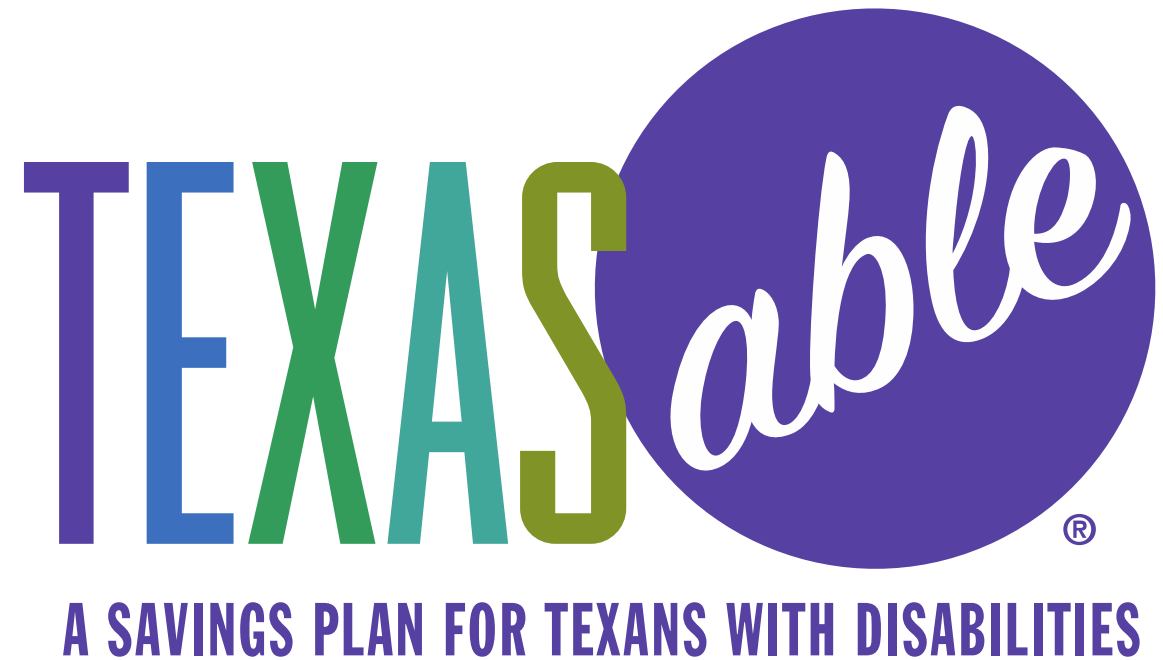




Helping Texans with Disabilities
**SAVE FOR TODAY
AND PLAN
FOR TOMORROW**



Speakers



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Today's Agenda

- History of ABLE
- ABLE Program Basics
- Texas ABLE Program Highlights
 - Enrollment
 - Savings and Investment Options
 - Using and Managing the Account
- Helpful Resources
- Q & A

Before We Begin

This presentation provides limited 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 other advisor 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

Federal ABLE Act

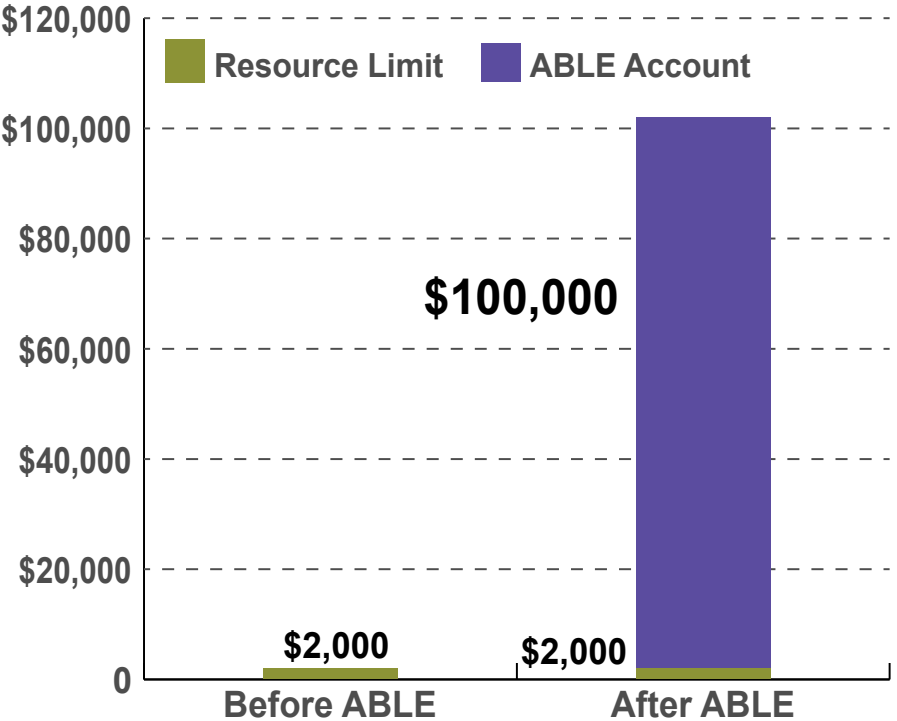


Congress passed the **Stephen Beck, Jr., Achieving a Better Life Experience (ABLE Act)** in 2014. Added section 529A to the Internal Revenue Code and authorized states to establish ABLE programs.

Created a new savings option for eligible individuals with disabilities:

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

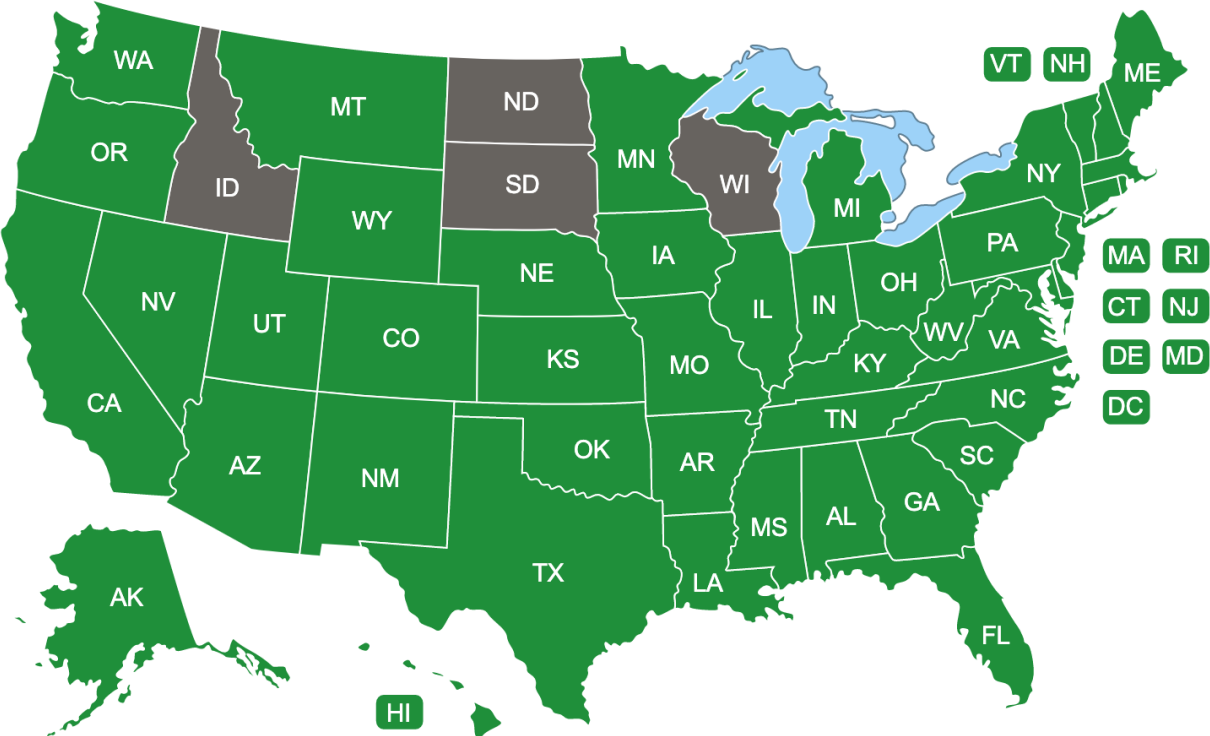
A Game Changer for Individuals with Disabilities



Before ABLA, individuals with disabilities who had more than \$2,000 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.

At a Glance: ABLE Nationwide



As of June 30, 2024²

-48 states and the District of Columbia have opened ABLE programs.

-171,455 ABLE accounts have been established.

-\$1.92 billion has been invested.

Average account balance = \$11,190

ABLE programs are open in the states highlighted in green.¹

¹Source: ABLE National Resource Center
²Source: NAST's ABLEtoday newsletter

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.
- Peace of mind for family.
- Financial independence for working individuals.
- Choice and control.
- 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.

Who Can Open an Account?

Eligible Individual with a Disability

Texas resident at least 18 years of age can open and manage his or her own account.

or

Authorized Legal Representative (ALR)

The beneficiary's:

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

Contribution Limits

Annual Limit		Balance Limit
Not Employed \$18,000 per year from all sources.	Employed* Up to \$31,590 per year (\$18,000 from any source plus beneficiary wages up to \$13,590).	\$500,000 maximum lifetime contribution limit in Texas.

*Federal law allows certain employed ABLE beneficiaries to make additional contributions above the annual limit (Expanded Contribution Limit). The designated 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



- An 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)

*May impact SSI resources if not spent during month of withdrawal.

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 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 Overview Video



Texas ABLE – Built by Texans, Made for Texans



- Created by the Texas Legislature.
- Administered by the Texas Comptroller’s Office.
- Texas residency requirement.
- Self-attestation online enrollment process.
- Bilingual customer service team.
- Texas ABLE Advisory Committee created by the Texas Prepaid Higher Education Tuition Board.

Texas ABLE – Advisory Committee

Provides the committee's collective expertise as members, advocates, financial advisors, and supporters of the disability community regarding the administration of and experiences with the program. Advises and makes recommendations to the board and supports the board in ensuring that the needs of program participants are met. Comptroller-appointed members include:

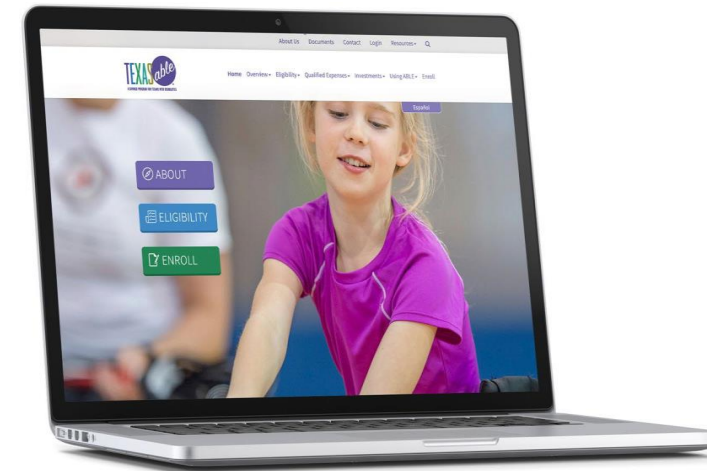
- (1) persons with a disability who qualify for the program;
- (2) family members of a person with a disability who qualifies for the program;
- (3) representatives of disability advocacy organizations; and
- (4) representatives of the financial community.



Texas ABLE – Enrollment Process

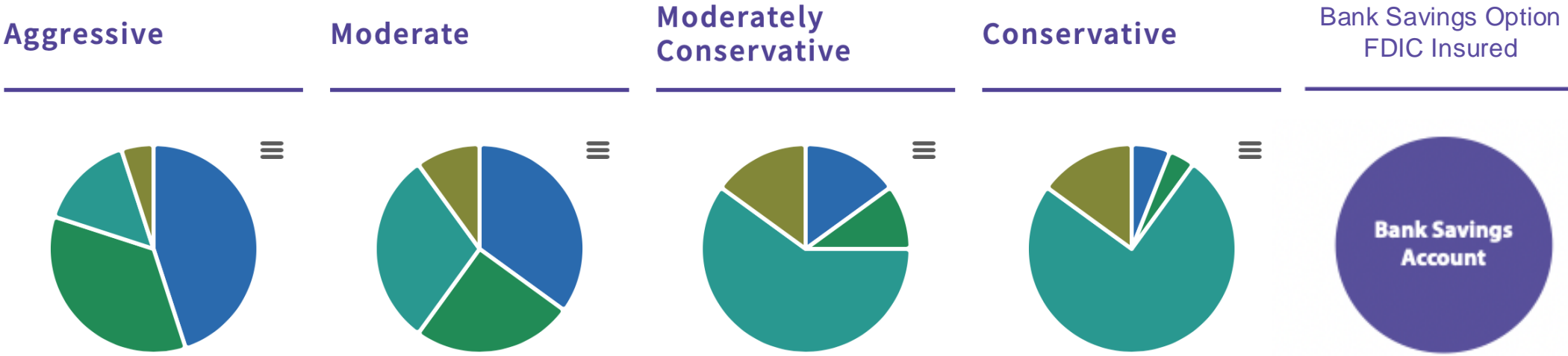
Enroll online anytime at TexasABLE.org.

- 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

Choose from five investment options.



Underlying Funds:

- [Vanguard Total Stock Market Index Fund Institutional Plus Shares - VSMPX](#)
- [Vanguard Total International Stock Index Fund Institutional Plus Shares - VTPSX](#)
- [Baird Core Plus Bond Fund Institutional Class - BCOIX](#)
- [Eaton Vance Floating - Rate Fund Institutional Class - EIBLX](#)

Texas ABLE – Choosing How to Invest

Select investment options.

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

A vertical navigation menu with seven items: 'About You' (checked), 'Delivery Options' (checked), 'Beneficiary' (checked), '» Investment Options' (highlighted), 'Contributions Options', 'Optional Information', and 'Complete Application'. A 'Submit' button is located at the bottom of the menu.

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.

The interface shows five allocation options, each with a percentage input field and a percentage sign: 'AGGRESSIVE ALLOCATION', 'CONSERVATIVE ALLOCATION', 'MODERATELY CONSERVATIVE ALLOCATION', 'MODERATE ALLOCATION', and 'BANK SAVINGS ACCOUNT OPTION'. Each option has an information icon to its left.

Texas ABLE - 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)*.
- Create eGift event from account and 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 aggregate account limits. The beneficiary should monitor their account to ensure compliance with these limits.

Texas ABLE – Using Your Account

Contributions*

- Personal or cashier's check
- Payroll deduction
- Electronic funds transfer (EFT)
- Automatic investment plan (AIP)
- Rollover from a 529 college savings account or another ABLE program
- Online eGift tool
- Contribute from a special needs trust

Withdrawals

- Online withdrawal
- Withdrawal by check
- Withdrawal by ACH (transfer funds to bank electronically)
- Withdrawal by ACH to fund prepaid card (transfer funds to prepaid card electronically)

Prepaid Debit Card – U.S. Bank Focus Card

- Simple 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 the ABLE account.
- Can be used online or in stores anywhere that accepts Visa debit cards.
- View balance and transaction history via the U.S. Bank Mobile App.
- No enrollment fee.



Important Withdrawal Considerations

Non-Qualified Withdrawals

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

- Federal income tax on any earnings.
- Plus an additional 10% federal 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.

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.	

Texas ABLE Story: Ted Galanos



Ted Galanos, Texas ABLE Account Owner

“An acquaintance told me about this new way to save and invest without risking my Medicaid benefits. He knew I was in a nursing home and had limited financial resources. Texas launched its ABLE Program two weeks later and I immediately opened an account. I enjoy having a financial instrument where family, friends and others can contribute to my well-being and quality of life.”

Texas ABLE Story: Dr. Jane Bost



Dr. Jane Bost: Parent of Morgan, a Texas ABLE account beneficiary, and former member and presiding officer of the Texas ABLE Advisory Committee

“Our entire family is grateful for the Texas ABLE program - not only for what opportunities it opens for us, but for opening the door for all Texans with disabilities to achieve a better life experience.”

Helpful Resources

[The Texas ABLE Act](#)

[Social Security Program Operations Manual System \(POMS\) – ABLE](#)

[Center for Medicare and Medicaid Services ABLE Guidance](#)

[IRS Publication 907 on tax treatment of ABLE accounts](#)

[Texas State Securities Board's resources for investors](#)

[ABLE today](#)

Connect with Texas ABLE



View our webinar schedule and download presentation slides: [TexasABLE.org/events](https://www.texasable.org/events).

Customer Service Team

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

Mon. – Fri., 8 a.m. – 5 p.m. CST

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.

Q & A

Disclosures

The Texas ABLE® Program (“Program”) is administered by the Texas Prepaid Higher Education Tuition Board (“Board”). Orion Advisor Solutions, Inc. is the manager of the Program, which is distributed by Northern Lights Distributors, LLC and maintained by Catalis Regulatory and Compliance, LLC, neither of which are affiliated with Orion. The Program and the Board do not provide legal, financial, benefit, or tax advice and you should consult a legal, financial, benefit, or tax advisor before participating.

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 or calling 844-4TX-ABLE (844-489-2253). Investors should read the Program Disclosure Statement and Participation Agreement, and all other Program documents carefully before investing.

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