tax-free as long as it remains in the account, and then it is still tax-free when you withdraw it from the account as long as you use that money on qualified disability expenses.

Account holders can split the money between the FDIC insured portfolio and the investment portfolios, and anyone can contribute to an ABLE account, including the beneficiary or the person with the disability, their friends and family, churches or nonprofits, and none of that money when a third party contributes is counted as income. Slide number 12, please.



How can you deposit money into your CalABLE account? I've already mentioned that you can make electronic transfers, it occurs very much the same way that it does with any online banking program, you simply log into your account, let the account know that you want to make a transfer, and it's very easy to do. You can request that a check be sent to the beneficiary or to their authorized legal representative. There is a fee for that, so like I said, the easiest and most convenient way to transfer, or to get money, is usually to make that transfer.

You could also have a check issued to a third party, a payee. So if you want to pay a bill you can request that, but again, there is a charge for that. In the past CalABLE has offered a prepaid Visa card where you can load money directly from your CalABLE account onto that card and use that card wherever visa is accepted. Right now we are in a between time. We actually ended our agreement with our previous prepaid card vendor, and we will be adopting another one very soon, so please stay tuned for that information. We think this new card will be a better value and much more convenient to CalABLE account holders, and we'll be prepared to talk about that in the very near future. Slide Number 13, please.

So today's presentation, I told you we would talk a little bit about CalABLE background, but I really want to spend as much time as we can answering the question, can CalABLE help improve your health? To get us to that discussion, I've invited Madeline Handy to join us today. Madeline is a Masters of Public Health candidate at the University of California, Davis. Go Aggies! She is currently an intern with CalABLE. She's been working with us for the last few months, and her public health background gives her a great perspective to have this conversation. With the research she's been doing, along with what she's learned about CalABLE, I want to turn things over to Madeline right now to give us an idea, can CalABLE help to improve your health?

**Madeline Handy:** Thank you for the introduction, Dante. I'm really excited to be here today to talk about financial wellness and health. So we can go to the next slide please. So first I would just like to start with a poll: has your financial status ever impacted your health or perhaps even the health of someone you know? If everyone could just take a minute to answer this poll, that would be great.



Okay, great. Seems like there is some variation. Looks like some of you may already be familiar with the topics I'll be covering in this presentation. And hopefully this presentation can help you solidify some of that knowledge or will provide you information that would be useful for someone you know. Next slide, please.

Okay, so first I just wanted to start with a definition of health. There are many different definitions for health, but I like this one by the World Health Organization, which is that health is a state of complete physical, mental, and social well-being. I like this definition because I think it's very broad, and it encompasses the different areas of health. A lot of the times when people think about health, they tend to think about physical wellness, but I think it's also very important to talk about mental and social health. And then health is also going to be different for each person, and health can change throughout a person's life. What healthy looks like for someone who is a child is going to be very different from what healthy looks like for someone who is elderly. And then even on a shorter timeframe, health can change on a day-to-day basis. There may be ups and downs, but it's important to remember that everyone is on their own individual health journey.

Lastly, disability can result in a unique health experience. So the health goals of somebody with a disability may be very different from the health goals of somebody without a disability, and that's okay. Everyone's health experience is their own. I think what's the most important thing is that everybody has an equal opportunity to be as healthy as possible. Next slide, please.

Along with disability, there are many other factors that can impact health. In the past, the health community has really focused on behavior as being a primary factor that impacts health. But lately there's been more talk about the social determinants of health having a big impact on health. So the social determinants of health are the conditions of the places where people live, work, and play.

So essentially your environment. And there are five different social determinants of health that can impact your health, which are what your economic status looks like, what your education access and quality looks like, how your healthcare looks, your neighborhood and your buildings, and then the society and community you live in. And so an example that I like to use for how the social determinants of health can impact your health is asthma. So two people may have the exact same behaviors, but because one person lives in an area with air pollution, they may have a harder time managing

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their asthma than someone who lives in an area with good quality air. And so I think it's also important to know that even though the word "determinant" is in the social determinants of health, they don't really determine if you're going to be healthy or unhealthy. They simply mean you may have a harder or easier time being healthy. And you may need more resources to overcome some of these barriers.

So, this presentation is going to focus on economic status. Next slide please.

So, I wanted to define, what is financial wellness? There are four parts to financial wellness. First there is control over finances. This is your ability to pay your bills. It's your ability to afford your basic needs like food and housing. The second part to financial wellness is your ability to handle financial shock. So, if you have a medical emergency or your car breaks down, you're able to handle those situations financially, and it doesn't cause an undue burden on you.

The third part of financial wellness is the ability to make choices that increase enjoyment in life. This could be your ability to save for a vacation, or even on a smaller scale, your ability to buy items that increase your enjoyment. So maybe being able to buy a book you've really been wanting to read, or buy paint supplies. And then the fourth part to financial wellness is your ability to meet financial goals. So these could be things like buying a house, saving for retirement. So that's really important. And these are the four parts of financial wellness. Next slide please.

So there are disability related impacts to financial wellness. Unfortunately, people with disabilities tend to have higher rates of poverty. This is because people with disabilities face systemic barriers that may keep them trapped in poverty or prevent them from building wealth. One of these is higher health care costs. Even if you do have health insurance, you may be underinsured and may not be able to afford some of the prescriptions or procedures that you need to, and because people with disabilities do tend to need more healthcare, this can serve as a barrier to building wealth.

Another barrier to building wealth is that people with disabilities tend to have reduced income. This could be because of job discrimination, or it could simply be because you are not able to work as much. People with disabilities also tend to have higher cost-of-living. Living with a disability comes with higher costs. You may need assistive technology, or you may have higher transportation costs. And these are things that people without disabilities will not have.



And then there's also a reliance on public benefits. Like Dante mentioned, in the past, means tested benefit programs like SSI have limited how much wealth people with disabilities are able to build.

And so these four things, among others, keep people with disabilities in poverty. Next slide, please.

**Unfortunately, financial** wellness can impact health. So it can impact general health, both physically and mentally. It can impact physical health by preventing you from accessing basic needs like food and healthcare and housing. These things are incredibly important to lead a healthy life and to prevent preventable diseases. It can also impact mental health. Financial stress can result in anxiety and depression, and these things can be very limiting to your mental health.

Financial wellness can also impact your access to healthcare. Like I mentioned earlier, you may have health insurance, but you may be underinsured. And so if you are not able to afford prescriptions or procedures, or even just preventative care, these things can greatly impact your health.

And then financial wellness can also impact your access to health promotion. I think this is a really big one for people with disabilities because people with disabilities already face some barriers to health promotion. One example is if you have higher transportation costs in order to go to a gym, then your financial wellness may impact that more greatly than somebody without a disability. Next slide, please.

So what does this mean for CalABLE? Next slide, please.

CalABLE is intended to have a positive impact on health. People with disabilities have been left on the sidelines for far too long, and ABLE is a way to change that and to provide people with disabilities a tool designed specifically for them that can improve health, independence and quality of life. CalABLE does this by providing people with disabilities an opportunity to increase their financial wellness through tax advantaged savings and investment accounts. Being able to withdraw earnings at any time, and without penalty or taxes really creates a financial flexibility that can support the needs of living with a disability. Like Dante mentioned previously, those who receive SSI can now save up to \$16,000 per year and up to \$100,000 total without using their benefits. This allows people to build wealth in a way they haven't been able to do before. So, I





think that CalABLE is a great resource that can help people with disabilities increase their financial wellness and health.

But how does having a CalABLE account specifically impact health? A lot of what I've talked about so far is very theoretical, so to get a more personal take, I interviewed three CalABLE ambassadors to learn how CalABLE has impacted them. You can go to the next slide, please.

So from my conversation with the ambassadors, we really touched on this topic of financial wellness and health. And they agreed that CalABLE can improve financial wellness and health. So these are some of the themes that came out of these interviews. So CalABLE can create a safety net that's there to catch you when you have a medical emergency or health needs come up. So this safety net can reduce financial stress by just knowing in the back of your mind that there is this pool of money there to help you if you ever need it. It just is a stress reliever. One of the CalABLE ambassadors talked about how CalABLE improved his self-sufficiency. So this really improved his relationship with himself and helped his mental health. It also improved his family relationships. For the first time ever, he was able to really help his family in a way he'd never been able to before, and this improved his relationship with himself and his family.

CalABLE can also improve your living conditions. One of the ambassadors was able to put a down payment on a home, and this greatly improved his living conditions and gave him privacy that he never had access to before. CalABLE can also increase accessibility. One of the ambassadors is saving for a service dog. And so this service dog is really important for her accessibility and her participation in society.

CalABLE can also help you plan for the future, and you can use CalABLE for health expenses. Next slide please.

So touching more on that, we'll be talking about health as a qualified disability expense. The next slide, please.

So to talk about this, I've invited CalABLE ambassador Jennifer to talk about how she's used her CalABLE account for health expenses.



If we could just take the slideshow down so I can talk to Jennifer. Yes, perfect. Okay.  
Hi, Jennifer

**Jennifer Obakhume:** Hi there, Madeline. How are you?

**Madeline Handy:** Good, thank you so much for joining us today.

**Jennifer Obakhume:** Not a problem at all.

**Madeline Handy:** So my first question is, could you share a little bit about yourself and your health journey?

**Jennifer Obakhume:** : I am Jennifer Obakhume, 33 years old, native Los Angeleno, conceived, born, and raised. I've had many opportunities through time and school events and such researching things, especially for health things. As a young person, being involved with all of these programs and various projects for the benefit of the neighborhood at large. And a several years ago it became impossible to do that when I found out how bad most of the vertebrae and discs in my neck were failing and were also creating a spinal cord indentation, which spinal cord injury starts with the indent, if it's bruised, permanent loss of mobility. Then a few other issues, heart related things, gastric things, and at this point right now, I'm sitting on surgery Number 5 [CHUCKLE], to see if more of my spine can be corrected. So that's pretty much me and my everyday life.

**Madeline Handy:** Thank you for sharing that, Jennifer. How have you used your CalABLE account for health expenses?

**Jennifer Obakhume:** I was so grateful when I had all of the resources in that CalABLE. I had to get \$3000 worth of important dental work. One of those three crowns broke because they were poorly made. So now that's going to set me back another \$2000 that I don't have in the account anymore. But when I did, it was a godsend. Insurance didn't want to cover anything, various physicians with other conditions I have, nobody wanted to help. So at least I had that money in the account to do for myself the best I could. Walker, wheelchair, a new bed that is made for someone with serious spinal injuries or severe arthritis as a result of those spinal issues. So at least I got what I needed while I could. Which is very important. And I think it also it makes life a little less dark when you



can get the things you need. Especially on the health front and you don't have to be scared about social security running behind you like Frankenstein's monster. You've got too much of this, you have too much of that, this and that and all that back and forth. I mean yeah, that's pretty much that.

**Madeline Handy:** Yeah. It sounds like you've used your CalABLE account for a lot of out-of-pocket health expenses.

**Jennifer Obakhume:** A lot of them. A lot of them.

**Madeline Handy:** Has CalABLE improved your access to health care, would you say?

**Jennifer Obakhume:** Absolutely. Absolutely. We know especially in terms of not only being women, but being women of color, the differences in the assistance you will get from a doctor or how serious you are being taken when you say something is wrong. I've had several medical experts who literally treated me like a hysterical woman, and taking my depression and anxiety and my PTSD and putting it right back on me, gas lighting.

So with the funds in the CalABLE account, there were a couple of blood tests that I paid for out of pocket, and it wasn't cheap, that confirmed for me I was never imagining things, and vindicated me. And I informed those doctors or specialists, thanks for being A holes. I know what my issue is now. How about I just cut you off and go find new medical experts. Which I did. And those tests alone have helped with the neurosurgeon I have, the psychologist and psychiatrist I have, the G.I. related issues. Those-

**Madeline Handy:** Jennifer, you are muted.

**Jennifer Obakhume:** When you have so many medical issues and people don't take you seriously, and you're already traumatized enough through life. I'm going to keep it real. Suicidal ideations that I've been fighting almost all my entire life from major depression. How does being gas lit and treated like you're an idiot or a child and ignored, how much would anybody be able to take before suicide, feeling like that, was the only way out of medical conditions and stress, low income? And that's just my truth. I can't speak for anybody else, but for myself, yeah.



**Madeline Handy:** I'm really glad it sounds like you've been able to advocate for your health in this way.

**Jennifer Obakhume:** Yeah.

**Madeline Handy:** And I'm happy it sounds like you have better doctors now as well.

**Jennifer Obakhume:** Far better. I've been looking for good doctors like that for the last 15 years.

**Madeline Handy:** So touching a little more on the subject of mental health, Has CalABLE improved your mental health?

**Jennifer Obakhume:** Not having to worry about not having clothes, not having to worry about bills not being made. Not having to worry about having a bed with bed stairs because of multiple spinal surgeries. Yeah, I think it would, I would say I'm kind of downplaying it. I think it's helped a lot. The truth is, it helped so much. Like I said, you don't have to worry about bills, don't have to worry about clothes. You've got a bed. Your bills are met. If you want to or if you have to hop off in an Uber, or a Lyft to get to an appointment, you're less likely to freak out because: Hi, I have money in my CalABLE. It's not being taxed, it's not being withheld from me. I'm able to use it for what I needed it for, not wasted on foolishness but serious conditions. And those serious conditions alone drained the CalABLE. But were that not in existence, I don't think any of my conditions would have been properly treated. Because I wouldn't have been able to pay for what I needed.

**Madeline Handy:** Great. You've talked a little bit about health insurance and SSI. Could you share how CalABLE interacts with those public benefits?

**Jennifer Obakhume:** Unless you have \$100,000 in the account, you have nothing to worry about. And especially also when you are in low-income housing and there are people who want to pick at you or pick with you about where your resources are. Not having them be able to touch it, and the resources strictly for either beneficiaries, or being the person who is permitted by the beneficiary to be an authorized representative.

It's funny when you go from being worried about financial things and how it's going to impact you and having people on the other side that think, ooh, I've got them there, and then they did research and found out they couldn't touch it or they would be in trouble.



So very important when it comes to protecting yourself against Medicaid, SSI, low-income housing, all these other things.

**Madeline Handy:** And how did you feel after opening a CalABLE account?

**Jennifer Obakhume:** First of all I had heard about the creation of ABLE accounts around somewhere between 2013 and 2015. And I said oh okay, I think this is going to be a good idea. And then I did research, found out that California at that point in time didn't have one. So to have to revisit it and said to myself, that California, we have an ABLE system now? And I went into my duffel bag and pulled out the paperwork. Let me tell you, absolutely wonderful. Nothing out here is a one-size-fits-all for anyone else, so I can't speak to other people's perspectives on it. For me in my situation, it helped considerably. And if I could go back and do it all over again, I would open up a CalABLE account all over again.

**Madeline Handy:** I'm glad to hear that. What advice would you give to someone who is thinking about opening a CalABLE account?

**Jennifer Obakhume:** Quit thinking and set up the account. Because while you're thinking about it, that's time passing, and what could work for you five minutes ago is over now five minutes later. There really isn't any skin off your nose opening a CalABLE. And again, like I said, everybody, it's up to everybody to do research for themselves. I mean, I think that's. Yeah, I think that is my thoughts. Hop on it, get it quick while you can.

**Madeline Handy:** Great, thank you, Jennifer. Thank you so much for joining us today. Would you mind staying on the call until the end of the presentation just to answer any questions if people have them for you?

**Jennifer Obakhume:** Sure, yes I'll be here

**Madeline Handy:** Great, thank you so much.

**Jennifer Obakhume:** Thank you.

**Madeline Handy:** So we can put back the presentation. Great, next slide, please.



So now we'll just go onto the last part of my presentation, which is saving to reach health goals. Next slide, please.

So why to save in the short term? Well, it's really important to plan for needed medical expenses. These would be short-term things like dental work or maybe getting a medical device that you need. And these would be short-term expenses. And then it's also important to increase your quality of life through small health improvements. This could be being able to afford a healthier food option or being able to attend an online class that can increase your social engagement. And so these small health improvements can greatly increase your quality-of-life overall. Next slide please.

It's also important to save in the long term. You can plan for big purchases like buying a house or a car. It's also important to plan for the future. As you age, there may be additional health costs. And living with a disability already comes with some additional health costs, so it's important to save so that you can continue to have a high quality of life as you get older. And then it's also important to be prepared for unexpected health costs. Next slide please.

So be prepared for the unexpected. So unexpected medical costs may arise, and you want to be prepared for those. It's also important to be prepared for emergencies. Perhaps your car breaks down or your toilet breaks. It's important that you have funds so you can address these emergencies.

There's also changing world conditions. I think the pandemic really opened a lot of people's eyes to how quickly the world can change, and the pandemic really caused a lot of stress for a lot of people. A lot of people lost their jobs, needed money, and so it's important to be prepared for when the world changes, when there's inflation. Next slide, please.

So some concluding thoughts. Saving and investing may seem scary or overwhelming, but the CalABLE team is here to help. We have a call center. We also have a financial fitness center on the CalABLE website, which can teach you a little bit about money management and how to invest. And there are various pathways to resiliency, and CalABLE is just one of them. Next slide, please.



Thank you so much for having me today. I just have one last poll, which is, "After this webinar, do you think having a CalABLE account could improve your health?" If everybody could just take a minute to fill this poll out, I'd really appreciate it.

Great, thank you everyone for answering the poll. I'm really happy to see that most people said yes. If you have anymore questions, I'll be here after the presentation is over and I can answer them. Thank you, everyone, and I'll turn it back over to Dante.

**Dante Allen:** Thank you, Madeline. What an excellent presentation. That UC Davis sure does produce some great, talented professionals, and I'm not just saying that because I too am a UC Davis graduate. But no, that was excellent, and it really makes a connection that we haven't readily talked about in the past. We've often talked about the benefit of financial independence or financial security. But we've seldom made that link that those things can have a direct impact on your overall health. So thank you for helping to illustrate that. It seems like our attendees today really have taken that to heart.

I also want to thank Jennifer for your presentation. I've been working with CalABLE for nearly 5 years now. I was here before the program started. And it's clear to me that hearing directly from the people who are benefiting the most from the program is the best way to talk about this. The energy that you have, the insight that you provide, and just your ability to paint a picture for us is very helpful. So thank you so much, Jennifer. If you can go onto the next slide, please.

So opening your CalABLE account is intended to be a very easy process. We have a website: [calable.ca.gov](http://calable.ca.gov). I saw lots of questions in the Q&A about how do I open an account, when can I open an account? And the great news is that this is always open, so you can always go to our webpage and start the process. It takes about 15 minutes to open your account, and we have some other resources that are available for you if you still have additional questions. If you can go to the next slide, Number 35, please.

Those resources include things that are available on the state treasurer's webpage if you go to [treasurer.ca.gov/able](http://treasurer.ca.gov/able), there are plenty of additional resources including our very new financial fitness center web pages are available. Where you can learn things like setting a budget or saving to purchase a home, or understanding credit. Those are all financial literacy education that we thought were very helpful for you to have.



I also like to point folks to the ABLE National Resource Center. The ABLE National Resource Center has , just as the name says, they have resources, but really one of the most valuable things they have is a tool that helps you compare and contrast the various ABLE programs. CalABLE is California's program and you can join CalABLE's program whether you live in California or any other state in the United States. It's still available to you. And there are several other states that offer programs that you don't have to be a resident of that state to open. So if you ever wanted to do a comparing and contrasting of what's the difference between these different programs, that's a great website to go to.

In addition there is Disability 101, DB101.org, which will show you the various disability programs you may qualify for. We even have the same documentation that the Social Security Administration uses when they look at ABLE accounts. You can see and use that to educate yourself. So if you're questioning, is this thing considered a qualified disability expense, or is that thing considered a qualified disability expense, there's a resource available to you that really helps to paint the picture. And the reality is that the definition for qualified disability expense is so broad that just about anything you can imagine would qualify as a disability expense. Next slide, please

We also have our YouTube channel. One of the things that is one of our most consistent questions, and we actually received it today, is how do CalABLE accounts work with special needs trusts? So we have done webinars in the past about those, and there's a link included here that will take you to that, and you can watch that webinar and learn all that you ever wanted to know about ABLE accounts and special needs trust and which one may be better for you, or do they work well together, etc. All those things are available.

We've also gone into detail about what are qualified disability expenses? So that's available.

So today, although I only talked about the basics of the program a little bit, there is still other webinars we have available for you to watch at any time on our YouTube channel. So please take a look at those.

Slide 37, please.





As always, you can reach out to CalABLE, you can reach out to us directly. You can give us a call or send us an email and will be happy to answer your questions as quickly as possible. We are a little short-staffed. We had one of our team members recently leave, but we hope to have a replacement for him in the very near future. In the meantime, please bear with us as we continue to spread the word about this program. We are still very new. We're still trying to get the word out, and so we are hoping that folks like you will hear our presentations, will spread the word and advise others to look into us, and even invite us out to give a presentation to your area. We are happy to do that. So please do reach out if you have a question or would like to talk to us. Slide 38, please.

If you find that you need help or additional information and would like to talk to our customer service folks, we have a customer service call center. We also have emails that can be responded to. Our call center is available by telephone at 833-225-2253, that's 833-CalABLE. It's open Monday through Friday 9 AM to 5 PM. They actually have the ability to look at your account if you've already opened a CalABLE account and give you some service and guidance on what may be going on with your account. Please feel free to reach out to them if you need some additional help. Slide Number 39, please.

If you'd like to connect with us, we are available all across social media. Please like or follow us and when you do, we add your name to our mailing list, just like for those of you who signed up today. You've been added to CalABLE's mailing list, and we promise that we don't send out a bunch of spam. We really only provide information when we have events like today, or when we've made changes to the program. Like I mentioned, we are planning on making a significant change to our prepaid card. So once that information is available, you will be the first to know about it and when you can sign up to begin receiving the new card. So please, do sign up to get that information. Like and follow us on social media. Slide 40, please.

We also want to hear from you. We want you to share your stories with us. Jennifer has volunteered to be one of our ambassadors, and she's doing a great job, but we also want to hear the everyday stories of other people who have CalABLE accounts. So as we continue to promote the program, we'd like to enlist your help. We will be sending out invites for folks to share stories, or you can send us an email telling us your story, and we'd be happy to share that. We may give you a call and ask you for some



additional information, but please do feel free to share your stories with us. Next slide, please

We've already set up our next webinar. We'll be taking the month of August off, but in September, we will have a presentation with the UC Davis Health Mind Institute. The focus will be planning the future of your child with special needs. This will be dedicated to parents of children, particularly with autism, and the steps that they can take to help plan for their future knowing that as parents of children, especially those with severe versions of autism, they may not always be around to care for the financial needs of those children, but with a CalABLE account, they will have the ability to plan ahead. So please, if that interests you, please register to attend this event, and we'll be happy to have a conversation with you there too. Slide 42, please.

So with that I'd like to open things up for questions. We've been going through the Q&A throughout today's presentation, but at this time, I'll turn things over to Anne Osborne, and she can help walk us through the Q&A.

**Anne Osborne** Thank you, Dante. The first question we have -- and I do want to say to everyone who had submitted questions, thank you so much. We have been answering them as quickly as we can. If we didn't answer it, we will try to answer it, if not, a lot of these answers can be found in our frequently asked questions, which are posted on our website as well.

**Dante Allen:** Actually, before we get to the first question, can I interrupt you for just a second?

**Anne Osborne:** Sure.

**Dante Allen:** Please forgive me, I forgot to do one very important thing, if you go to the next slide. And that is to say that there is some fine print when dealing with a CalABLE account. This information is available to you, but essentially it says that, like with any other investment program, whenever you invest your money, there is risk involved, and understanding your risk is an important part to making a decision about when to invest, how much to invest, etc. So I wanted to point that out, that CalABLE is an investment program. We cannot guarantee that you will always make money if you choose to invest. And any program that does say that you could do that is not a legitimate program, because the law actually says that we are required to tell you that there is a



potential that you could lose money when investing . So, understanding your risk is an important piece of that.

Now that we have that out of the way, we can go back to questions. And James, feel free to turn off the slides.

**Anne Osborne:** So the first question, Dante, is, am I understanding correctly that increasing the CalABLE account total to \$100,000 can only be done via one, investment in the CalABLE; two, donations from family, friends, and donors; three, transfers from checking and savings accounts? And four what are other sources are allowable in order to increase towards the \$100,000 maximum?

**Dante Allen:** That's a great question. First and foremost, any money can be deposited into a CalABLE account as long as it is cash. You have the ability to put money in up to \$16,000 per year, and that can come from the beneficiary. It can come directly from their employment. So you can put money from your paycheck into your ABLE account. If you are receiving Social Security, you can transfer money from your Social Security benefits into your CalABLE account. You can always grow your money if you are investing, and that can increase the balance.

If you are receiving benefits, and you go above that \$100,000 limit that I talked about, then anything above that \$100,000 would be counted against you. Like say if you are receiving SSI. That \$2,000 limit that you have that first \$100,000 in the ABLE account doesn't count against that. But when you go above it, anything above would be counted against that \$2,000 limit. So those are things to be concerned with.

In addition, I did mention that contributions from friends and family or any third party can also help you to grow your CalABLE account. So really the money can come from essentially all sources, and then anything above \$100,000 would count against your benefits programs.

**Anne Osborne:** Dante, I believe you clarified this, but again, how much is a person with a disability allowed to put into a CalABLE account, and from what resources can they put those funds into the account?.

**Dante Allen** So how much you can put into a CalABLE account depends a lot on whether you are receiving benefits or worried about protecting your eligibility for



benefits. Like I mentioned, if you are receiving SSI, you can grow your account up to \$100,000. Anything above that \$100,000 would count against your benefits. If you are not worried about maintaining benefits eligibility, you can actually put in a lot more than \$100,000. You can continue contributing to your ABLE account until it reaches \$529,000. Once you get to that, your account is still able to grow through your investments. You're just no longer allowed to continue to make contributions to the account.

You are limited to how much you can put in per year. Currently that limit is \$16,000 per year, but that tends to change from time to time. Hopefully that clarifies things a little bit.

**Anne Osborne:** Perfect. We did have a question about, if the person was disabled and then they got cured after being disabled and opened up their account. What happens to the account?

**Dante Allen:** So that's a complicated question. Disability as defined is expected to, the condition is expected to last a year or longer. So during the time that you were disabled, you do maintain your able account, and you are tax protected when you withdraw the money, you can use it for qualified expenses related to your disability. If a person becomes no longer disabled and no longer qualifies for the ABLE account, they can still maintain the money in the ABLE account. They may lose some of the protections of the ABLE account, and really, rather than get into the details of that, I'd really rather have a one-on-one conversation. Most folks who open these ABLE accounts have conditions that are expected to last a lifetime, and if not a lifetime, at least a significant period. So rather than confuse folks with the fact that you may lose your ABLE account, which is not something that happens, I'd rather talk to you directly about what that impact could be for you.

**Anne Osborne:** Perfect. Is there a similar account set up for disabled people who get SSDI, who got disabled, I'm going to guess, after 26?

**Dante Allen:** A couple of things. If you are receiving SSDI, you can still open an ABLE account. You're not limited like you would be with SSI to just that \$2,000 resource limit. So you don't have to worry about maintaining your benefit with an ABLE account. But you still have all of the other benefits of an ABLE account. That is, tax-free growth on the money you invest, pulling that money out without taxes or penalties, as long as

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you're using it for qualified disability expenses. So, an ABLE account could still be beneficial to you even if it's not helping you to maintain your SSDI benefit.

The other piece of that -- and you have to remind me of the question, Anne, I'm sorry.

**Anne Osborne:** Is there an account they can open after age 26?

**Dante Allen:** Oh, after age 26. Currently there is a bill in Congress to raise that age from 26 to 46. It's called the ABLE Age Adjustment Act. It's working its way through the House and Senate. There's a good optimism it could pass this year. If it passes, it means that if your disability began before your 46th birthday, you would be able to open up an ABLE account. So we're very hopeful for that. It's estimated that an additional 6 million people nationwide would become eligible if that law passes. So if you're interested, you can reach out to your Congress folks and let them know that you would love to see the ABLE age adjustment act passed this year.

**Anne Osborne:** Thank you, Dante. This is an easy question. Can you open a CalABLE account if you are over the age of 26?

**Dante Allen:** Absolutely you can. A CalABLE account can be opened at any age as long as the beneficiary's disability began before their 26th birthday. So if you have a disability, and I just heard about a person saying that they weren't diagnosed with autism until later in life, until after their 26th birthday. The reality is that autism is a developmental disability, so if that person had autism later in life, they had it at birth. So they would still be able to open up that ABLE account no matter what. And it's not based on when you had your diagnosis. ABLE eligibility is based on the likely onset of disability. So if you can get a physician to say, this person has a disability and that disability likely began before their 26th birthday, then you'd be eligible to open the ABLE account.

**Anne Osborne:** : We have quite a few questions about qualified disability expenses. I think this is an important question. Is there a fee when you take out money to pay for qualified disability expenses?

**Dante Allen:** That is a great question. I didn't define in my presentation what a qualified disability expense is. So qualified disability expense is any expense related to the beneficiary as a result of living a life with a disability that helps them to maintain or



improve their health, their independence, or their quality of life. So anything that fits in those very broad categories -- health, independence, or quality of life -- would be considered a qualified disability expense. And when you pull money out of a CalABLE account to pay for qualified disability expense, there are no taxes, or penalties, or fees associated with it. So you can pull that money out at any time. The only time that there would be a fee associated with making a withdrawal from a CalABLE account is if you ask for CalABLE to write a check to the beneficiary, their authorized legal representative, or to a third party. If you're doing the electronic transfer I talked about, there's no fee associated with that. If you are loading money onto our prepaid card, there's no fee associated with that.

**Anne Osborne:** Dante, I know you are talking about qualified disability expenses, and just to follow up on this, are there any restrictions as far as what you can spend your money on?

**Dante Allen:** No, there are no restrictions on what you can use your money for. You can even use your money to pay for nonqualified expenses. The only problem is, if you use your money from your ABL account for nonqualified expense, you may be taxed. You may have that money count against your benefits if you are using it for nonqualified expense.

Now there are limits to what would be considered a qualified disability expense, and I can give you a couple of examples of what may not be considered a qualified disability expense. The purchase of any type of illegal item would be considered a nonqualified expense. You can still do it, but you may be penalized for doing it. The same goes for the purchase of gifts for other people. Now remember, the benefit has to be for the beneficiary or the person with the disability. And so if that person is taking money to go and buy, I want to go and buy a car for a friend using money from my ABL account, that's a different story, and that wouldn't be considered a qualified disability expense.

**Anne Osborne:** Thank you, Dante. We have one question here about, to clarify, if one deposits paychecks into the checking account that are already taxed, and then you transfer the amount into CalABLE to keep your bank assets at less than \$2,000, does your employment paycheck disqualify you from continued Medi-Cal benefits?



**Dante Allen:** That is the thing that I was talking about protecting assets, not income. So having an ABLE account doesn't magically turn income into non-income just by putting money into that ABLE account. So that money would still be counted against you as income even though you put it in the ABLE account. It just wouldn't be counted as a resource once the money is in the ABLE account. And so, earning income could interrupt your benefits for the month that you earned that income.

**Anne Osborne:** Perfect. I know we didn't talk about this, but we do have a few minutes. Dante, and the question is regarding when a person passes away, what happens to the CalABLE account?

**Dante Allen:** Yeah. I did see a question about that in the Q&A about that. The question that I received, maybe this one would resonate with the audience a little more. Is it true that the state of California keeps all of the money that was left in a CalABLE account when the beneficiary passes away? And the short answer is no, California does not keep all of the money in that CalABLE account. You may be familiar with the Federal ABLE Act said that Medicaid could file a claim for any money remaining in the CalABLE account to reimburse itself for any healthcare expenses that were paid on that beneficiary's behalf during the course of their lifetime. Here in California, we passed a law that said, MediCal will not seek to recover money from the CalABLE account, when the beneficiary passes away. When the beneficiary passes away, what should happen is that any outstanding qualified disability expenses can be paid, that includes things like death and burial expenses, would be considered a qualified expense, and then that money would be transferred into the estate of the deceased, and it can be divided amongst their heirs or follow any other arrangements that the beneficiary has made.

**Anne Osborne:** Okay, one last question. Does a direct deposit from a checking account to CalABLE give the beneficiary access to transfer money for a qualified expense easily and free?

**Dante Allen:** Yes, that can happen. Let me give myself as an example. I'm a person with a disability. I have a CalABLE account, and I am working. Each month I put in money into my CalABLE account through an automatic transfer. As soon as I get paid, a portion of that money goes directly into my CalABLE account. Now that money is available for me to use at any time for qualified disability expenses, and the way that I would do that is, I could either load money onto my prepaid Visa card once that's available, or I could transfer the money back to my checking or savings account, and



then use the money to make those payments. There are no fees associated with either of those methods.

**Anne Osborne:** Let's see. Cost of CBD considered a QDE?

**Dante Allen:** So again let's look at this from the perspective of, does it help you to maintain your health, your independence, or your quality of life? CBD is legal to purchase. It is, it has health benefits associated with it. So I would say that that would qualify as a qualified disability expense.

**Anne Osborne:** One last question. What is the operational difference between assets and income?

**Dante Allen:** So that is a slightly complicated question. Means tested benefits programs like SSI, like Medi-Cal, like Section 8, all do two tests to see if you are eligible to receive those benefits. They see how much money you earn, or how much money you have access to, and then what assets that you have in your name. And so they make exceptions for your assets. They say you can have one home that you live in. You can have one car that you use to travel to healthcare appointments, etc., and you can have some amount of cash. If you exceed any of those -- say you have two cars or two homes or more than the amount of cash that they allow, then they count that money against your benefits. So if you go above their limit, then you are no longer eligible to receive that benefit.

That is completely unrelated to the amount of income that you earn. Income is whether you earn it on a job or if you are given a monthly stipend, and sometimes even if you receive some kind of inheritance, all of those things are counted as income. Income counts against you the month that you earn it. So if you are receiving income, and you are receiving SSI, so if you get paid this week, it would count against your July benefit. So in August, they may reduce your benefit in order to even things out for having earned too much money in July.

The assets, though, count as long as you have that asset. So if you have more than \$2,000, as long as your assets are above \$2,000, your benefit could be suspended until you get below that money. So those are the major differences between the two.

**Anne Osborne:** Thank you, Dante. That concludes all of our questions that we have in the Q&A. Dante?





**Dante Allen:** All right. Thank you, Anne, for leading us through that question and answer. I want to say thanks again to our special guest and intern, Madeline Handy. I also want to extend my thanks to Jennifer Obakhume, as well as Audrey Noda for providing today's welcome. Also, would love to thank all the folks who helped make today's event possible, including our closed captioner and our sign language interpreters. All of you help to make CalABLE's webinar series as accessible as possible, so I really want to thank you.

But most of all I want to thank those of you who attended today's webinar. We really do rely on you to help spread the word about these CalABLE accounts. So please do continue to tell others. If there is more information that you'd like from us, please don't hesitate to reach out. And we look forward to hearing from you in the future. See you soon. Bye, everyone.

**Anne Osborne:** Bye

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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

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limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

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