

Achieving a Better Life Experience (ABLE) Accounts Frequently Asked Questions and Resources

Statement by Bill's Author, Rep. John Macco (R-Ledgeview):

"I am very pleased about the news that makes ABLE accounts even better! By July of THIS year, eligible disabled citizens will be able to have much the same opportunities as our non-disabled neighbors in providing for education and other qualified expenses. I will be attending several disability advocacy events over the year helping families learn about the features, ease of opening, and benefits of having, an ABLE account."

Frequently Asked Questions:

What is an ABLE Account?

Achieving a Better Life Experience (ABLE) accounts are tax-sheltered money market savings accounts specifically designed for individuals with disabilities. The accounts are based on 529 college savings accounts that allow eligible citizens with disabilities to put away funds for education, non-covered medical expenses, various transportation and housing needs, and other qualified expenses. ABLE accounts help people with disabilities have the same opportunities as those without disabilities. Family members and others can also now contribute to an ABLE account for an eligible person with a disability.

Wisconsin recently passed legislation (Assembly Bill 731) that ensures that Wisconsin residents who open ABLE accounts in any state can access state income tax benefits.

The National Down Syndrome Society has developed educational materials, including the article "ABLE Accounts: 10 Things You Must Know": <http://www.ndss.org/Advocacy/Legislative-Agenda/Creating-an-Economic->

[Future-for-Individuals-with-Down-Syndrome/Achieving-a-Better-of-Life-Experience-ABLE-Act/](#)

When can I open an ABLÉ account in Wisconsin?

As soon as any state opens their program!

As of February 2016 many states are close to opening their ABLÉ account programs. The National Down Syndrome Society is maintaining a list of states with ABLÉ programs under development: <http://www.ndss.org/Advocacy/Legislative-Agenda/Creating-an-Economic-Future-for-Individuals-with-Down-Syndrome/ABLE-State-Bills/>

As soon as July 2016, eligible individuals should be able to open up accounts. A recent change by the Wisconsin legislature – Assembly Bill 731 – gives Wisconsin residents access to ABLÉ accounts sooner, and with a greater variety of options than if Wisconsin had developed its own state-specific ABLÉ program. Without the passage of AB 731, Wisconsin citizens would have waited until at least 2017 before being able to open an ABLÉ Act account.

A recent change to state residency requirements under the federal ABLÉ law means a Wisconsin resident can open an account anywhere in the country where an ABLÉ program is offered. This will allow comparison shopping for the best program to fit a person's needs.

Who can help me open an ABLÉ account?

Unlike setting up a traditional trust, setting up an ABLÉ account will be relatively easy and inexpensive. Once states set up their programs, anticipated later in 2016, finding an ABLÉ program will be as easy as googling "ABLE accounts" and finding which state program matches your needs. Many states are expected to offer online applications for ABLÉ accounts.

You will not need to involve a lawyer when establishing an ABLÉ account, but getting some financial planning advice from a financial or investment adviser may be helpful.

The Federal Financial Industry Regulatory Authority (FINRA) has tips on choosing an investment professional: <http://www.finra.org/investors/choosing-investment-professional>

The National Disability Institute has been offering educational materials about setting up ABLE accounts: <https://www.realeconomicimpact.org/public-policy/able-act.aspx>

If you are a person with a disability and want more detailed help, the benefits specialists located in [Wisconsin Aging and Disability Resource Centers \(ADRCs\)](#) should be able to guide you once ABLE account programs are operating in other states.

How much will it cost to open an ABLE account in Wisconsin?

Because there are no ABLE account programs up and running yet, we are unsure. Based on how the traditional 529 college savings accounts are structured, we are assuming the costs will be minimal for opening up an account.

Who can help me understand how an ABLE account affects disability benefits?

ABLE accounts do not impact an individual's eligibility for Medicaid. ABLE accounts were designed to be very easy to understand.

The amount in your ABLE account would have to reach \$100,000 before it counts against SSI or Medicaid. In order to be eligible to establish an ABLE account, you (or the person you are setting up the account for) must have obtained the disability before age 26.

For more information on ABLE and disability benefits, check out this website: <http://www.ndss.org/Advocacy/Legislative-Agenda/Creating-an-Economic-Future-for-Individuals-with-Down-Syndrome/Achieving-a-Better-of-Life-Experience-ABLE-Act/>

As with other disability programs: benefit specialists, financial advisors, legal advisors, etc. can guide ABLE account owners to the right resources if there are any additional questions.

TurboTax (the tax preparation software company) has already integrated software recognizing ABLE in their tools. See how they describe ABLE: <https://turbotax.intuit.com/tax-tools/tax-tips/Tax-Deductions-and-Credits/What-are-ABLE-Accounts--Tax-Benefits-Explained/INF28076.html>

Why would I choose an ABLE account over a special needs trust?

You wouldn't. ABLE accounts are not a substitute for those needing special needs trusts for a complex financial, estate, or legacy plan. Talk to your financial planner about the differences and why you would choose one tool over the other to meet your needs.

What can I spend ABLE account funds on?

From the National Down Syndrome Society:

“A "qualified disability expense" means any expense related to the designated beneficiary as a result of living a life with a disability. These include education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other expenses to enhance the person's quality of life. In November 2015, the Treasury Department issued guidance indicating that states do not have to scrutinize expenses but beneficiaries will be required to maintain documentation to prove that their expenses are qualified.”

What should I look for in shopping for someone who can help me open an ABLE account?

As mentioned earlier, similar to opening a 529 college savings account, opening an ABLE account is something you can do on your own. If you are interested in working with a financial planner, here are some tips on choosing an investment professional: <http://www.finra.org/investors/choosing-investment-professional>

How should I comparison shop for the ABLE account option that is best for me?

You could go to one of the experts mentioned above for guidance, but you should also look for the best option in the same way you would shop for an apartment, car, job, blender, etc. Go online, talk to other folks who have ABLE accounts and keep asking questions.

Think about your financial needs. Will you need money for dental care? Housing? Continuing education? Medical devices? Personal care not covered by public programs?

Transportation? Think about what's associated with these costs and search for programs that directly address what you need for your financial future.

In a nutshell, you are looking for the program that best fits the need of the new account owner. If the account owner is young, perhaps looking at a program that is set up as a long-term savings program will be best. If the account owner is out of high school, looking at a program that offers a debit card structure and easy accessibility may be best.

Being able to look at multiple programs in other states to find the program that fits the individual financial interests of the owner can be an advantage in the way Wisconsin has chosen to roll-out ABLE account access.

Are there consumer protections or a contact if I have concerns or questions about the ABLE information a vendor has provided to me?

Absolutely! ABLE programs are a private/public partnership and will have the same safeguards as traditional 529 accounts that people use to save for college.

The Wisconsin Department of Agriculture, Trade and Consumer Protection is the state's primary consumer protection agency. Wisconsin residents who have a specific complaint can contact the Consumer Information Hotline or hotline staff by e-mail at DATCPHotline@Wisconsin.gov or at 1-800-422-7128.

If a consumer is unhappy with their choice of ABLE account program, the change made through Assembly Bill 731 means she or he can transfer their account to another program in another state.

More Resources for ABLE Accounts:

National Down Syndrome Society Update: <http://www.ndss.org/Advocacy/Legislative-Agenda/Creating-an-Economic-Future-for-Individuals-with-Down-Syndrome/ABLE-State-Bills/>

State by State breakdown: <http://www.thearc.org/what-we-do/public-policy/issues/able-program-implementation>

Non-Partisan Wisconsin Legislative Council

Explanation: <https://docs.legis.wisconsin.gov/2015/related/lcamendmemo/ab731.pdf>