



CalABLE

**CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE
ACT BOARD**

ABLE Act of 2014

- Federal ABLE Act was signed by the President in 2014
 - Allows states to create tax-advantaged savings accounts for people with disabilities while protecting eligibility for public benefits such as SSI, SSDI or Medicaid
 - Account assets of up to \$100,000 are not counted in determining eligibility for means-tested federal or state benefits programs

California ABLE Act: “CalABLE”

- CalABLE - California’s ABLE program
 - Generally mirrors the federal law
 - Has been kept intentionally broad
 - Will likely be a national plan

CalABLE Vision & Mission*

- **VISION:**

- To provide greater financial security to Californians living with a disability

- **MISSION:**

- To meet the diverse needs of our customers and their families. We pledge to be customer-driven, accountable, and a trusted partner in providing financial services.

**Currently being vetted with stakeholders before board approval*

CalABLE: Our Values*

- Adaptability and Flexibility
- Humility
- Transparency and Accountability
- Trust
- Sustainability
- Collaboration
- Integrity

Some ABLE Basics: Funding

- Before the ABLE Act:
 - A person with a disability could not save more than \$2,000 without impacting their SSI
- Now:
 - You can save up to \$14,000 per year and up to \$100,000 in total before benefits are impacted
- CalABLE accounts will have safeguards and notifications built in

More ABLE Program Basics

- ABLE accounts are *asset-protected* accounts.
- Eligible individuals may only have one ABLE account
- Accounts can function both like a savings and checking account, depending on how you want to use the account
- Account moneys are tax-exempt as long as they are spent on “Qualified Disability Expenses”
- Subject to Medicaid Payback Provision

What is a Qualified Disability Expense (QDE)?

- Any expense related to the designated beneficiary as a result of living a life with disabilities
- Categories are intentionally broad
- Includes education, housing, transportation, health care expenses and more
- If funds spent on a non-QDE, expense is subject to regular taxes, plus a 10% tax penalty – and benefits may be at risk

Who is Eligible?

- Must be disabled before age 26 **AND**
- Meets the eligibility criteria for disability benefits like SSI or SSDI - **OR-**
- Self-certification: Has been diagnosed by a qualified physician with a physical or mental disability resulting in marked and severe functional limitations that is expected to last no less than 12 months.

Where can I open an ABLE Account?

- Individuals may open ABLE accounts outside of their state of residency
 - Ohio (STABLE)
 - Tennessee (ABLE TN)
 - Nebraska (ENABLE)
 - Michigan (MiABLE)
- Exception: Florida (ABLE UNITED) (for in-state residents only)
- Compare programs: http://ablenrc.org/state_compare

CalABLE Features and Benefits

- Program is in its development phase
- May include:
 - Ability to contribute automatically through routine transfers from a bank account
 - Ability to invite friends and family members to contribute directly to your account (“e-gifting”)
 - Deposit online or by check
 - Low fees
 - Diverse yet simple investment options

Potential CalABLE Legislative Priorities

- Allow CalABLE to operate as a national plan
- Offer a tax credit/incentive to account contributors

CalABLE Implementation Timeline

Fall 2016

- Write state regulations
- Develop internal infrastructure
- Organize advisory councils
- Engage with stakeholders



Winter 2016/17

- Finalize state regulations
- Hire consultant to help develop program



Spring 2017

- Finalize program design and service provider
- Prepare for going LIVE!



Summer 2017

- CalABLE accounts go LIVE!

Outreach: We Need Your Help!

- We want the collaboration of our constituents
- Robust outreach strategy that seeks to leverage existing state and local networks of both public and private advocacy and service provider groups
- Can your group help host a meeting?
- Webinar available on YouTube with captions – please help share:

<https://www.youtube.com/watch?v=zvngfJICjb0>

Please Take Our Survey!

- Take and share our survey and help build CalABLE!
 - <https://www.surveymonkey.com/r/CalABLE> (English)
 - https://www.surveymonkey.com/r/Spanish_ABLE (Spanish)
- Find us on Facebook and follow us on Twitter
 - <https://www.facebook.com/CalABLE/>
 - https://twitter.com/CalABLE_Board



Questions?? Contact Us!

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