

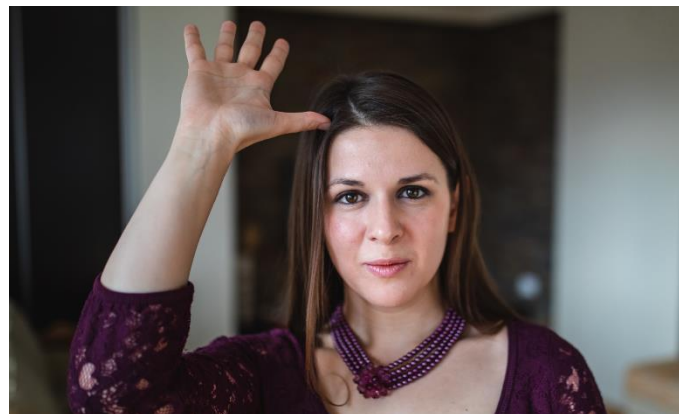


Overview of PA ABLE Savings Program

Diana Fishlock



- What is ABLE?
- Who is eligible?
- Opening and Managing an Account
 - Investment and checking options
 - Contributing and withdrawing
 - Qualified withdrawals
- Additional Details and Considerations



An ABLE account is a savings account for disability-related expenses.

It gives eligible individuals with qualified disabilities, and their families and friends, a tax-free way to save for disability-related expenses, **while maintaining government benefits** (with a limitation for Supplemental Security Income).

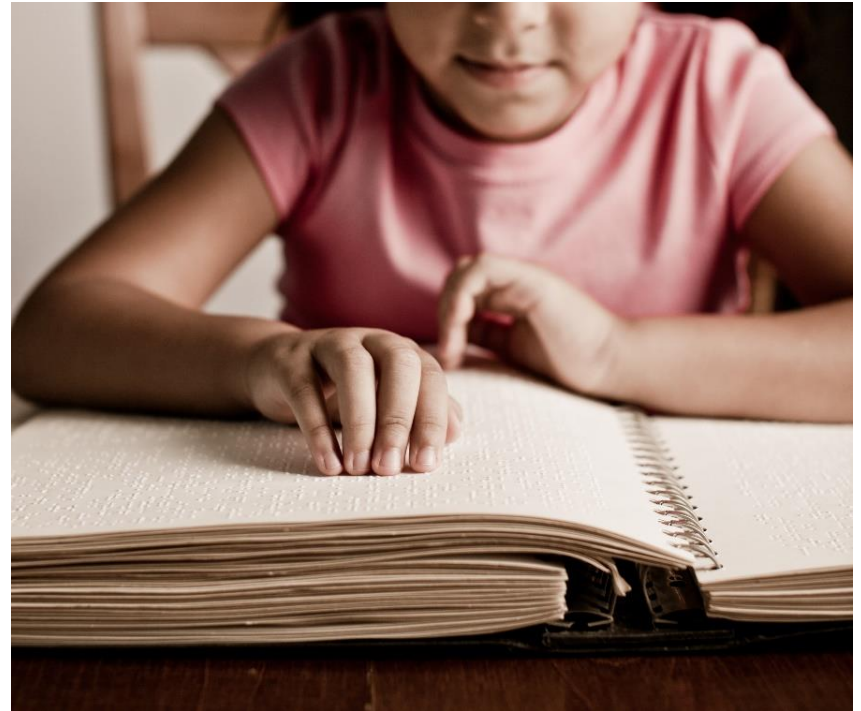




A PA ABLE account empowers individuals with disabilities, allowing them to save more and to make more of their own financial decisions.



PA ABLE has a proven track record and has been one of the fastest growing ABLE programs in the country.



Save While Maintaining Government Benefits

- Savings placed in a PA ABLE account do **NOT** count against **ANY** federal need-based benefits including Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medical Assistance (Medicaid), housing assistance programs, student financial aid and more.
- PA ABLE assets are not counted for Pennsylvania needs-based disability, health and student financial aid.





- Supplemental Security Income (SSI) recipients can save up to \$100,000 while maintaining benefits. Above that, SSI will be suspended, but not terminated, and Medical Assistance benefits will continue.
- ABLE account owners who don't receive SSI can save more \$500,000 in ABLE.

- An Eligible Individual can open ONE ABLE account nationwide. *
- Several benefits are only available to Pennsylvanians who use a **PA ABLE** account.
- Enroll online at **PAABLE.gov** or with a paper application available online or by calling 855-529-ABLE (2253).

*If an account owner is rolling over ABLE funds from another state, the individual may have two ABLE accounts briefly during the rollover process.



Tax Benefits of PA ABLE

Deductions and credits:

Any PA taxpayer's contributions to a PA ABLE account may be deducted from state taxable income up to \$17,000.

Only contributions to a PA ABLE account qualify for the PA state income tax deduction.

Earnings:

Earnings in a PA ABLE account grow federal and PA **income tax deferred** and withdrawals for qualified disability expenses are federal and PA **income tax free**.

Other:

PA ABLE assets excluded from PA inheritance tax (both the principal and earnings) and protected from creditors of the Account Owner or contributor in PA state proceedings.



To be eligible for an ABLE account, a person of any age must:

1. Have a qualifying disability that started before 26th birthday;

AND

2a. Be eligible for Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI)

OR

2b. Self-certify they meet certain disability standards (*next slide*)



To self-certify, the qualifying disability must be:

- Blindness, OR
- A “medically determinable physical or mental impairment,”
- That results in “marked and severe functional limitations,” AND
- Is expected to last for 12 continuous months or result in death.

Anyone who self-certifies eligibility must possess a written diagnosis* related to the impairment signed by a physician who meets Social Security Administration criteria.

**While not required to enroll, the written diagnosis must be provided if requested.*



13 Opening and Maintaining – Opening an Account

- Enroll at **PAABLE.gov** or with a paper application available online or by calling 855-529-ABLE (2253). PA ABLE accounts are **FREE to open** (other fees apply).
- Please note account control has recently changed.
- **Adults with legal capacity to enter into contracts** may open the account for themselves but may also appoint any other person to open and manage the account (Authorized Individual).
- Accounts for **minors or adults without the legal capacity to enter into contracts** must be opened by an Authorized Individual from defined list based on relationship to the Eligible Individual.

The order of priority for Authorized Individuals is:

- | | |
|----------------------------------|-----------------------------------|
| 1. Power of Attorney | 5. Sibling |
| 2. Legal Guardian or Conservator | 6. Grandparent |
| 3. Spouse | 7. Social Security Administration |
| 4. Parent | Representative Payee |



14 Opening and Maintaining – Contributing to a PA ABLE account

- Contributions can be made online, by check, money order, via payroll deduction, or automatically from a bank.
 - Anyone may make a contribution.
 - Family and friends can contribute with Ugift (<https://www.ugiftable.com/>)
 - Roll over 529 College and Career Savings account funds into a PA ABLE account owned by you or a member of your family (limitations apply).
- Individuals who receive SSI or SSDI may directly deposit these benefits into an ABLE account if the individuals do not have representative payees.
- Annual account contribution maximum of \$17,000 from all sources.



Account owners can contribute above the annual limit if they:

- Are employed, and
- Have not contributed to a defined contribution plan (including 401K), annuity contract or deferred compensation plan during a tax year

The added amount they can contribute is whichever is less:

- The amount they earn or
- The federal poverty level for the prior year

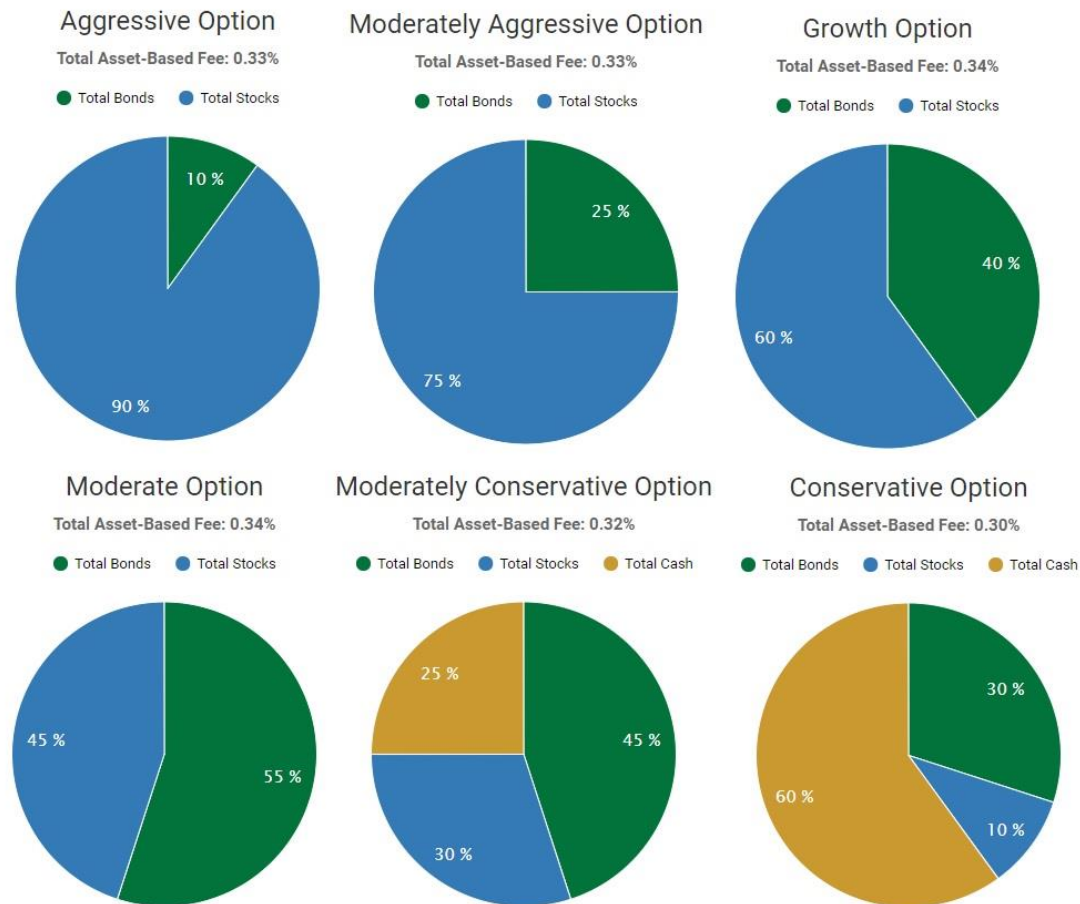
The maximum a person could contribute annually under ABLE to Work would be \$30,590.

Any contribution above the annual contribution limit may only be made by an account owner. The account owner must submit the ABLE to Work Self Certification Form, which is available on PAABLE.gov or by calling 855-529-2253.

We encourage you to consult a qualified tax advisor about your personal situation.



16 Opening and Maintaining – Investment Options



- Six Asset-allocation Options with varying mixes of stocks, bonds, and cash investments ranging from aggressive to conservative.
- Choose from one or all.
- Move funds among options twice in a calendar year.
- At any time, designate another option for new contributions.
- Next slide – Checking Option

17 Opening and Maintaining – Checking Option

- 100 percent of assets are invested in an FDIC-insured interest bearing checking option with Fifth Third Bank, National Association (N.A.), which includes debit card (checks available for additional fee).
- \$0 charge if ATM is used at one of the 55,000 Fifth Third Bank and partner ATMs (Allpoint and Presto). Out-of-Network ATM fee may apply (\$2.75 per use).
- Monthly service charge of \$2 is waived with electronic statements or an average monthly balance of at least \$250.
- \$0 overdraft or returned payment fees.
- More at www.53.com - including ATM locator.



- PA ABLE accounts are **free to open**.
- All PA ABLE accounts have an account maintenance fee, either:
 - \$14.50 quarterly for accounts receiving postal delivery, or
 - \$8.25 quarterly with e-delivery
- Asset-based fees on investment portfolios of less than 1 percent (range: 0.30% - 0.33%).
- Checking option fees (\$2 or \$0 monthly).



You may request a withdrawal:

- Online
- By phone
- In writing

You may also withdraw from the checking option by:

- Using your debit card at the point of sale
- Making an ATM cash withdrawal
- Writing checks



QUALIFIED DISABILITY EXPENSES

- Education
- Housing (some limitations)
- Transportation
- Employment training and support
- Legal fees
- Health
- Prevention and wellness
- Financial management and administrative services
- Assistive technology and personal support services
- Expenses for oversight and monitoring
- Funeral and burial expenses

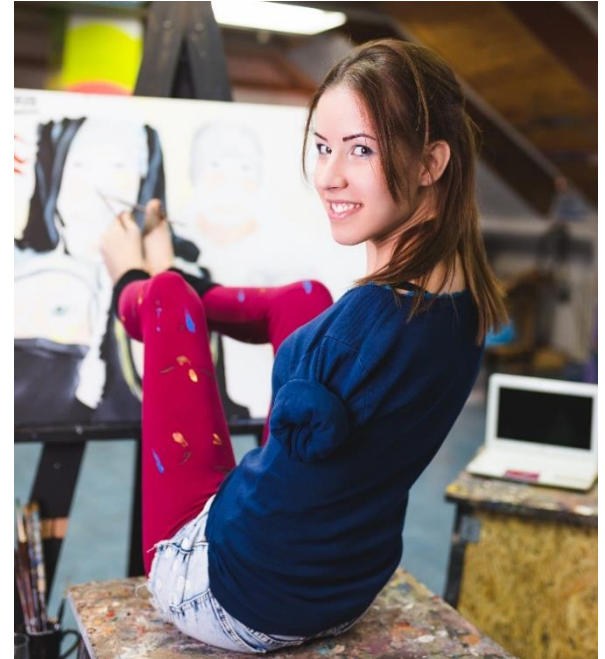


IRS regulations include “basic living expenses” and explain all expenses need not be “medically necessary” or for the SOLE benefit of the Eligible Individual.

Account owners should always keep receipts.

- Withdrawals used for **qualified disability expenses** are not subject to taxes.
- Withdrawals used for **non-qualified expenses** are subject to income tax on any earnings at the taxpayer's tax rate plus an additional 10% penalty on the earnings.
- **Consequences for SSI recipients**
 - Withdrawals intended to be used for **qualified disability expenses** do not impact SSI benefits
 - **Withdrawals for non-qualified expenses and housing can impact SSI benefits unless used in the same month the withdrawal is taken.**
- Who determines if expense is qualified or non-qualified?
 - The account owner – subject to an IRS audit or review by the Social Security Administration. ***Documentation should be maintained.***

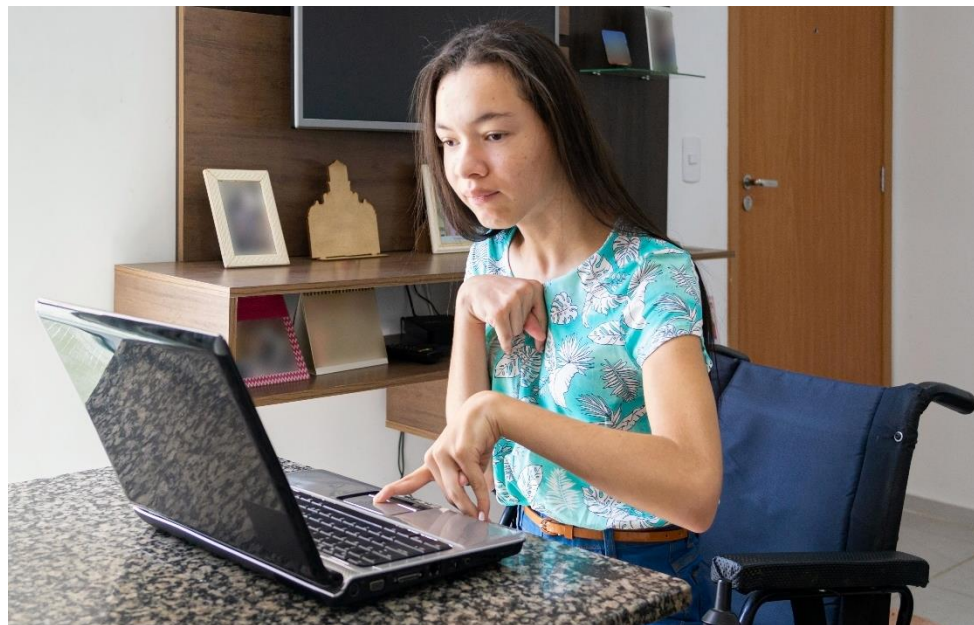
- Contributions directly into an ABLE account do not affect SSI benefits
- Account value over \$100,000 counted as an asset
 - SSI benefits suspended. Not terminated.
 - Doesn't impact Medical Assistance (Medicaid) eligibility



- Withdrawals for housing and non-qualified withdrawals can reduce SSI benefits
 - Timing is critical
 - If used in the same month the withdrawal is taken there is no impact
 - If used in a different month from when the withdrawal is taken their benefits may be reduced
- **Example:** If rent is due on the first of the month, a recipient can take their withdrawal and pay their rent in the prior month. If they take their withdrawal in the prior month but pay their rent on the first of the next month, they may have their benefits reduced. Non-qualified withdrawals are addressed in a similar manner with regard to SSI benefits (however there are still tax consequences on the non-qualified withdrawal).

For SSI purposes, housing expenses include:

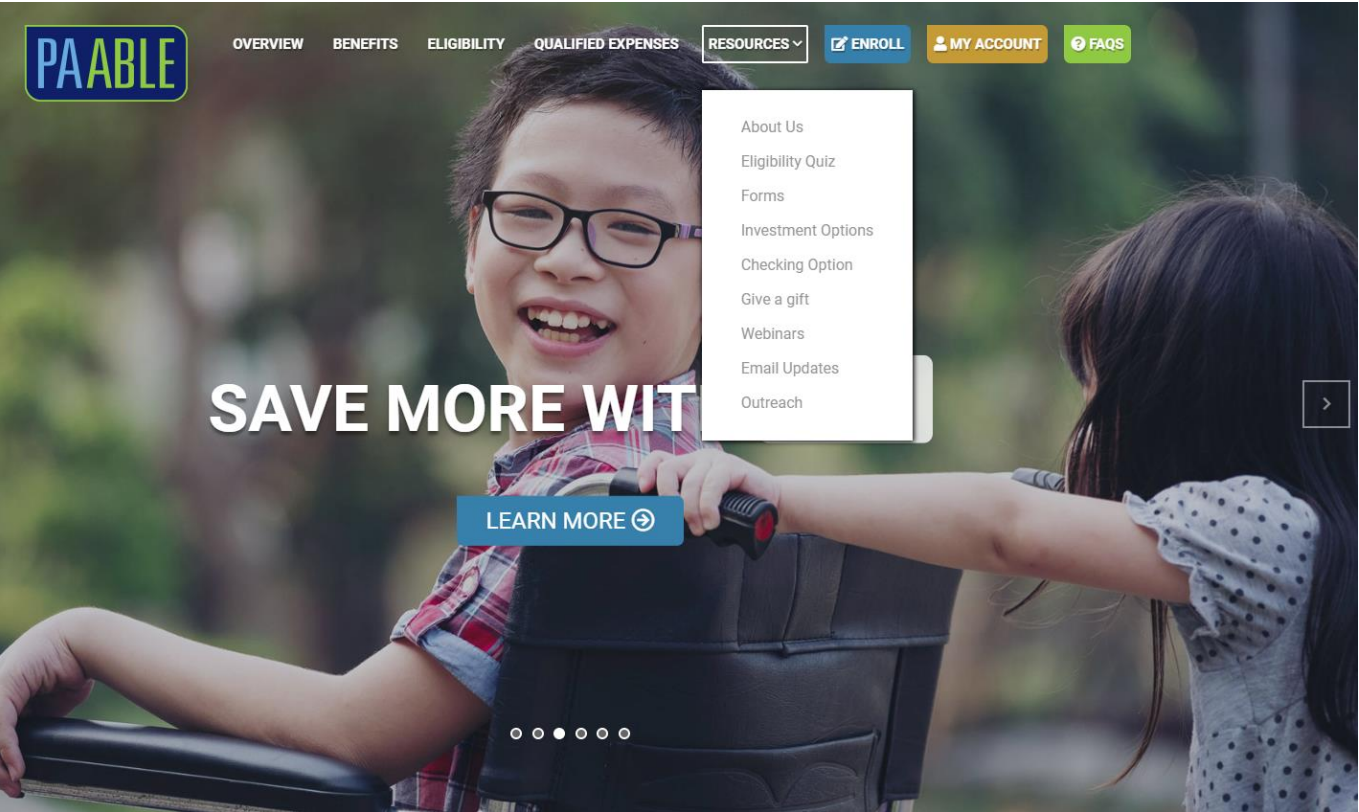
- mortgage (including property insurance required by the mortgage company)
- real property taxes
- rent
- heating fuel
- gas
- water
- sewer
- garbage removal



While federal ABLE law permits a state to file a claim against an ABLE account for Medicaid paid during the time the beneficiary had an ABLE account, PA's ABLE law prohibits it.

However, federal Medicaid law requires the PA Department of Human Services to seek repayment of Medical Assistance from the estate if the beneficiary was 55 or older when he died, **whether or not the person had an ABLE account.**

- For expenses incurred after the beneficiary turned 55, which were for
 - Nursing facility services
 - Home and community-based services
 - Related hospital and prescription drug services
- However, repayment will be delayed when the deceased account owner is survived by:
 - A spouse;
 - Child under 21;
 - A disabled child of any age
- The PA Department of Human Services may seek repayment from the beneficiary's estate once the reason for the delay no longer exists.



For more PA ABLE resources, visit **PAABLE.gov** and click on the **RESOURCES** button from the top menu then click **OUTREACH** from the drop down menu.



The Pennsylvania Treasury offers materials to disability and mental health organizations to help them share information about PA ABLE accounts with their staff, members or the individuals they serve.

Please click the boxes below to request PA ABLE brochures; email updates; a live webinar specifically for your organization; a staff-person to attend your event; or messaging for your website, newsletter or social media.

PA ABLE MATERIALS

☒ PA ABLE brochures

☒ PA ABLE low-vision brochures

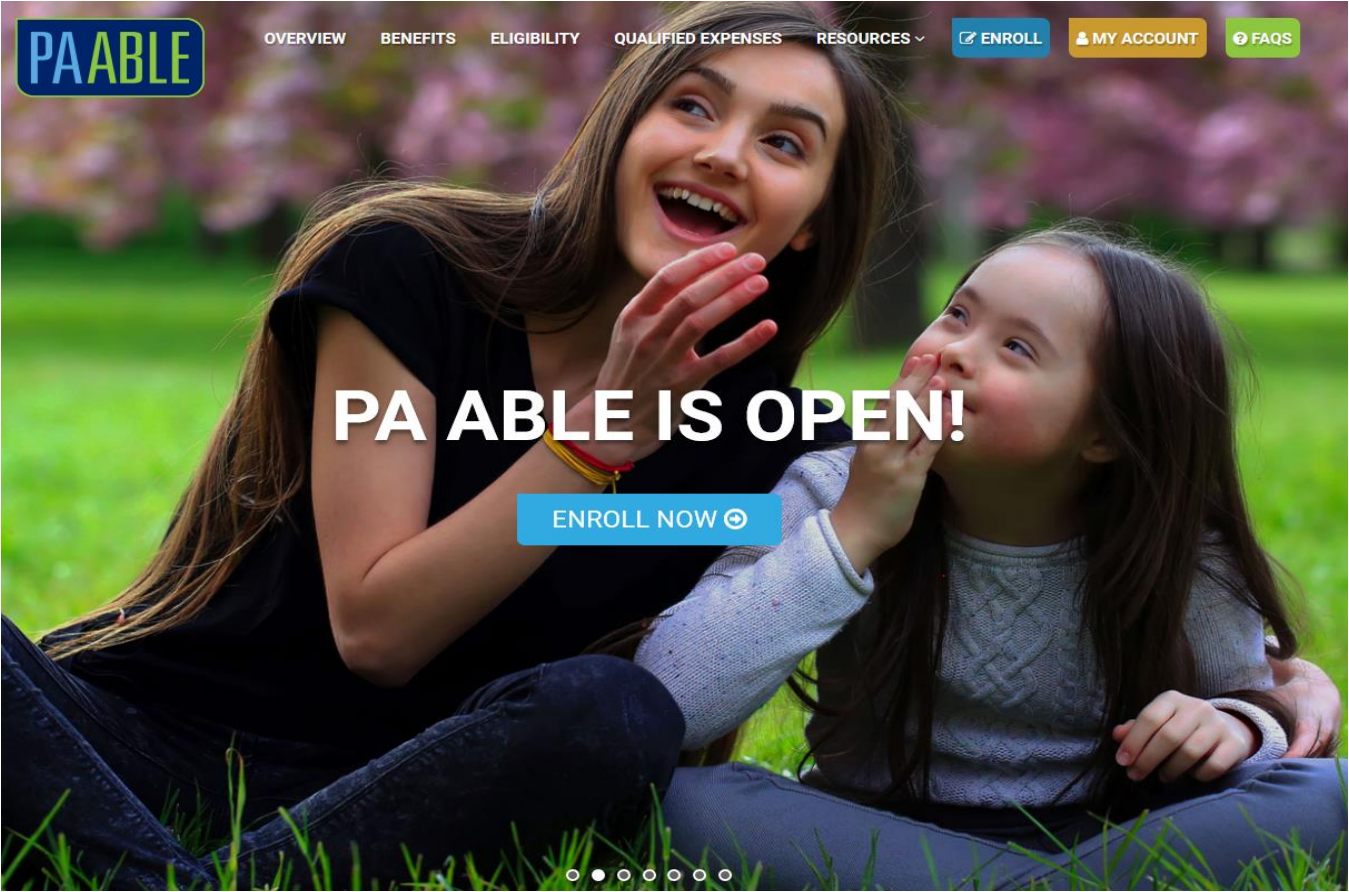
☒ Live PA ABLE webinar for your organization

☒ In-person presentation (dependent on staff availability)

☒ Staff for your conference or summit vendor table (dependent on staff availability)

MATERIAL ORDER FORM

- From the OUTREACH page, you can:
- Request free PA ABLE materials
 - Find messages and graphics for your newsletter or social media.
 - Sign up for email updates.
 - View webinar slides.



To enroll, visit **PAABLE.gov** and click on the “ENROLL” button from the top menu or call **855-529-ABLE** to request a paper enrollment guide.



Setting up your PA ABLE account

Thank you for choosing PA ABLE.

There are just three easy steps to open a new account.

- 1. Read the Program Disclosure Statement
- 2. Choose the best Investment Option for you
- 3. Gather information
 - a. Residential street address
 - b. Social security or taxpayer identification number
 - c. Birth date
 - d. Your personal bank account number (to pre-schedule contributions from your personal checking or savings account)

*We are required by federal law to obtain, verify, and record information that identifies each person who opens an account. If you don't provide the requested information, we may not be able to open your account. If we are unable to verify your identity, the Plan reserves the right to close your account or take other steps we deem reasonable.

Obtain a [saved enrollment](#).

Enter New Account Owner's Information

To open a new account, fill in the information below and click **continue**.

Note: Enter the email address in which you would like to receive email communications from the Plan - enter only one email address.


First Name

Last Name

Email

Primary Telephone

continue



PA ABLE
Enrollment Walk-Through

Enter the new
account owner
(Eligible
Individual)
information and
click **Continue**.



PA ABLE Enrollment Walk-Through

Enter the additional information requested, including who is opening the account.

Steps

1 about you

2 about your Authorized Individual

3 choose investments

4 pick a funding method

5 select a delivery option

6 complete your account

tips

Who can be an Account Owner?

You can open an account if you:

Are an Eligible Individual as defined in the Plan Disclosure Statement.

Are a U.S. citizen or legal resident alien

Have a Social Security or taxpayer identification number (required by federal law)

Have a Permanent U.S. street address (not a P.O. box)

If you represent the Account Owner as an Authorized Individual, you must mail the documentation showing your legal authority to act on behalf of the Account Owner.

step 1

your new account type

The person opening the account:

☐ I am opening the account for myself

☐ I am the Parent or Guardian of the minor eligible Account Owner

☐ I am the Authorized Individual of an eligible adult Account Owner.

IMPORTANT: You must mail your initial contribution along with the appropriate authorizing documentation to verify your authority to open, transact, and maintain an Account on behalf of the Account Owner. The authorizing documentation must show that you have the authority to manage an ABLE account on behalf of the Account Owner or otherwise manage all financial affairs of the Account Owner.

Please note: After you have created this account online, your account will be under a "freeze" status until we have received, reviewed and approved all the required paperwork from you.

If the authorizing documentation requires the authority of two or multiple signatories, you cannot enroll online. Please print and complete an [enrollment form](#) and mail it to the Plan accompanied with the authorizing documentation.

about the Account Owner

This is the Eligible Individual whose qualified disability expenses will be paid from this account.

First name

MI

Last name

Eligible

Individual

Permanent address (No P.O. Box)

City

State

Zip

--

-

☐ Check if your mailing address is the same as your permanent address

Pennsylvania Treasury

Bureau of Consumer Programs

Please select the Account Owner's disability, the onset of which occurred prior to their 26th birthday:

(The following information is required by the federal government and will only be used for aggregate reporting purposes. Report only one primary code number for an Account Owner. If more than one code applies, select the most significant code)

- ☒ **Code 1** - Developmental Disorders: Autistic Spectrum Disorder, Asperger's Disorder, Developmental Delays and Learning Disabilities
- ☐ **Code 2** - Intellectual Disability: May be reported as mild, moderate, or severe intellectual disability
- ☐ **Code 3** - Psychiatric Disorders: Schizophrenia, Major depressive disorder, Post-traumatic stress disorder (PTSD), Anorexia nervosa, Attention deficit/hyperactivity disorder (AD/HD), Bipolar disorder
- ☐ **Code 4** - Nervous Disorders: Blindness, Deafness, Cerebral Palsy, Muscular Dystrophy, Spina Bifida Juvenile-onset Huntington's disease, Multiple sclerosis, Severe sensorineural hearing loss, Congenital cataracts
- ☐ **Code 5** - Congenital Anomalies: Chromosomal abnormalities, including Down Syndrome, Osteogenesis imperfecta, Xeroderma pigmentosum, Spinal muscular atrophy, Fragile X syndrome, Edwards syndrome
- ☐ **Code 6** - Respiratory Disorders: Cystic Fibrosis
- ☐ **Code 7** - Other: Includes Tetralogy of Fallot, Hypoplastic left heart syndrome, End-stage liver disease, Juvenile-onset rheumatoid arthritis, Sickle cell disease, Hemophilia, and any other disability not listed under Codes 1 - 6



Basis under which ABLE eligibility is asserted: (Select only one)

- ☐ The Account Owner is entitled to Supplemental Security Income benefits under Title XVI of the Social Security Act. (SSI Benefits Eligibility)
- ☐ The Account Owner is entitled to Social Security Disability benefits under Title XVI of the Social Security Act. (SSDI Benefits Eligibility)
- ☒ The Account Owner self-certifies that he or she meets the Disability Certification requirement, including possessing a written disability-related diagnosis signed by a physician who meets Social Security Act criteria. (Certification Eligibility) Please **DO NOT** submit your written disability-related diagnosis, only check this button and keep your diagnosis documentation with you.



account owner's identity verification

To help the government prevent the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

Driver's license or state issued I.D. card number

Issuing state

--

Expiration date

MM

DD

YYYY

I.D. card type

Select an option

Mother's maiden name



Enter additional information regarding the eligible individual's disability.

Steps

1 about you

2 about your Authorized Individual

3 choose investments

4 pick a funding method

5 select a delivery option

6 complete your account

tips

How you invest can depend on several factors:

Time horizon: When you need the assets.

Risk tolerance: Do you believe in taking some risks or are you a conservative investor?

Please see the Investment section of the website or the Plan Disclosure Documents for additional information about the Investment Options including risks.

choose investments

Choose how you'd like your money to be invested from the options below

Please select one or more Investment Options from the choices below. If you choose one Investment Option, please indicate 100% next to that option. If you choose more than one Investment Option, please indicate the percentage amount of the contribution you would like invested into each of the selected Investment Options.

• Use whole percentages only.

• Your total Investment Option percentages must equal 100%.

Aggressive Option

%

Moderately Aggressive Option

%

Growth Option

%

Moderate Option

%

Moderately Conservative Option

%

Conservative Option

%

Checking Option

%

TOTAL

%

back

save

next

Select your investment options.

You may select any combination of the seven total options.

Pennsylvania Treasury

PAABLE

Bureau of Consumer Programs

Steps

1 about you


2 about your Authorized Individual

3 choose investments

4 pick a funding method

5 select a delivery option


6 complete your account

 **tips**

While you must select one funding method as your initial contribution, you can set up additional contribution methods after your account is established by logging into your account.

step

123456

 pick a funding method

How do you want to fund your account?

Any initial and additional contribution must be at least \$25.

☐ **From my bank account - automatic regular contributions**

You can setup a recurring contribution so contributions are made on a regular basis.

☐ **From my bank account - single contribution**


This will be a one-time transfer from your bank via Electronic Funds Transfer (EFT). By selecting this option you will be prompted to provide your bank information. We will keep the bank instructions on file for future EFT contributions. The Plan may place a limit on the total dollar amount per day you may contribute to an account by EFT.


☐ **From my paycheck**


If you want to make contributions to your PA ABLE account directly from a paycheck you must contact your employer's payroll office to verify that you can participate. Payroll Direct Deposit contributions will not be made to your ABLE Savings Plan until you have received a Payroll Direct Deposit Confirmation Form from the ABLE Savings Plan, provided your signature and Social Security or taxpayer identification number on the Form, and submitted the Form to your employer's payroll office. You'll be able to print out a form for this option when you've completed this enrollment.

☐ **With a check**

You'll be able to print out a form to send in with your check when you've completed this enrollment.

 **back**

save 

next 

Determine how you will initially fund your account. You may set up recurring contributions now or any time in the future.



Steps

- 1 about you
- 2 about your Authorized Individual
- 3 choose investments
- 4 pick a funding method
- 5 select a delivery option**
- 6 complete your account

tips

Go green!
Sign up for online account statements and updates.

E-delivery can help you:

- Reduce clutter
- Save paper
- Get faster access to statements and confirmations (versus by mail)



select a delivery option

Choose your delivery method

If you choose e-delivery notification for statements and confirmations, your \$15 Quarterly Account Maintenance Fee will be discounted by \$3.75. By selecting e-delivery, you confirm that you are able to receive e-mail messages containing electronic documents, or e-mail notices that electronic documents are available for viewing online. You may provide, update or remove your e-mail address at any time by accessing your account.

Please note: If you plan to or have invested in the Checking Option, you will need to log into 53.com to change your delivery preferences. By selecting electronic statement delivery you will be eligible to receive a waiver of the monthly maintenance fee of \$2.00. To update your statement delivery preferences for your Checking Option, please log into 53.com once you obtain your free debit card.

Quarterly Statements and Plan Disclosure Document Updates

- ☒ Notify by email for all online statements/updates
- ☐ Notify by email for online statements/updates; mail year-end statement
- ☐ Mail all statements/updates

Transaction & Profile Confirmations

- ☒ Notify by email
- ☐ Mail confirmations

Tax Forms

- ☒ Notify by email
- ☐ Mail tax forms

Determine your statement and notification delivery method.

Note: Receiving statements & disclosure updates and transaction & profile confirmations by email decreases your annual ABLE account fees.



One last step before you review the application

Fill out the information below to set up your username, password, security questions and security image.

Create Username and Password

You will be able to use this username and password to access your account.

Username

(Must be 6-25 characters)

Password

(Your password must be at least 8 characters long and contain at least 3 of the 4 following criteria: upper case, lower case, numeric, or special characters such as !, @, #, \$, % etc.)

Retype Password

Security Questions

If you forget your password, you will be asked to answer one of these questions to reset your password. Please enter a unique answer for each of the 3 security questions. The answers must be alphanumeric and at least 2 characters long.

Question

Select a question

Answer

Retype answer

Question

Select a question

Answer

Retype answer

Question

Select a question

Answer

Retype answer

PA ABLE Enrollment Walk-Through

Create an online profile with a username and password for 24/7 online access.



This presentation provides only highlights of the PA ABLE Savings Program (PA ABLE).

*The Pennsylvania ABLE Savings Program is administered by the Pennsylvania Treasury Department. Before investing, **please carefully read the Disclosure Statement (available at PAABLE.gov or by calling 855-529-2253)** to learn more about the program, including its effect on federal and state benefits, investment objectives, risks, fees, and tax implications.*

Questions?

Need brochures or an ABLE presentation?

Contact us at

855-529-2253. Relay calls welcome!

or info@PAABLE.gov

Sign up for email updates or an informational webinar
at **PAABLE.gov**

