

Tax-Advantaged Savings for Individuals with Disabilities

ABLEnow®

November 8, 2018

Presenter: Sarah Pennington, ABLEnow

Objectives

What will we cover?

- ✓ ABLE Act
- ✓ ABLEnow program details
- ✓ How to learn more and open an account

Why is it important?

- ✓ New financial tool for eligible Americans with disabilities
- ✓ Empowers self-determination, financial independence
- ✓ Fewer than 1% of eligible Americans have an ABLE account*

We recommend you consult a trusted legal, financial, tax and/or benefits professional.



What is ABLE?

- Tax-advantaged savings accounts for eligible individuals with disabilities
- Contribute up to \$15,000 a year without endangering eligibility for certain means-tested disability benefits
- Result of the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act

President Obama, Dec. 2014



Virginia Governor McAuliffe, April 2015



Outreach



Enter to win a
\$500
ABLEnow account

able-now.com/spinal



See website for Terms & Conditions



What is ABLEnow[®]?

- Virginia-sponsored ABLE savings program
- Open to eligible individuals in all 50 states
- Administered by Virginia529SM
 - Nation's largest 529 plan, \$72 billion in assets
 - Helping people dream, save and achieve for 20+ years



Open and manage
an account online
at able-now.com



What is ABLEAmerica®?

- Nation's only advisor-sold ABLE program
- Offered in partnership with American Funds
- Work with a financial advisor to build an ABLE plan that meets your specific needs



Contact your
financial advisor to
open an account



Who is eligible?

An eligible individual is someone who developed the onset of their disability **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-certifies that they have a qualifying disability diagnosis from a physician

ABLE Age Adjustment Act: unitedspinal.org/save-the-able-act



How can I use the money?

ABLE accounts may be used **at any time, for any reason** to pay expenses related to maintaining health, independence and quality of life.



Basic living expenses



Health and wellness



Housing



Transportation



Education and training



Assistive technology



Financial management



Legal fees

What are the benefits?

Flexible

Easy to manage, easy to contribute and easy to use.

Tax Advantaged

Earnings grow free from federal taxes.

Virginia offers an annual state income tax deduction of up to \$2,000 per contributor for contributions to an ABLEnow account.

Doesn't Impact Benefits

ABLE funds are disregarded when determining eligibility for certain means-tested benefits.

For SSI, an account balance up to and including \$100,000 is disregarded.

See able-now.com for rules, limitations and exceptions.



ABLEnow Card

ABLEnow account holders receive the **ABLEnow Card** — a free debit card providing a simple, fast way to pay qualified disability expenses.



Gift contributions

Anyone can contribute to an
ABLEnow account!

- Birthdays, holidays & milestones
- Make gift contributions online or by mail.
- Share **www.able-now.com/give-a-gift** with friends and family or click “Give a Gift” on the ABLEnow homepage.



Investment options

- First \$2,000 automatically allocated to an interest-bearing, FDIC-insured ABLEnow Deposit Account, linked to your ABLEnow Card.
- For balances over \$2,000, you may opt to invest additional contributions in four investment portfolios.

Aggressive Growth



Vanguard LifeStrategy Growth Fund
Approx. 80% Equity
Approx. 20% Fixed Income

Moderate Growth



Vanguard LifeStrategy Moderate Growth Fund
Approx. 60% Equity
Approx. 40% Fixed Income

Conservative Income



Vanguard LifeStrategy Income Fund
Approx. 20% Equity
Approx. 80% Fixed Income

Money Market



Fidelity® Investments Money Market Government Portfolio
100% Cash & cash equivalents



Account costs

ABLEnow offers some of the lowest fees in the country among ABLE programs.

- **No enrollment fee**
- **No minimum contribution**
- **Account service fee of \$3.25 per month**
Waived if you maintain a balance of \$10,000 in the ABLEnow Deposit Account
- If you choose to invest, there are **asset-based fees between 0.37% and 0.40%**, depending on investment selections

See the Account Fee Schedule for complete details.



2018 updates

Enhancements and flexibility for ABLE account owners.

- **Annual contribution limit increased** to \$15,000 per year
- **ABLE Financial Planning Act** allows 529 transfers
- **ABLE to Work Act** incentivizes ABLE beneficiaries to work
- Potential to take advantage of the **Savers' Tax Credit**



Next Steps



Start your savings

able-now.com

Application

Man

Gi

News

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MY ACCOUNT

GIVE A GIFT

SUBSCRIBE

RESOURCES

CONTACT

ABLEnow

What is ABLEnow

Eligibility

Qualified Expenses

Investments

Open an Account



Now, ABLE
accounts offer a
better quality of
life for people
with disabilities.

Watch the Video »



What do you need?

Open your account

- Name, address, DOB
- SSN
- Bank account information

Open account for someone else

- Name, address, DOB for Account Owner + yourself
- SSN for Account Owner + yourself
- Bank account information



Who can open an account as an Authorized Rep?

For a minor (under 18): Parent must open and manage account as Authorized Rep.

For an adult (18 and over): Parent, Legal Guardian or Attorney in Fact may open and manage account as Authorized Rep.

Legal Guardians and Attorneys in Fact must submit documentation prior to contributing or distributing funds.



Receive & share information

- Visit able-now.com and subscribe to updates
- Follow [@ABLEnowVA](#) on Facebook and Twitter
- Share information with friends, family and community groups.



Pop Quiz!

- ✓ ABLE is an abbreviation for _____?
- ✓ I am older than age 26. May I open an ABLEnow account?
- ✓ Do I need to live in Virginia to open an ABLEnow account?
- ✓ How much can I save in my ABLEnow account each year?
- ✓ Can I have an ABLEnow account and a Special Needs Trust?
- ✓ What happens to the money in my ABLEnow account after my death?
- ✓ Who can contribute to an ABLEnow account?
- ✓ Where do I open my ABLEnow account?

These and other answers can be found online at
able-now.com/resources/FAQs



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ABLEnow®

able-now.com

customerservice@able-now.com

1-844-NOW-ABLE

The material in this presentation has been prepared by ABLEnow and is general information about ABLEnow current as of the date of this presentation. The information is given in summary form and does not purport to be complete.

Call 1-844-NOW-ABLE or visit able-now.com to obtain information on the program. Seek the advice of a professional concerning any financial, tax, legal or federal or state benefit implications related to opening and maintaining an ABLEnow account. Participating in ABLEnow involves investment risk including the possible loss of principal. For non-Virginia residents: other states may sponsor an ABLE plan that offers state tax or other benefits not available through ABLEnow.

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