

Washington State

ABLE SAVINGS PLAN

washingtonstateable.com

Achieving a Better Life Experience Savings Plan

Disability Workgroup
Washington State Department of Commerce

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Disclaimer

This presentation provides information about the WA State ABLE Savings Program.

We cannot provide legal, tax, financial, benefit, or investment advice, or advice regarding penalty avoidance under applicable tax law. Contact your attorney or other advisor regarding your specific legal, tax, financial, benefit, or investment situation.

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Refer to the [Plan Disclosure](#) and [Participation Agreement](#) at www.washingtonstateable.com.

Who is this presentation for?

- **People with a disability** who plan their monthly finances, especially to ensure you do not lose state or federal benefits like SSI and Medicaid.
- **Family members or caregivers** who support a person with a disability and are concerned how they will live, work, and enjoy their community in the future.
- **A disability benefits provider, representative payee, financial advisor, or trust lawyer** who monitors the asset limits for a person with a disability.

What is ABLE?

- Result of the federal Stephen Beck, Jr. “Achieving a Better Life Experience” Act, December 2014
- A tax-advantaged account that allows people living with a disability to save or invest money to pay for current and future qualified expenses
- Eliminates \$2,000 asset limit and spend down issues
- Disability categories include: mental health, physical, intellectual or developmental, congenital, and more
- Contribute up to \$19,000 (in 2025) a year without impacting eligibility for means-tested disability benefits
- ABLE To Work individuals can add an additional amount up to \$15,060 (in 2025) without spending down current assets
- Contribute up to \$100,000 before SSI is suspended
- \$500,000 Account Balance Limit

Who is Eligible?

Individuals who meet this criteria:

- Disability onset before age 26*

AND

- Is entitled to Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits based on blindness or disability

OR

- Self-certify that they have a qualifying disability diagnosis from a physician or psychiatrist

[Physician Form \(washingtonstateable.com\)](http://washingtonstateable.com)

*age of onset to increase to 46 on January 1, 2026

Who can open an ABLE account?

- The person with a disability (the beneficiary)
- Authorized Representative for the beneficiary
 - Agent under a power of attorney
 - Conservator or legal guardian
 - Spouse
 - Parent
 - Sibling
 - Grandparent
 - Representative Payee (individual or organization)

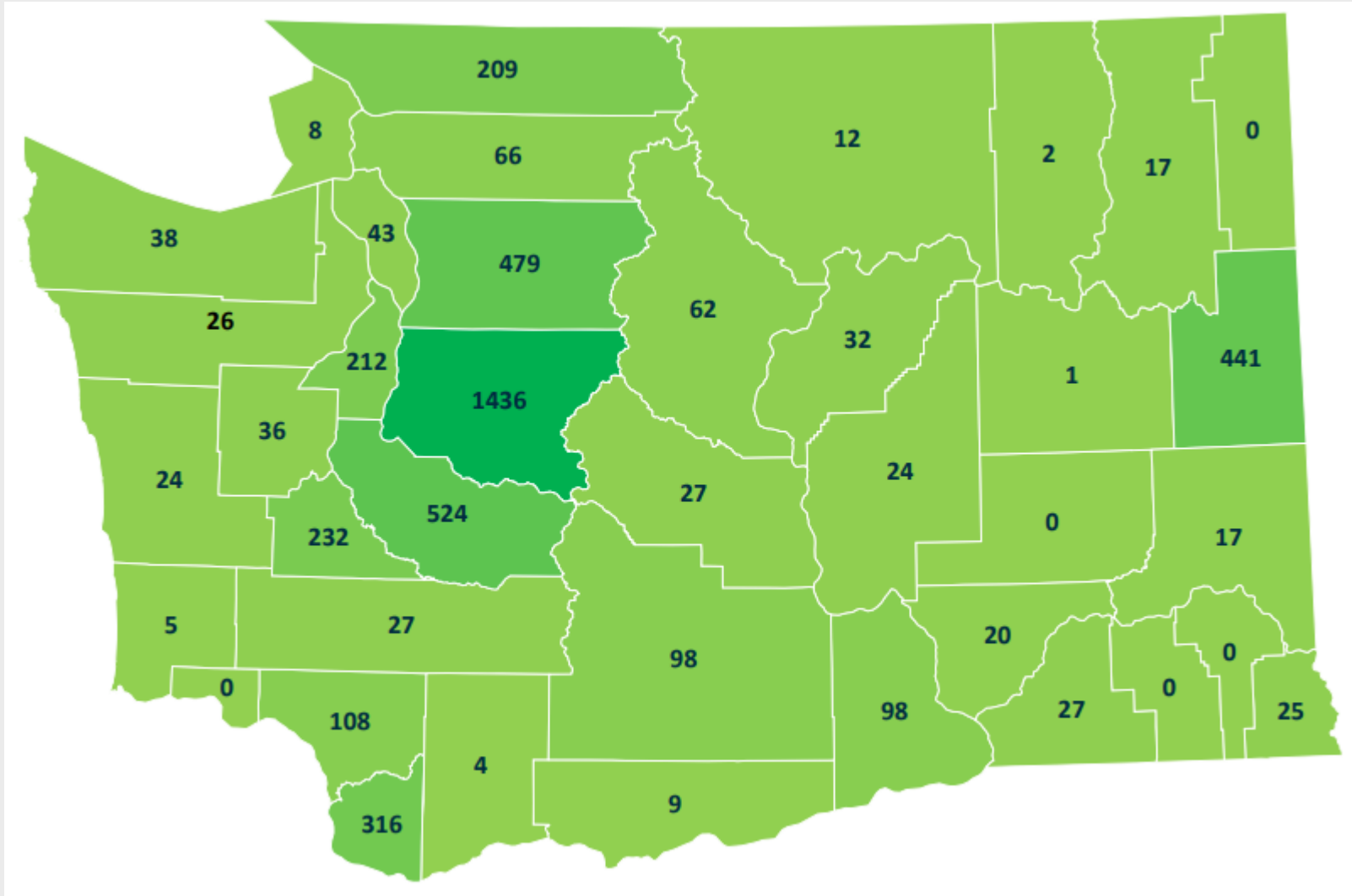
Use our Eligibility Screener to determine if you are eligible to open an ABLE account: <https://www.washingtonstateable.com/eligibility-screener>

Common ABLER Exemptions

- Health Care Authority (HCA)
 - Apple Health Medicaid [182-560-100](tel:182-560-100)
 - No balance limit to remain eligible
- Department of Social and Health Services (DSHS)
 - SNAP Basic Food [388-470-0055](tel:388-470-0055)
 - TANF Cash Assistance [388-470-0045](tel:388-470-0045)
 - ABLER not counted as a resource
- Department of Children, Youth & Families (DCYF)
 - Seasonal Child Care [110-15-3630](tel:110-15-3630)
 - ABLER withdrawals not counted as income
- Social Security Administration (SSA)
 - [POMS SI 01130.740](#)
 - ABLER balance up to \$100,000 before benefits are suspended (not terminated)
- US Dept. of Housing & Urban Development (HUD)
 - [PIH 2019-09, H-2019-06](#)
 - ABLER not counted as income or assets

ABLE Accounts as of 6/30/24

4,992 accounts and \$51,199,236 in assets



ABLE Accounts by Age

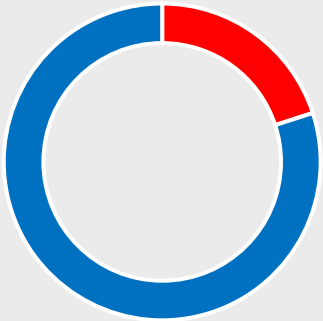
Current beneficiaries aged 0 to 92; peak is transition aged youth



Investment Options

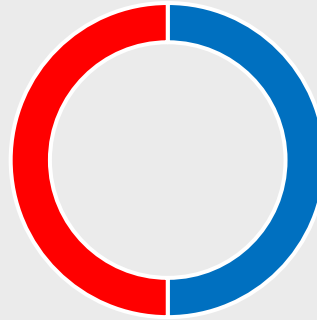
■ Stocks ■ Bonds

Conservative



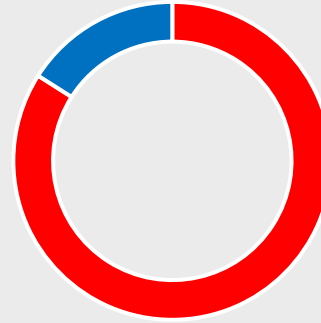
- 20% global public stocks
- 80% bonds
- Limited risk
- Limited earnings potential
- Designed for short investment period (less than 1 year)

Moderate



- 50% global public stocks
- 50% bonds
- Medium risk
- Medium earnings potential
- Designed for medium investment period (1 to 10 years)

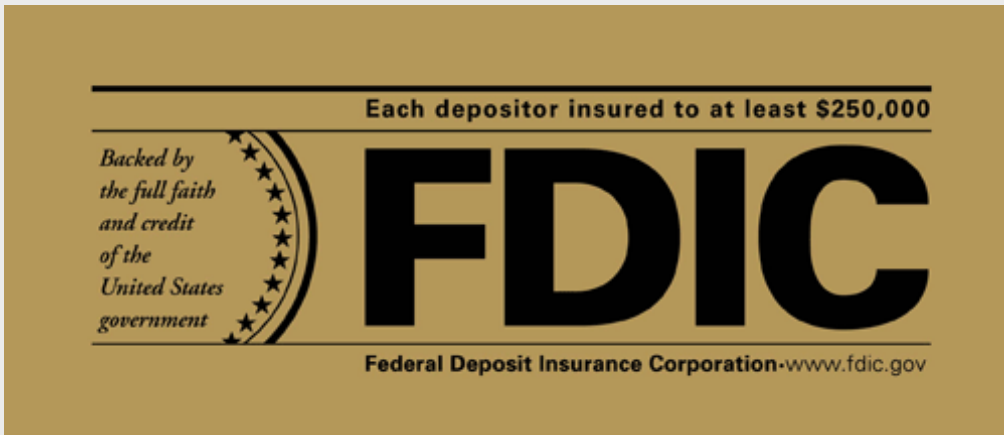
Aggressive



- 80% global public stocks
- 20% bonds
- Higher risk
- Higher earnings potential
- Designed for long investment period (10+ years)

Cash Option

If you're a "saver" rather than an "investor", the cash option is a great conservative savings option for you. It could be a good option if you plan on spending money from your account in the near future. This option protects your balance by putting all of the assets into an FDIC-insured account. There's a low level of risk and lower level of returns.



WA State ABLE Historical Performance

Historical Performance as of 10/31/2024

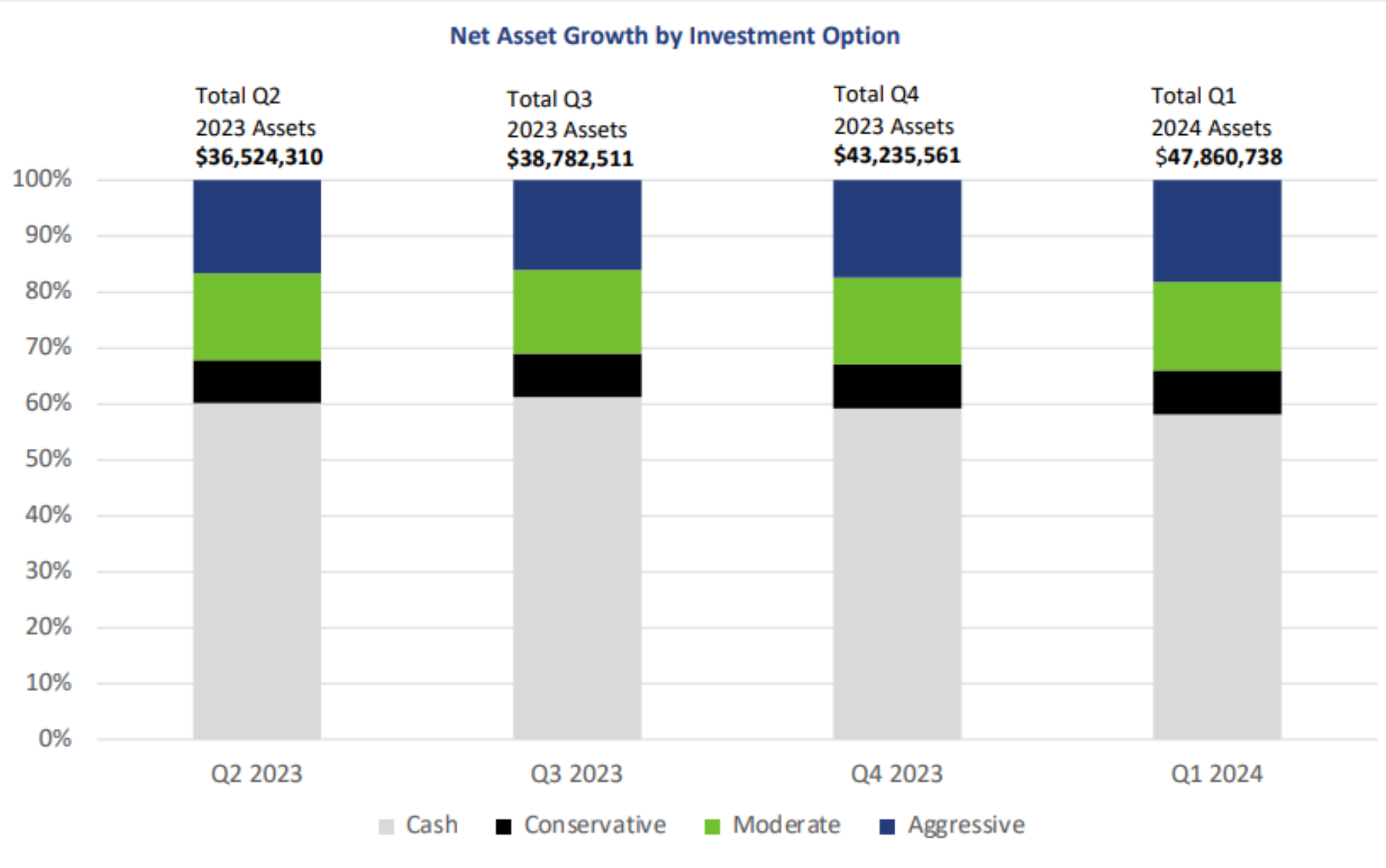
Portfolio	Last Month	Last 3 Months	Year to Date	1 Year	3 Year	5 Year	Since Inception*
ABLE Conservative	-1.89%	0.84%	4.81%	12.57%	0.22%	2.52%	3.08%
ABLE Moderate	-2.51%	1.14%	7.74%	19.95%	1.00%	4.89%	5.09%
ABLE Aggressive	-2.60%	1.68%	11.32%	26.46%	2.76%	7.98%	7.32%

The current rate of the Cash option is 4.39% APY.

**The date of inception is July 1, 2018.*

Find the most up to date historical performance on the WA ABLE website:
<https://www.washingtonstateable.com/historical-performance>

ABLE Accounts by Investment



Account Costs

- No enrollment fee
- Minimum startup balance of \$25
- Annual \$35 maintenance fee (applied quarterly)
- Investment fees 0.30% - 0.38%
- Miscellaneous fees (i.e., paper checks or statements)



Contributions to ABLER accounts

- \$19,000 annual limit (based on annual gift tax exemption)
- Funds may be held from 5-15 business days before available
- [Connect a bank account](#)
- [Rollovers](#) from other 529 accounts
 - Previous ABLER accounts
 - College 529 accounts
- [Gift Contributions](#)
 - Set up a gifting page and share the link
 - Anyone can contribute
- [Direct deposits](#)
 - SSA payments
 - Paychecks from employment

ABLE to Work

- For beneficiaries who are employed
- For 2024, the beneficiary may contribute an additional amount equal to the current year gross income, up to the annual limit of \$15,060 (based on previous years' federal poverty limit)
 - $\$19,000 + \$15,060 = \$34,060$ annual contribution limit
- Eligible only if beneficiary (or their employer) is NOT contributing to a defined contribution plan (such as a 401k or 403b)
- Payroll direct deposits can be set up through your ABLE account online or through a downloadable form
- Bonus: IRS Savers Credit (claimed on your 1040 form)
www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit

Withdrawals from ABLE accounts

- There is no limit to the number of withdrawals that can be made.
- Earnings and withdrawals are tax-free as long as used for qualified disability expenses.
- Withdrawals cannot be recontributed to the ABLE account; it may count as an unqualified withdrawal and will count toward your annual contribution limit
- Types of Withdrawals:
 - Transfer to connected bank account
 - Transfer to a VISA Prepaid Debit Card
 - Set up a recurring EFT/ACH
 - Order paper check to be mailed

Qualified Disability Expenses (QDE)

Withdrawals can be made for expenses which help improve health, independence, and/or quality of life.



Basic
Living
Expenses



Housing



Transportation



Education



Assistive
Technology



Employment
Training



Personal
Support
Services



Legal Fees,
Funeral,
Burial



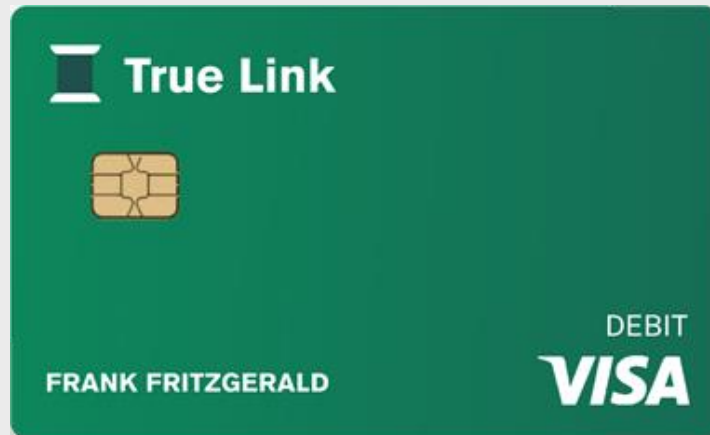
Health &
Wellness



Financial
Management

VISA Prepaid Debit Card

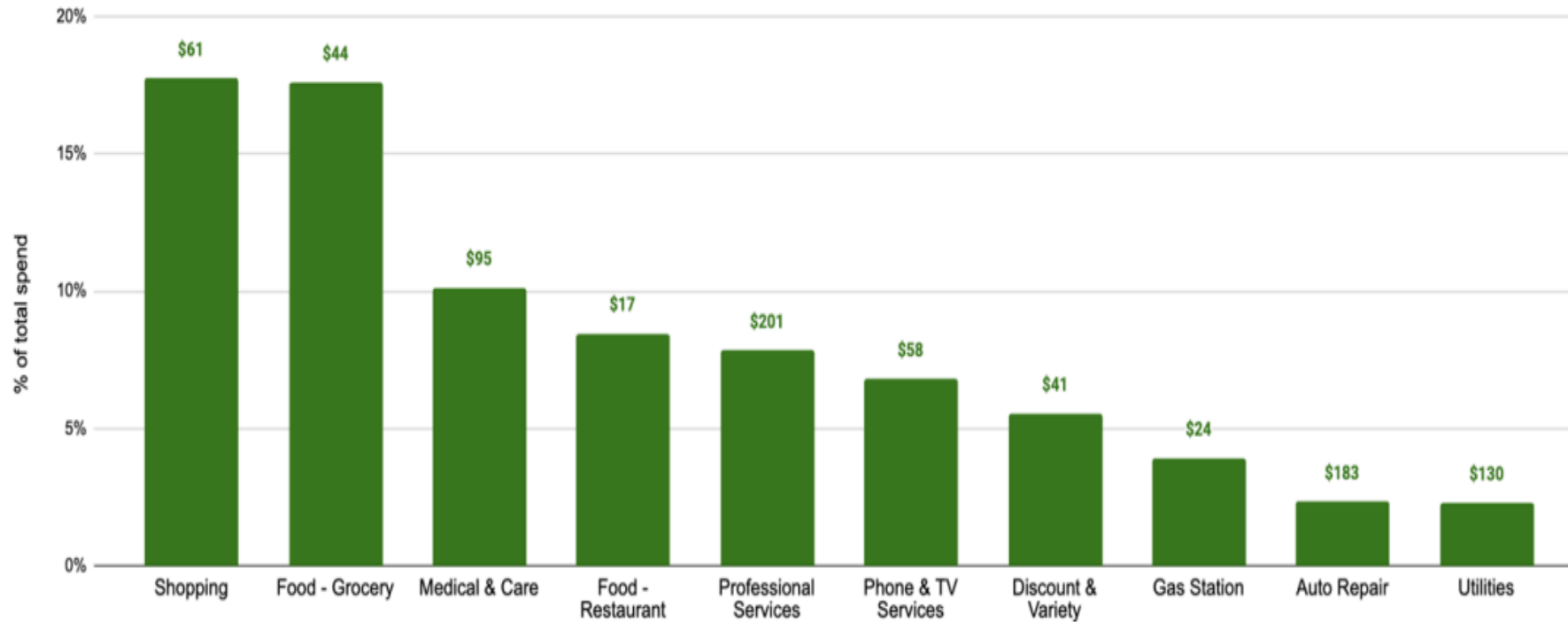
- \$1.25/month to maintain
- Load from \$10 to \$20,000
- Transactions tracked online
- No transaction fees
- FDIC insured
- Cannot be used for cash or at ATMs



Prepaid Card Top Spending Categories

Top 10 spending categories, by dollars spent¹ FY 2022

Note: Avg purchase amounts appear in **green** above the category.

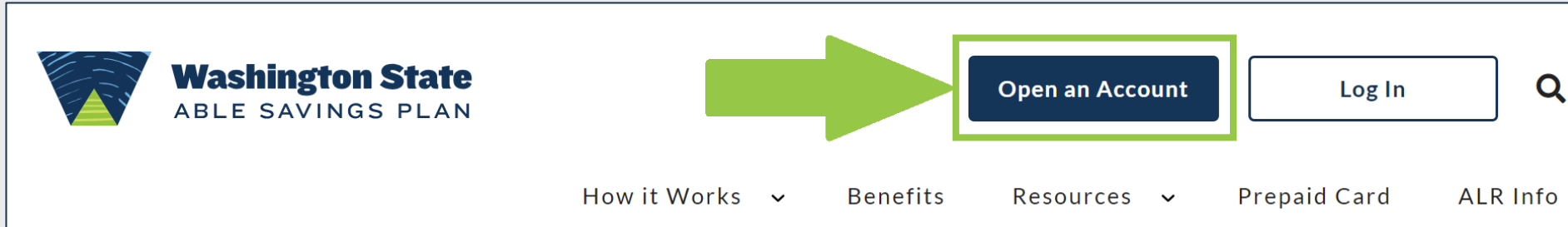


Things to consider

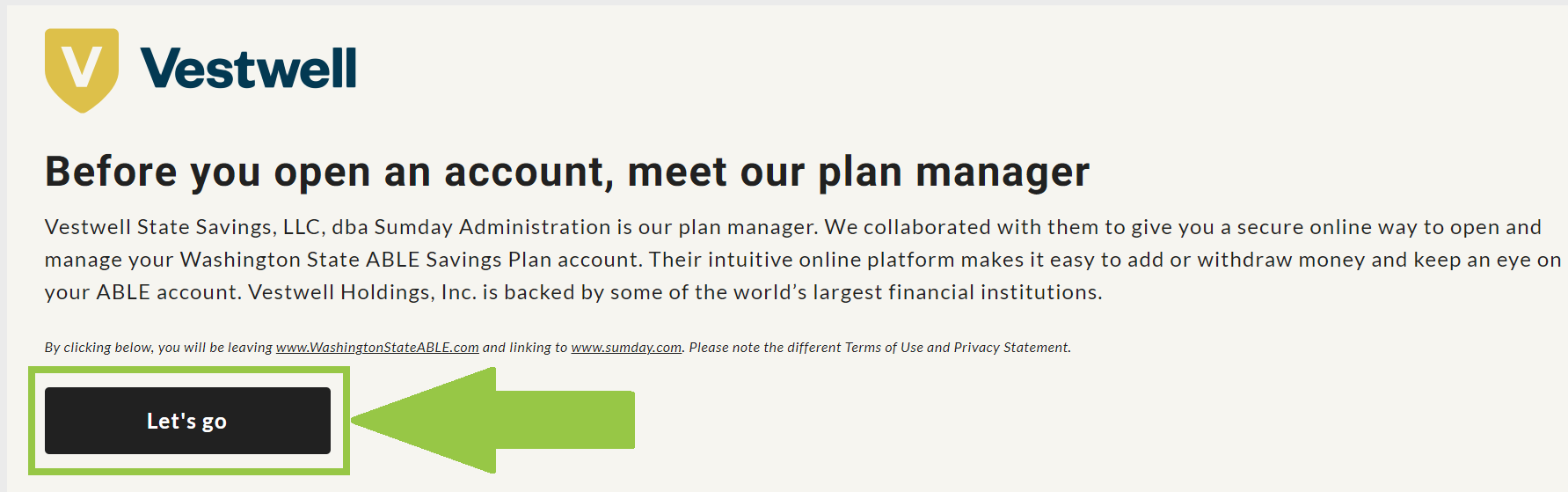
- Only one ABLE account at a time per beneficiary.
- If you hold onto the money from one calendar month to the next, then housing expenditures and non-qualified expenditures count as resources
- Non-Qualified Disability Expenditures incur 10% penalty and taxes are owed on the expenditure amount
- When a beneficiary passes away, the funds can be used to pay for funeral or burial expenses
- The funds can also be transferred to a qualifying sibling successor beneficiary
- If a successor beneficiary is not named, the funds are passed to the beneficiaries estate
- Medicaid can recover ABLE funds from the beneficiaries estate

How to Open an Account


- ▶ Visit <https://www.washingtonstateable.com/> and click on the “Open an Account” button at the top of the screen





- ▶ Click on the “Let’s Go” button in the lower left of the screen





WA State ABLE YouTube Videos

- 

How to Set up an ABLE Gifting Page
WASateABLE • 87 views • 1 year ago
2:44
- 

How to Make a Contribution to A Washington State ABLE Savings Plan
WASateABLE • 53 views • 1 year ago
6:55
- 

How to Make an ABLE Gift
WASateABLE • 652 views • 1 year ago
3:34
- 

How to Make a Withdrawal from a Washington State ABLE Account
WASateABLE • 172 views • 3 years ago
6:16
- 

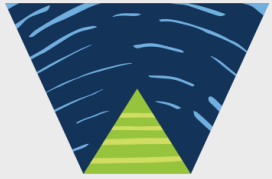
How to Enroll in the Washington State ABLE Savings Plan
WASateABLE • 331 views • 3 years ago
6:16

Link to the YouTube videos:

<https://www.youtube.com/@wastateable4391/playlists>

How does ABLE compare to DDETF?

Two programs that can be used together



Washington State
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washingtonstateable.com



**Developmental
Disabilities**
Endowment Trust Fund
Protect today, provide for tomorrow

Like ABLE, the DDETF:

- allows people with disabilities, or their family members, to save for their disability related expenses, now and into the future.
- is excluded from many state and federal means-tested benefit programs.
- must be used in the interest of the beneficiary.
- can be used for many qualified disability expenses (except basic living expenses and housing costs).

How does DDETF differ from ABLE?

Unlike ABLE, the DDETF:

- is specific to beneficiaries with developmental disabilities.
- requires the condition to have occurred prior to age 18.
- will not pay for basic living expenses, or housing costs if the beneficiary collects SSI.
- has higher fees due to the trust management activities, but still lower than most other trust options available.
- earnings can potentially be taxed.
- 3rd party contributions are exempt from Medicaid recovery.
- has no annual limit to contributions.
- has no maximum balance limit.

Easily transfer money from your trust account to your ABLE account.

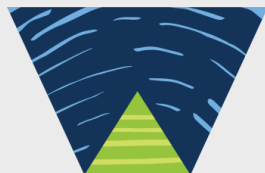
View the [ABLE/DDETF Comparison Sheet](#) to learn more.

Additional Resources

- ABLE For ALL: www.ableforall.com for non-residents
- ABLE Today: <https://www.abletoday.org>
- ABLE National Resource Center: <http://www.ablenrc.org/>
- Developmental Disabilities Endowment Trust Fund (DDETF): <http://ddetf.wa.gov/>
- ABLE To Work Act: <https://www.ablenrc.org/able-to-work-act/>
- IRS Section 529A: https://www.irs.gov/irb/2015-27_IRB/ar09.html
- MEDICAID & SSI Special Needs Trusts and ABLE Accounts:
<https://www.washingtonlawhelp.org/resource/special-needs-trusts-and-able-accounts#i1D4D76EC-FB5A-42A8-9056-B7A10B76087E>
- Social Security SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts
 - <https://secure.ssa.gov/poms.nsf/lnx/0501130740>
 - <https://www.ssa.gov/disability/professionals/bluebook/general-info.htm>
- Special Needs Alliance – Your Special Needs Trust Defined:
 - <https://www.specialneedsalliance.org/the-voice/your-special-needs-trust-snt-defined-2/>
 - <https://www.medicaid.gov/federal-policy-guidance/downloads/smd17002.pdf>
- State Medicaid Programs: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd17002.pdf>

Questions? Thank You!

- ▶ Katie Hatam, Katie.hatam@commerce.wa.gov
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- ▶ YouTube <http://www.youtube.com/@wastateable4391>
- ▶ Email List <https://www.commerce.wa.gov/disabilities-workgroup/>



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