



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Treasurer Chiang and State Senator Dodd Launch Major Program That Financially Empowers Those with Disabilities to Save for the Future

CalABLE Frees Individuals to Deposit More and Save Money So They Can Afford the Costs of Living with a Disability

BERKELEY, CA – At an event in Berkeley, the birthplace of the disability rights and independent living movement, California State Treasurer John Chiang, State Senator Bill Dodd (CA-3), and representatives of different stakeholder and disability advocacy groups today launched CalABLE — California’s new, innovative Achieving a Better Life Experience program, which will allow individuals with disabilities to open tax-advantaged savings and investment accounts and contribute significantly more than the \$2,000 they are currently allowed to save under rules for many government programs.



Treasurer Chiang, Senator Dodd, and members from different disability advocacy groups announce the launch of CalABLE this morning at the Ed Roberts Center in Berkeley.

“Today, as we band together in a season in which so many celebrate life and our highest ideals, we are announcing the long overdue steps California is taking to help individuals with

disabilities achieve a better life experience,” Treasurer Chiang said at the launch event at the Ed Roberts Center in Berkeley. “CalABLE will empower people with disabilities to create their own safety net and build wealth because living with a disability should not equate to living life on the brink of poverty. As Californians, we care about our fellow human beings, and CalABLE is a statement of those values.”

Before CalABLE, individuals could be penalized if they maintained more than \$2,000 in a bank account, but CalABLE will end decades of unfair restraints on how much money individuals with disabilities can deposit and save into a savings account. Beginning today, after opening an account, eligible individuals for CalABLE will be able to contribute \$15,000 a year — up to a maximum of \$529,000 into an ABLE account, while still maintaining such benefits as Medi-Cal and CalFresh. Those who wish to remain eligible for Supplemental Security Income (SSI) can contribute the annual \$15,000, up to \$100,000, into an ABLE account without the funds counting as assets.

According to the U.S. Census Bureau, almost seven percent of California’s population, under the age of 65, have some sort of disability, suggesting that hundreds of thousands of Californians with disabilities are caught in a bureaucratic Catch 22, in which the financial support they receive from public programs essentially precludes them from building significant savings.

State Senator Dodd, who, last year, authored SB 218, supplemental ABLE legislation, added, “I was proud to carry legislation to help people with disabilities and their families participate in this life-changing savings program. It is critically important to them and it’s a big step forward for California as it strives to serve all its residents.”

While CalABLE mirrors the important aspects of the federal ABLE Act, the state legislature made significant improvements to make the program different than ABLE programs offered in other states. Last year, the legislature passed a bill that limits the state’s ability to seek repayment from a CalABLE account after an account holder’s death, for medical care expenses paid during the time they had the account. Additionally, the legislature passed a law that protects CalABLE accounts from money judgments. These consumer protections have made CalABLE an even stronger program for Californians with disabilities.

“We congratulate the State of California for their opening of the CalABLE program, which will offer individuals with disabilities and their families, who are California residents and others nationwide, the opportunity to save and set financial goals that advance their financial stability and independence,” said Michael Morris, Executive Director of the National Disability Institute. “Contributions to an ABLE account represent a down payment on freedom.”

In order to qualify for a CalABLE account, a person must have a disability onset before the age of 26. They must also either be eligible to receive benefits such as SSI or Social Security Disability Insurance (SSDI), or have a disability certification that includes a diagnosis by a physician. Generally, those with physical mobility issues, blindness, hearing impairment, some mental health diagnoses, and more are eligible.

“I strongly believe that a CalABLE account will give me more independence with my money and more independence as a person,” said Hanna Eide of Novato, who has spinal muscular atrophy and is one of CalABLE’s first official enrollees.

CalABLE account owners can select how to invest their money and easily schedule deposits and withdrawals right from the new website that launched today — www.CalABLE.ca.gov. A CalABLE account can also be managed by a parent, legal guardian, conservator, or Power of Attorney, in the event an account owner is unable to manage their own account. Withdrawals are exempt from federal and state income tax, so long as the earnings are used for qualified expenses related to a disability.

Treasurer Chiang concluded, “I have no doubt that CalABLE will not only go down as one the best programs I have ever been a part of through my two decades in public office, but promises to offer the most significant advancement in the quality of life for people with disabilities since the passage of the American with Disabilities Act.”

About CalABLE

To open a CalABLE account, visit www.CalABLE.ca.gov. To learn more information about the program, visit www.treasurer.ca.gov/able.

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