

Changes are coming to the CalABLE Visa® Prepaid Card, previously issued by MetaBank®, N.A. Please [click here](#) for more information.

CalABLE Quarterly

October 2022

From the Director

A household that has an adult with a disability requires nearly 30% more income to achieve the same standard of living as a household without a member with a disability.

Researchers at Stony Brook University, the University of Tennessee, The National Disability Institute, and the Oxford Institute of Population Ageing estimate that a household containing an adult with a disability that limits their ability to work requires, on average, **28% more income—or an additional \$17,690 per year—to obtain the same standard of living as a similar household without a member with a disability** ([PDF](#)).

People with disabilities encounter a wide range of expenses, such as personal assistance services and health care, ordering items for delivery when pick-up isn't accessible, building a wheelchair ramp, acquiring and maintaining service animals, buying a more expensive car to accommodate a wheelchair, purchasing food for special diets, or paying more for housing to find a place that's accessible.

For these reasons, I'm committed to ensuring ALL of California's citizens have the same opportunity to achieve financial stability as those without disabilities. The CalABLE Quarterlies are one way we are achieving that vision.

Thanks for reading.

Sincerely,

Dante Q. Allen
Executive Director
CalABLE



Dante Allen
Executive Director
CalABLE

[See Past Issues](#)

In This Issue



We Are CalABLE

State Treasurer Fiona Ma and CalABLE Launch the "We Are CalABLE" Campaign.

The California ABLE Act Board, chaired by Treasurer Ma, administers the CalABLE program which provides eligible individuals with disabilities an opportunity to build financial wellness, even while participating in means-tested government benefit programs like Supplemental Security Income and Medi-Cal. For the multitude of individuals who have opened a CalABLE account, the program can be a game-changer.

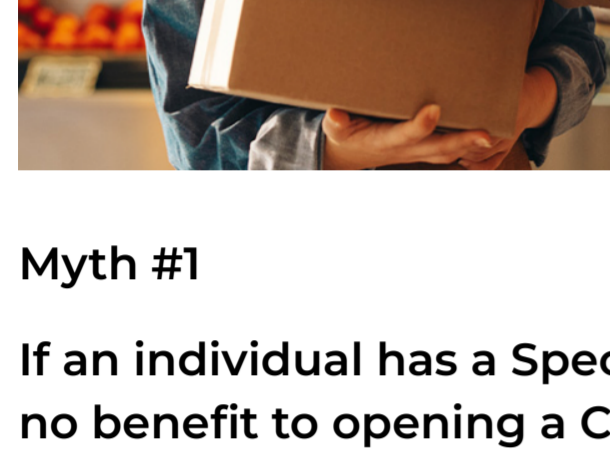
"Every single day, there are thousands of powerful stories from the disability community that can teach, empower and inspire," said Treasurer Ma. "Our goal with CalABLE has been to build the best possible program for the disability community. We designed CalABLE to be accessible, user-friendly, and easy to understand. We recognized early on that the most powerful tool to spread awareness is to hear directly from the people who are benefitting from CalABLE. The "We Are CalABLE" campaign raises the voices of those whose lives have been impacted by their decision to open an account."

CalABLE partnered with Options For All (OFA), a California-based filmmaking nonprofit that serves adults with intellectual and developmental disabilities, to produce the "We Are CalABLE" campaign. The OFA team filmed more than a dozen interviews throughout the state, gathering a broad spectrum of voices from individuals and families who benefit from the CalABLE program. Many OFA students and staff are CalABLE account holders and have a firsthand understanding of how one can save for their future using CalABLE.

For the campaign, OFA captured the inspiring personal stories of CalABLE account holders with the goal of educating the disability community about the program and demonstrating its versatility in saving for disability-related expenses. These expenses can include accessible vehicles, first homes, education, assistive technology, service animals and more as dictated by state and federal law. Through these personal and highly engaging narratives, the "We Are CalABLE" campaign demonstrates how account holders can protect their eligibility for means-tested public benefits programs by contributing to tax-advantaged savings and investment accounts. Furthermore, the campaign demonstrates how these after-tax contributions allow account holders to grow tax-free earnings when the money is used for qualified expenses.

[Watch the We are CalABLE anthem video](#)

Debunking CalABLE Myths



Myths and misinformation frequently circulate on the internet and can be repeated endlessly, often blurring the line between fact and fiction.

Myth #1

If an individual has a Special Needs Trust or participates in a Pooled Income Trust, there's no benefit to opening a CalABLE account.

While the tools used for financial planning can differ from one beneficiary to another, a CalABLE account offers options, including a debit card, which may be more flexible than other types of trusts and savings accounts. A CalABLE account may also provide more control for the beneficiary and family. With a CalABLE account, account owners can make choices and control their funds as circumstances change. For many families, a CalABLE account is a viable option in addition to, rather than instead of, a trust.

Myth #2

The only individual who can deposit money into a CalABLE account is the person with a disability—the account owner.

The individual with a disability or any individual, including third parties such as a family member, friend, or an employer, may contribute to a CalABLE account on behalf of the beneficiary. The term "individual" also includes a trust (i.e., Special Needs Trust or Pooled Income Trust), estate, partnership, association, company, or corporation. And, funds may also be rolled over from a 529 college savings account into an ABLE account.

Myth #3

Once my CalABLE account exceeds \$2,000 I lose eligibility for Supplemental Security Income (SSI) benefits and Medicaid.

[The ABLE Act states that funds in an ABLE account won't affect eligibility for federally-funded, means-tested benefits such as SSI and Medicaid.](#) When your CalABLE account balance over \$100,000 is combined with other resources and exceeds the SSI resource limit, SSI payments are suspended but Medicaid continues. Payments may be reinstated when resources fall below the SSI resource limit.

Myth #4

Earnings or other income contributed by a beneficiary are not counted by means-tested benefit programs.

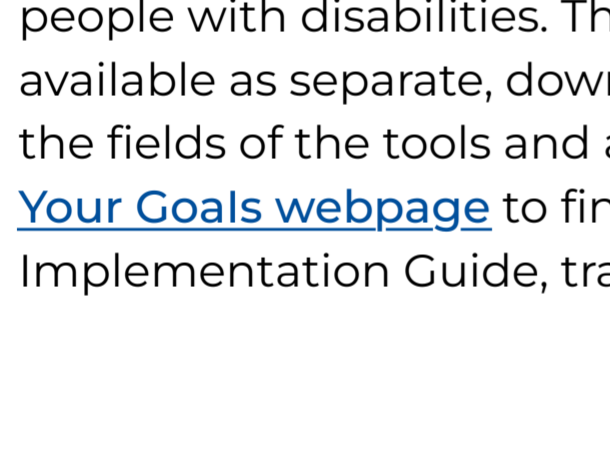
There are no changes in the way means-tested benefit programs count earned or unearned income deposited into a CalABLE account. Depositing funds into a CalABLE account is not a way to exclude income such as earnings, child support, pensions, retirement benefits, veteran's benefits, alimony, and worker's compensation. It's a way to increase assets/resources. A direct deposit doesn't avoid income counting rules.

Myth #5

An individual must be receiving Social Security disability benefits to qualify for an ABLE account.

[The ABLE Act limits eligibility to individuals with disabilities with an onset of disability before turning 26 years of age.](#) If an individual meets this criterion and receives benefits through SSI and/or Social Security Disability Insurance (SSDI) programs, they're automatically eligible to establish a CalABLE account. If they don't receive these benefits, but still meet the age of onset of disability, they're still eligible to open a CalABLE account if they have a "disability certification" signed by a licensed physician confirming they meet Social Security's definition and medical criteria regarding significant functional limitations.

These and other [myths and facts can be found on the National Disability Institute website.](#)

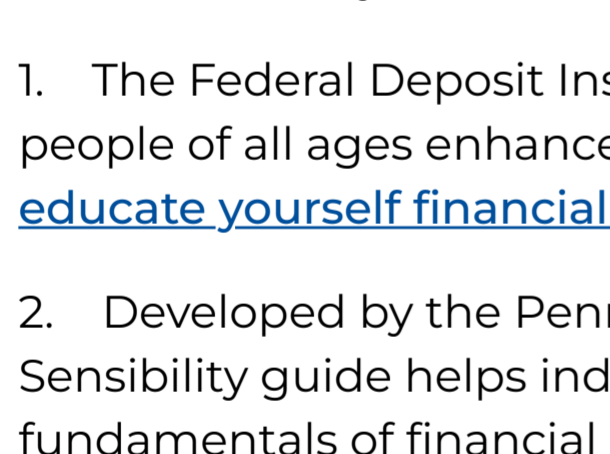


Your Money, Your Goals.

Working with people to set goals and solve financial problems?

The Consumer Financial Protection Bureau (CFPB) released a tool called Your Money, Your Goals. It's a set of financial empowerment materials for people and orgs that help those with disabilities meet their financial goals by increasing their knowledge, skills, and resources. It's got a lot of great information, such as the [Your Money, Your Goals: Focus on People with Disabilities companion guide \(PDF\)](#), which contains info, tips, and tools based on insights from people with disabilities and from organizations that serve the disability community. It even includes a [checklist of things to consider in setting up an ABLE account \(PDF\)](#).

The Your Money, Your Goals toolkit and companion guide are available as a PDF download or can be ordered in hard copy for free. Both documents are 508 compliant to be accessible to people with disabilities. The individual tools and handouts in the toolkit and the guide are available as separate, downloadable PDF documents. You can add information directly into the fields of the tools and all calculations are now done automatically. Visit the [Your Money, Your Goals webpage](#) to find the toolkit, the guide, and additional resources such as the Implementation Guide, training slides and videos, and pre and post-training surveys.



Financial Smarts

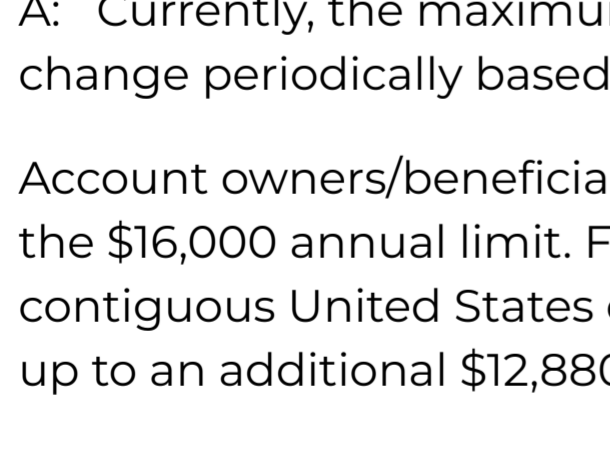
Understanding how to manage your finances can help you achieve a better life experience.

We partnered with EVERFI to provide you with a comprehensive playlist of financial literacy resources. Like physical fitness, financial fitness is a skill that takes practice. [Visit the EVERFI financial fitness center](#) to explore topics from building financial capability and owning a home to small business essentials and preparing for retirement. There's also an interactive narrative about identity theft. [Spot signs of fraud and learn how to protect your identity.](#)

Three more ways CalABLE can help you develop your financial smarts:

1. The Federal Deposit Insurance Corporation's (FDIC) financial education program can help people of all ages enhance their financial skills with proven tools and strategies. [Learn how to educate yourself financially.](#)
2. Developed by the Pennsylvania Assistive Technology Foundation, the Cents and Sensibility guide helps individuals with disabilities and their families understand the fundamentals of financial literacy. [Learn money basics \(PDF\).](#)
3. Developed by over 20 federal, [mymoney.gov](#) features articles, information, and educational games designed to help you understand financial planning. [Learn about financial resilience.](#)

Thanks for letting us help you dream, plan, and succeed.



CalABLE Questions

Here's what people with disabilities are asking about CalABLE accounts.*

Q: Are there limits on how much I can contribute to a CalABLE account?

A: Currently, the maximum Annual Contribution Limit is \$16,000. This amount is subject to change periodically based on the annual federal gift tax limit, which is currently \$16,000.

Account owners/beneficiaries who are employed can contribute additional amounts above the \$16,000 annual limit. For example, in 2022, eligible working individuals living in the 48 contiguous United States can contribute an amount equal to their current year gross income up to an additional \$12,880 (\$16,090 for Alaska and \$14,820 for Hawaii).

The maximum balance allowed for a CalABLE account is \$529,000, but you should consider the impact on your disability benefits. Once your account balance exceeds \$100,000, your SSI would be suspended and your eligibility for California state and local means-tested programs could be affected. However, your account balance will never affect your eligibility for Medicaid/Medi-Cal.

Q: What are the fees for a CalABLE account?

A: CalABLE accounts have a low annual flat fee of \$37, a State Administrative Fee, as well as low fees on the underlying investment management options. Additional fees include the following:

- \$10 per year if you choose to receive paper statements/mail document delivery
- \$20 if your electronic funds transfer is rejected or if your check bounces
- \$5 for each time you request a check withdrawal

[Read more about CalABLE fees](#)

Q: How can my family and friends contribute to my account?

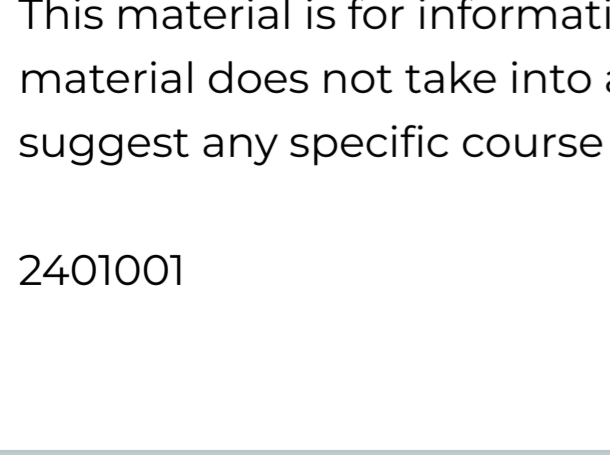
A: You can roll over amounts from a 529 college savings plan into your CalABLE account tax-free. Keep in mind that 529 rollovers count as part of your annual \$16,000 contribution limit. In addition, the IRS allows for one ABLE Program to ABLE Program transfer every 12 months.

[Click here for directions and visuals on how to set up an eGift for your account \(PDF\).](#)

Check contributions will also be accepted. Here's how:

1. Make check payable to CalABLE and mail to:
CalABLE
P.O. Box 44309
Jacksonville, FL 32231
2. Include the beneficiary's name and account number to which the contribution should be applied.

These Q & As 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 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.



We're Here for You

Words have power. We trust you know that when we say we're here for you, we mean it.

CalABLE Service Center
Account and CalABLE Program Questions
Phone: 833-225-2253
Email: CalABLESupport@calable.ca.gov

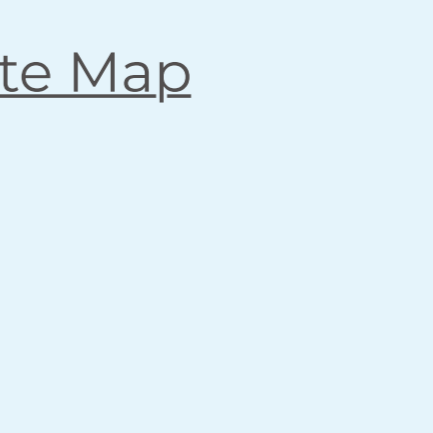
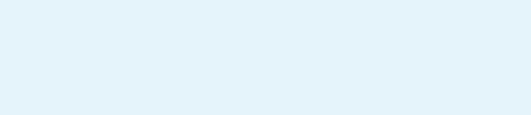
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SUPPORT

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