



# CalABLE and Special Needs Trusts

Planning for your loved one's future

December 13, 2023



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# 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

A transcript view is also available



## Spanish Interpreter

Click Interpretation in webinar controls and click Spanish

We will answer as many questions as possible. Please email us at [CalABLE@treasurer.ca.gov](mailto:CalABLE@treasurer.ca.gov) if your question is not answered.

# Presentation Slides

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

<https://www.treasurer.ca.gov/able/events/webinars/2023/index.asp>



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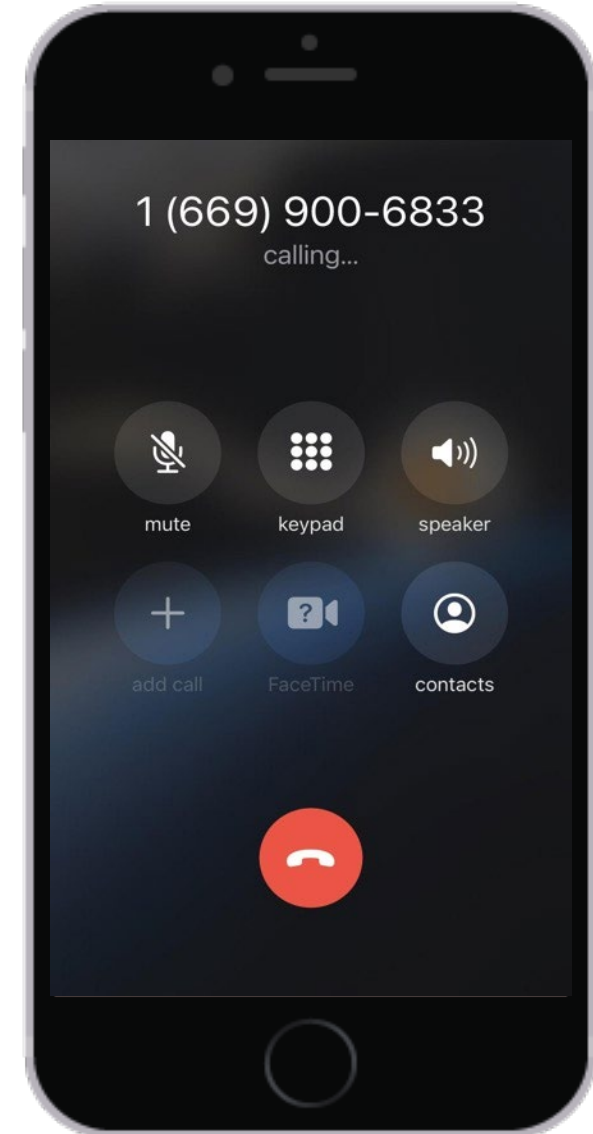
## Audio Options for the Webinar: Telephone

### Via your computer speakers

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

### Via telephone:

1. Call: 1-669-900-6833
2. Enter Webinar ID: 851 4761 4752



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# Submitting Questions

## Q&A Box

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

## Email Us

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

We will answer as many questions as possible. Please email us at [CalABLE@treasurer.ca.gov](mailto:CalABLE@treasurer.ca.gov) if your question is not answered.



# Welcome

Fiona Ma  
*California State Treasurer*



# CalABLE and Special Needs Trusts

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# Poll: I am a...

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- Account owner
- Authorized legal representative / Parent

- State Employee
- Service Provider

- Potential CalABLE participant
- Other

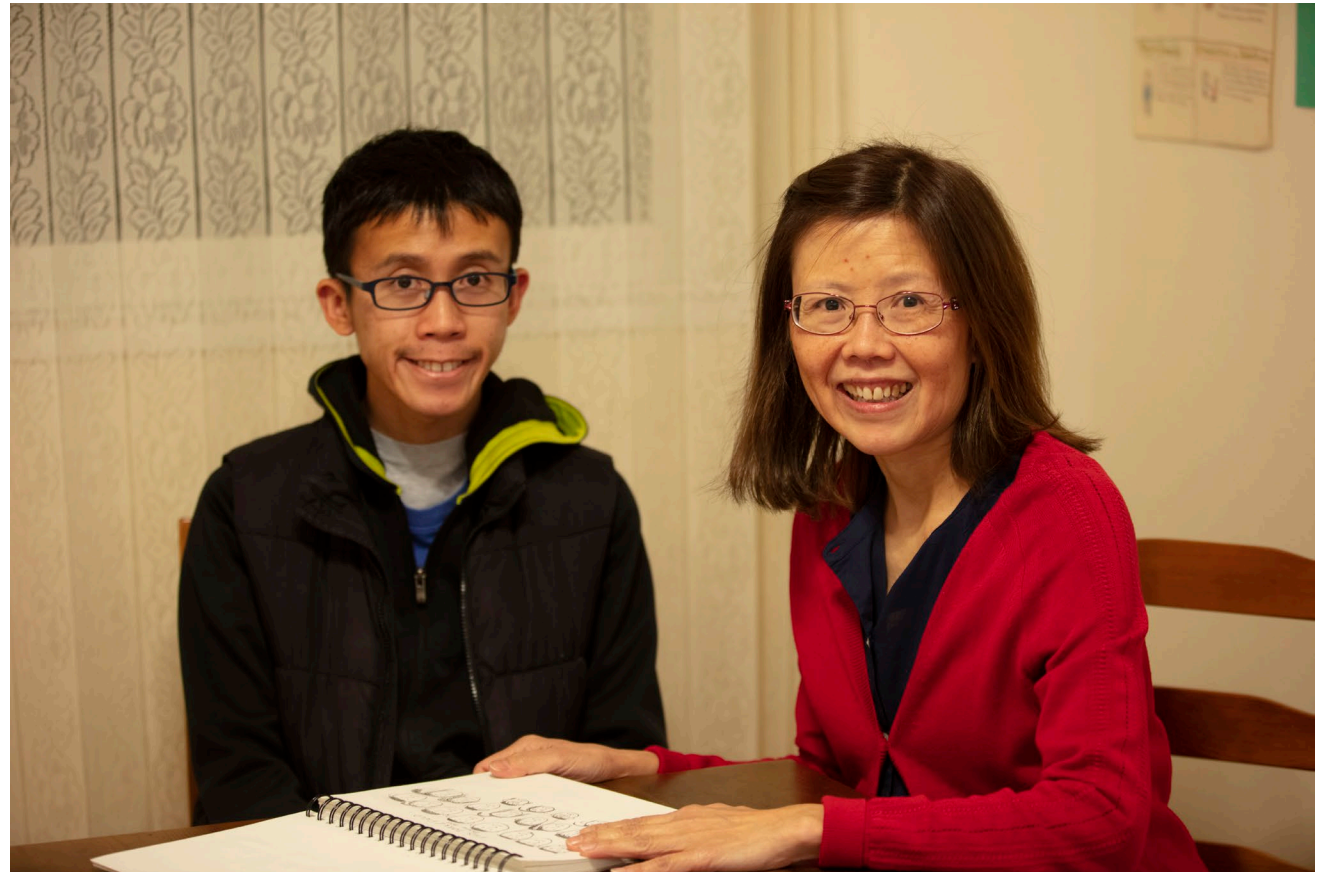




# Poll: How old is the beneficiary?

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- Under 18
- Between 18 - 24
- Between 25 - 65
- Over 65
- N/A



# Poll:

## Do you have a Special Needs Trust?

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Yes

I'm planning  
to set one up

No

N/A



# CaLABLE Basics



CalABLE is a tax-advantaged savings and investment program designed to help people with disabilities achieve their financial dreams.

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With CalABLE, you can save money without losing your eligibility for other benefits.

The money in these accounts can be used for qualified disability-related expenses, such as education, housing, and transportation.



## Who is Eligible for CalABLE?

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You have a disability that began before age 26

- You meet the eligibility criteria for disability benefits like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).

Or

- You can self certify if your disability is on the SSA List of Compassionate Allowances or Blue Book listing
  - You may be asked to provide a [signed letter](#) from a qualified physician

\* The age limit for onset of disability to increase from 26 to 46 starting in 2026 (ABLE Age Adjustment Press Release)



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## How much you can contribute to your CalABLE account in 2023?

**\$17,000**

Amount contribution cap

*(contributions only)*

**\$100,000**

Total cap of recipients  
of SSI benefits

*(contributions + earnings)*

**\$529,000**

Total contribution cap  
for CalABLE

*(contributions + earnings)*

*CalABLE will automatically reject excess contributions*



## New Contribution Limits for 2024

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**\$18,000**

2024 Annual Contribution Cap

**\$14,580**

2024 Additional Contributions  
through ABLE to Work

These contribution limits will go into effect on January 1, 2024. Remember, for 2023 the annual contribution cap is \$17,000 and the ABLE to Work cap is \$13,590.



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# Invest your money

- CalABLE offers 8 professionally managed investment portfolios
- Potential tax-free growth
- Opportunity to build wealth through compound earnings
- Low annual fee of \$30
  - Investment and state administrative fees generally total between 0.28% - 0.45% of the account's balance per year

Please see the appendix for [investment options](#) and [account fees](#)





# Poll:

## What are you saving for?

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First home

Education

Service dog

Recreation and vacation

Accessible vehicle

Technology or equipment

Health and wellness





## What can I spend my money on?

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**Education**

**Housing**

**Transportation**

**Employment training  
and support**

**Assistive technology and  
related services**

**Personal support services**

**Health Prevention  
and wellness**

**Funeral and burial**

**Legal fees**

**Expenses for ABLÉ account  
oversight and monitoring**

**Financial management and  
administrative services**

**And more**

You can spend your CalABLE funds on anything that helps you live your best life!

This means any expense that helps the account holder maintain or improve their health, independence or their quality of life.

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



## How do I open an account?

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### What do I need to know before I open an account?

- Participants can only have one ABLE account
- The person with a disability is always the ABLE account owner and beneficiary of the funds
- Account can be opened by the person with a disability or an Authorized Legal Representative



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## Who can be an Authorized Representative:

**Legal guardian/conservator**

**Spouse**

**Parent**

**Sibling**

**Grandparent**

**Power of attorney**

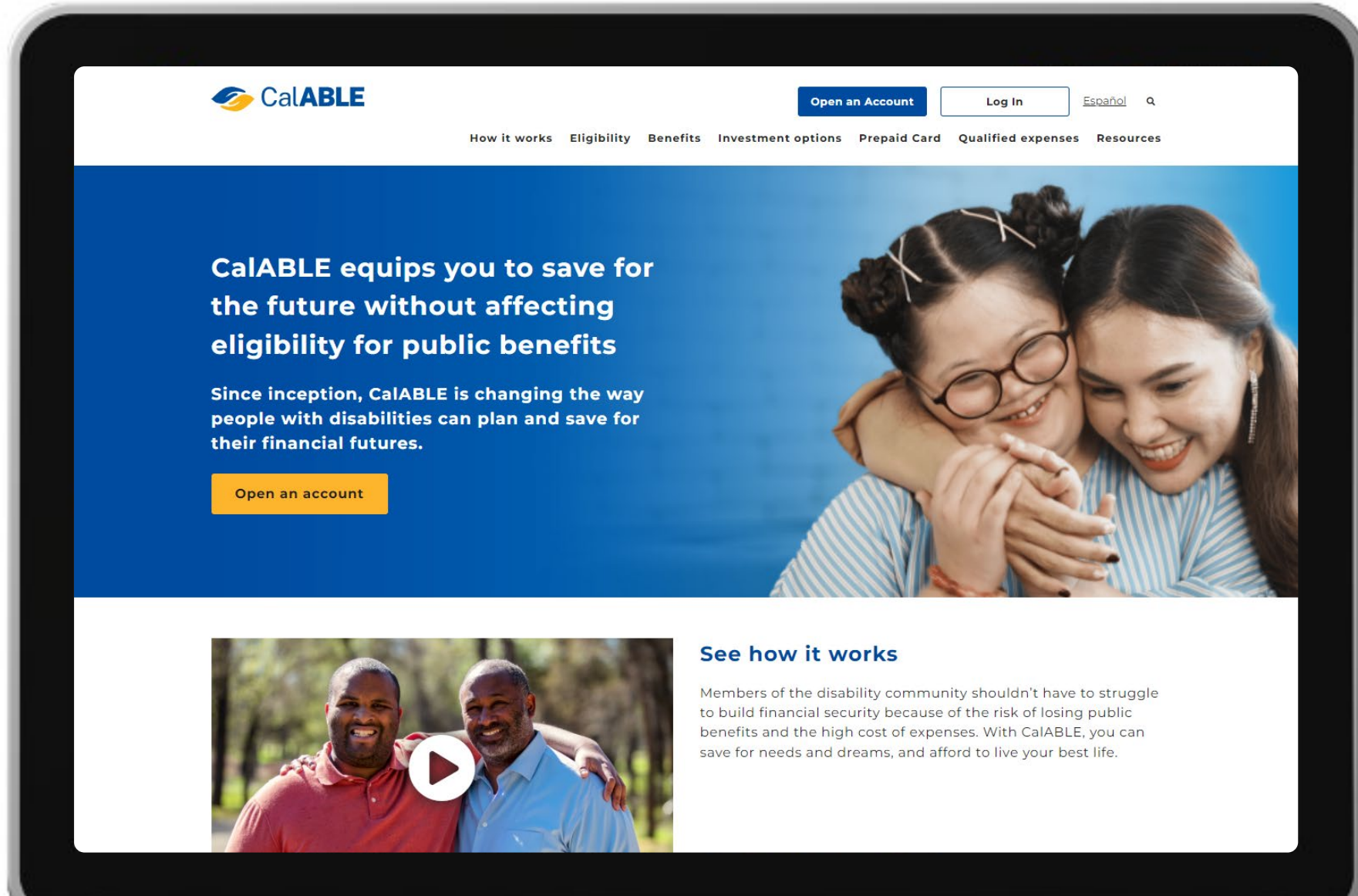
**Representative payee appointed for the eligible individual by the Social Security Administration**

## The role of the Authorized Legal Representative

An Authorized Legal Representative (ALR) is someone who is allowed under state and federal law to make decisions for the CalABLE account beneficiary. There can be only one ALR per account, but regardless of who opens the account, the beneficiary is the sole owner of all the funds.



# Get started today: CalABLE.ca.gov





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**"I want Amelia to have money in her name, like her brothers already can. A CalABLE account helps prepare her for living life on her terms, and even her great-grandma can help her save."**

Kelly Kulzer-Reyes

Parent / ALR

# Special Needs Trusts

# Reminders





## Get your contributions in before the end of the year!

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Checks must be received and be in good order by Friday, December 29, 2023, and electronic contributions via linked bank accounts must be entered by 4 pm EST on Thursday, December 28, 2023.



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## Ask family and friends to contribute via Gifting!

- Set up a gifting page, and anyone who has a link can contribute towards your goal!
- Gift contributions do not count as income
- Gift contributions count toward your yearly contribution limit. So, if you've already reached the limit, your page will remain public, but no one can contribute again until next year.
- Promote your gift page with your own personalized link that you can post to social media or send via email.



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# Access your money easily with a prepaid card

- Load funds onto your prepaid debit card anytime from your CalABLE account
- Use it to pay for qualified disability expenses anywhere Visa® debit cards are accepted\*
- Customize your spending - set where your card will and won't work to avoid fraud
- Track your spending and upload receipts
- You can have two separate cards - one for the beneficiary and one for the authorized legal representative
- No monthly fees\*

\*Please see the cardholder agreement for any fees that may apply





## Strengthen Your Financial Education with CalABLE's Financial Fitness Center

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Start the new year off right by planning a budget in advance! CalABLE's Financial Fitness Center can help you determine your monthly income and expenses to create a budget, so you know where your money is going instead of wondering where it went. Learn more: [Creating a Budget Module](#)

To access the Financial Fitness Center, visit <https://calable.ca.gov/resources>



### Creating a Budget

Have you ever run out of money before the end of the month? Determine your monthly income and expenses to create a budget so you know where your money is going instead of wondering where it went.

[Explore →](#)

# Contact Us

## CalABLE Service Center

- Phone: 833-Cal-ABLE (833-225-2253) between 6am and 5pm PT
  - For those with a hearing impairment, please contact us at the number above via a relay service
- Customer Support Form: <https://www.sumday.com/customer-support/calable>

# Resources

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[Partner Toolkit](#)



[YouTube](#)



Brochures



[Twitter](#)



[Instagram](#)



[Facebook](#)

*Stay up to date with the latest news and join the conversation on social media*



# CalABLE 101

January 10, 2024

2:00 P.M. - 3:30 P.M. PT

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/join/register/WN\\_51meoaPOR7iQpzdhbDg3oQ](https://us06web.zoom.us/join/register/WN_51meoaPOR7iQpzdhbDg3oQ)



## CalABLE Monthly Webinar Series



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

**In this webinar, we will explore:**

- What is CalABLE?
- Our top five frequently asked questions
- Resources

CalABLE is governed by the California ABLE Act Board, an instrumentality of the State of California. Vestwell State Savings, LLC ("Vestwell") is the program administrator. More information about the program can be found at [calable.ca.gov](http://calable.ca.gov).



**Detalles en español en el post de abajo**



## Fill out the anonymous webinar survey!

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1. I am a... CalABLE participant, ALR, potential CalABLE participant, service provider, State employee, other.
2. Email or phone number (optional if you would like follow-up)
3. What did you like most about this event?
4. What could we have done better?
5. Do you have any questions we didn't answer?
6. Things I wish I knew when I started CalABLE





# Disclosure

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This website, presentation, and any blogs or other promotional materials do not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service by Vestwell State Savings, LLC or any of its parents, subsidiaries, affiliates (collectively, "Vestwell") or another third party. Vestwell does not make any representations regarding the appropriateness or suitability of any securities, products, investments, or services and Vestwell does not provide legal, tax, financial, or investment advice to any individual. Vestwell State Savings, LLC is a service provider to certain state-sponsored retirement, college savings, and ABLE programs ("Program"). Any information on or in our website, presentations, blogs, or marketing materials relating to any Program is provided for general education purposes only and should not be used or interpreted by anyone for any other purpose. Any link from this website to a third party website, including any link to a website of any Program website is not an endorsement or recommendation of such Program or regarding any investment options available in such Program, nor is it a statement or opinion as to the accuracy or completeness of any information. All investments involve risk, including the total or partial loss of principal, market fluctuations, liquidity and interest rate risks, domestic and international risks, and inflation-related risks, among many others. Investors are solely responsible for determining whether any investment, investment strategy, security, or transaction affecting their account in any such Program is appropriate for them. Investors should consider consulting their own business advisor, attorney, or tax and accounting advisor regarding their specific business, legal or tax situation, and should review the offering document or other disclosure provided by the Program or issuer of any security before deciding whether to make an investment.

# Disclosure

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CalABLE's investment options are selected by the California ABLE Act Board. Account balances in CalABLE will vary with market conditions and are not guaranteed or insured by the California ABLE Act Board, the State of California, the Federal Deposit Insurance Corporation ("FDIC"), Vestwell, or any other organization.

Neither Vestwell nor the California ABLE Act Board are investment or tax advisors and do not provide tax, legal, financial, or other investment advice. You should consult appropriate professional advice or consultation if you have questions related to taxes or investments. Consider the investment objectives, risks, charges and expenses before investing in the CalABLE. Please call toll-free 833-CAL-ABLE for a Disclosure Statement containing this and other information. Read it carefully. Before investing in any savings 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 savings 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 savings program, or any other state savings program, to learn more about those plans' features, benefits and limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The 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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**"I'm just glad that there is something out there for our children that will benefit them. For our low-income community and for the people that don't really know a lot about money...I think it's time for us to think about our children."**

Brenda Pascual

Parent / ALR and CalABLE Ambassador

**Thank you!**



# Q & A

# Appendix



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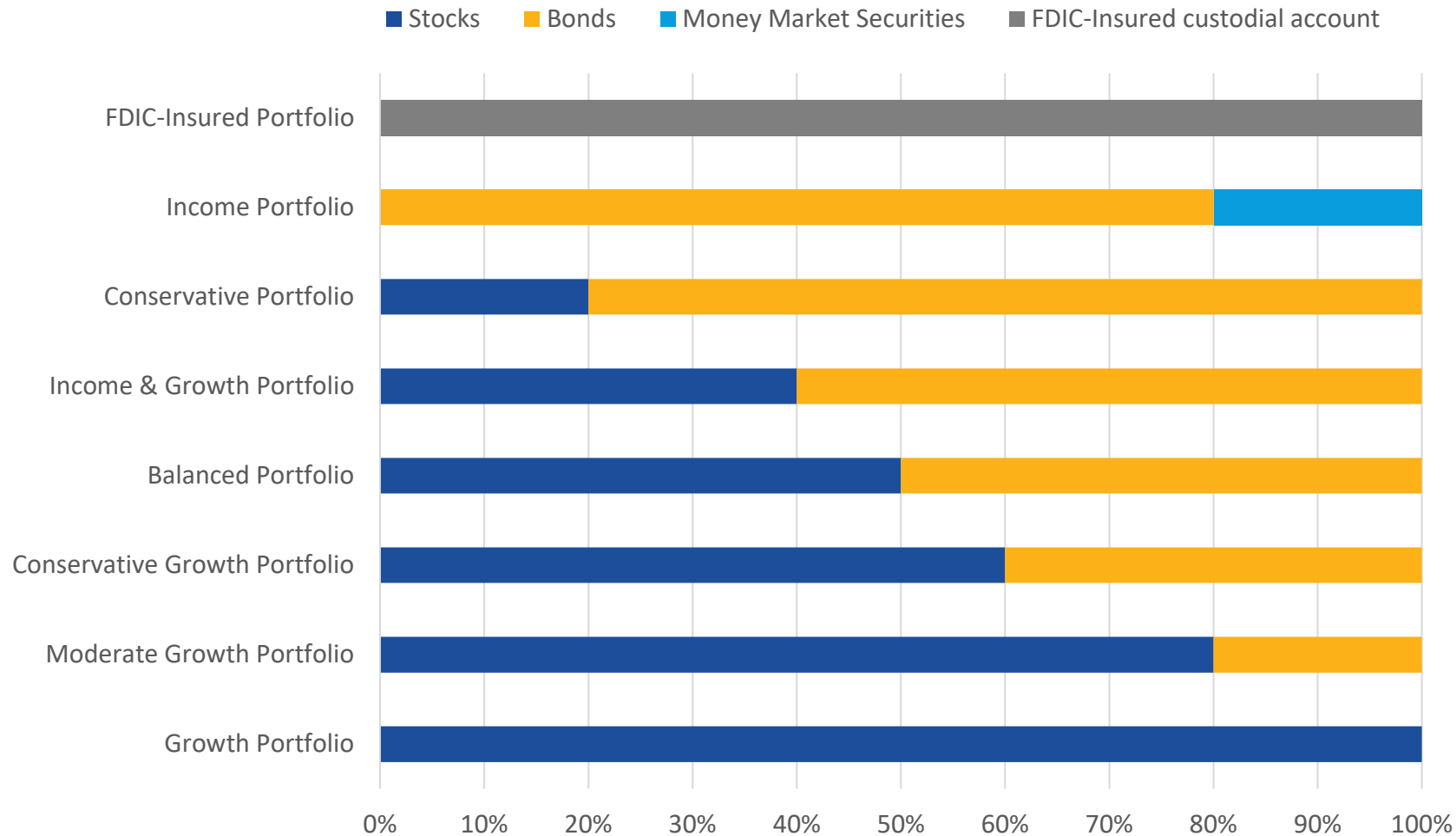
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- [Account Fees Example](#)
- [CalABLE versus Special Needs Trusts Additional Comparison](#)
- [Creating Your Gifting Page](#)
- [Why Choose CalABLE?](#)

# CalABLE Investment Portfolio Options



# CalABLE Investment Portfolio Options



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# CalABLE Investment Portfolio Options

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FDIC Account



Income Portfolio



Conservative Portfolio



Income and  
Growth Portfolio



Balanced Portfolio



Conservative Growth  
Portfolio



Moderate Growth Portfolio



Growth Portfolio

# CalABLE Investment Portfolio Options 1-4

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## FDIC Account

The FDIC account offers insurance protection for amounts contributed to the Cash Option, up to FDIC-permitted limits. The Cash Option allocates 100% of its assets to a demand deposit account established by the Trust at the Bank (the “Bank Account”).



## Income Portfolio

The Income Portfolio seeks to provide investors limited capital appreciation with minimal risk to principal. The Portfolio is designed for investors with a very low tolerance for short-term market fluctuations who want low risk to principal and have a high desire for current income with limited capital appreciation. The Portfolio investments include a mix of fixed income investments with a significant cash (Money Market Fund) position.



## Conservative Portfolio

The Portfolios included in the Conservative Year are designed for investors with a low tolerance for short-term market fluctuations who expect modest capital appreciation with limited risk to principal.



## Income and Growth Portfolio

The Income and Growth Portfolio seeks to conservatively grow the Portfolio with modest income at higher risk. The Portfolio is designed for investors with a moderate tolerance for short-term market fluctuations that who expect moderate capital appreciation and have a modest desire for income. The Portfolio investments include exposure to a mix of bonds with a blend of globally diversified equity securities.

# CalABLE Investment Portfolio Options 5-8

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## Balanced Portfolio

The Balanced Portfolio seeks to provide a balanced mix of steady return and growth but comes with additional risk. The Portfolio is designed for investors with a modest tolerance for short-term market fluctuations and a desire for income and moderate capital appreciation. The Portfolio investments include a balanced mix of bonds and globally diversified equity securities.



## Conservative Growth Portfolio

The Conservative Growth Portfolio seeks to grow the Portfolio moderately with low income but comes with increasing degree of risk. The Portfolio is designed for investors with a moderately high tolerance for short-term market fluctuations who expect significant capital appreciation and have a minimal desire for current income. The Portfolio investments include a blend of globally diversified equity securities with exposure to a mix of bonds.



## Moderate Growth Portfolio

The Moderate Growth Portfolio seeks capital appreciation but comes with high degree of risk. The Portfolio is designed for investors with a high tolerance for short-term equity market fluctuations who expect capital appreciation and have low desire for income. The Portfolio investments are generally a blend of globally diversified equity securities.



## Growth Portfolio

The Growth Portfolio seeks to maximize growth but comes with the highest degree of risk. The Portfolio is designed for investors with a very high tolerance for short-term equity market fluctuations who expect maximum capital appreciation and have no desire for income. The Portfolio investments are generally a blend of globally diversified equity securities.

## Allocation of Underlying Mutual Funds by Target Risk Investment Option

Each Target Risk Investment Option pursues its investment objective by investing in certain underlying mutual funds. The table to the right reflects the target allocations of underlying mutual funds for each of the Target Risk Investment Options, as well as the FDIC-Insured Investment Option, under the Plan's investment policy.

Fund Name	Ticker	Percent Allocation of Investment Option						
		Income Portfolio	Conservative Portfolio	Income and Growth Portfolio	Balanced Portfolio	Conservative Growth Portfolio	Moderate Growth Portfolio	Growth Portfolio
Fidelity® Total Market Index Fund	FSKAX	0%	7%	13%	17%	20%	26%	33%
Schwab Total Stock Market Index Fund®	SWTSX	0%	6%	13%	16%	19%	26%	32%
Fidelity® International Index Fund	FSPSX	0%	5%	10%	12%	15%	20%	25%
Fidelity® Emerging Markets Index Fund	FPADX	0%	2%	4%	5%	6%	8%	10%
Fidelity® U.S. Bond Index Fund	FXNAX	30%	30%	25%	22%	17%	9%	0%
Schwab U.S. Aggregate Bond Index Fund	SWAGX	30%	30%	25%	20%	17%	8%	0%
Fidelity® Long-Term Treasury Bond Index Fund	FNBGX	5%	5%	4%	4%	4%	3%	0%
Schwab Treasury Inflation Protected Securities Index Fund	SWRSX	3%	3%	2%	2%	2%	0%	0%
Vanguard Emerging Markets Bond Fund Admiral Shares	VEGBX	6%	6%	2%	1%	0%	0%	0%
Vanguard High-Yield Corporate Fund Admiral Shares	VWEAX	6%	6%	2%	1%	0%	0%	0%
Vanguard Cash Reserves Federal Money Market Fund Admiral Shares	VMRXX	20%	0%	0%	0%	0%	0%	0%

# Changing investment selections

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You may change the way in which future contributions are invested at any time. However, you may only change your investment choices **twice per calendar year** once the money is in your account.

## Please note:

Before investing, carefully consider the Plan's investment objectives, risks, fees, and expenses. This information and more about the Plan may be found in the CalABLE Account Plan Disclosure Booklet, which should be read fully and carefully before investing. The investment option descriptions contained on this website are provided for informational purposes only and do not constitute financial, investment, or other advice nor is any information presented to you intended as an offer, recommendation, endorsement, or solicitation to purchase any investments. Beneficiaries or their Authorized Legal Representatives are solely responsible for the selection of their investment options.

# Account Fees Example

## What are the account fees?

\$3,000 Assumed Assets

	FDIC-Insured Portfolio	Investment Portfolios
Account Maintenance Fee	\$ 30.00	\$ 30.00
Underlying Investment Fees*	\$ 0.00	\$ 0.92 – \$ 2.23
Program Management Fee	\$ 0.00	\$ 3.00
State Administrative Fees	\$ 8.40	\$ 8.40
<b>Total Annual Fees**</b>	<b>\$ 38.40</b>	<b>\$ 42.32 – \$ 46.63</b>

\* 0.000% FDIC  
0.074% Income

0.060% Conservative  
0.041% Income and Growth

0.036% Balanced  
0.032% Conservative Growth

0.031% Moderate Growth  
0.031% Growth

\*\* An additional \$10 fee will be assessed if paper statements are selected. There is no fee for e-delivery of statements.



# CalABLE vs Special Needs Trusts

# CalABLE vs. Special Needs Trusts

	CalABLE	Special Needs Trusts
Set Up	Can open by yourself online in 20 minutes or less.	Generally, need to work with an attorney to create.
Ownership & Control	Individual with a disability is the owner. They, or an Authorized Legal Representative, can manage and spend the money.	A Trustee manages the Trust and has sole discretion over spending.
Purchases	Broad range of allowable uses, including food and housing.	Broad range of allowable uses, but not food or housing.
Cost	Free to open. Fees start at just \$30 a year. Investment fees will vary.	Varies; anywhere from a few hundred to a few thousand to start, plus ongoing costs.
Contribution Limits	Anyone can contribute. Deposits limited to \$17K/year (possibly more if individual is employed)	Contributors are limited (may not include Beneficiary). No deposit limits.
Medi-Cal Payback	Medi-Cal will not seek recovery from a CA resident and CalABLE account.	Only first-party (self-settled) trusts must pay back Medi-Cal.
Investment Options?	Yes, eight options. Offers ability to grow your money. Account owner chooses how to invest.	Yes, options vary. Offers ability to grow your money. Trustee chooses how to invest.
Taxes	Tax-free withdrawals for qualified expenses.	Earnings are taxed.

# Creating Your Gifting Page



## How do I set up my gifting page?

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1. Sign in: Click the gifting link on your account overview page.
2. Choose what people see: Select whether or not you want to share the progress you've made toward your gifting limit.
3. Review & Publish: Get a preview of what it will look like when someone visits your gifting pages and click on "Go Live" if everything looks good.
4. Share: Once your page is created, you'll get a direct link to it that you can post directly on social media or send to friends and family.
5. Received Contributions: You'll get an email to let you know every time someone makes a gift contribution to your account.

# Why Choose CaLABLE?



## 5. Why choose CalABLE?

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- CalABLE empowers you to save and plan for your future – You are in the driver's seat
- Your benefits are protected
- Your money is protected from Medi-Cal recovery
- Family and friends can contribute to your account
- You can grow your money tax-free
- You can spend your money on items and experiences that make your life better
- You become a part of the CalABLE Community – **We are CalABLE**

