CalABLE

CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE
ACT BOARD
ABLE Act of 2014

- Federal ABLE Act was signed by the President in 2014

  - Allows states to create tax-advantaged savings accounts for people with disabilities while protecting eligibility for public benefits such as SSI, SSDI or Medicaid

  - Account assets of up to $100,000 are not counted in determining eligibility for means-tested federal or state benefits programs
California ABLE Act: “CalABLE”

- CalABLE - California’s ABLE program
  - Generally mirrors the federal law
  - Has been kept intentionally broad
  - Will likely be a national plan
CalABLE Vision & Mission*

• VISION:
  o To provide greater financial security to Californians living with a disability

• MISSION:
  o To meet the diverse needs of our customers and their families. We pledge to be customer-driven, accountable, and a trusted partner in providing financial services.

*Currently being vetted with stakeholders before board approval
CalABLE: Our Values*

• Adaptability and Flexibility
• Humility
• Transparency and Accountability

• Trust
• Sustainability
• Collaboration
• Integrity
Some ABLE Basics: Funding

• Before the ABLE Act:
  o A person with a disability could not save more than $2,000 without impacting their SSI

• Now:
  o You can save up to $14,000 per year and up to $100,000 in total before benefits are impacted

• CalABLE accounts will have safeguards and notifications built in
More ABLE Program Basics

- ABLE accounts are *asset-protected* accounts.

- Eligible individuals may only have one ABLE account

- Accounts can function both like a savings and checking account, depending on how you want to use the account

- Account moneys are tax-exempt as long as they are spent on “Qualified Disability Expenses”
What is a Qualified Disability Expense (QDE)?

• Any expense related to the designated beneficiary as a result of living a life with disabilities

• Categories are intentionally broad

• Includes education, housing, transportation, health care expenses and more

• If funds spent on a non-QDE, expense is subject to regular taxes, plus a 10% tax penalty – and benefits may be at risk
Who is Eligible?

• Must be disabled before age 26 AND

• Meets the eligibility criteria for disability benefits like SSI or SSDI - OR-

• Self-certification: Has been diagnosed by a qualified physician with a physical or mental disability resulting in marked and severe functional limitations that is expected to last no less than 12 months.
Where can I open an ABLE Account?

- Individuals may open ABLE accounts outside of their state of residency:
  - Ohio (STABLE)
  - Tennessee (ABLE TN)
  - Nebraska (ENABLE)
  - Michigan (MiABLE)
  - Alaska (Alaska ABLE Plan)
  - Oregon (Oregon ABLE Savings Plan)
  - Rhode Island (RI’s ABLE)
  - Virginia (ABLEnow)
  - Nevada (ABLE Nevada)
  - North Carolina (NC ABLE)
  - Kansas (Kansas ABLE)
  - Illinois (Illinois ABLE)
  - Iowa (IAble)
  - Minnesota (Minnesota ABLE Plan)

- Exceptions (for in-state residents only):
  - Florida (ABLE United)
  - Kentucky (STABLE Kentucky)

- Compare programs: [http://ablenrc.org/state_compare](http://ablenrc.org/state_compare)
CalABLE Features and Benefits

- Program is in its development phase
- May include:
  - Ability to contribute automatically through routine transfers from a bank account
  - Ability to invite friends and family members to contribute directly to your account (“e-gifting”)
  - Deposit online or by check
  - Low fees
  - Diverse yet simple investment options
Potential CalABLE Legislative Priorities

- Allow CalABLE to operate as a national plan
- Offer a tax credit/incentive to account contributors
- Remove Medi-Cal asset recovery for accountholders
CalABLE Implementation Timeline

Fall 2016
- Write state regulations
- Develop internal infrastructure
- Organize advisory councils
- Engage with stakeholders

Winter 2016/17
- Finalize state regulations
- Hire consultant to help develop program

Spring/Summer 2017
- Finalize program design and retain a service provider
- Continue outreach
- Prepare for going LIVE!

Fall 2017
- CalABLE accounts go LIVE!
Outreach: We Need Your Help!

- We want the collaboration of our constituents
- Robust outreach strategy that seeks to leverage existing state and local networks of both public and private advocacy and service provider groups
- Can your group help host a meeting?
- Webinar available on YouTube with captions – please help share:

  https://www.youtube.com/watch?v=zvngfJICjb0
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