

What Are ABLE Accounts?

Achieve a Better Life Experience (ABLE) accounts are special savings accounts for people with disabilities. These accounts provide a way for families to save for needed future expenses (living, working, health-related needs) while still maintaining eligibility for public programs.

Assets in an ABLE account, and funds taken out of the account for qualifying expenses, will be **disregarded** or receive special treatment when determining a person's eligibility for federal means-tested benefits like SSI or Medicaid.

Similar to a 529 College Savings Plan, funds added to ABLE accounts are **after tax** investments. When these funds are used for **qualifying expenses**, they are tax free withdrawals. Income from these accounts are also tax free.

Current federal law limits these accounts to individuals who become disabled by **age 26**. The account beneficiary (the family member with a disability) can be **any age** when the account is set up. Only one account is allowed per person. A maximum of **\$15,000* per year**, if unemployed, or up to **\$27,060,*** if the beneficiary is employed and adding their own income, can be saved in an ABLE account. There are total lifetime limits in an ABLE account, depending on which state the account is held in, from \$300,000 - \$500,000.

***These amounts will be adjusted annually.**

Can I Go to a Local Bank and Open an ABLE Account?

No, ABLE accounts can only be opened by working with a state ABLE program. Wisconsin does **not** have a state-sponsored ABLE program, but provisions under the federal ABLE Act allow citizens of one state to open an account in another state if that state allows for out-of-state residents.

Wisconsin residents can now open ABLE accounts through state sponsored ABLE programs in over 35 states. To see a list of state sponsored ABLE programs that are open to out-of-state residents go to the **ABLE National Resource Center** at ablenrc.org.

What Can the Funds in an ABLE Account be Used For?

Funds from ABLE Accounts need to be used for "**qualified disability expenses**." Disability expenses may include the costs for education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other expenses which help improve health, independence, and/or quality of life. Under current IRS rules receipts or proof of what these funds are used for are **not required**.

How to Compare ABLE Account Programs

The ABLE National Resource Center created the following list of questions and a tool to help families compare ABLE programs. Go to ablenrc.org/compare-states to use this comparison tool.

1. Does this program offer enrollment to out of state residents?
2. Who is the program administrator?
3. Is there an initial minimum contribution requirement to open an ABLE account? If so, how much?
4. Is there an annual set fee to maintain the account? If so, how much?
5. Is there a required minimum contribution to your account? If so, what is the amount?
6. Are there fees or restrictions to the number of disbursements you are allowed? If so, what are they?
7. Can I roll over my ABLE account to another ABLE program? If so, what is the fee to do so?
8. Is there a “debit card/purchasing card” available with the program? If so, what is the added cost?
9. Who is the investment manager?
10. How many investment options are associated with the program?
11. Do those investment options vary in risk?
12. Is there a fee associated with the investment choices? If so, how much?
13. Are there other characteristics unique to your program?
14. How Can I Learn More about ABLE programs and changes to the ABLE Act?

The ABLE National Resource Center at ablenrc.org provides background on the ABLE Act, updates on legislative changes and resources on state programs. They **can't** answer questions about individual programs so please contact the state program directly with questions about opening an ABLE account.

Information on ABLE accounts can also be found at the Wisconsin Department of Revenue website at revenue.wi.gov/Pages/faqs/ise-ABLEAccounts.aspx.

Still Have Questions? Need Help Finding Services?

- [Regional Centers for Children and Youth with Special Health Care Needs](https://dhs.wisconsin.gov/cyshcn/index.htm)
dhs.wisconsin.gov/cyshcn/index.htm
- [Well Badger Health Resource Center](https://wellbadger.org)
wellbadger.org or 800.642.7837