

# Achieving a Better Life Experience (ABLE) Act: Frequently Asked Questions

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The Achieving a Better Life Experience (ABLE) Act is a new law that allows individuals with disabilities to create savings accounts up to \$100,000 without risking eligibility for Social Security and other government benefits, including Medicaid. These accounts will help individuals with disabilities work, save money, and create a better financial future. Here are answers to frequently asked questions about the federal ABLE Act:

## Who is eligible for an ABLE account?

Individuals who:

- Receive Supplemental Security Income (SSI),
- Receive Social Security Disability Insurance (SSDI), or
- File a disability certification under rules that the Internal Revenue Service (IRS) will write.

The disability must occur before the individual turns 26.

## How is the ABLE Act different from previous laws?

Currently, individuals with more than \$2,000 in assets are not eligible for SSI. The ABLE Act allows individuals with disabilities to save up to \$100,000 without impacting their SSI cash benefits. The ABLE Act is modeled after the current 529 Education Savings Plans that help families save for college.

## What are the contribution limits?

The total annual contributions may not be more than \$14,000 in 2015. If the account exceeds \$100,000, the beneficiary's SSI payments will be stopped until the account balance falls below \$100,000. Medicaid coverage will continue even if the account exceeds \$100,000.

## What expenses are covered under the ABLE Act?

ABLE account funds can be used to pay for disability-related expenses, including education; health care; transportation; employment training and support; assistive technology and personal support services; health, prevention, and wellness; financial management and administrative services; legal fees; expenses for oversight and monitoring; and funeral and burial expenses.

## Who can establish an ABLE Account?

The individual with a disability or a family member or friend may open the account. Each beneficiary may have only one ABLE account, which must be established in the state where he or she lives.

## When will individuals be able to sign up for ABLE accounts?

It may be possible to open ABLE accounts as soon as 2015. However, before the program can be offered to the public, new rules and procedures must be created at both the federal and state level.

PACER will provide more information as state regulations become available. If you have any questions, please call PACER at (952) 838-9000 or discuss with your financial advisor.