

# Achieving a Better Life Experience (ABLE)—

## Understanding the ABLE Act

The ABLE Act, signed into law on December 19, 2014, gives individuals with disabilities the opportunity to establish tax-deferred savings accounts to maintain their independence, pursue their dreams and contribute to their communities. ABLE Plans fall under Section 529 of the Internal Revenue Code.

### Protects current disability and healthcare benefits

In general, ABLE Plan funds would not affect eligibility for Supplemental Security Income (SSI), Medicaid and other federal means-tested benefits. Currently, individuals with more than \$2,000 in assets are not eligible for SSI.



Earnings on ABLE Plan contributions (made out of after-tax dollars) would be tax-free as long as the funds are used for qualified expenses.

### Qualified expenses under the ABLE Act include:



EDUCATION



HOUSING



TRANSPORTATION



EMPLOYMENT TRAINING & SUPPORT



ASSISTIVE TECHNOLOGY



HEALTH, PREVENTION & WELLNESS



FINANCIAL MANAGEMENT



ADMINISTRATIVE SERVICES



FUNERAL & BURIAL EXPENSES

### Who can have an ABLE Plan?

You are eligible for an ABLE Plan if you are disabled before age 26. Proof of disability includes:



Receiving Social Security Disability Insurance (SSDI) *or*



Receiving SSI *or*



Receiving a disability certification under rules that the IRS will write.

**1.4 Million**

Number of people who receive both SSDI and SSI benefits.

Estimated number of Americans who will be eligible for an ABLE account, according to the National Disability Institute.

**5.8 Million**

ABLE Plan amount that would trigger a suspension in SSI cash benefits while maintaining an individual's SSI eligibility.

**\$100,000**



**\$14,000**

Amount each family member and friends can contribute annually into an ABLE Plan and not pay taxes (gift tax exclusion).

### Setting up an ABLE Plan



**AAPD**

For more information on the American Association of People with Disabilities, visit [AAPD.com](http://AAPD.com)



**Allsup**  
Life Reclaimed

For more information on Social Security Disability Insurance, visit [Expert.Allsup.com](http://Expert.Allsup.com)

<sup>1</sup>Annual Statistical Report on the Social Security Disability Insurance Program, 2013.