

**STABLE**   
ACCOUNT

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## Ohio's ABLE Plan

[stableaccount.com](https://stableaccount.com)



# What is ABLE?

- Federal legislation passed 2014
- Creates tax-advantaged investment accounts for individuals with disabilities
  - Assets in your account do not affect eligibility for federal or Ohio means-tested benefits programs like SSI or Medicaid
- Hybrid of a 529 college savings account + checking account + Special Needs Trust

# What is a STABLE Account?

- STABLE is Ohio's ABLÉ Plan
- Ohio legislation passed in the summer of 2015
- Administered by Treasurer of Ohio, Josh Mandel
- Launched June 1, 2016 – the first ABLÉ Plan in the United States

# Benefits of STABLE Accounts

- Provides financial independence for people with disabilities
- Account is owned by the individual with the disability
- Dramatically increases ability to save
- Provides new investment opportunity
- Tax free earnings
- \$2,000 Ohio state tax deduction

# Who Can Have a STABLE Account?

- Eligibility Quiz at [stableaccount.com](https://stableaccount.com)
- Individuals with disabilities that occurred prior to age 26
- Limit of 1 Account per person
- Three paths to eligibility:
  1. Eligible to receive SSI or SSDI due to disability
  2. Have a condition listed on SSA's "*List of Compassionate Allowances Conditions*"
  3. Self-certification

# Eligibility Certifications

## 1) Select your eligibility criteria

## 2) If self-certifying...

- Need diagnosis of a physical or mental impairment that causes “marked and severe functional limitations”
  - Such as conditions in the SSA's *Blue Book*
- Certify that the condition has lasted or is expected to last for at least 1 year
- Input physician name, address, date of diagnosis
- Do not need to send in written diagnosis, but must have on hand

## 3) Permanent Disability?

Answer “yes” to prevent need for annual re-certification

# Enrollment

- Online Enrollment
- Free - takes approx. 20 minutes
- Can be done by individual with disability ("Beneficiary") or an Authorized Legal Representative (ALR)
- ALR = parent, guardian, power of attorney

# Funding your Account

- **Contributions**

- Via Electronic Funds Transfer or check (cash only)
- \$14,000 annual limit
- \$426,000 lifetime limit
- System automatically rejects excess contributions

- **Gifts**

- Create an eGift Event (birthday, holiday, etc.) ~ system will send out an email to friends and family
- System tracks contributors for sending thank-you notes/replies



# Investment Options

- Four Vanguard mutual funds that range from aggressive to conservative
- One FDIC-Insured Option
  - Principal protected

# How Can You Spend STABLE funds?

- Withdrawals must be used on “Qualified Disability Expenses”
  - Anything that (1) relates to your disability and (2) helps to maintain or improve your health, independence, or quality of life

## **Examples:**

- Housing and Rent
- Basic Living Expenses
- Medical Bills
- Education
- Transportation
- Assistive Technology

# Non-Qualified Expenditures

- Not illegal, but there are consequences

## Affects Benefits

- The amount of the expenditure *may* now be considered a countable resource (but not necessarily)

## Tax Penalties

- Pay taxes plus 10% penalty on the earnings portion of the withdrawal
- Ex: You contribute \$90 to your account, and you make \$10 in earnings – your balance is now \$100. You withdraw that \$100 but do not use it for a QDE. You must pay regular income taxes, plus 10% on the \$10.

# Spending From Your Account

## Withdrawals

- Free + No Limits
- STABLE will not ask what you spend on, but benefits agencies and IRS can
- Transfer to personal checking or savings
- Transfer to STABLE Card

## STABLE Card

- Loadable debit card
- Does not pull from account
- Online spending records + notate expenses
- No commingling of funds with other accounts
- Protection – limiting of merchants, no cash access, no overdraft



# SSI Considerations

- Balances over \$100,000 count as a resource – but SSI merely suspended, not terminated
- Beneficiary's own wages still count as income even if contributed to STABLE Account
- If you hold on to the money from one calendar month to the next, then housing expenditures and non-qualified expenditures count as resources

# Medicaid Considerations

- Unlike with SSI, your account balance will not affect Medicaid benefits regardless of the amount
- If Beneficiary was on Medicaid and passes away, Medicaid can ask for payback... BUT! First, you can:
  - Pay any outstanding bills for QDEs
  - Pay for funeral and burial expenses
  - Deduct Medicaid Buy-In premiums you paid
- Payback is only from date the account was opened

# Account Cost

- Online Enrollment is free
- \$50.00 minimum deposit to open account
- \$1.00 minimum for all subsequent deposits

## Monthly Maintenance Fees

Ohio Residents

**\$2.50 (\$30.00 Annually)**

All other states

**\$5.00 (\$60.00 Annually)**

## Asset-based Fees

Ohio Residents

**Between 0.19% and 0.34%**

All other states

**Between 0.45% and 0.60%**



# STABLE vs. Special Needs Trust

- Complement, not competition, but...
- Some benefits specific to STABLE Accounts:
  - Cost-Effective
  - Broader spending power (i.e. housing)
  - Easy account access/closure
  - \$2,000 state tax deduction for STABLE contribution
  - No federal income tax on earnings
  - No separate returns to file
  - Can be established, administered, and owned by individual with disability



## Helpful Resources

Customer Service

[team@stableaccount.com](mailto:team@stableaccount.com)

**1-800-439-1653**

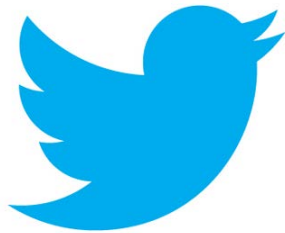
Mon-Fri 9a-6p EST

[stableaccount.com](http://stableaccount.com)

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