

## PATHWAYS TO THE FUTURE

# Imagine What I Can Do...

- ▶ I can save money in my name - and more than just \$2,000.
- ▶ I can save for the future and keep needs-based benefits.
- ▶ I can work without having to “spend down” my current or future income.
- ▶ I can achieve some of the dreams that I never thought I could.
- ▶ And I can improve my quality of life.



## HOW CAN I DO THIS?

Achieving A Better Life Experience (ABLE) accounts are savings and investment tools built specifically for people with disabilities that allow them to save money without impacting public benefits. Stephen Beck Jr. Achieving a Better Life Experience (ABLE) Act was passed by Congress in December 2014, the Arizona legislature passed House Bill 2388 and individuals could begin enrolling in an AZ ABLE on March 5, 2018.





## WHY THE NEED FOR AN ABLE ACCOUNT?

With ABLE accounts, individuals and their families can save funds and keep SSI, Medicaid, HUD, or other means-tested benefits. Before ABLE, people with disabilities who received public benefits were not allowed to have more than \$2,000 in savings. This limitation made it difficult to live independently. Families were discouraged from saving for their children with disabilities because of the potential future impact on benefits. ABLE changes all of that.

Up to \$100,000 can be saved in an ABLE account without sacrificing SSI benefits. Your SSI benefits will be suspended if you go over the \$100,000 amount, but you'll still be eligible for all other benefits (such as Medicaid). Once your balance drops below the limit, your SSI benefits will resume as normal.

## Medicaid

ABLE account savings do not impact Medicaid benefits.

## HUD, SNAP, and Other Means-tested Benefits

ABLE account savings do not impact eligibility for other federal benefits programs. If the money withdrawn is used for eligible expenses, it will not count toward the limit.

Don't forget that if you have an ABLE account and are also receiving SSI, all housing expenses must be paid in the same month the money is withdrawn to prevent resource limits. All other benefits, like Section 8, are protected regardless of the amount saved in the account.

## WHO IS ELIGIBLE FOR AN ABLE ACCOUNT?

- Be a resident of Arizona
- Be blind or have a medically determinable physical or mental impairment that results in marked and severe functional limitations, and such condition developed before the age of 26 and will last, or has lasted, at least a year; and
- Confirm one of the following:
  - ✓ Are eligible for Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) because of a disability;
  - ✓ Have a condition listed on the Social Security Administration’s “[List of Compassionate Allowances Conditions](#)”;
  - ✓ Experience blindness as determined by the Social Security Act; or
  - ✓ Has received, and can provide if requested, a signed diagnosis of the qualifying disability from a licensed physician.



## How Can I Open an ABLE Account?

Almost all ABLE programs have online enrollment. Arizona’s program does and it’s easy to complete an enrollment.

### In Arizona

If you or the beneficiary are over the age of 18 and can manage your own account, go to <https://az-able.com/gateway>.

If you’re the Authorized Legal Representative (ALR), you can open an account if you can attest that you have been selected by the eligible beneficiary with legal capacity; have Power of Attorney; are a conservator or legal guardian; are a spouse, parent, sibling, grandparent; or are a Social Security representative payee (individual or organization), in that order of priority.

You do not have to be on public benefits to open an ABLE account.





## Flexible Enrollment

The individual with the disability can open and manage their own account, or a support person can oversee account management.

## AZ ABLE Tax Benefits

ABLE contributions including two thousand dollars (\$2,000) per beneficiary for a single individual or a head of household, and up to four thousand dollars (\$4,000) per beneficiary for a married couple filing a joint return or not exceeding four thousand dollars (\$4,000) per beneficiary for a married couple filing separate returns, shall be subtracted in determining Arizona adjusted gross income.

## FIND ANOTHER ABLE PROGRAM

See [abletoday.org/able-programs](http://abletoday.org/able-programs) for more information and examples.

## HOW MUCH CAN YOU CONTRIBUTE?

### Annual - \$18,000

Contributions can come from any source including directly from the ABLE account owner, family, friends, organizations, nonprofits, and employers.



### Contribution Lifetime Limit - \$400,000+

Programs also have contribution lifetime limits that differ by State. In Arizona, the contribution lifetime limit is over \$500,000.

### If Employed - Up to \$32,580 per year

The person with the disability can contribute up to an extra \$14,580 more every year, if they are not contributing to their workplace retirement account.



## How Can I Withdraw Money from My AZ ABLE Account?

- I can withdraw by debit card
- I can withdraw by third-party checks
- I can withdraw by bank transfer



## HOW CAN I SPEND MY ABLE FUNDS?

Withdrawals must be used on “Qualified Disability Expenses”, which must relate to the disability and help maintain or improve health, independence, or quality of life. Some examples include:

- ▶ Housing and Rent
- ▶ Assistive Technology
- ▶ Basic Living Expenses
- ▶ Financial Management
- ▶ Transportation
- ▶ Health & Wellness
- ▶ Education
- ▶ Legal Fees

## AZ ABLE Investment Options

You can pick one option or spread your money across multiple options.

There are five types of financial portfolios to pick from:

- The Growth Option
- The Moderate Growth Option
- The Conservative Growth Option
- The Income Option
- The Bank Safe Option



## WHY ABLE AT WORK?

### ▶ Zero Cost to the Employer

- Opportunity for employers to provide ABLE accounts to Disability & Caregiver ERGS and all employees.

### ▶ Easy to Start

- ABLE programs do the work for people with disabilities, families, and caregivers.

### ▶ Retirement Savings

- Where assets don't count toward benefit eligibility.

### ▶ Tax Benefits

- No federal or state income tax on earnings
- 20 states + D.C. have an annual state tax deduction or credit for contributions to an ABLE account.

### ▶ Broad Use

- Wide range of qualified disability-related expenses.



## What Happens to an AZ ABLE Account When the Account Owner Dies?

- The estate administrator notifies customer service and can take over the account access. If the account holder does not have a will, then the account will go through the normal probate process.
- First, funds left in the ABLE account can be used to pay for the remaining qualified expenses, including funeral and burial costs.
- If the account owner received Medicaid benefits while the ABLE account was open, Medicaid may file a claim for repayment after outstanding qualified expenses and funeral and burial costs are paid. **Some states have passed laws that prohibit their state's Medicaid agency from recovering ABLE funds in certain circumstances. Arizona hasn't done so yet.**



## ADDITIONAL FACTS

- As of July 31, 2023, there are 1,643 active ABLE accounts with an average account balance of about \$10,585. Total assets in Arizona total over 17.3 million.
- According to Stacy Garrity, Pennsylvania State Treasurer and ABLE Savings Account Network Chair, 6 million people with disabilities become eligible on January 1, 2026, under the ABLE Age Adjustment Act. This bill increases from 26 to 46 the age threshold for tax-favored ABLE (Achieving a Better Life Experience) accounts. *(ABLE accounts are designed to enable individuals with disabilities to save for and pay for disability related expenses. To establish an account, an individual must have a qualifying impairment that began before the individual attained the age threshold.)*
- As of June 2023, there are 151,164 active ABLE accounts nationwide, with \$1.5 billion in the accounts, for an average of \$9,941 per account.

## Arizona Laws

House Bill 2559 directs the Arizona Department of Child Safety (DCS) to determine eligibility for benefits administered by the Social Security Administration (SSA) or the U.S. Department of Veterans Affairs (VA) for all children in DCS care and apply for those federal benefits on the children's behalf if they are deemed eligible. One of the options DCS must consider for the child is an Achieving a Better Life Experience (ABLE) account, or any other trust account determined not to interfere with social security or the asset limitations for any other benefit program. HB 2559 will help ensure youth moving from foster care into adulthood will have some level of personal assets available to assist them in their transition. The bill was signed by Governor Hobbs on June 19, 2023.

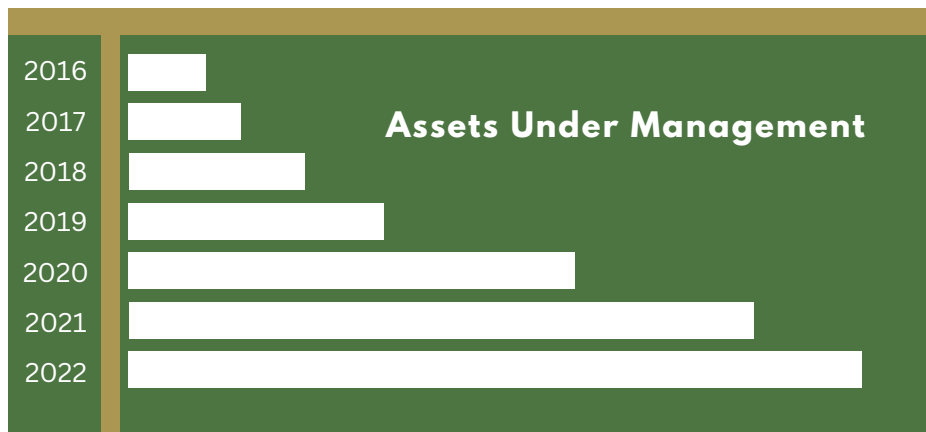
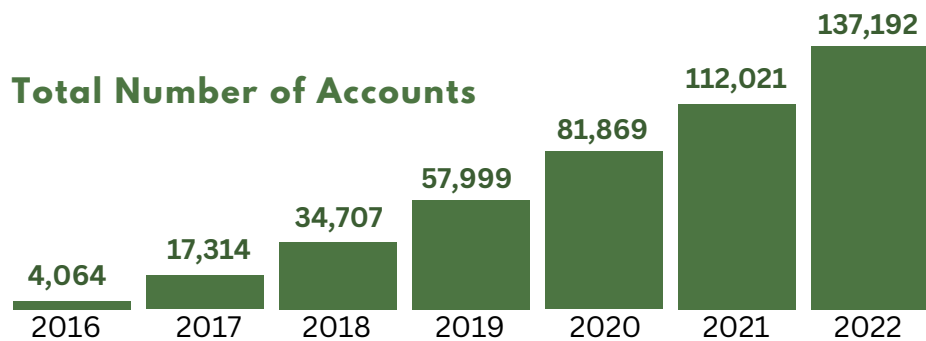
# National ABLÉ Account Data

Statistics provided by the National Association of State Treasurers (NAST)

Q1 | 2023

**144,068** **\$1.39 Billion**  
ABLE Accounts    Assets Under Management

**\$9,715 Average Account Balance**



## Who We Are

A staff of six assists the all-volunteer Arizona Developmental Disabilities Planning Council, which is made up of individuals with disabilities, family members, professional stakeholders, and state agency representatives appointed by the Governor of Arizona. The 23-member Council meets five times a year to discuss issues and vote on which projects to support by allocating our federal funds. The Arizona Developmental Disabilities Planning Council is supported by the Administration for Community Living of the Department of Health and Human Services as part of an award totaling \$1,500,930 with 0% from non-governmental sources.

