

CalABLE Quarterly

January 2021

From the Director

As I reflect on CalABLE's storied history, I am proud of what has been achieved to help individuals with disabilities have power over their money.

On December 18, 2018, members of the California government, along with advocates for the disability community, launched the long-anticipated CalABLE program in Los Angeles, California at The Coelho Center at Loyola Law School. In its first year, 2,800 accounts were opened and more than \$10 million invested across four investment portfolios. Just under two years later, we have over 5,000 accounts and more than \$30 million in total assets under management (as of 12/31/2020).

As Executive Director of CalABLE, I am proud of what has been achieved to help members of our community become economically self-sufficient. We have worked hard to advance strategies benefitting the financial security of economically vulnerable people with disabilities—and made tremendous progress.

As we begin our third year, the CalABLE team will continue to challenge policymakers, regulators, community organization directors, and financial leaders to be part of a conversation that begins with the understanding that people with disabilities can do better when there is a shared commitment to equity and inclusion.

Kindly,
Dante Q. Allen
Executive Director
CalABLE

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Dante Allen
Executive Director
CalABLE

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Your Ambassadors

CalABLE Ambassadors live with a disability, care for a family member with a disability, or are passionate about spreading the word about CalABLE across California. Meet our Ambassadors.

Ambassadors know firsthand how important it is to promote financial health and resources that enrich their own life, as well as the community around them. The CalABLE Ambassadors are our way of equipping and empowering people to spread the word. Meet your ambassadors...

Armand Bujanda, Los Angeles County
Antonio Contreras, Alameda County
Gordon Fuller, Sonoma County
Miguel Lugo, Los Angeles County
Alan Reid, Marin County
Angelina Neglia, San Diego County
Sandra Smith, Sacramento County
Jenny Zegarra Huacachi, San Joaquin County

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Looking Back

Six years ago, **Stephen Beck Jr.** challenged Congress with a personal problem: his daughter, who had Down Syndrome and received Supplemental Security Income (SSI), was prohibited from saving money. Any income exceeding basic living expenses cut off her benefits.

Inspired by Beck's challenge, Congress championed the **Achieving a Better Life Experience (ABLE Act)**, a federal update to tax law allowing individuals with disabilities to save up to \$100,000. The Act was signed into federal law by President Barack Obama on December 19, 2014.

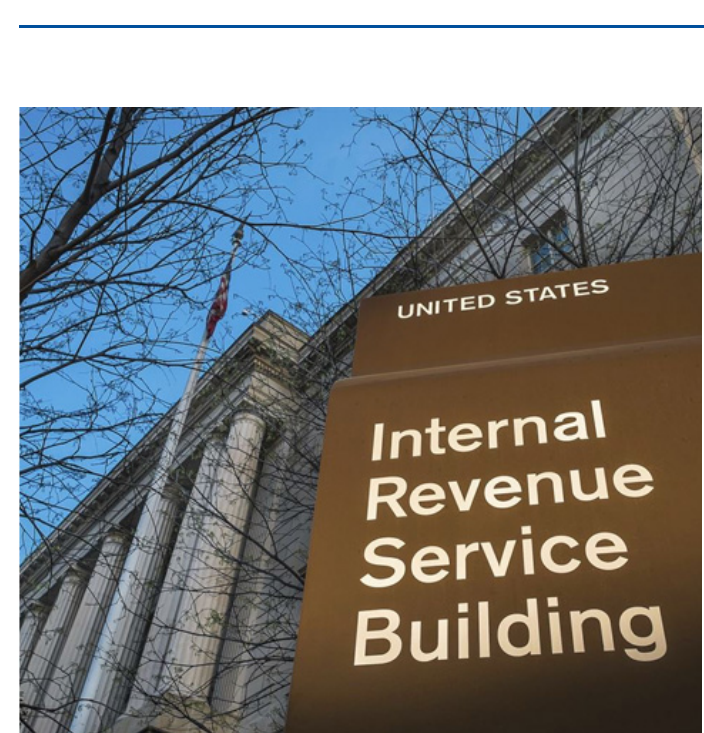
Today, forty-three states and the District of Columbia have ABLE programs. These programs manage nearly \$300 million in savings and investment accounts, allowing an estimated 8 million Americans with disabilities to save money toward qualified expenses for their short-term and long-term needs. California's federal ABLE Act, CalABLE, frees account holders to save up to \$15,000 a year, tax free, without jeopardizing federal and state assistance. (**AchievABLE Newsletter, S.S. Admin.**)

Notable CalABLE milestones:

- **December 19, 2014:**
President Obama signs the Stephen Beck Jr. ABLE Act into federal law.
- **October 11, 2015:**
California Governor, Edmund G. Brown Jr., signs the California ABLE Act into law, establishing the **California ABLE Act Board** and the state's **529A Qualified ABLE Program**, CalABLE.
- **January 8, 2018:**
California State Treasurer, John Chiang, announces **the appointment of Dante Q. Allen** to the post of Executive Director of CalABLE.
- **December 18, 2018:**
CalABLE Savings Plan opens to the public.
- **October 2, 2019:**
National Disability Institute (NDI) and CalABLE launch **AchievABLE™ Corner**, a dedicated section of the NDI website offering financial education resources and tools.
- **November 2019:**
Cleared \$10 million in assets under management
- **May 2020:**
Cleared \$20 million in assets under management
- **October 2020:**
Launched the CalABLE Ambassador program

I am proud to serve as Executive Director for CalABLE. Together with local community organizations and service providers, my team works to ensure every Californian with a disability is free to invest in a better life experience.

To learn more about CalABLE and **how it works**, read the **Information Guide** and the **Program Disclosure**.

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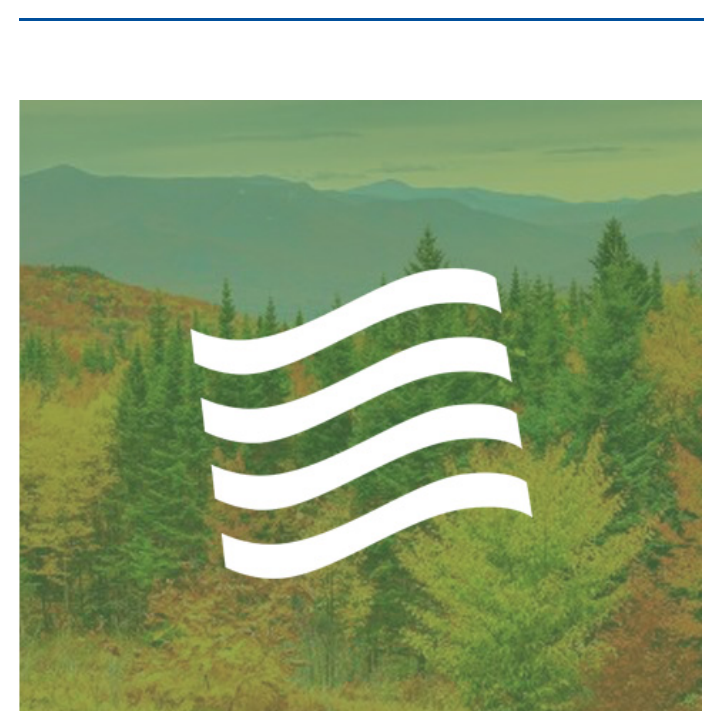
Proposed Regulations

On October 1, 2020, the Internal Revenue Service released a final draft of regulations for ABLE accounts.

At the end of last year, the IRS has released a **final draft of regulations** for ABLE accounts, addressing two previously issued proposed regulations. The first **proposed regulation** was published in 2015 after the enactment of the ABLE Act. The second **proposed regulation** was published in 2019 in response to the Tax Cuts and Jobs Act, which made significant changes to ABLE accounts.

In addition to addressing comments received on the 2015 and 2019 proposed regulations, the final draft provides guidance on the gift and generation-skipping transfer tax consequences of contributions to an ABLE account, as well as on the federal income, gift, and estate tax consequences of distributions from, and changes in the designated beneficiary of, an ABLE account. The regulations also dictate that rollovers from 529 plans, together with any contributions made to the designated beneficiary's ABLE account, cannot exceed the annual ABLE contribution limit.

These particular changes—and more—will become effective in January 2021. Existing programs will have two years to comply. We will keep you posted. In the meantime, you may find more information about ABLE accounts and other tax reform changes on the **IRS page**.

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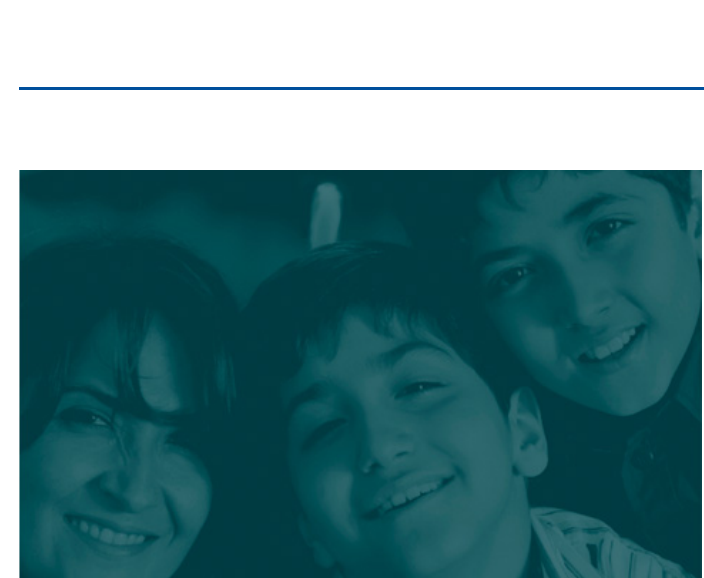
Gathering Virtually

Like most in-person events in 2020, the **National Association of State Treasurers (NAST)** Annual Legislative Conference to be held in San Diego was canceled. In lieu of convening in-person, NAST hosted five 90-minute streaming sessions throughout October with extended conversations and networking.

Here's a summary of the discussions:

1. **State Financial Operations and Technology Management During and Beyond COVID-19**
Rapidly changing technology offers state treasuries radically new options to enhance and streamline their operations and COVID-19 has accelerated the need for these new options. Participants reviewed the use of technology and operations to meet day-to-day requirements and to modernize and improve services for stakeholders.
2. **How Consumer Behavior Changed in Response to COVID-19**
The economic impact of COVID-19 has dramatically changed personal finance behavior. Participants discussed what state treasury consumer finance programs (retirement security, college savings, disability savings, unclaimed property and economic empowerment) can do to meet these new demands.
3. **State Finances in the Era of COVID-19**
Participants discussed the status of state finances in 2020 and the impacts of COVID-19 on state budgets. Panel topics included analysis of federal stimulus efforts, updates on state budgets, liquidity and cash flow challenges, and state debt borrowing.
4. **Building an Inclusive Society**
Panelists discussed structural and systemic barriers that limit opportunity for many Americans and strategies state treasuries might implement to build a more inclusive workforce.
5. **From Traditionalists to Gen-Z: How can we understand and effectively work together?**
Panelists shared tools and tips for effectively working with all generations—whether working in the office or from home—and discussed strategies from treasurers about how they adapted their workplace during the pandemic.

As always, it was insightful for me to be a part of the NAST conference. With over seven hours of in-depth presentations from noted speakers, these events provided me the opportunity to interact with professionals from all levels of staffing in Treasury, as well as related offices and companies, on behalf of our community.

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The AchievABLE™ Corner

"...concentrate on things your disability doesn't prevent you doing well, and don't regret the things it interferes with. Don't be disabled in spirit as well as physically."

Stephen W. Hawking

CalABLE teamed up with the **National Disability Institute (NDI)** to provide the information you need to manage your CalABLE account. No matter where you are in the process—if you are considering opening a CalABLE account, ready to open a CalABLE account, or already using your CalABLE account—NDI has tools and resources in its **AchievABLE Corner** to help you maximize the potential of your account.

We are here to help. Don't hesitate to contact us.

CalABLE Service Center

Account and CalABLE Program Questions
Phone: 833-225-2253 between 9:00 a.m. and 5:00 p.m. PST
Email: CalABLESupport@CalABLE.ca.gov

CalABLE Act Board and Administrative Staff

Administered by the California State Treasurer's Office
Phone: 916-653-1728
Email: CalABLE@treasurer.ca.gov

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SUPPORT

FAQS



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calABLESupport@CalABLE.ca.gov



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