



**A SAVINGS PLAN FOR TEXANS WITH DISABILITIES**

# Topics

---

- History of ABLE
- ABLE Program Basics
- Texas ABLE Program Highlights
  - Enrollment
  - Investment Options
  - Contributions, Withdrawals and Fees
- ABLE Legislative Update

# Before We Begin

---

This presentation provides highlights of the Texas ABLE Program. Our office cannot provide legal, tax, financial, benefit or investment advice, or advice regarding penalty avoidance under applicable tax law. Contact your attorney, financial advisor or tax expert regarding your specific legal, tax, financial, benefit, or investment situation.

Read the Program Disclosure Statement and Participation Agreement for detailed information about the program.

---

# History of ABLE

# Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act

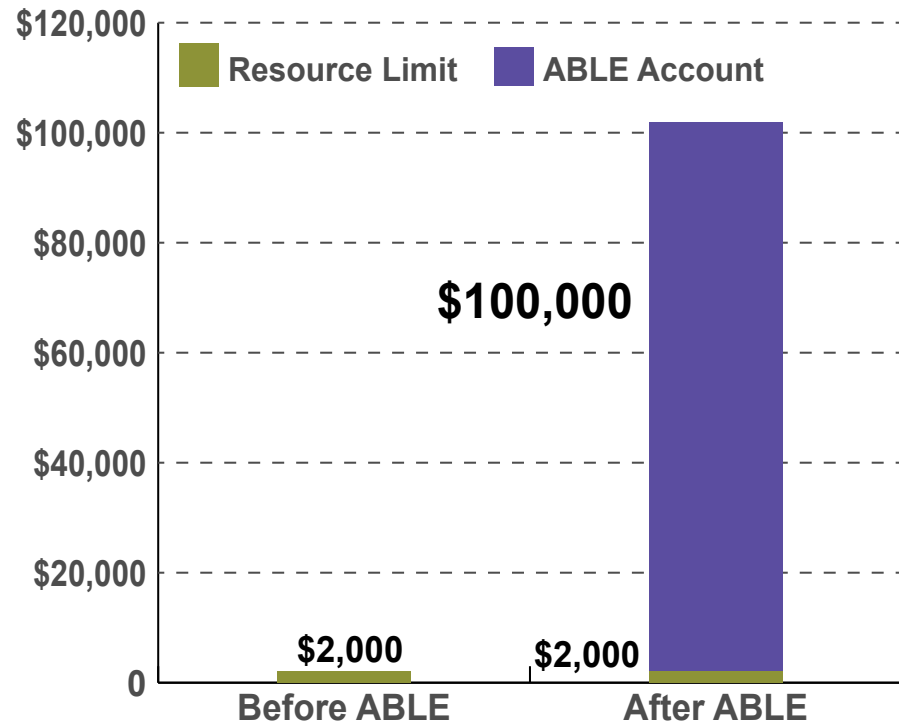
---



Congress passed the Federal ABLE Act in 2014 that added Section 529A to the Internal Revenue Code and authorized states to establish ABLE programs. The Act created a new savings option for individuals with disabilities:

- to save money in a tax-advantaged account,
- to be used for qualified disability expenses, and
- to keep eligibility for public benefits.

# A Game Changer for Individuals with Disabilities



Before ABLA, individuals with disabilities who had \$2,000 or more in resources would lose eligibility for critical means-tested government benefits. With an ABLA account, participants can save up to \$100,000 in an ABLA account in addition to the \$2,000 prior resource limit – up to \$102,000 - without impacting benefit eligibility.



---

# ABLE Program Basics



# What is an ABLE Account?

---



- Tax-advantaged investment account for eligible individuals with disabilities.
- Account funds intended to supplement, not supplant, benefits provided through Medicaid, Supplemental Security Income (SSI), and Social Security Disability Insurance (SSDI).
- The beneficiary owns the account.
- Only one ABLE account per beneficiary.

# Benefits of an ABLER Account

---



- Save for qualified disability expenses and keep eligibility (or future eligibility) for state and federal means-tested benefits, including SSI and Medicaid.
- Withdraw funds tax free for qualified disability expenses.
- Anyone can contribute.

# Eligibility Requirements

---

To be eligible for ABLE, an individual must have developed their disability before the age of 26 and must meet one of the following criteria:

Eligible to receive SSI  
or SSDI; or

Has a condition listed  
on SSA's List of  
Compassionate  
Allowances Conditions;  
or

Obtains a physician's  
diagnosis of a medically  
determinable physical  
or mental impairment\*

\*Results in marked and severe limitations, which can either be expected to result in death, or has lasted or is expected to last at least 12 months.

# Opening an ABLER Account

---

## Eligible Individual with a Disability

The individual with the disability can open and manage their own account.

or

## Authorized Legal Representative (ALR)

The beneficiary's:

- agent under a Power of Attorney,
- legal guardian or conservator,
- spouse,
- parent,
- brother or sister,
- grandparent, or
- a representative payee appointed by the SSA.

# Contribution Limits Set by Federal Law

Annual Limit		Balance Limit
<b>Not Employed</b> \$18,000 per year from all sources.	<b>Employed*</b> Up to \$32,850 per year (\$18,000 from any source plus beneficiary wages up to \$14,850).	Account balance limit is based on the state's maximum contribution limit for 529 plans

\*Federal law allows certain employed ABLE beneficiaries who do not participate in a retirement plan to make additional contributions above the annual limit (“Expanded Contribution Limit”). The beneficiary is responsible for ensuring eligibility and compliance with the Expanded Contribution Limit and maintaining records for this purpose.

# ABLE Accounts and SSI Eligibility

---

## SSI Limitations

Account balances over \$100,000 count as a resource for SSI determination purposes. For account balances over \$100,000, any SSI monthly benefit is suspended, not terminated.

## Impact on Countable Income

An individual's own wages count as income for SSI determination purposes even if they contribute that income to their ABLE account.

Medicaid benefits are maintained regardless of account balance.

# Qualified Disability Expenses

---



- ABLE account may be used to pay for **Qualified Disability Expenses** that relate to the individual's disability and are for the benefit of maintaining or improving his or her health, independence or quality of life.
- Includes basic living expenses and is not limited to expenses for items for which there is a medical necessity.

# Qualified Disability Expenses

---



- Education
- Housing
- Transportation
- Employment Training and Support
- Assistive Technology and Personal Support Services
- Health, Prevention and Wellness
- Financial Management and Administrative Services
- Legal Fees
- Oversight and Monitoring
- Funeral and Burial
- Other Expenses that Might be Identified from Time to Time by the Internal Revenue Service (IRS)



# Withdrawals for Housing Expenses

---

Distributions for housing expenses are disregarded for means-tested benefits only if the withdrawal from the ABLE account and payment of the expense occur in the same month.

## **Qualified Disability Expenses for Housing include payments for:**

- Mortgage payments (including property insurance required by the mortgage holder)
- Real property taxes
- Rent
- Heating fuel
- Gas
- Electricity
- Water
- Sewer
- Garbage removal

# Medicaid Payback Provision

---

Upon the death of the beneficiary, the federal ABLE Act allows states to recapture medical assistance paid by a state Medicaid program on behalf of the beneficiary during the period of time the ABLE account was open.



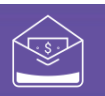
**Limitations** - Payback applies from date ABLE account was opened.



**Deductions** - Deduct any Medicaid buy-in premiums paid.



**Outstanding Bills** - Pay any outstanding bills for qualified disability expenses.



**Funeral Expenses** - Pay for funeral and burial expenses.

---

# Texas ABLE Program Highlights

# Texas ABLE – Built by Texans, Made for Texans

---



- Created by the Texas Legislature.
- Administered by the Texas Prepaid Higher Education Tuition Board through the Texas Comptroller's Office.
- Launched in May 2018.
- Texas residency requirement.
- Self-attestation online enrollment process.
- Established Texas ABLE Advisory Committee.

# Texas ABLE – Enrollment Process

---

**Enroll online anytime at [TexasABLE.org](https://TexasABLE.org).**

- Simple, intuitive platform.
- No enrollment fee.
- \$50 minimum to establish account.
- \$25 minimum for subsequent contributions.
- Online account maintenance.
- Investment option(s) selected during enrollment.



---

# Texas ABLE Investment Options

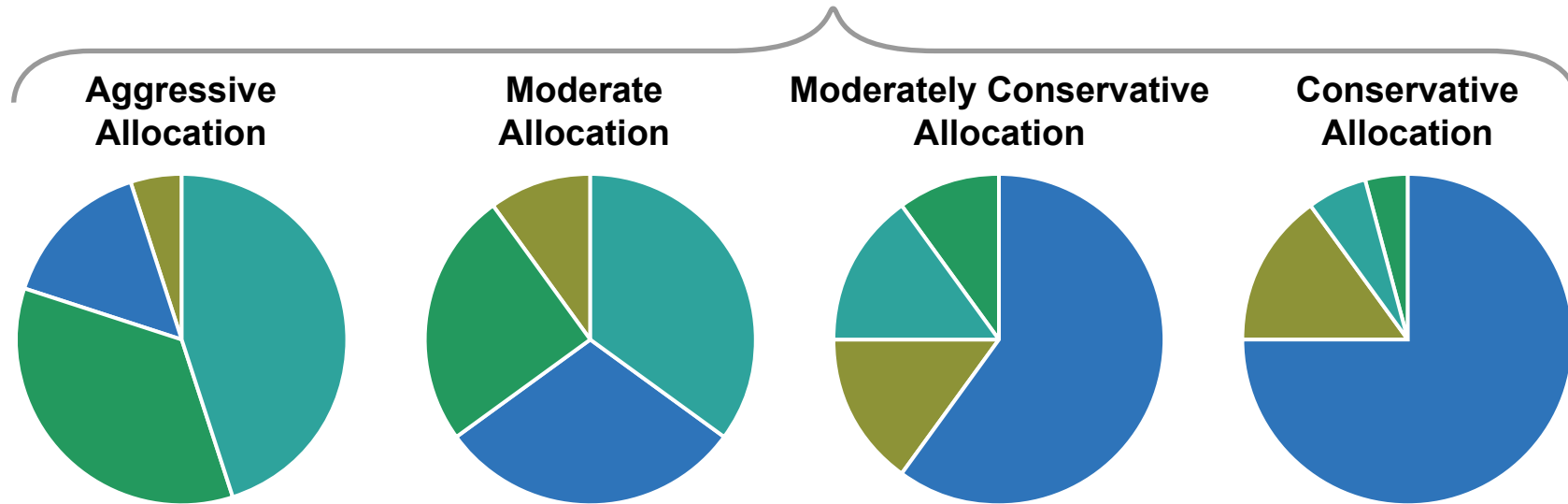
# Texas ABLE – Investment Options

---

- Five investment options including an FDIC-insured Bank Savings option.
- Choose one or a combination of the five options.
- Change investment options up to twice per calendar year as allowed by the federal ABLE Act.
- Fees vary based on investment option selected.
- Detailed information on investment options available in the Program Disclosure Statement and Participation Agreement.

# Choose From 5 Investment Options

## Managed Allocation Options



- Vanguard Total Stock Market Index
- Vanguard Total International Stock Market Index

- PIMCO Total Return Fund
- Eaton Vance Floating - Rate Fund

## Bank Savings Option

FDIC Insured





# Choose 1 or a Combination of Investments

- About You ✓
- Delivery Options ✓
- Beneficiary ✓
- » Investment Options
- Contributions Options
- Optional Information
- Complete Application
- Submit

## INVESTMENT OPTIONS

How would you like the money in your Texas ABLE® Program account to be invested?

- Before making a selection, please ensure you have read the [Program Disclosure Statement and Participation Agreement](#).
- Contributions will be invested according to the choices you designate below. You may select one or more Investment Options.
- Your choices must total to 100%.
- You can change your future investment choices at any time by logging into your account.

AGGRESSIVE ALLOCATION ⓘ  %

CONSERVATIVE ALLOCATION ⓘ  %

MODERATELY CONSERVATIVE ALLOCATION ⓘ

MODERATE ALLOCATION ⓘ  %

BANK SAVINGS ACCOUNT OPTION ⓘ  %

---

# ABLE Account Contributions, Withdrawals and Fees

# Contributions to the ABLE Account

---

- Personal or Cashier's Check
- Payroll Deduction
- Electronic Funds Transfer (EFT)
- Automatic Investment Plan (AIP)
- Rollover from a 529 college savings account
- Rollover from another ABLE program
- Contributions from a Special Needs Trust
- Online eGift tool

# Contribute via Online eGift Tool

---

**An easy way for others to contribute.**



- Anyone can contribute to the account safely and securely (family, friends, or even a special needs trust)\*.
- Account owners can create an eGift event from their account to send to family or friends via email.
- Email contains link and a personalized message, with instructions on how to contribute directly to the account.

\*Contributions are subject to annual contribution limits and account balance limits. The beneficiary or ALR, if applicable, should monitor their account to ensure compliance with these limits.

# Withdrawals from the ABLE Account

---

- Online withdrawals
- Withdrawals by check
- Withdrawals by ACH (transfer funds to bank electronically)
- Withdrawals by ACH to fund prepaid debit card (transfer funds to prepaid card electronically)

# Important Withdrawal Considerations

## Non-Qualified Withdrawals

Withdrawals that are not used for qualified disability expenses are subject to:

- Income tax on any earnings.
- An additional 10% tax on any earnings.

## Maintaining Records

The beneficiary or ALR is responsible for:

- Determining if a withdrawal is qualified or non-qualified and for federal and state benefit and tax consequences.
- Maintaining necessary records for the IRS, SSA or other governmental entities.

# Prepaid Debit Card – U.S. Bank Focus Card

---

- Simple and fast way for Texas ABLE account owners to access funds to pay for qualified disability expenses on the go or online.
- Reloadable prepaid debit card funded by ACH withdrawals from your Texas ABLE account (ACH withdrawal fees apply).
- Can be used online or in stores anywhere that accepts Visa debit cards.
- View balance and transaction history via the U.S. Bank<sup>®</sup> Mobile App or online.
- No enrollment fee.



# Texas ABLE – Account Fees

Description	Amount
Monthly Account Maintenance Fee	\$ 3.50
Delivery of Program Documents: -Electronic Delivery -Annual Fee for Paper Delivery	No Charge \$10.00
Check Processing Fee for Each Withdrawal by Check	\$ 5.00
ACH Processing Fee for Each Withdrawal in Excess of 2 per Month	\$ 1.00
There are no fees for enrollment, rollovers from another ABLE program or 529 college savings account, or for change of beneficiary or ALR.	



---

# ABLE Legislative Update

# ABLE Age Adjustment Act

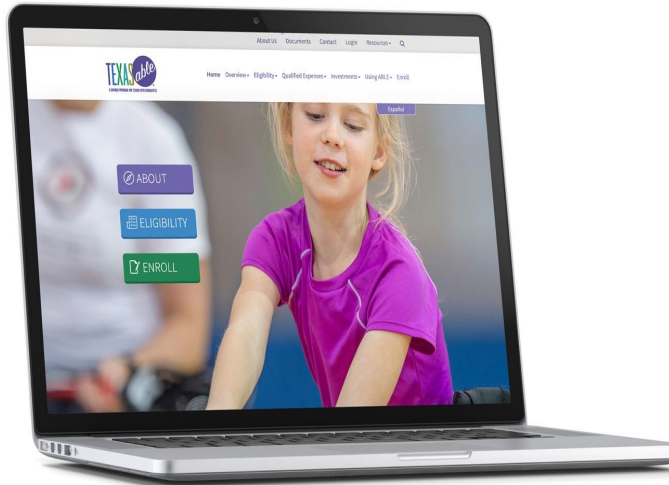
---

Currently, only individuals who have a qualifying disability prior to age 26 are eligible to open an ABLE account. Passage of the ABLE Age Adjustment Act in December 2022 expands ABLE eligibility to individuals whose disability occurred before age 46. The change goes into effect on January 1, 2026.

An estimated six million more Americans with disabilities – including an estimated one million veterans – will have the ability to save for the future with ABLE.

# Connect with Texas ABLE

---



**Customer Service Team (Bilingual)**

844-489-2253 (844-4TX ABLE)

Mon. – Fri., 8 a.m. – 5 p.m. CST

[Customerservice@TexasABLE.org](mailto:Customerservice@TexasABLE.org)

## Outreach

For outreach opportunities including presentations, webinars and program collateral, call 512-475-5331 or email us at

[TexasABLE@cpa.texas.gov](mailto:TexasABLE@cpa.texas.gov).

# Disclosures

---

The Texas ABLE® Program (“Program”) is administered by the Texas Prepaid Higher Education Tuition Board (“Board”). Orion Advisor Solutions, Inc. is the program manager. The Program and the Board do not provide legal, financial, or tax advice and participants in the Program should consult a legal, financial, or tax advisor before investing.

An account could lose money including the principal invested. Other than the Bank Savings Account option, accounts are not insured or guaranteed by the FDIC. No part of an account is a deposit or obligation of, or is guaranteed or insured by, the Board, the state of Texas, or any agency or agent thereof. Interests in the Program have not been registered with or approved by the SEC or any state. Investors should carefully consider the tax consequences, impact on benefit eligibility, Medicaid recapture, investment objectives, risks, fees, charges, and expenses associated with the Program. The Board may suspend, modify, or terminate the Program or change investment approaches, offerings, and/or underlying investment funds at any time and without the consent of account owners, authorized legal representatives, or beneficiaries. The **Program Disclosure Statement and Participation Agreement** contain this and other important information about the Program and may be obtained by visiting [texasable.org](https://texasable.org) or calling 844-4TX-ABLE (844-489-2253). Investors should read all Program documents carefully before investing.

© 2023 Texas Prepaid Higher Education Tuition Board. “Texas ABLE®” is a registered service mark of the Texas Prepaid Higher Education Tuition Board and distributed by Northern Lights Distributors, LLC, Member FINRA, SIPC. 4221 N 203rd St, Suite 100, Elkhorn NE 68022. All rights reserved.