Tax-Advantaged Savings for Individuals with Disabilities

November 8, 2018
Presenter: Sarah Pennington, ABLEnow
Objectives

What will we cover?

✓ ABLE Act
✓ ABLEnow program details
✓ How to learn more and open an account

Why is it important?

✓ New financial tool for eligible Americans with disabilities
✓ Empowers self-determination, financial independence
✓ Fewer than 1% of eligible Americans have an ABLE account*

We recommend you consult a trusted legal, financial, tax and/or benefits professional.

* Estimate from Strategic Insight, Q2 2018
What is ABLE?

• Tax-advantaged savings accounts for eligible individuals with disabilities

• Contribute up to $15,000 a year without endangering eligibility for certain means-tested disability benefits

• Result of the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act

Photos: AutismSpeaks.org

President Obama, Dec. 2014

Virginia Governor McAuliffe, April 2015
Enter to win a $500 ABLEnow account

able-now.com/spinal

See website for Terms & Conditions
What is ABLEnow®?

• Virginia-sponsored ABLE savings program
• Open to eligible individuals in all 50 states
• Administered by Virginia529℠
  • Nation’s largest 529 plan, $72 billion in assets
  • Helping people dream, save and achieve for 20+ years

Open and manage an account online at able-now.com
What is ABLEAmerica®?

• Nation’s only advisor-sold ABLE program
• Offered in partnership with American Funds
• Work with a financial advisor to build an ABLE plan that meets your specific needs

Contact your financial advisor to open an account
Who is eligible?

An eligible individual is someone who developed the onset of their disability before age 26, and:

- Is entitled to Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits based on blindness or disability

  or

- Self-certifies that they have a qualifying disability diagnosis from a physician

ABLE Age Adjustment Act: unitedspinal.org/save-the-able-act
How can I use the money?

ABLE accounts may be used at any time, for any reason to pay expenses related to maintaining health, independence and quality of life.

- Basic living expenses
- Health and wellness
- Housing
- Transportation
- Education and training
- Assistive technology
- Financial management
- Legal fees
What are the benefits?

Flexible

Easy to manage, easy to contribute and easy to use.

Tax Advantaged

Earnings grow free from federal taxes.
Virginia offers an annual state income tax deduction of up to $2,000 per contributor for contributions to an ABLEnow account.

Doesn’t Impact Benefits

ABLE funds are disregarded when determining eligibility for certain means-tested benefits.
For SSI, an account balance up to and including $100,000 is disregarded.

See able-now.com for rules, limitations and exceptions.
ABLEnow Card

ABLEnow account holders receive the **ABLEnow Card** — a free debit card providing a simple, fast way to pay qualified disability expenses.
Gift contributions

Anyone can contribute to an ABLEnow account!

- Birthdays, holidays & milestones
- Make gift contributions online or by mail.
- Share [www.able-now.com/give-a-gift](http://www.able-now.com/give-a-gift) with friends and family or click “Give a Gift” on the ABLEnow homepage.
Investment options

• First $2,000 automatically allocated to an interest-bearing, FDIC-insured ABLEnow Deposit Account, linked to your ABLEnow Card.

• For balances over $2,000, you may opt to invest additional contributions in four investment portfolios.
Account costs

ABLEnow offers some of the lowest fees in the country among ABLE programs.

- No enrollment fee
- No minimum contribution
- Account service fee of $3.25 per month
  Waived if you maintain a balance of $10,000 in the ABLEnow Deposit Account
- If you choose to invest, there are asset-based fees between 0.37% and 0.40%, depending on investment selections

See the Account Fee Schedule for complete details.
2018 updates

Enhancements and flexibility for ABLE account owners.

- **Annual contribution limit increased** to $15,000 per year
- **ABLE Financial Planning Act** allows 529 transfers
- **ABLE to Work Act** incentivizes ABLE beneficiaries to work
- Potential to take advantage of the **Savers’ Tax Credit**
Next Steps
Start your savings

able-now.com
What do you need?

Open your account
• Name, address, DOB
• SSN
• Bank account information

Open account for someone else
• Name, address, DOB for Account Owner + yourself
• SSN for Account Owner + yourself
• Bank account information

Who can open an account as an Authorized Rep?

For a minor (under 18): Parent must open and manage account as Authorized Rep.

For an adult (18 and over): Parent, Legal Guardian or Attorney in Fact may open and manage account as Authorized Rep.

Legal Guardians and Attorneys in Fact must submit documentation prior to contributing or distributing funds.
Receive & share information

• Visit able-now.com and subscribe to updates

• Follow @ABLEnowVA on Facebook and Twitter

• Share information with friends, family and community groups.
Pop Quiz!

✓ ABLE is an abbreviation for__________________?
✓ I am older than age 26. May I open an ABLEnow account?
✓ Do I need to live in Virginia to open an ABLEnow account?
✓ How much can I save in my ABLEnow account each year?
✓ Can I have an ABLEnow account and a Special Needs Trust?
✓ What happens to the money in my ABLEnow account after my death?
✓ Who can contribute to an ABLEnow account?
✓ Where do I open my ABLEnow account?

These and other answers can be found online at able-now.com/resources/FAQs
Enter to win a $500 ABLEnow account

able-now.com/spinal

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The material in this presentation has been prepared by ABLEnow and is general information about ABLEnow current as of the date of this presentation. The information is given in summary form and does not purport to be complete.

Call 1-844-NOW-ABLE or visit able-now.com to obtain information on the program. Seek the advice of a professional concerning any financial, tax, legal or federal or state benefit implications related to opening and maintaining an ABLEnow account. Participating in ABLEnow involves investment risk including the possible loss of principal. For non-Virginia residents: other states may sponsor an ABLE plan that offers state tax or other benefits not available through ABLEnow.

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