



# The Voya Cares<sup>®</sup> guide to ABLE accounts

A savings option providing more independence for people with disabilities and special needs

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Helping people with special needs and caregivers plan for the future they envision.

ABLE accounts provide people with disabilities and special needs the ability to save for their futures, without jeopardizing eligibility for government benefits.



# ABLE basics

## Eligibility

Individuals must meet two requirements:

- 1 Age requirement:<sup>1</sup>**

People of any age may be eligible, if the disability occurred before age **26**.
- 2 Severity of disability:<sup>1</sup>**

The individual must:

  - Have been determined to meet the disability requirements for Supplemental Security Income (**SSI**) or Social Security Disability Insurance (**SSDI**) benefits (Title XVI or Title II of the Social Security Act).

**OR**

  - Submit a “*Disability Certification*” attesting to the following:
    - A diagnosis of a physical or mental impairment that causes “marked and severe functional limitation.”
    - A condition that has lasted or is expected to last for at least 1 year (essentially equal to Social Security level of disability).



Up to  
**4 million**  
children

+

**8 million**  
adults

.....

Estimated number of individuals eligible for ABLE accounts, based on disability status and age of onset.<sup>2</sup>

<sup>1</sup> ABLE National Resource Center: <http://ablenrc.org/step-2-who-eligible>

<sup>2</sup> Goodman, N (2015) Estimated Number of ABLE Act Participants. National Disability Institute (January 6, 2015)

## Government benefits eligibility

Eligibility for means-tested government benefits relies on the individual having less than **\$2,000** in resources.

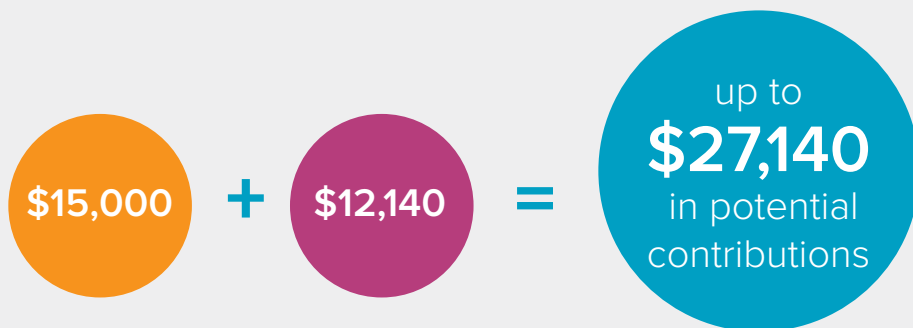
In determining eligibility for means-tested government benefits, up to \$100,000 in an ABLÉ account does not count against the resource limit. If the amount in an ABLÉ account balance exceeds \$100,000, SSI payments will be suspended, but SSI benefits eligibility will not be terminated.

ABLE assets are not counted as an asset when determining Medicaid eligibility but may be subject to claims from Medicaid upon the death of the account owner.

## Contribution maximums

The 2019 total annual contribution limit is **\$15,000** (includes any roll-over from 529 college plans).

The ABLÉ to Work Act permits eligible employed beneficiaries who do not participate in their employer's retirement plan to save more in their ABLÉ accounts. Now beneficiaries who are employed can contribute an amount equal to their current year gross income (up to an additional **\$12,140**) each year to their ABLÉ accounts.



## Tax advantages

Earnings on contributions accumulate tax-free and are not taxed if used for eligible expenses. Additionally, some states may allow for state income tax deductions or credits for their own plans, or, in some cases, all plans. ABLÉ contributions may also qualify for the federal Saver's Tax Credit.

### Common questions:

**Q:** I have a special needs trust; do I still need an ABLÉ account?

**A:** Determining which option is the most appropriate will depend upon individual circumstances. For many families, the ABLÉ account will be a significant and viable option in addition to, rather than instead of, a trust program. For more information on ABLÉ accounts, trusts and other topics related to special needs planning, visit our website, [VoyaCares.com](http://VoyaCares.com) and talk to your advisor and attorney.

**Q:** Can I roll over my child's 529 plan to an ABLÉ account?

**A:** Yes, up to the \$15,000 annual contribution limit. The funds can be used for a broader range of qualified disability-related expenses.

**Q:** Who would benefit from opening an ABLÉ account?

**A:** Individuals with disabilities or special needs who are employed and want to save for their own financial goals.

Parents who want to save for their child's future disability-related expenses.

People who want to gift or bequest to a loved one who has a disability or special needs but doesn't want to interrupt their government benefits.

Individuals with disabilities or special needs who want to manage their own money, with or without help.

# Eligible expenses

ABLE account funds can be used for all qualified disability-related expenses. Funds must relate to the beneficiary's disability and help maintain or improve health, independence, or quality of life. Some examples include:



## Education

Like 529 education accounts, ABLE accounts can be used for qualified education expenses like tuition, books, supplies. Expenses related to attendants and other educational supports are allowable, as well.



## Health, prevention & wellness

ABLE accounts can help fill the gap in Medicaid, Medicare and private health coverage. Covered expenses include premiums, medications, copays, supplements, therapy, respite and long term care.



## Housing

A unique benefit of ABLE accounts is that, unlike a special needs trust, housing expenses are allowable without adverse effects on benefits eligibility. This may include rent, mortgage, property taxes, utilities and even the purchase of a home.



## Legal and financial services

ABLE account funds can also be used to help cover the fees charged by legal and financial professionals who help develop and execute financial and legal plans.



## Transportation

ABLE accounts can help pay for the purchase of or to modify the vehicles needed to get around, and/or help with expenses related to public transportation.



## Funeral and burial

ABLE account funds may be used for pre-planning burial costs, funeral and burial expenses and pre-paid cemetery plots. Final expenses can be paid by the estate from an ABLE account, prior to any Medicaid payback.



## Employment

Expenses related to finding a job and maintaining employment are eligible, including valuable supports and coaching that can make employment accessible.



## Basic living expenses

ABLE accounts can help with daily living expenses for people with disabilities and special needs, including food-related costs associated with specialized diets, water and sewer costs and garbage removal. Any expenses that help improve independence or quality of life are eligible.



## Assistive technology and adaptive equipment

Many people living with special needs or disabilities need some potentially expensive devices to assist with day-to-day living. ABLE accounts provide a tax-advantaged way to purchase equipment that may not be covered by medical insurance.



## Other

Other expenses approved by the Secretary of the Treasury under regulations consistent with the purpose of the program and/or published in future guidance in Internal Revenue Bulletins.

To learn more about ABLE accounts or to open one, visit the ABLE National Resource Center at [ablenrc.org](http://ablenrc.org) or talk to your financial advisor.



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