

Arc Guide to ABLE Accounts

The Achieving a Better Life Experience (ABLE) Act passed in 2014. The ABLE Act creates tax-free savings accounts for people with disabilities. These are ABLE Accounts. ABLE Accounts help you save money. Money added to an ABLE Account does not unnecessarily change your public benefits.

Eligibility Criteria

You are eligible for an ABLE Account if your disability was present before the age of 26. One of the following must also be true:

- You are eligible for Supplemental Security Income (SSI) or Social Security Disability Income (SSDI) because of a disability
- You experience blindness as determined by the Social Security Act
- You have a severe disability with a written diagnosis from a licensed physician

Contribution Limits (subject to change yearly)

- Contribution limits are \$15,000 per year. This includes contributions from any source.
- ABLE account owners who have a job may contribute up to \$12,760 more per year from earned income.
- The account can hold \$100,000 total before affecting government benefits. There is an account max of \$425,000 contributed over the lifetime of the account owner.
- Contributions can be moved from a 529 Education Plan to an ABLE Account. Both accounts must have the same beneficiary or be an eligible member of their family.

Tax Benefits

ABLE Account earnings are tax-free if used for Qualified Disability Expenses (QDEs). QDE payments enhance the quality of life of a person with disabilities.

Acceptable ABLE Accounts Expenses

Payments from ABLE Accounts can only be for QDEs. These include, but are not limited to, expenses for:

- Education
- Health and wellness
- Housing
- Transportation

- Legal fees
- Financial management
- Employment training and support
- Assistive technology
- Personal support services
- Oversight and monitoring
- Funeral and burial expenses
- Basic living expenses

ABLE Account Funds Upon Death of Account Owner

- Account funds are first used to pay outstanding QDEs for the account owner.
- Remaining funds are paid to the state for Medical Assistance (MA) spent on behalf of account owner.
- The total amount paid to the state is based on the total MA spent after setting up the ABLE account.

Additional Information

- ABLE Accounts are only administered through state run plans. Not every state administers an ABLE plan.
- Accounts do not need to be set up in your home state.
- ABLE Accounts cannot be established at your local bank or investment companies.
- You can only have one ABLE Account.

How to Apply

Apply to the Minnesota ABLE Plan online at savewithable.com/MN or call (888) 609-8872 for more information.

Resources

[ABLE National Resource Center](#)

[Social Security ABLE Guidance](#)

[Focus on the Future Podcast Episode 5, “Reach Financial Goals with ABLE”](#)

For more information or advocacy services, contact The Arc Minnesota at 833.450.1494 or visit www.arcminnesota.org. (Please note: *This document is not legal advice. No information should replace the advice of an attorney.*)

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