



CalABLE Basics

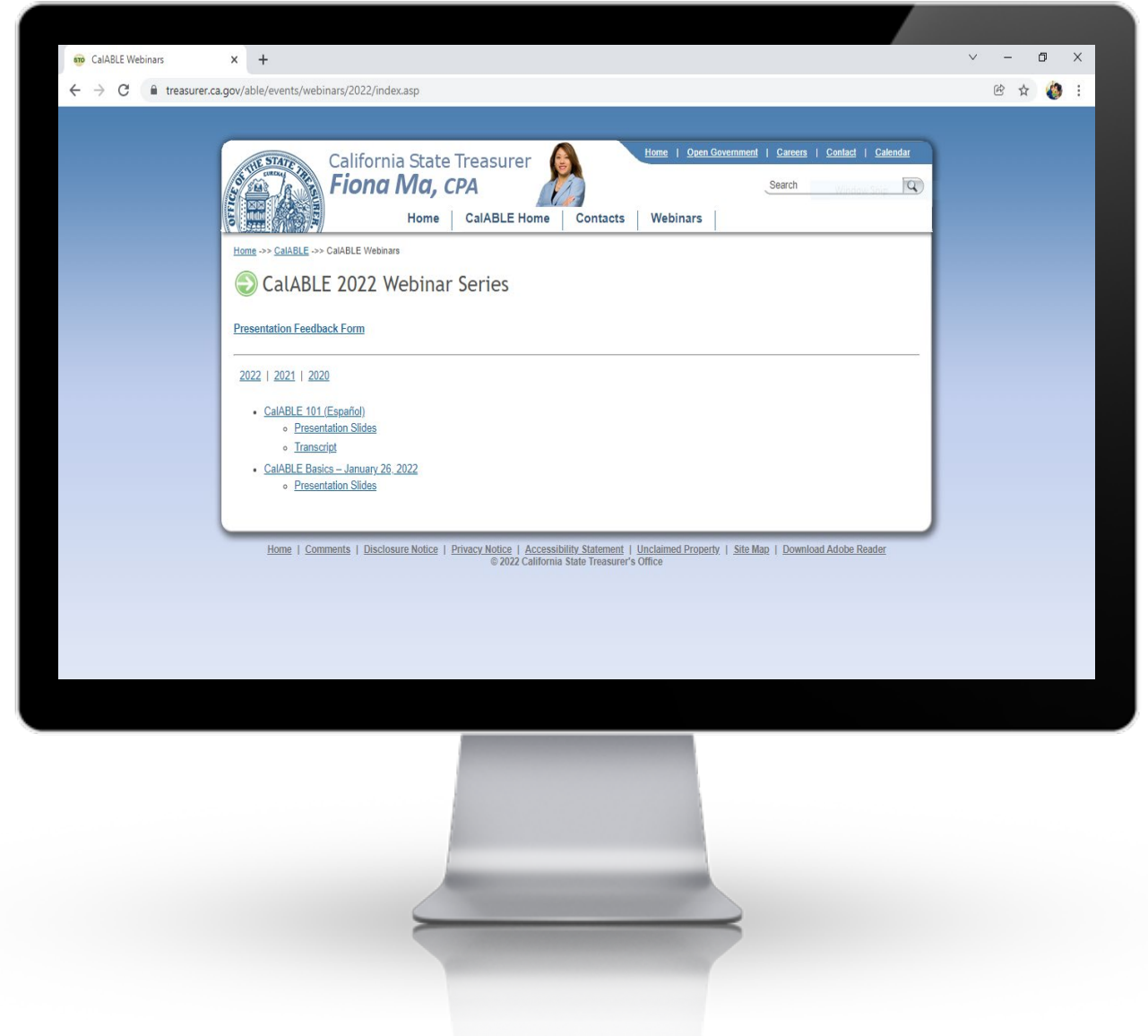
2023

Webinar Setup

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>



Audio Options for the Webinar: Computer Speakers

Via your computer speakers

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

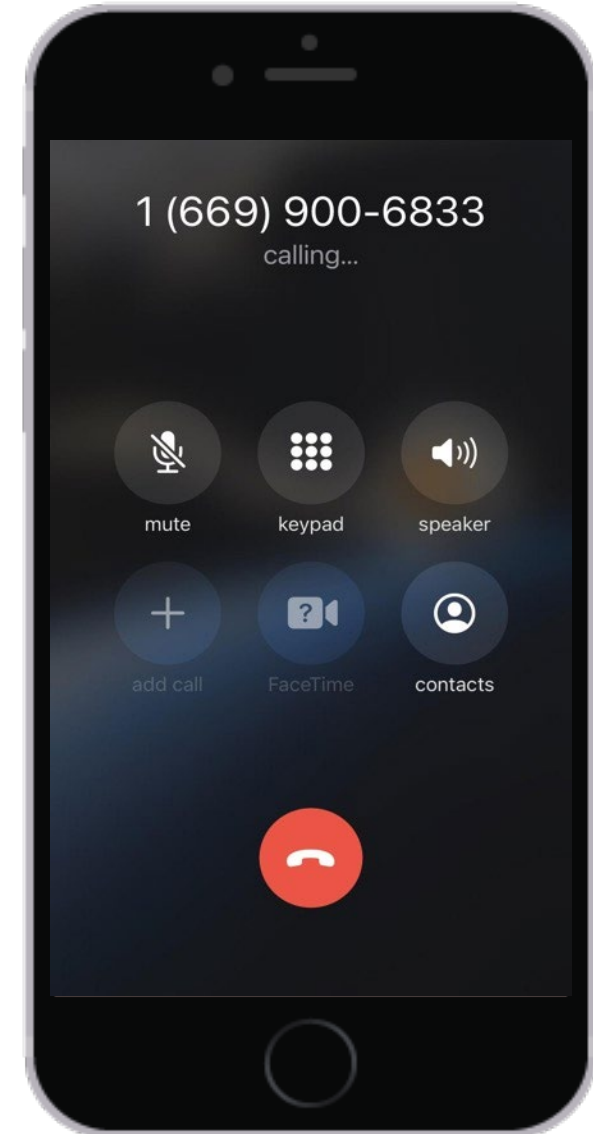
Don't forget

- You can adjust the volume if needed.

Audio Options for the Webinar: Telephone

Via telephone:

1. Call: **1-669-900-6833**
2. Enter Webinar ID: **897 3078 0093**



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.



Welcome

Fiona Ma
California State Treasurer

Today's Topics

1 What is **ABLE**?

2 Who can open a **CalABLE** account?

3 Why should you open a **CalABLE** account?

4 How much does a **CalABLE** account cost?

5 How do you access **CalABLE**?

6 Q&A

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



What Is ABLE?

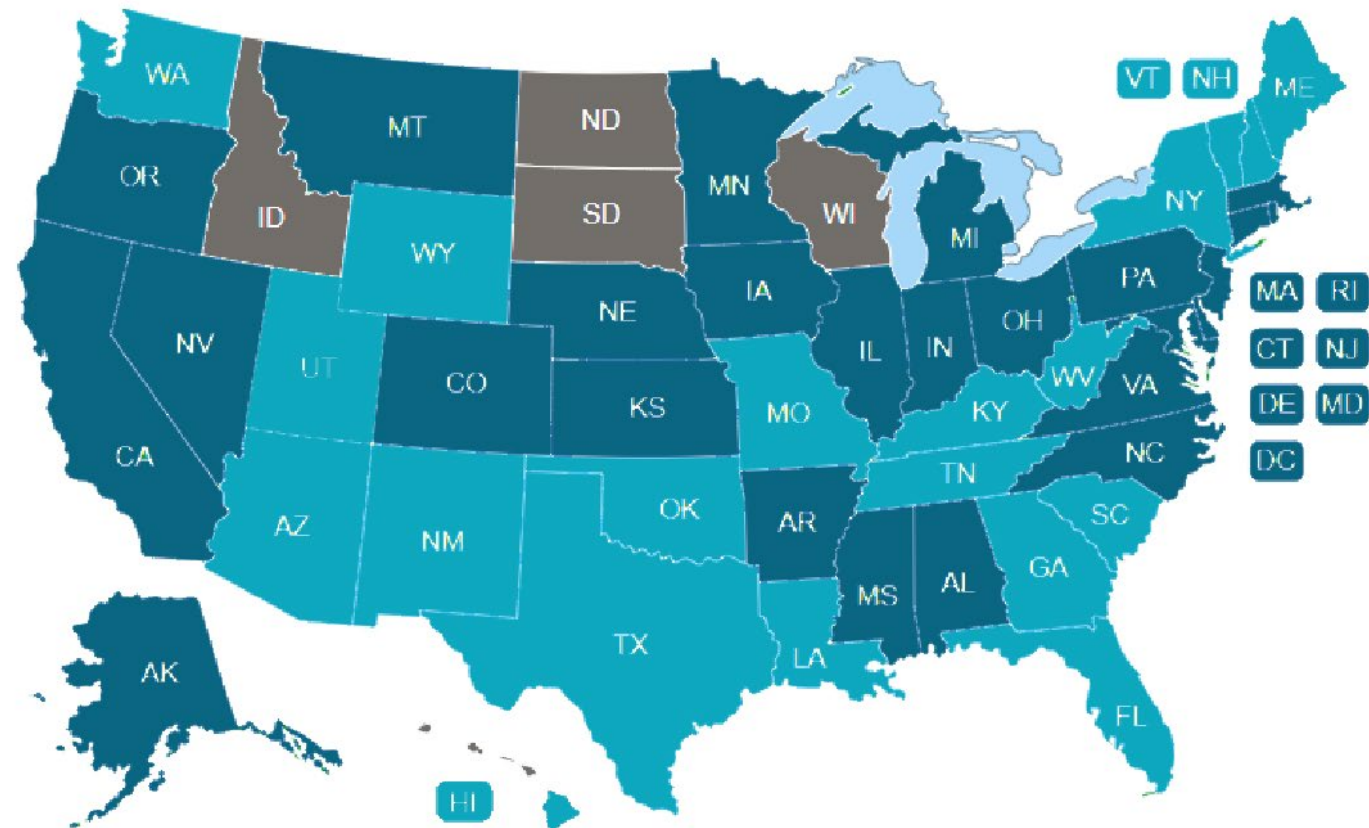
Achieving a Better Life Experience (ABLE) Act

- The Stephen Beck, Jr. Act encourages individuals with disabilities to save after tax dollars to support their health, independence and quality of life
- Added section 529A to IRS tax code
- CalABLE launched in December of 2018



ABLE States

- Accepts out of state residents
- Accepts only in state residents
- State does not have ABLE accounts



Similarities Across ABLE Programs

- Based on same federal law
 - Tax-advantaged savings and investment accounts for people with disabilities
 - Eligibility requirements
 - Annual contribution limits
 - Benefits protection
-



Potential Differences in ABLÉ Programs

- Fees may vary*
- Program rules and features may vary, such as how you access your money
- States may have passed additional laws that provide benefits to in-state residents



* Consider other potential costs in addition to direct fees

What Makes California Different?

- Upon the death of a beneficiary, the assets in their CalABLE account are protected from Medi-Cal estate recovery ([SB 218](#), [AB 2216](#))
 - CalABLE accounts are exempt from the enforcement of monetary judgments ([AB 688](#))
-



California is the Third Largest Independent ABLE Program

Since 2019, people have entrusted CalABLE with over \$79 million in assets and opened over 8,400 accounts.



Who can open a CalABLE Account?

Who is Eligible?

You can open an ABLE account at any age if:

- You have a disability that began before age 26*
- If you meet the eligibility criteria for disability benefits like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).



* Age limit for onset of disability to increase from 26 to 46 starting in 2026
([ABLE Age Adjustment Press Release](#))

What if I'm Not on Benefits?

- You can **self certify**
- Your disability is on the SSA List of Compassionate Allowances or Blue Book listing
- **You need a signed letter from a qualified physician**
- You must confirm under penalty of perjury you were disabled **before age 26***

* Age limit for onset of disability to increase from 26 to 46 starting in 2026 ([ABLE Age Adjustment Press Release](#))



Self Certification

[Home](#) [Profile](#) [Logout](#)

Initial Enrollment Type ✓

Account Administrator ✓

Delivery Options ✓

Account Beneficiary ✓

Eligibility Requirements ✓

Diagnosis Doctor ✓

Work Status ✓

Investment Options ✓

Plan Contribution Methods ✓

Optional Information ✓

Application Certification

CERTIFICATIONS & ATTESTATIONS

Great job, almost done!


Based upon the information you provided in the application, we need you to review and attest to the following:

Certification Under Penalties of Perjury

- I certify under the penalties of perjury that the Beneficiary's disability information is true and accurate and that I will report any change in disability status that could affect eligibility.
- I certify under the penalties of perjury that the Beneficiary's disability onset occurred prior to the Beneficiary turning 26 years old.
- [Applicable only if you are an Authorized Legal Representative opening an account for someone other than yourself]: I certify under the penalties of perjury that I am authorized to open this account for the Beneficiary because I am either the Beneficiary's power of attorney, conservator, legal guardian or conservator, the spouse, a parent, a sibling, a grandparent or a representative payee (individual or organization) appointed by SSA and that there is no other willing and able person with a higher priority to do so.
- I certify under the penalties of perjury that I understand the maximum CalABLE account limits, the consequences for excess contributions, and how account values in excess of \$100,000 may affect the Beneficiary's eligibility for the Supplemental Security Income program.
- I certify under the penalties of perjury that all of the information above and all other information contained in this application is true and correct.
- I certify under penalties of perjury that the Beneficiary does not have any other qualified ABLE accounts at this time (except in the case of a pending Rollover or Program - to - Program transfer).

I certify under the penalties of perjury that the above information is true.

[Back](#) [Next](#)



More Account 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

Authorized Legal Representatives | ALR

- Power of attorney
 - legal guardian/conservator
 - Spouse
 - Parent
 - Sibling
 - Grandparent
 - Representative payee appointed for the eligible individual by the Social Security Administration
-



Why should you open a **CalABLE** account?

Benefits Protection

- Assets in a CalABLE account are not counted as a resource
 - 3rd party contributions are not counted as income
 - Withdrawals for qualified disability expenses are not counted as income or resources
-



Account Contributions

\$17,000

**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 \$17,000 annual contribution limit, if they or their employer are **not** contributing to a retirement plan **that calendar year.**

ABLE to Work Contribution Limit

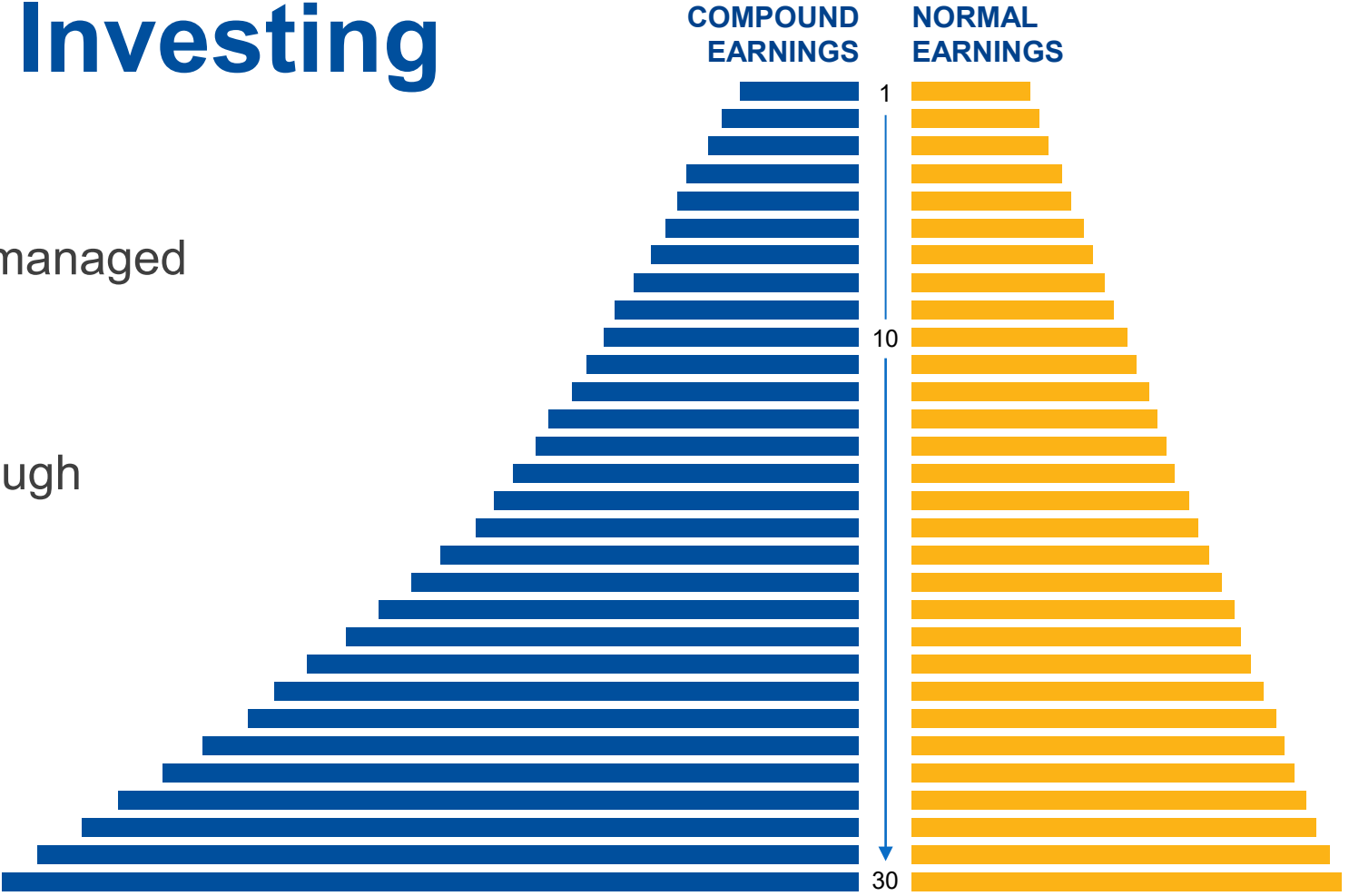
Account holders can contribute
whichever is less:

- Amount equal to annual gross salary or
 - Federal Poverty Level (\$13,590 in 2022)
 - For a potential maximum of \$30,590
per year (\$17k + \$13,590)
-



You Can Grow Your Money Through Investing










- CalABLE offers professionally managed investment portfolios
- Potential tax-free growth
- Opportunity to build wealth through compound earnings



To Strengthen Four Financial Education, Visit CalABLE's Financial Fitness Center

- <https://www.treasurer.ca.gov/able/financial-fitness.asp>
- <https://www.calable.ca.gov/>

Select a Playlist

<p>Building Financial Capability </p> <p>Learn how to manage your money and avoid financial dangers.</p> <p>Explore</p>	<p>Investing in Your Future </p> <p>Learn how to be more financially prepared in the years ahead.</p> <p>Explore</p>
<p>Financial Caregiving </p> <p>Learn more about the responsibilities of caring for another person's finances.</p> <p>Explore</p>	<p>Financial Foundations </p> <p>Understand the basics of some key financial concepts.</p> <p>Explore</p>
<p>Growing Your Small Business </p> <p>Learn more about what it takes for your small business to thrive.</p> <p>Explore</p>	<p>Preparing for Retirement </p> <p>Learn how you should prepare for an eventual retirement.</p> <p>Explore</p>
<p>Owning a Home </p> <p>Explore the benefits and costs of buying and owning a home.</p> <p>Explore</p>	<p>Small Business Essentials </p> <p>Understand the financial basics of managing a small business.</p> <p>Explore</p>
<p>Building Financial Resilience </p> <p>Explore tips for overcoming financial crisis.</p> <p>Explore</p>	

Save, but Also Spend

- The money you save is for your needs and goals and can be spent any time for qualified disability expenses without taxes or penalties
- 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.

How much does a
CalABLE account cost?

Account Fees

- Account maintenance fee: \$3.08 per month (\$37 /year)
- State administrative fee for investment portfolios: based on percentage of your balance*
- Underlying investment fees: depending on your investment choices

CalABLE Example 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
Total Annual Fees*	\$37	\$52.60 to \$52.90

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

No Costs

- To open or close account*
- To rollover from ABLE or College Savings Account
- For most transactions**

* penalties for non QDE may apply

** \$5 check fee, \$10 paper statement fee



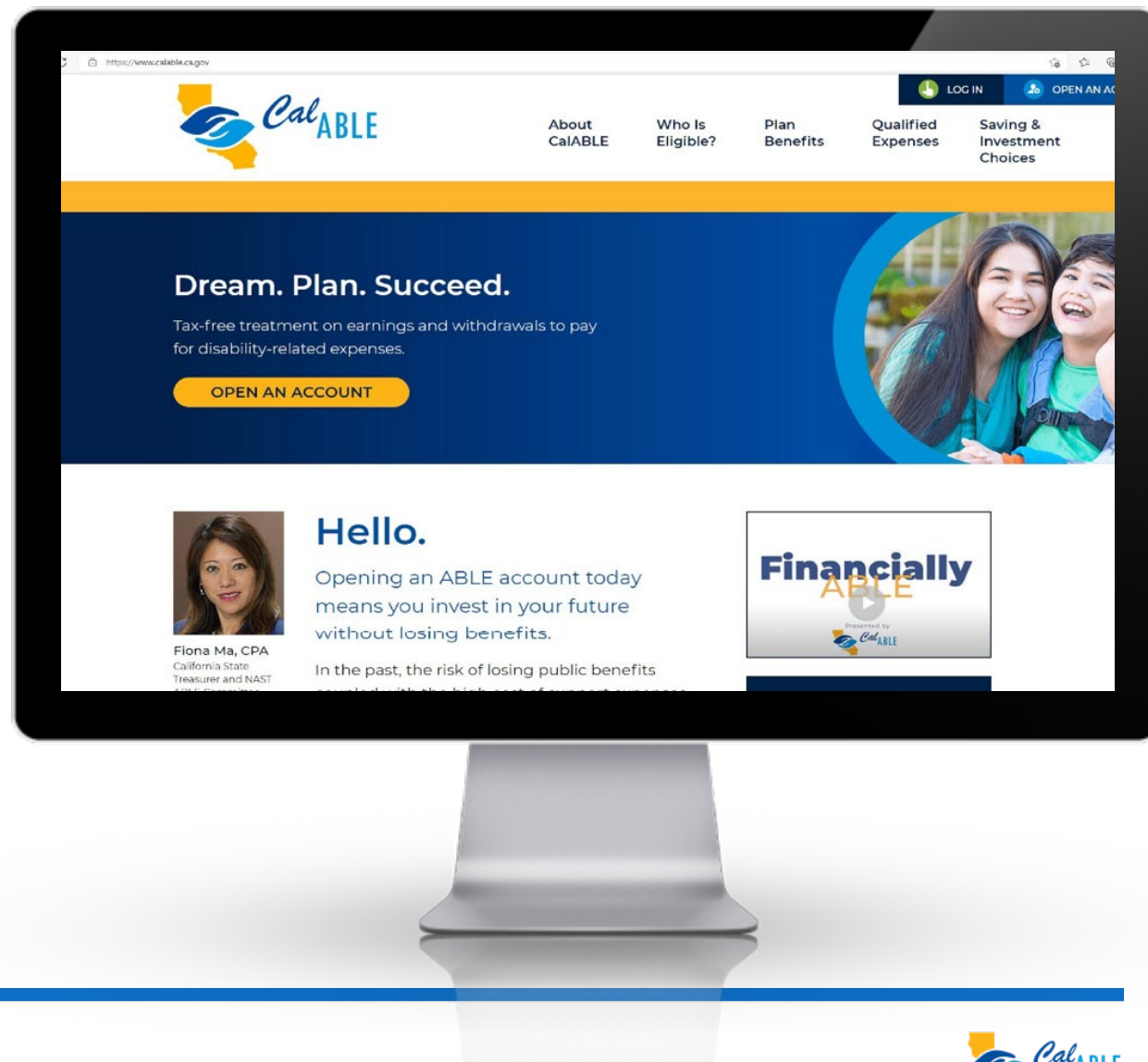
Ready to Open Your Account?

Get started at CalABLE.ca.gov

How do you access CalABLE?

CalABLE is Online

- There is no physical branch
- Access and conduct transactions through CalABLE's online portal



Depositing and Withdrawing Funds

- Electronic transfer
- Checks to beneficiary, ALR, or third party*
- Rollovers
- eGifting
- Prepaid card

* \$5 check fee



The U.S. Bank Solutions Premier Visa Card (Prepaid Card offered by CalABLE)

- Reloadable prepaid debit card which you can load from your CalABLE account
- Use it to pay for qualified disability expenses anywhere Visa[®] debit cards are accepted*



The Solutions Card is issued by U.S. Bank National Association pursuant to a license from Visa U.S.A. Inc. © 2022 U.S. Bank. Member FDIC.

* No cash withdrawals



Prepaid Card Features

- Easy access to the funds in your CalABLE account
- Purchase items online
- Can have two separate cards for the beneficiary and authorized legal representative
- No monthly fees*



* Common fees include 3% international transaction fee, \$5 card replacement fee, \$2 per month inactivity after 1 year fee. For comprehensive list see fee schedule at link below:

https://www.usbankfocus.com/c/document_library/get_file?uuid=5aae5a62-f430-9720-f259-ec88d2bf6702&groupId=52882601

Benefits to eGifting with CalABLE

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





GET IN TOUCH

Need Help?

CalABLE

 1-833-Cal-ABLE (1-833-225-2253)

 CalABLESupport@CalABLE.ca.gov

Open

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

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Disclosure

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.

The CalABLE Program is offered by the State of California. TIAA-CREF Tuition Financing, Inc. (TFI), program manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter.



Disclosure

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

The Solutions Card is issued by U.S. Bank National Association pursuant to a license from Visa U.S.A. Inc. © 2022 U.S. Bank. Member FDIC

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

If funds aren't used for qualified expenses, the earnings portion of a non-qualified withdrawal is subject to federal income tax, possibly including the additional federal tax. Non-qualified withdrawals may also be subject to state and/or local income tax. For those beneficiaries subject to California income tax, the earnings portion of a non-qualified withdrawal is subject to California income tax and the additional California tax.

This CalABLE informational program was brought to you by the State of California's CalABLE Board. Any statements or opinions contained within are those of the State of California. Your experience may differ based on a variety of factors, including your own state-of-residence, your needs-based benefits, tax and financial circumstances. FPP-2670731CR-Y0123X





Thank You.

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
- **CaABLE** YouTube channel: <https://youtube.com/@CaABLE> has additional information on topics such as **CaABLE** 101, Special Needs Trusts, Qualified Disability Expenses, and Rollovers.

Appendix

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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

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 (\$166,000 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.

Definition of Disability

- SSA List of Compassionate Allowances: provides names of over 200 specific conditions
- Blue Book Listing: criteria regarding significant functional limitations
- Signed letter for self certification: 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

Self Certification Sample Letter

Disability Certification for Eligibility to Open an ABLÉ (529A) Account

Individuals who receive a monthly benefit from the Social Security Administration (SSA), based on a disability (Social Security Disability Insurance [SSDI], Childhood Disability Benefits, Disabled Widow/Widowers Benefits, or Supplemental Security Income [SSI]) which began before age 26 are deemed eligible for an ABLÉ account and are not required to obtain this disability certification.

As this ABLÉ applicant's licensed health care provider, I certify, to the best of my knowledge:

1 Please check one

A. This Individual has a severe medically determinable impairment* that results in marked and severe functional limitations which have lasted or can be expected to last for a continuous period of not less than 12 months and/or can be expected to result in death. I understand that "marked and severe functional limitations" means functional limitations that meet, medically equal, or functionally equal the severity of any listing in appendix 1 of subpart P of 20 CFR part 404 (the "Listing"), but without regard to age. The Listing can be found at www.ssa.gov/OP_Home/cfr20/404/404-app-p01.htm. I further understand that the level of severity is determined by taking into account the effect of the individual's prescribed treatment.

B. This individual is blind, meaning that [I have] [the beneficiary has] central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.

2 This Individual's severe and marked medically determinable impairment or blindness occurred before the Individual's twenty-sixth (26) birthday.

3 I am a Medical Doctor (MD), Doctor of Osteopathy (DO), Doctor of Dental Surgery or Dental Medicine, Doctor of Podiatric Medicine, Doctor of Optometry or a Chiropractor licensed to practice as such in the state in which I performed this diagnosis. (Note: Section 529A (e)(2)(A)(ii) does not include a Licensed Psychologist, Clinical Therapists or certified vocational rehabilitation counselor).

As this ABLÉ applicant's (Name): _____ licensed health care provider, I am documenting the Individual's primary diagnosis as required by the Stephen Beck, Jr., Achieving a Better Life Experience (ABLE) Act of 2014.

Primary Diagnosis (ICD-10)

Date:

Provider Print Name/Title

Provider Signature

Provider Telephone Number

<https://www.ablenrc.org/wp-content/uploads/2020/10/spt-able-disability-certification.pdf>

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

Investing and 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.

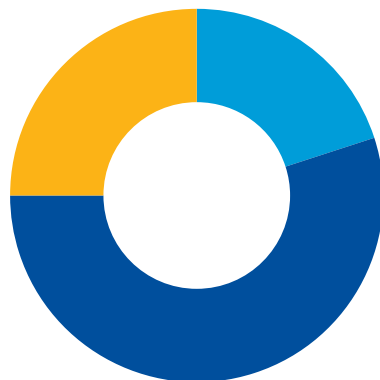
We also offer educational resources about our portfolios to help you assess the risk you may face depending on the investments you choose.

CalABLE Investment Portfolios



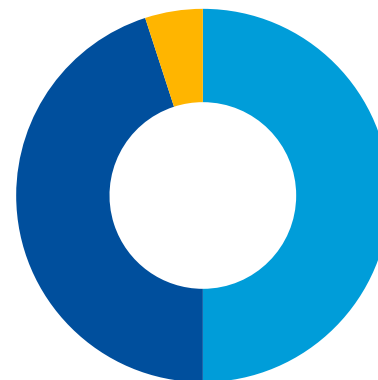
**FDIC- Insured
Portfolio***

- 100% Interest-Bearing



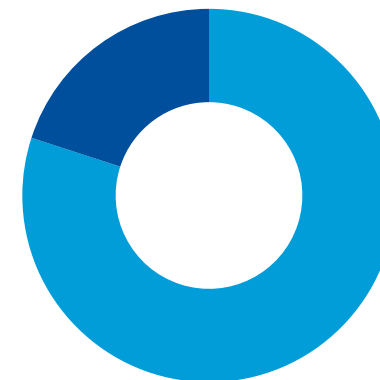
**Conservative
Portfolio**

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



**Moderate
Portfolio**

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



**Aggressive
Portfolio**

- 80% Stocks
- 20% Bonds

* Investments in the FDIC-Insured Portfolio are insured by the FDIC up to \$250,000, subject to certain restrictions. For additional information on the FDIC-Insured Portfolio, including information on FDIC insurance, please see the Program Disclosure Statement.

** The funding agreement is an insurance product that guarantees a minimum interest rate.

Program Operational Manual System (POMS)

- Social Security Administration guidelines for ABLE accounts
- <https://secure.ssa.gov/poms.nsf/lnx/0501130740>

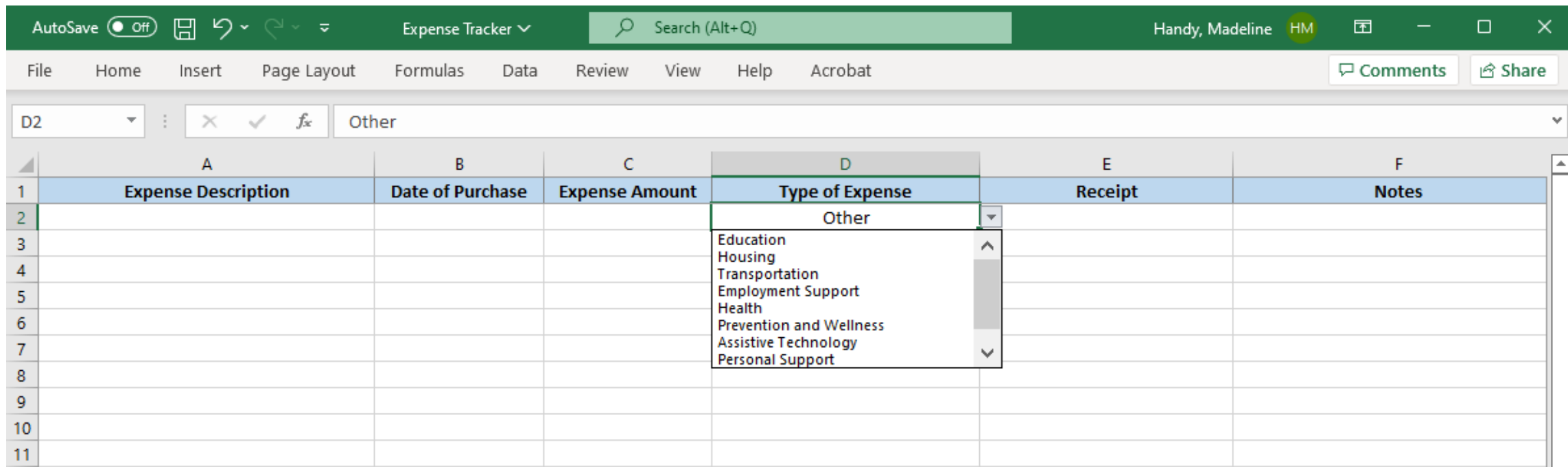
Housing

Withdrawals for housing expenses must be taken out the month those expenses will be paid.

Housing expenses include:

- Mortgage (including property insurance required by the mortgage holder);
- Real property taxes;
- Rent;
- Heating fuel;
- Gas;
- Electricity;
- Water;
- Sewer; and
- Garbage removal.

Keeping Records



The screenshot shows a Microsoft Excel spreadsheet titled "Expense Tracker". The interface includes a ribbon with tabs for File, Home, Insert, Page Layout, Formulas, Data, Review, View, Help, and Acrobat. A search bar is visible with the text "Search (Alt+Q)". The user's name "Handy, Madeline" and initials "HM" are shown in the top right corner. The spreadsheet is open to cell D2, and the formula bar shows the text "Other".

	A	B	C	D	E	F
1	Expense Description	Date of Purchase	Expense Amount	Type of Expense	Receipt	Notes
2				Other		
3				Education		
4				Housing		
5				Transportation		
6				Employment Support		
7				Health		
8				Prevention and Wellness		
9				Assistive Technology		
10				Personal Support		
11						

Contribute by Check


- Checks should be payable to “CalABLE” and mailed to:
P.O. Box 44309
Jacksonville, FL 32231
- The name of the beneficiary and account number must be included on the check

CheckWRITER JANE DOE 100
1234 APPLE LANE
BOSTON, MA 112233

DATE _____

PAY TO THE ORDER OF _____ \$

_____ DOLLARS

 YOUR BANK
1448 Joy Lane
Burbank, CA 91502

MEMO _____

⑆ 23456789⑆ 0 2345678910⑆ ⑆ 100 ⑆

Rollover a Section 529 College Savings Plan into a CalABLE Account

- You may rollover a portion of, or the entire amount in, a Section 529 college savings plan account to a CalABLE account up to the Annual Contribution Limit
- These rollovers can be for the same beneficiary or from a 529 college savings account belonging to any **member of the CalABLE account beneficiary's family**
- CalABLE Incoming Rollover Form:
<https://www.calable.ca.gov/documents/calable-rollover.pdf>

How to Set Up an eGift Event

- Log into your CalABLE account
- Select the eGift Tab on the CalABLE Menu to set up the event
- CalABLE will send out an email with a unique link and a personalized message, instructing recipients on how to make an online contribution
- The email can be sent to as many friends and family as you like

Prepaid Card FAQs

- Is there a daily deposit amount?
 - Yes. You can reload your card up to a max of 10 times in a 24-hour period. The maximum daily credit amount is \$10,000 per day.
- Is there a maximum card account balance?
 - Yes. \$15,000.
- Is there a maximum daily card withdraw/purchase amount?
 - Yes, the daily maximum purchase amount is 20 transactions and \$7,500 per day.
- Does the card have an expiration date, and if so, what happens at that date?
 - Expiration is 2 years. As long as they've been using the card (used within 6 months) or it has a balance, a new card is automatically sent 45 days prior to expiration.

CalABLE

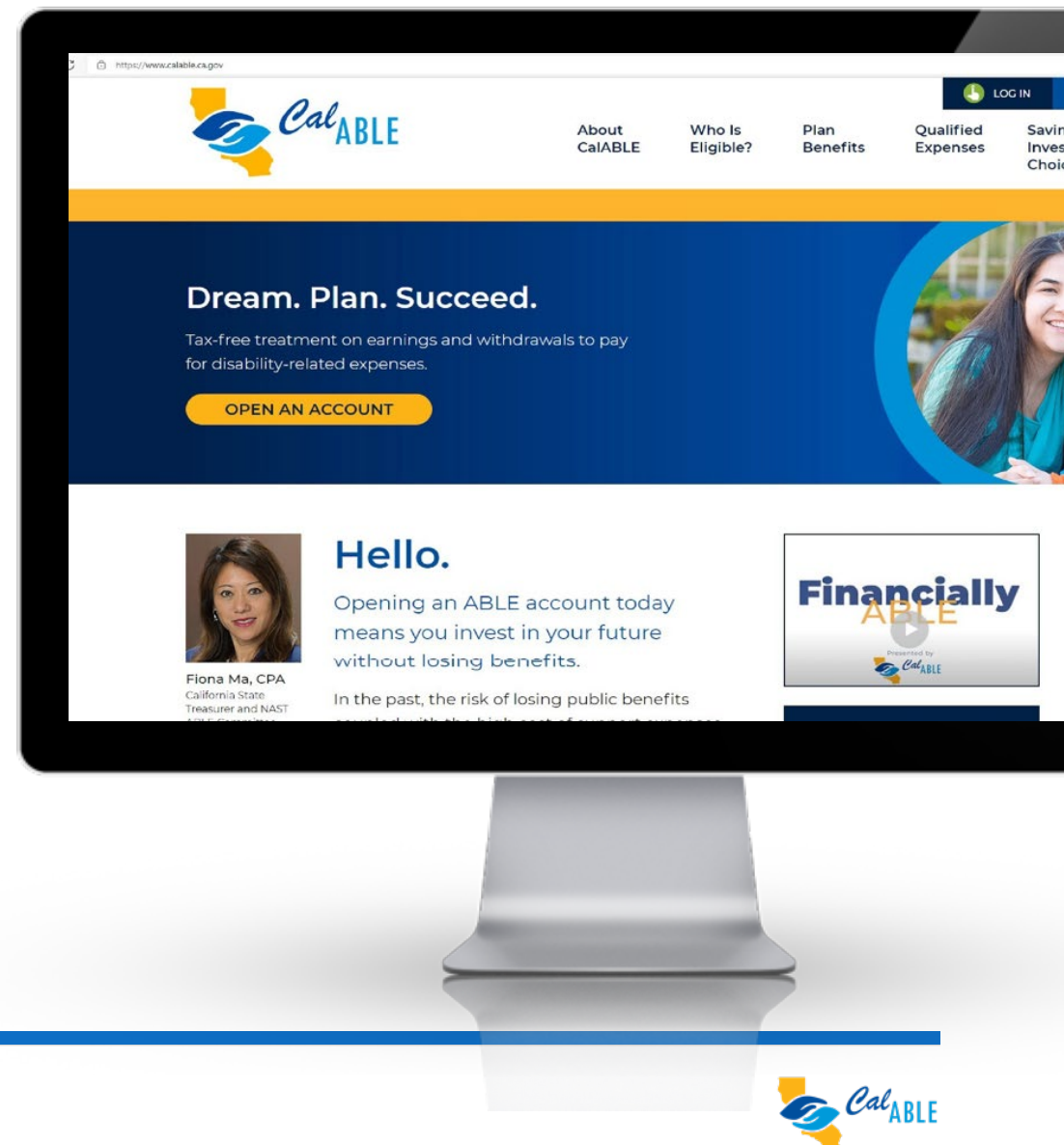
vs

Special Needs Trusts

Can open by yourself online in 20 minutes or less.	Set Up	Generally, need to work with an attorney to create.
Individual with a disability is the owner. They, or an Authorized Legal Representative, can manage and spend the money,	Ownership & Control	A Trustee manages the Trust and has sole discretion over spending.
Broad range of allowable uses, including food and housing.	Purchases	Broad range of allowable uses, but not food or housing.
Free to open. Fees start at just \$37 a year. Some investment choices have additional fees.	Cost	Varies; anywhere from a few hundred to a few thousand to start, plus ongoing costs.
Anyone can contribute. Deposits limited to \$17K/year (possibly more if individual is employed)	Contribution Limits	Contributors are limited (may not include Beneficiary). No deposit limits.
Medi-Cal will not seek recovery from a CA resident and CalABLE account.	Medi-Cal Payback	Only first-party (self-settled) trusts must pay back Medi-Cal.
Yes, four options. Offers ability to grow your money. Account owner chooses how to invest.	Investment Options?	Yes, options vary. Offers ability to grow your money. Trustee chooses how to invest.
Tax-free withdrawals for qualified expenses.	Taxes	Earnings are taxed.

Resources

- **CalABLE Resources:** treasurer.ca.gov/able/resources.asp
- YouTube Channel: CalABLE
- **ABLE National Resource Center:** ABLENRC.org
- POMS <https://secure.ssa.gov/poms.nsf/lnx/0501130740>
- **Financial Fitness Center:** <https://oftt-ca.everfi-next.net/>



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