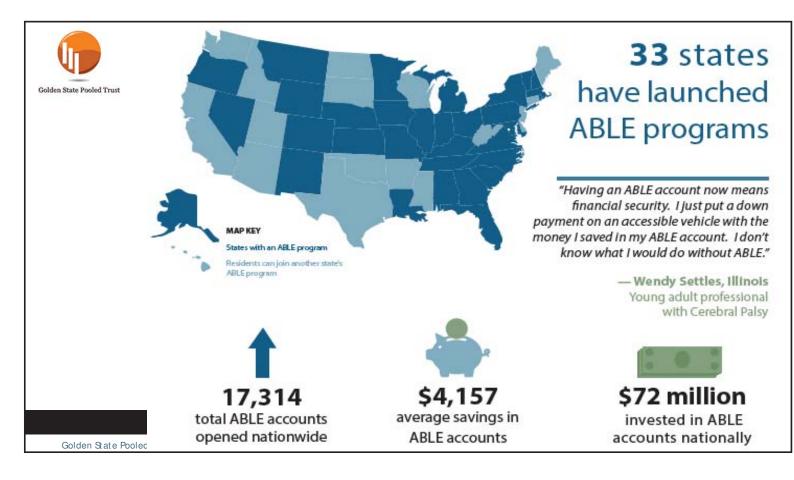


An Update on the ABLE Act for the Texas Special Needs Trust Practitioner

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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 ABLE account beneficiary qualifies because of certification, ABLE 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 <u>limited to one ABLE</u>
 account, and <u>total annual contributions</u> by all individuals to any one account could be made <u>up</u>
 to the <u>gift tax limit (\$15,000 in 2018)</u>
- Aggregate contributions to an ABLE account would be <u>subject to an overall limit matching</u> 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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Also available as part of the eCourse 2018 Special Needs Trusts eConference

First appeared as part of the conference materials for the $14^{\rm th}$ Annual Changes and Trends Affecting Special Needs Trusts session "ABLE Act Update"