Show Me the Money Webinar Series
Part 3: Understanding ABLE Accounts: Advancing Self-Sufficiency for Individuals with Disabilities and Their Families

March 22, 2018
Michael Morris
Founder, ABLE National Resource Center

LaKesha Page
College Savings and ABLE Tennessee

Joanna Swanson
Enable Alabama

Samara Heavrin
STABLE Kentucky
Presenters

Michael Morris, Founder, ABLE National Resource Center

LaKesha Page, Director, TNStars 529 College Savings Plan & ABLETN

Joanna Swanson, Head of Direct Sales, Savings Plans, First National Bank

Samara Heavrin, STABLE Kentucky Director, Office of Kentucky State Treasurer Allison Ball
ABLE Act: 10 Things You Should Know
1. What is an ABLE account?

An ABLE account is a tax advantaged savings account that helps individuals with disabilities, and their families, save for the purposes of purchasing disability related expenses.
2. How do funds in an ABLE account affect my benefits?

Funds in an ABLE account will not be taken into consideration when determining an individual’s eligibility for means test public benefits (including Supplemental Security Income (SSI) and Medicaid).
3. Why the need for an ABLE account?

Millions of individuals with disabilities and their families depend on a wide variety of public benefits for income, healthcare and food and housing assistance. Eligibility for these public benefits (SSI, SNAP, Medicaid) require meeting a means or resource test that limits eligibility to individuals to report more than $2,000 in cash savings, retirement funds and other items of significant value. To remain eligible for these public benefits, an individual must remain poor.
4. Who is eligible to be an ABLE account beneficiary?

To be eligible, individuals must meet two requirements:

1. Age requirement: must be disabled before age 26

2. Severity of disability:
   • Have been determined to meet the disability requirements for Supplemental Security Income (SSI) or Social Security disability benefits (Title XVI or Title II of the Social Security Act) and are receiving those benefits, OR
   • Submit a “disability certification” assuring that the individual holds documentation of a physician’s diagnosis and signature, and confirming that the individual meets the functional disability criteria in the ABLE Act (related to the severity of disability described in Title XVI or Title II of the Social Security Act)*.
5. Do I have to enroll in my state of residence?

No. Regardless of where you might live and whether or not your state has decided to establish an ABLE program, you are free to enroll in any state’s program provided that the program is accepting out of state residents.
6. Are there limits on account contributions?

The total annual contributions by all participating individuals, including family and friends, for a single tax year is $15,000. This amount may be adjusted periodically to account for inflation.

The total account limit over time will be subject to the individual state and their limit for education-related 529 savings accounts. Many states have set this limit at more than $300,000 per plan.
7. What may funds from an ABLE account be used for?

- Distributions from an ABLE account may be made for “qualified disability expenses”.

- “Qualified disability expenses” are expenses that relate to the designated beneficiary’s blindness or disability and are for the benefit of that designated beneficiary in maintaining or improving his or her health, independence, or quality of life.

- The term “qualified disability expenses” should be broadly construed to permit the inclusion of basic living expenses and should not be limited to:
  - expenses for items for which there is a medical necessity, or
  - which provide no benefits to others in addition to the benefit to the eligible individual.
8. Qualified disability expenses may include the following:

- Education
- Housing
- 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
- Basic Living Expenses (NPRM)
- Funeral and burial expenses
- Any other expenses approved by the Secretary of the Treasury under regulations consistent with the purpose of the program

Distributions for non-qualified expenditures will be subject to tax consequences and may affect eligibility for federal means tested benefits.
9. Where will I have to go to open an account?

Currently there are 33 states that have launched ABLE programs. With the exception of New York, Missouri, Georgia, Alabama, Florida and Kentucky, all the currently launched states are enrolling nationwide. Enrollment and maintenance of the account is most frequently done entirely online.
Tool for Financial Stability and Competitive Integrated Employment Outcomes

Qualified Disability Expenses
1. Transportation to and from work
2. Benefits planning and counseling
3. Medicaid Buy-In program premiums
4. Job coaching
5. Personal assistant services
6. Computer, smart phone, assistive technology
7. Financial planning and counseling
10. Where can I go to find further ABLE related information?

The ABLE National Resource Center (ANRC) is a collaborative whose supporters share the goal of accelerating the design and availability of ABLE accounts for the benefit of individuals with disabilities and their families. We bring together the investment, support and resources of the country’s largest and most influential national disability organizations.

Contact
Chris Rodriguez
Senior Public Policy Advisor
National Disability Institute
crodriguez@ndi-inc.org
www.ablenrc.org
ABLE TN – A Program of the Tennessee Treasury Department

LaKesha Page
Director, TNStars 529 College Savings Plan & ABLETN
What is *ABLE TN*?

- Launched in June 2016, *ABLE TN* is a savings program administered by the Tennessee Treasury Department, under the leadership of Treasurer David H. Lillard, Jr.
- *ABLE TN* is designed to help individuals with physical and/or intellectual disabilities set aside money to pay for qualified disability expenses
- As of February 26, 2017, new enrollment in *ABLE TN* is restricted to Tennessee residents only
Contribute

• Contribute up to $15,000 annually max
• Accumulate up to $100,000 without impacting eligibility for benefits available through federal means-tested programs
• Account balance limitation of $350,000
• Contributions can be made via:
  • Check
  • Electronic Funds Transfer
  • Qualified 529 Plan rollovers (New 2017 Tax Law addition)
  • IEA contributions (education expenses only)
  • ABLE Program to Program Transfers
  • Automatic Investment Plan - recurring contributions from a checking or savings account
  • Online gifting portal
Investment Options

6 Growth Options:
- Investment in stock portfolios
- Designed to seek maximum returns for investors with higher risk tolerance

3 Balanced Options:
- Blend of stocks and bonds
- Designed to provide modest capital appreciation for investors with moderate risk tolerance

5 Conservative Options:
- Higher concentration in fixed income
- Designed to provide long-term growth for investors with a low risk tolerance
Qualified Disability Expenses

- Education
- Assistive Technology
- Health
- Financial Management
- Transportation
- Legal Fees
- Home Improvement
- Housing
- Employment Training & Support
Features and Benefits

- **ABLE TN** offers 14 diverse investment options
- Reallocate existing funds 2 times per year max
- A simple, low cost fee structure
- Interactive eligibility guide
- Convenient online account access portal
- E-gifting portal
- No recertification necessary
- Community outreach plan
- Questions & Help line: 855-922-5386
Costs

• Annual Asset based fees range from 0% to .64% depending on investment selection. The average cost is .35%

• The annual asset based fee is divided over 12 months and applied to the account balance at the end of each month

• No sales or distribution charges, fixed account maintenance fees, application fees, rollover fees or statement fees
Ownership & Management

• The designated beneficiary is the sole owner of funds within an ABLE TN account

• Legal representatives and guardians may submit documentation to access and manage an ABLE TN account on behalf of a beneficiary (POA)

• ABLE TN has developed an online account portal that allows participants to conveniently monitor their accounts and make contributions and withdrawals online
Open an Account

• Go to AbleTN.gov
• Use ABLE Assist, our interactive guide on AbleTN.gov, to help determine eligibility
• Review the program disclosure
• Click “Enroll Now” to open an account
  • Accounts may be opened by the designated beneficiary or his/her legal representative or guardian

• Annual Gift Tax Exclusion Increased to $15,000 max
• Account holders may now contribute employment income to ABLE account in excess of annual contribution limit of $15,000
  • No participation in employers retirement plan
  • No more than Federal Poverty limit per individual
• 529 Account may be rolled over into ABLE account
  • Must be for same beneficiary as the ABLE account
  • Or a member of the same family as account holder
Program Update

ABLE TN Data through December 31, 2017:

• 1,562 Total funded accounts
• $8,228,281 Total assets
Contact Us

Website: AbleTN.gov
Phone: 855-922-5386 (ABLETN)
E-mail: ABLE.TN@tn.gov
Twitter: @ABLETennessee
Facebook: ABLETN
Enable Alabama

March 2018
Southeast ADA Center Webinar
Enable Savings Plan Alabama

Available for Eligible Individuals Nationwide
Allowable under the Alabama ABLE Act signed June 2015

Young Boozer, Alabama State Treasurer, contracted with the Nebraska State Treasurer to create Enable Savings Plan Alabama

Organizing Structure:

• The Nebraska Achieving a Better Life Experience Program Trust Issuer
• Nebraska State Treasurer Trustee
• Nebraska Investment Council Investment Oversight
• First National Bank of Omaha Program Manager
Enable Account Features
Contributions

• Anyone can contribute to an account
  • Account owner
  • Family & Friends
  • Companies
  • Trusts & Inheritance

• Due to the ABLE Act, the Enable Savings Plan limits the amount that can be contributed from all sources to $15,000 per calendar year.

• Contribution Options:
  • Check
  • AIP or systematic deposits
  • EFT
  • Payroll Deduction
Withdrawals

All withdrawals are considered Qualified Disability Expenses.

• Check to account owner
• Check to 3rd party company
• EFT to account owner’s bank account
• Systematic withdrawals
• Debit card and check writing **Checking Option Only**
Qualified Disability Expenses

An account owner can save for a wide range of expenses and pay for those expenses by withdrawing from the Enable Savings Plan.

- Education
- Transportation
- Housing
- Employment training and supports
- Assistive technology and related services
- Personal support services
- Financial management and administrative services
- Legal fees and expenses for oversight and monitoring
- End of life expenses
- Health, Prevention and Wellness
- Other expenses to enhance the account owner’s quality of life
Tax Advantages

• Earnings are tax-deferred and tax-free if used for Qualified Disability Expenses

  • Earnings from withdrawals used on non-Qualified Disability Expenses are subject to federal and state income tax and additional 10% federal tax

• Contributions are not deductible from Alabama state income tax
Alabama Medicaid

• Assets in an Enable account are an excluded resource for Medicaid
  • Includes Childhood Disability Benefits and Waiver recipients

• Account owners will report assets in Enable accounts to Medicaid, at minimum annually
  • Will likely require a copy of Enable statement

• Wages are subject to existing Medicaid income guideline
Investment Options
Enable Investment Options

• Three Target-Risk Investments Options
  • Low-cost Vanguard mutual funds
  • Investment are not FDIC-insured and do not offer bank, state or federal guarantees (May lose value)
  • Time horizon: more than 5 years

• Bank Savings Option
  • Provides FDIC-Insurance for the investment
  • Guaranteed return
  • Stability of knowing the principal investment may not lose its value
  • Time horizon: less than 5 years

• Checking Option
  • Provides FDIC-Insurance for the investment
  • Offers check or debit card withdrawals
  • Time horizon: short term
Enable Investment Options

• When an account is opened, the account owner selects the investment options for the initial contribution
  • Account owner can select multiple options
    - Growth Option
    - Moderate Option
    - Conservative Option
    - Bank Savings Option
    - *Checking Option
    
    Total

• Subsequent contributions can be directed to any investment option
  • Contributions not directed to a specific investment option will be invested according to the percent allocations chosen when the account was opened.

• Investment changes permitted only twice per year
Enable Target-Risk Options

Growth Option  Moderate Option  Conservative Option

Growth and some income  Balance of growth and income  Current income and some growth

Higher potential return & risk  Lower potential return & risk

<table>
<thead>
<tr>
<th>Option</th>
<th>Growth</th>
<th>Moderate</th>
<th>Conservative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>20%</td>
<td>5%</td>
<td>15%</td>
</tr>
<tr>
<td>International Equity</td>
<td>24%</td>
<td>42%</td>
<td>21%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>56%</td>
<td>35%</td>
<td>55%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td></td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Account Fees

• **Annual Account Fee**
  • Quarterly charge per account of $11.25 ($45 annually) regardless of the investment option or the number of investment options

• **Total Asset-Based Fees**
  • Range from 0.50% to 0.55%
  • Includes amount charged by the underlying fund and the fee paid to manage the Plan
  • This fee is not deducted from your account
  • Not applicable to Checking Option

• **Checking Option Fees**
  • Checkbook Fee: $6 for box of 50 checks
    • You will need a minimum of $25 invested in the Checking Options to order Enable checks
    • You can order checks from a vendor of your choice
  • See website or Program Disclosure document for further details and fees for checking

• **No other fees** – no fees to enroll, withdraw, change investment options, or transact online
Account Fees

• Account Minimums
  • Initial: $50, reduced to $25 with AIP or payroll deduction at enrollment
  • Subsequent: $25, waived with AIP or payroll deduction
  • $50 minimum account balance

• Account Balance Limit
  • Total account balance limit is $400,000.
  • Contributions will not be accepted once the total account balance limit is met.
  • The total account balance can continue to grow in response to market changes.
Open an Account

• Read the Program Disclosure Statement
• Complete enrollment in 6 steps:
  • **online** if account owner does not have an authorized individual
  • **via paper form** if account owner has an authorized individual

1. Answer questions about the account owner
   • SSN or TIN
   • DOB
   • Address

2. Answer questions about the authorized individual

3. Select investment options
4. Select funding method
5. Select delivery options
6. Review and submit
Connect with Enable Alabama

Visit our Website:  EnableAL.com

• Visit the website and Resources page
• Keep up with news and events
• Join the email list
• Watch our videos

Email Us:  EnableAlabama@fnni.com

Email us to schedule a presentation in your area!
Other Ways to Connect with Enable Alabama

Facebook.com/EnableSavingsPlanAlabama

• Share ideas
• Learn from experts

Customer Service Center

Call: 1.866.833.7949

• Answered 8am to 8pm CST, Monday thru Friday
• Call center representatives are Telecommunications Relay Service (TRS) capable.

Email: clientservices@enableal.com

• Great resource to answer questions or walk through the enrollment process
Disclosures

Enable Savings Plan Alabama ("Enable Alabama" or the "Plan") is sponsored by the State of Nebraska, offered by the State of Alabama, and administered by the Nebraska State Treasurer. The State of Alabama, through the ABLE Program Board, contracted with the Nebraska State Treasurer to participate in and create Enable Savings Plan Alabama which is part of The Nebraska Achieving a Better Life Experience Program Trust (the "Trust") that offers a series of investment portfolios. The Plan is intended to operate as a qualified ABLE program to be used only to save for qualified disability expenses, pursuant to the Achieving a Better Life Experience Act of 2014 and Section 529A of the U.S. Internal Revenue Code.

Investments are not FDIC insured*. No Bank, State or Federal Guarantee. May Lose Value, except the Bank Savings and Checking Investment Options
Kentucky’s ABLE Plan
What is STABLE Kentucky?

- STABLE Kentucky is Kentucky’s ABLE Plan
  - Offered to Kentuckians through a partnership with the Ohio STABLE Account program
- Administered by Kentucky State Treasurer Allison Ball
- Launched: December 13, 2016
- Must be a Kentucky resident
Enrollment

- Online Enrollment
- Free - takes approximately 20 minutes
- $50.00 minimum opening deposit
# Account Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Monthly Maintenance Fees</th>
<th>Asset-based Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3.50 ($42.00 Annually)</td>
<td>Between 0.19% and 0.33%</td>
</tr>
</tbody>
</table>
Funding your Account

- **Contributions**
  - $15,000 annual limit
  - If employed, you may be able to contribute up to an addition $12,060 of income (coming soon!)
  - $462,000 lifetime limit

- **Gifting**
  - Create an eGift Event (birthday, holiday, etc.)
  - System tracks contributions for sending thank-you notes/replies
Investment Options

Four Vanguard mutual funds that range from aggressive to conservative

• Vanguard LifeStrategy Income Fund
  • (80% assets to bonds/ 20% to common stocks)

• Vanguard LifeStrategy Conservative Growth Fund
  • (60% assets to bonds/ 40% to common stocks)

• Vanguard LifeStrategy Moderate Growth Fund
  • (40% assets to bonds/ 60% to common stocks)

• Vanguard LifeStrategy Growth Fund
  • (20% assets to bonds/ 80% to common stocks)

One FDIC-Insured Option

• Principal protected
STABLE Card

- Loadable debit card
- Does not pull from account
- Online spending records + notate expenses
- No commingling of funds with other accounts
- Protection – limiting of merchants, no cash access, no overdraft
- Text alerts to monitor spending, low balances

The STABLE Prepaid MasterCard is issued by Metropolitan Commercial Bank (Member FDIC) pursuant to a license from MasterCard International Incorporated. MasterCard and MasterCard® Brand Mark are registered trademarks of MasterCard® International Incorporated. “Metropolitan” and “Metropolitan Commercial Bank” are registered trademarks of Metropolitan Commercial Bank © 2014.
STABLE Kentucky Outreach Efforts
Goals for Outreach

- Build Relationships
- Inform Kentuckians about STABLE Kentucky Accounts
Media

- Press Conferences
- Social Media
  - Facebook, Twitter, and Instagram
- Videos
- Print Media
  - Local Newspapers
  - Magazines
Events Around Kentucky

- Webinars
- Online Presentations
- Rallies at Kentucky State Capitol
- Presentations to Advocacy Groups, Annual Conferences, Government Entities, Businesses, Etc.
- Exhibitor Booths
- Receptions
Newsletter

- Monthly Newsletter for STABLE Kentucky

- Topics Include:
  - STABLE Kentucky Account Updates
    - Milestone Account Numbers (100, 200, etc.)
    - Annual Limit Increase
  - How to get involved with STABLE Kentucky Outreach Coalition
  - #ABLEtoSave Month
  - Legislative Updates
STABLE Kentucky Outreach Coalition Vision

The vision for this coalition is to have Kentuckians who are dedicated and passionate about helping others sharing information on STABLE Kentucky in their local communities, including with disability advocacy groups.
STABLE Kentucky Outreach Coalition Expectations

- Present STABLE Kentucky presentations quarterly
- Forward monthly STABLE Kentucky emails from Kentucky State Treasurer Allison Ball to personal contact list
- Participate in monthly advocate phone calls with the STABLE Kentucky Director to discuss program updates
- Attend an Annual Meeting with Coalition Members in Frankfort, Kentucky
ADA Compliance Efforts
STABLE Kentucky Website

• The online account management system is ADA compliant. The account system was third-party tested to ensure compliance.

• While designing the website, Ohio took into consideration font size, color blocking, and eliminating pop-ups, moving/swiping icons, and videos that auto-play.
STABLE Kentucky Materials

• All materials, like brochures and handouts, were designed with considering overall size and font size to be important.

• The plan disclosure is a pdf. It had to be sent out to a third-party company to have it coded for browser readers.
STABLE Kentucky Customer Service

- Customer Service is very important to STABLE Accounts.
- There are staffers familiar with TTY or RTT
- We have a written method of communication for customers who cannot call-in.
Kentucky State Treasury Website

• For constituents using screen readers, we made a conscious effort to not unnecessarily bold, underline or italicize text.
• No red color text
• Easy-to-read fonts
ADA Compliance Future
Strategies for STABLE Kentucky

- Host a video presentation on the website with captions.
- Connect with interpreters around Kentucky.
- Continue to learn from people.
Spread the Message

Find us on Facebook: @TreasurerBall

Find us on Twitter: @KYTreasurer

Help us spread the STABLE Kentucky message. Follow us, “like” us, and send us your thoughts.
Contact Information

Samara Heavrin
STABLE Kentucky Director
samara.heavrin@ky.gov
Open Questions & Discussions

Please submit your questions in the Q&A area.
Questions for Panelists

• What kind of assistance do you offer individuals with disabilities to help them establish an ABLE account?
• Do you offer materials in alternative formats?
• Do you utilize video relay services to communicate with a person who is deaf?
• If an individual or family does not have access to the internet, can they enroll by phone?
• Of current ABLE account owners with your state program, what percent are parents versus adults with disabilities?
• Do you offer any type of financial literacy programs to help educate current or potential account owners?
Questions for Panelists, cont.

• Is there one type of choice of investment options that more ABLE account owners seem to be selecting?

• What is the average amount of funds in ABLE accounts in your state at the end of 2017?

• Are more account owners saving for long or short term goals?

• What are the top reasons individuals with disabilities and families have to establish an ABLE account?

• Can you identify a particular unique feature of your program that differentiates it from other state ABLE programs?
Education Credit

After completion and verification of attendance of all three sessions, and completion of the three post tests you may request a Verification of Completion form with further instructions on how to complete.

POSTTEST
https://goo.gl/CzYc12 or https://syracuseuniversity.qualtrics.com/jfe/form/SV_3JneyRBzz7y5Qz3
Evaluation

Thank you for your participation in the Show Me the Money Webinar Series.

Please complete the evaluation as your feedback is important to us to help determine the effectiveness of our training sessions in meeting your needs and guide planning for future sessions.

https://goo.gl/kECq7R

or

https://syracuseuniversity.qualtrics.com/jfe/form/SV_2uw7Q7QoMr6nLYp
Archived Webinars

All of the Show Me the Money Webinars are archived with recording (video & audio), presentation, and transcript - please share


Part 1: Creating a Culture of Financial Inclusion and Access
Part 2: Money Smart: A Tool to Foster Greater Economic Inclusion Among Individuals with Disabilities
Part 3: Understanding ABLE Accounts: Advancing Self-Sufficiency for Individuals with Disabilities and Their Families
Contacts

Southeast ADA Center - web: adasoutheast.org
email: adasoutheast@syr.edu

ABLE National Resource Center – web: www.ablenrc.org
email: info@ablenrc.org

ABLE Tennessee - web: AbleTN.gov
email: ABLE.TN@tn.gov

Enable Alabama - web: EnableAL.com
email: EnableAlabama@fnni.com

STABLE Kentucky – web: www.stablekentucky.com
email: team@stableaccount.com
Disclaimer

The contents of this training were developed under a grant from the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR grant number 90DP0019-01-00). NIDILRR is a Center within the Administration for Community Living (ACL), Department of Health and Human Services (HHS). The contents of this training do not necessarily represent the policy of NIDILRR, ACL, HHS, and you should not assume endorsement by the Federal Government.

The information, materials, and/or technical assistance provided by the Southeast ADA Center are intended solely as informal guidance, and are neither a determination of your legal rights or responsibilities under the Act, or binding on any agency with enforcement responsibility under the ADA. The Southeast ADA Center does not warrant the accuracy of any information contained herein. Furthermore, in order to effectively provide technical assistance to all individuals and entities covered by the ADA, NIDILRR requires the Southeast ADA Center to assure confidentiality of communications between those covered and the Center. Any links to non-Southeast ADA Center information are provided as a courtesy, and are neither intended to, nor do they constitute, an endorsement of the linked materials.

You should be aware that NIDILRR is not responsible for enforcement of the ADA. For more information or assistance, please contact the Southeast ADA Center via its web site at ADAsoutheast.org or by calling 1-800-949-4232 or 404-541-9001.