

## ABLE Accounts

### *What Wisconsin Families Need to Know*

#### What are ABLE Accounts?

**Achieve a Better Life Experience** (ABLE) accounts are tax advantaged savings accounts for individuals with disabilities. The accounts provide a way for families and individuals to save for needed future expenses (living, working, health-related needs) while maintaining eligibility for public programs.

Assets in an ABLE account and distributions from the account for qualifying expenses would be disregarded or receive special treatment when determining the person's eligibility for federal means-tested benefits (for example, SSI or Medicaid).

Current federal law limits these accounts to individuals who have been determined disabled by age 26, however, national disability advocates are working for changes to the ABLE Act to increase the age of onset to 46. One account is allowed per person and a maximum of \$14,000 per year can be saved in an ABLE account. Total savings in an ABLE account have a limit of \$100,000.

#### Can I Go to a Local Bank and Open an ABLE Account?

No, ABLE accounts can only be opened by working with a state ABLE program. Changes to Wisconsin law last year eliminated the creation of a Wisconsin-based ABLE program, but provisions under the federal ABLE Act allow citizens of one state to open an account in another state (if that state allows for out-of-state residents).

Wisconsin residents can now open ABLE accounts through state sponsored ABLE programs in **Ohio, Nebraska, Michigan and Tennessee**. Florida's ABLE program is not open to out of state residents. Several other states will be making ABLE programs available in the next year. Go to the ABLE National Resource Center at [www.ablenrc.org](http://www.ablenrc.org) to be linked to individual state programs and to learn more.

#### What Can the Funds in an ABLE Account be Used For?

Funds need to be used for "qualified disability expenses." Disability expenses could include the costs for education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other expenses which help improve health, independence, and/or quality of life. Receipts or proof of what funds are used for are not required under IRS rules.

The ABLE National Resource Center has created a list of questions (below) and a tool to help families compare ABLE programs. Go to [www.ablenrc.org/state\\_compare/](http://www.ablenrc.org/state_compare/) to use the comparison tool and to learn more.

1. Does this program offer enrollment to out of state residents?
2. Is there a state income tax deduction or credit for contributions made into accounts opened in this state? (The tax deduction or credit would only apply to residents of that state).
3. Who is the program administrator?
4. Is there an initial minimum contribution requirement to open an ABLE account? If so, how much?
5. Is there an annual set fee to maintain the account? If so, how much?
6. Is there a required minimum contribution to your account? If so, what is the amount?
7. Are there fees or restrictions to the number of disbursement you are allowed? If so, what are they?
8. Can I roll over my ABLE account to another ABLE program? If so, what is the fee to do so?
9. Is there a “debit card/purchasing card” available with the program? If so, what is the added cost?
10. Who is the investment manager?
11. How many investment options are associated with the program?
12. Do those investment options vary in risk?
13. Is there a fee associated with the investment choices? If so, how much?
14. Are there other characteristics unique to your program?

### **How Can I Learn More about ABLE Programs and Changes to the ABLE Act?**

The ABLE National Resource Center at [www.ablenrc.org](http://www.ablenrc.org) or **1.202.296.2040** provides background on the ABLE Act, resources on state programs and can help answer questions about opening an ABLE account.

#### **If you have questions or need help finding services contact the following agencies:**

- **Regional Centers for Children and Youth with Special Health Care Needs**, a network of 5 centers dedicated to supporting families who have children with special needs at [dhs.wisconsin.gov/cyshcn/regionalcenters.htm](http://dhs.wisconsin.gov/cyshcn/regionalcenters.htm)
- **Wisconsin First Step**, a statewide information and referral hotline, can assist families with finding supports and services at **1.800.642.STEP (7837)** or [www.mch-hotlines.org/wisconsin-first-step](http://www.mch-hotlines.org/wisconsin-first-step)