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CalABLE Quarterly

January 2022

From the Director

The CalABLE Quarterly was created for you, our account holders, to give you a sense of the impact you helped make in 2021. So, let me begin by saying *thank you*.

The successful launch and expansion of the CalABLE program would not have been possible without your support—and for that I'm grateful. In this quarter's newsletter, you'll get a glimpse of how we are strong and growing stronger—all for the benefit of you, our account holders.

I hope our success over the years inspires in you the same sense of pride I feel as we work together to help every Californian with a disability achieve a better life experience.

Your ABLE partner,
Dante Q. Allen

Executive Director
CalABLE



Dante Allen
Executive Director
CalABLE

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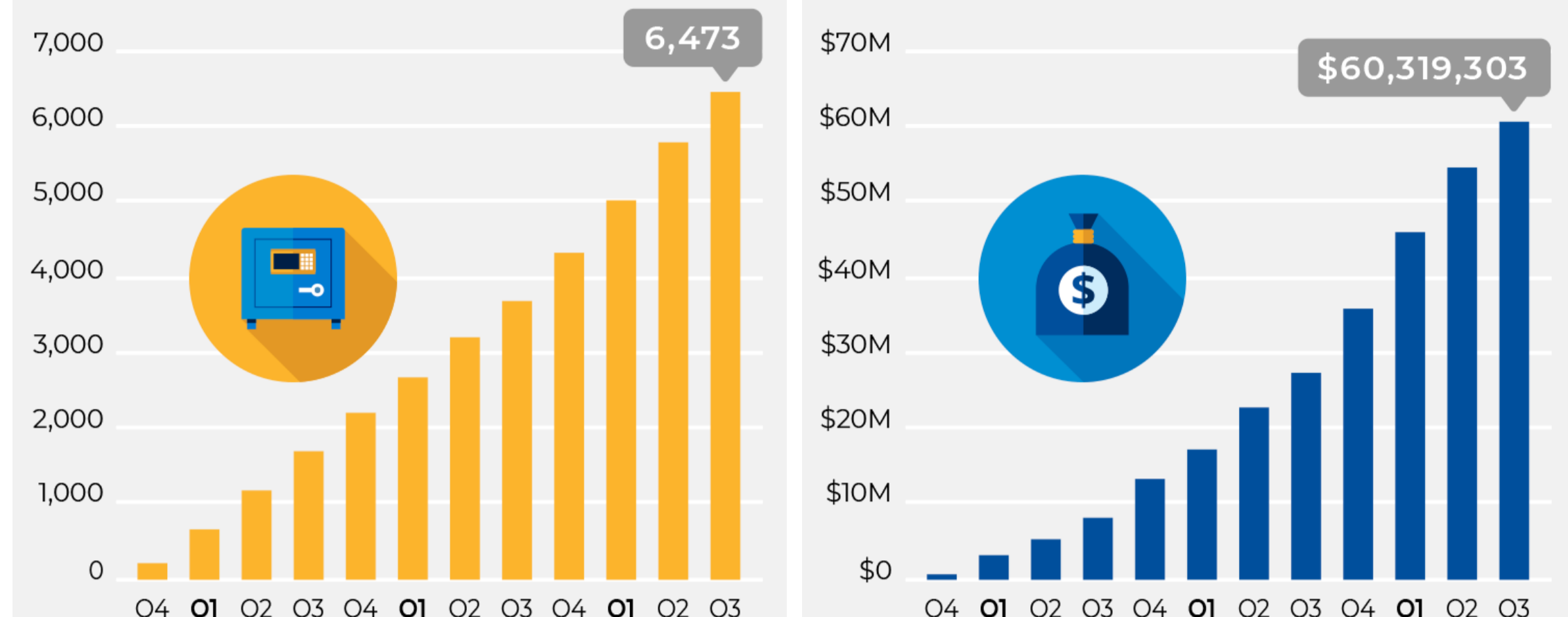
In This Issue



Strong and Growing Stronger

Forty-seven states have ABLE programs with over 105,478 accounts totaling \$936,968,364 assets under management (as of 9/2021). CalABLE is ranked #4 among ABLE plans in number of accounts and #5 in assets under management.¹

On October 11, 2015, California Governor, Edmund G. Brown Jr., signed the California ABLE Act into law, establishing the [California ABLE Act Board](#) and the state's [529A Qualified ABLE Program](#), CalABLE. The Plan opened to the public December 18, 2018.² Look how far we've come over the last three years.



A CalABLE account can change the way individuals with disabilities and their families participate in the community, build financial wellness, and plan for the future by empowering them to save and invest for the added expenses that come with having a disability without losing access to federal means-tested benefits. Thank you for helping us expand CalABLE to residents all across the Golden State.

¹Source: ISS Market Intelligence 529 College Savings Fee Analysis Q3 2021.↗

²The 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.↗

[Close Strong and Growing Stronger](#)



IRS Tax Tips

You already know CalABLE accounts are tax-advantaged savings accounts when used for qualified expenses for people with disabilities.

Saver's Credit*

CalABLE account designated beneficiaries may be eligible to claim the [saver's credit](#) for a percentage of their contributions. The beneficiary claims the credit on [Form 8880, Credit for Qualified Retirement Savings Contributions \(PDF\)](#). The saver's credit is a non-refundable credit available to individuals who meet these three requirements:

- 18 years old at the close of the taxable year
- Not a dependent or a full-time student
- Meet the income requirements

Rollovers and Transfers*

Families may roll over funds from a 529 plan to another family member's ABLE account. The ABLE account must be for the same beneficiary as the 529 account or for a member of the same family as the 529 account holder. Rollovers from a section 529 plan count toward the annual contribution limit. For example, the \$15,000 annual contribution limit would be met by parents contributing \$10,000 to their child's ABLE account and rolling over \$5,000 from a 529 plan to the same ABLE account.

[Read more about these and other tax tips on IRS website.](#)

**These tax tips are made available to you as an educational, self-help tool and are intended to provide you with a basic guideline to help you create a savings and investment plan for your CalABLE account. It is not intended for specific advice. These tax tips should not be the sole or primary basis on which you make your investment decisions. Please review the [Program Disclosure Statement \(PDF\)](#) for more detailed information on CalABLE's investment options and consider consulting a financial professional for help with your unique circumstances.↗*

[Close IRS Tax Tips](#)



Make Your Voice Heard

U.S. Congress introduced the ABLE Age Adjustment Act to increase the age of eligibility of ABLE beneficiaries from age 26 to 46.

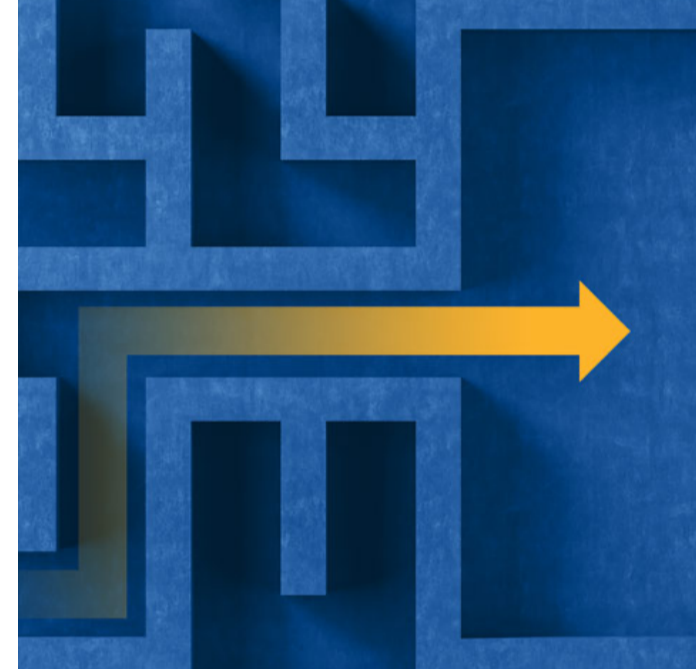
The U.S. Congress introduced the [ABLE Age Adjustment Act \(S. 331 and H.R. 1219\) \(PDF\)](#) in February 2021. Once passed, this legislation will amend the Internal Revenue Code for qualified ABLE programs by increasing the age of eligibility of beneficiaries from the onset of disability before age 26 to onset before age 46. Currently, only individuals who have a qualifying disability prior to age 26 are eligible to open an account in an ABLE plan.

Signed into law in 2014, the ABLE Act amends the Internal Revenue Code to include tax-exempt ABLE accounts for individuals with disabilities. CalABLE supports the ABLE Age Adjustment Act to expand benefits by increasing the age-of-onset to 46 years of age. Here's how you can help...

[Use this guide to draft a letter to your Congressional delegation asking them to support the ABLE Age Adjustment Act.](#)

And, please thank your congress member if they already support the ABLE Age Adjustment Act.

[Close Make Your Voice Heard](#)



CalABLE Questions

Have questions? Need a refresher? Here are three questions we get from both new and longstanding account owners alike.

Q: How do I prove I'm spending my money on qualified disability expenses?

A: It's up to you to track how you spend the money in your CalABLE account. We will not ask you how you plan to spend your money. However, the IRS may ask you to verify your expenditures. Be sure to keep good records on how you are spending your CalABLE funds.

Q: What if I use my CalABLE funds for something that isn't a qualified disability expense?

A: You may have to pay income taxes, plus a 10% additional federal tax and a 2.5% California state tax on the earnings portion of any withdrawal not used for qualified disability expenses. Additionally, the non-qualified funds you withdraw may be counted against you for purposes of determining your eligibility for public benefits programs like Supplemental Security Income (SSI).³

Q: Can I use CalABLE funds for housing and rent?

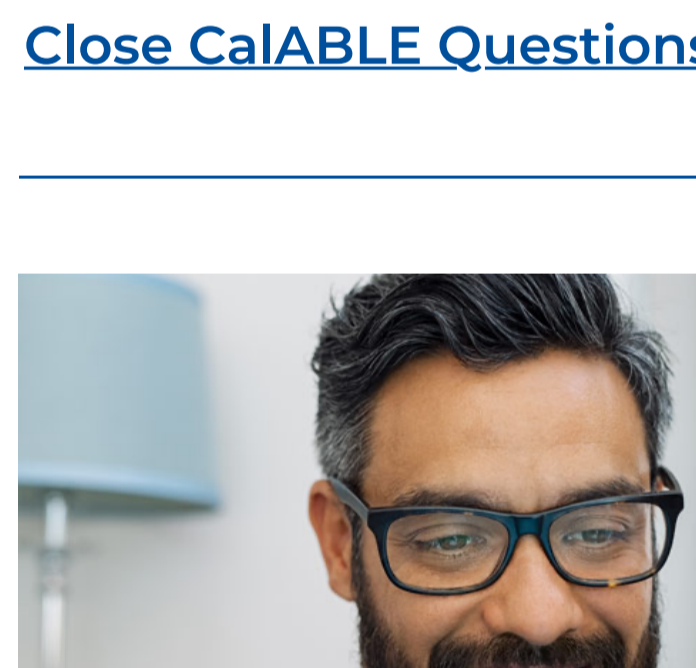
A: Yes. But if you receive SSI benefits, be sure to immediately spend the money you withdrawing for housing expenses to avoid any negative impact to your SSI. As long as you spend the housing funds within the same calendar month you withdraw the money, the housing payments will not affect your SSI benefits.⁴

[More answers to frequently asked questions.](#)

³If 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.↗

⁴Money you withdraw for housing expenses may affect your SSI benefits if you do not spend it right away. To avoid any impact to your SSI benefits, be sure to spend housing money within the same calendar month that you make the withdrawal.↗

[Close CalABLE Questions](#)



What to Watch

Did you know that there's a CalABLE YouTube channel with informative webinars hosted by the California ABLE Act Board?

The [CalABLE YouTube channel](#) and its many offerings include recorded sessions on a variety of topics.¹ For instance:

- [SSI and HUD Working Together Panel](#)
Panel discussion about how ABLE accounts interact with U.S. Department of Housing and Urban Development (HUD). Panelists included Dante Allen, Executive Director of CalABLE, Wanda Gonzales, Public Affairs Specialist for Social Security Administration, and Trevor Auser, Division Director for the U.S. Department of Housing and Urban Development.
- [Work and Keep Your Benefits](#)
A panel of specialists discuss how to supplement your annual account contributions by participating in the ABLE to Work program. Panelists introduced viewers to a variety of programs such as the Program to Achieve Self Support (PASS), Social Security Administration, Work Incentives Planning, Department of Rehabilitation, CalWORKS, and Department of Social Services.
- [ABLE Age Adjustment Act Virtual Townhall](#)
California State Treasurer Fiona Ma, in collaboration with CalABLE, Disability Rights of California, and U.S. Congressman Tony Cárdenas hosted a town hall discussion on the ABLE Age Adjustment Act—proposed legislation to change eligibility for government benefits from 26 to 46.

All the webinars are recorded and accessible. So, subscribe to the [CalABLE YouTube channel](#) to stay informed and up to date, and let us know if there is a topic you would like us to address.

¹This CalABLE informational program is 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.↗

[Close What to Watch](#)



Need Coverage?

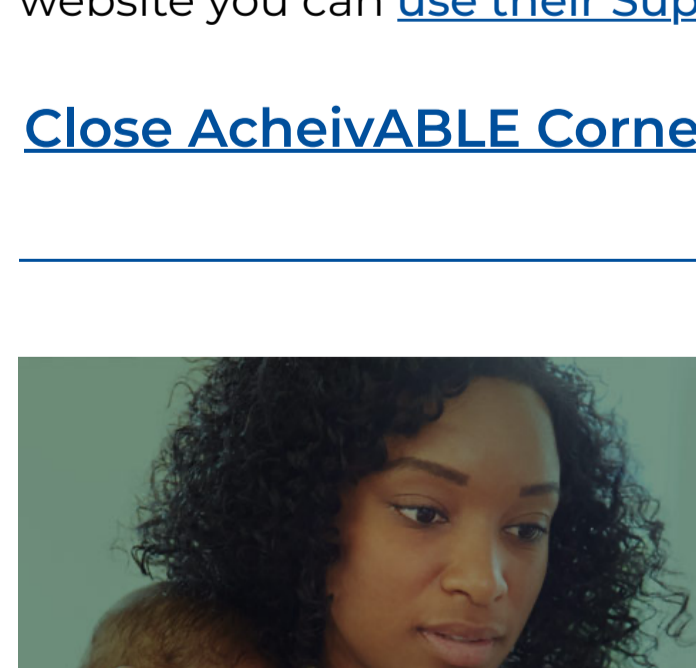
[Covered California](#) is a free service that connects Californians with health insurance and financial help to pay for medical, dental and vision coverage if you qualify.

Many people experienced significant life changes as a result of COVID-19, wildfires, and unemployment that may have caused a loss of health benefits or dramatic change related to income. Thankfully, [Covered CA announced that new laws provide greater financial assistance and lower premiums](#). That means people who may not have been eligible for financial help in the past because they earned too much may now be eligible.

Covered California and Medi-Cal use the same application. So, once you apply, you'll learn which program you qualify for—some households qualify for both.

To explore plans, options, and financial assistance through Covered CA visit [www.CoveredCA.com](#). Open enrollment deadline is January 31, 2022. If you need help navigating information on the website you can [use their Support Center](#) or call 1-800-300-1506.

[Close AchievABLE Corner](#)



The AchievABLE Corner

Your dreams are AchievABLE with a CalABLE account.

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

[Close AchievABLE Corner](#)

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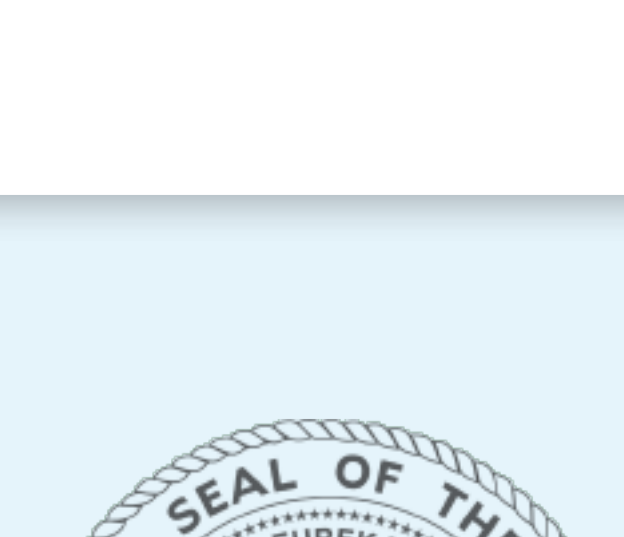
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SUPPORT

FAQS



[833-Cal-ABLE \(833-225-2253\)](#)
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