



Golden State Pooled Trust

# An Update on the ABLE Act for the Texas Special Needs Trust Practitioner

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## 33 states have launched ABLE programs

*"Having an ABLE account now means financial security. I just put a down payment on an accessible vehicle with the money I saved in my ABLE account. I don't know what I would do without ABLE."*

— Wendy Settles, Illinois  
Young adult professional with Cerebral Palsy



**17,314**  
total ABLE accounts opened nationwide



**\$4,157**  
average savings in ABLE accounts



**\$72 million**  
invested in ABLE accounts nationally

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## Eligibility

**Eligible individuals** must meet **two requirements**:

**Age:** *must be disabled before age 26 PLUS*

**Severity of disability:** *Must have been determined to meet the disability requirements for Supplemental Security Income (SSI) or Social Security disability benefits*

**OR**

*Must submit a **doctor's certification** that meets criteria (essentially equal to Social Security "listings" level of disability), including a physician's diagnosis*

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## Eligibility

- If the ABLÉ account beneficiary qualifies because of certification, ABLÉ eligibility cannot be used to secure supplemental security income (SSI) or Medicaid

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## Key Features

- **Contributions** into an ABLE account **could be made by any person**;
- Contributions would **not** be **tax deductible**;
- **Income earned** by the accounts would **not** be **taxed**;
- Account **withdrawals**, including portions attributable to investment earnings generated by the account, **for qualified expenses** would **not** be **taxable**;

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## Key Features

- Individuals would be **limited to one ABLE account**, and **total annual contributions** by all individuals to any one account could be made **up to the gift tax limit (\$15,000 in 2018)**
- **Aggregate contributions** to an ABLE account would be **subject to an overall limit matching the State limit for Section 529 accounts.**
- Example – The 529 limit in Texas is **\$370,000** .
- **$\$370,000 / \$15,000 = 24.67$  years**

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## Title search: ABLE Act Update

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14<sup>th</sup> Annual Changes and Trends Affecting Special Needs Trusts session  
"ABLE Act Update"