

ABLE and DDETF – financial savings programs for people with disabilities



Washington State

ABLE SAVINGS PLAN

washingtonstateable.com



**Developmental
Disabilities**

Endowment Trust Fund

Protect today, provide for tomorrow

ABLE and DDETF for HR

- ▶ Agenda
 - ▶ Brief Program Overview
 - ▶ Some Plan Statistics
 - ▶ Payroll Deduction?



What is ABLE?

Achieving a Better Life Experience

- Result of the Stephen Beck, Jr. Achieving a Better Life Experience Act 2014
- Eliminates \$2,000 asset limit and spend down issues
- Tax-advantaged savings accounts for people with disabilities (mental health, physical, developmental, congenital, and more)
- Contribute up to \$15,000 a year without impacting eligibility for certain means-tested disability benefits
- Washington - nearing 2,000 accounts / \$14M assets

Who is Eligible?

Disability onset before age 26

- Is entitled to Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits based on blindness or disability
- or
- Self-certifies that they have a qualifying disability diagnosis from a physician

washingtonstateable.com/assets/docs/washington-able-physician-form.pdf



How Does it Work?

- ▶ 1. Open an account
 - Pick a cash option and/or investment option
 - Add \$25 (bank account is securely connected to your ABLE account)
- ▶ 2. Withdraw money (online from your ABLE account to your bank account, or optional ABLE debit card)
- ▶ 3. Contribute money (\$15,000 annual contribution limit from all sources)
- ▶ Account limits: \$100,000 SSI; \$500,000 not on SSI

How to Enroll
in the Washington State
ABLE Savings Plan

Washington State
ABLE SAVINGS PLAN

How to Make a Withdrawal
from a Washington State
ABLE Account

Washington State
ABLE SAVINGS PLAN

How to Make a Contribution
to a Washington State
ABLE Account

Washington State
ABLE SAVINGS PLAN

Make it
Explainable &
Defendable
Keep Receipts
& Good
Records

Qualified Expenses

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**

What Are the Benefits?

► Flexible

- Easy to use and manage account

► Tax-advantaged

- Earnings grow free from federal taxes

► Doesn't impact benefits

- ABLE funds are disregarded when determining eligibility for certain means-tested benefits
- For SSI, an account balance up to \$100,000 is disregarded
- Eliminates spend-down issues



- ≠ 401(k) – employer
- ≠ 403(b) – employer
- ≠ IRA – Roth \$5K/yr.
- **ABLE → \$15K/yr.**

Account Costs

- No enrollment fee
- \$25 initial contribution at time of set-up
- Annual \$35 maintenance fee
- Monthly \$1.25 fee for debit card
- Investment fees - 0.30 - 0.38%
- Miscellaneous fees



ABLE Updates

- ▶ ABLE to Work Act –
 - If working, may contribute an *additional* amount equal to current year gross income – up to \$12,760
 - Eligible only if beneficiary or employer is NOT contributing to a defined contribution plan
- ▶ Payroll Deduction
- ▶ Entity/Organizational Authorized Legal Representative



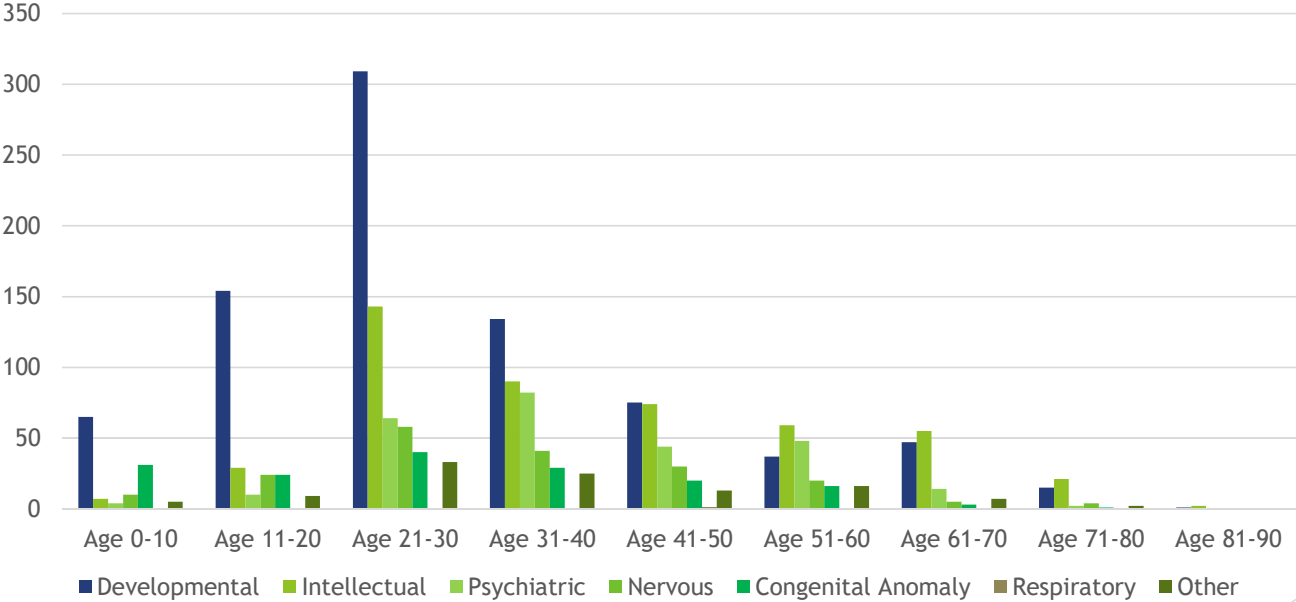
Recap

- Sign up / manage account online
- People older than age 26 can open an account
- Disability onset prior to age 26
- Washington resident
- \$15,000 cap on annual contributions unless qualify for ABLE to Work
- Anyone may contribute
 - ▶ *Washingtonstateable.com/faqs &*
 - ▶ *Ablenrc.org*

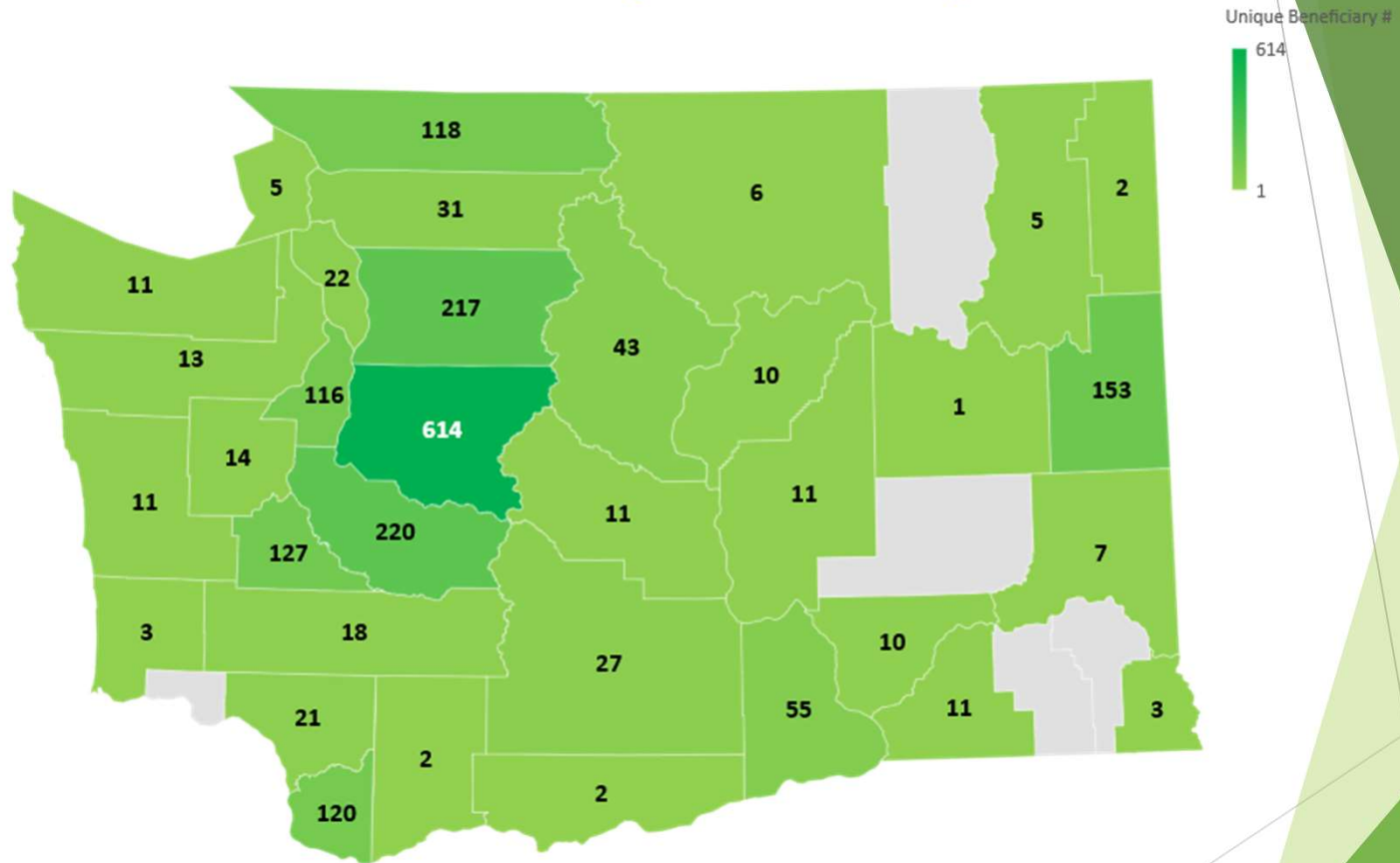


Demographic Account Distribution – 1st quarter 2021

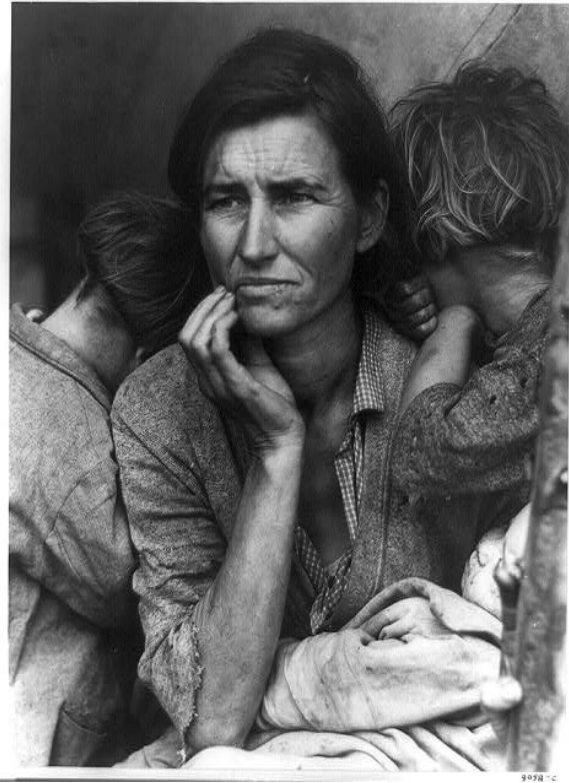
Count of Unique Beneficiaries by Age & Diagnosis Code



Number of Accounts by County 1Q21




Problem: \$2,000 Asset Limit



- Federal means tested benefit condition (SSI, SNAP, HUD, TANF, Medicaid)
- Last adjusted in 1983





What is the Washington State Developmental Disabilities Endowment Trust Fund?

- ◀ A pooled special needs / supplemental trust
 - specifically d4C from § 1396 of the social security act
- ◀ Created by the state legislature
 - help address the life-long need that people with developmental disabilities have for supports
 - provide money for the benefit of a person with a developmental disability.



Benefits of the Trust Program

- ◀ Provides an attractive and convenient way to save for the future.
- ◀ Protects eligibility for public benefits such as Supplemental Security Income (SSI) and Medicaid.
- ◀ Provides state matching funds on fees for the individual trust accounts.
- ◀ Charges very competitive and frequently cheaper fees than privately managed trusts.

Eligibility

- Meet the state definition of developmental disabilities
- Reside in the state of Washington
- Under the age of 65



Trust I: *Third-Party* Individual Trust Account

- ◀ Anyone other than the Beneficiary may contribute to this type of individual trust account.
- ◀ No Medicaid recovery



Trust Holders Presentation



Trust II: Self-Settled Individual Trust Account

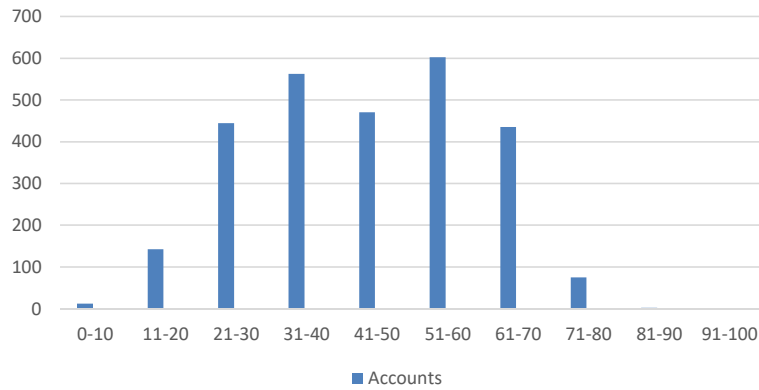
- ◀ This type of individual trust account can only accept contributions from the Beneficiary.
- ◀ If the Beneficiary of a Self-Settled Individual Trust Account dies and there is a remaining balance, the State is entitled to recover dollar-for-dollar for services provided throughout the Beneficiary's lifetime.

(This only applies in a Trust II account)

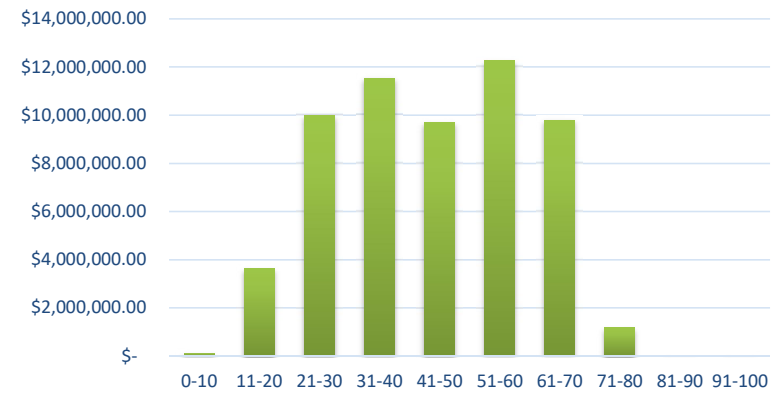


Account Holder Statistics

Accounts by Age Groups



Account Balance by Age Groups



Accounts by County

