



# MISSISSIPPI ABLÉ PROGRAM FACTS & FAQs

## History of ABLÉ

In December of 2014, the United States Congress passed the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act which added Section 529A to the federal tax code. This enables eligible individuals with disabilities to save money in tax-advantaged accounts that may be used for qualified disability expenses while keeping their eligibility for federal public benefits. On April 11, 2017, the Mississippi Legislature passed SB 2311, establishing Mississippi's ABLÉ Act. The members of the Mississippi ABLÉ Board were appointed by Governor Phil Bryant and held their first meeting on May 8th, 2018.

After much research and consideration, the Mississippi ABLÉ Board voted in October 2018 to join with the National ABLÉ Alliance. Implementation of the Mississippi program is expected in early 2019.

## Why the need for ABLÉ accounts?

Many individuals with disabilities and their families depend on public benefits (such as SSI, SNAP and Medicaid). To be eligible for public benefits, you must not have savings of more than \$2,000 (SSI) or \$4,000 (Medicaid). The effort for ABLÉ accounts originated with a group of parents of children with disabilities who recognized the unfairness of not being able to save funds in their child's name for fear of losing essential benefits that allow their child to live independently in the community. An ABLÉ account is much easier and less expensive than establishing a special needs trust and is easier to maintain. A qualified ABLÉ account holder may also be the beneficiary of a special needs trust.

## How much money can be put in ABLÉ accounts?

The maximum yearly limit for contributions to an ABLÉ account is the annual gift tax exemption amount (\$15,000 in 2019). An individual who is working may contribute an additional amount not exceeding their income or the federal poverty level, whichever is less. The maximum balance for an ABLÉ account is \$235,000. Once an account goes over \$100,000, SSI benefits will be suspended. Other benefits are not affected by any account total.

## What is an ABLÉ account?

ABLE accounts are tax-advantaged savings accounts for individuals with disabilities. Income earned in the account is not taxed if spent on qualified disability-related expenses. Contributions can be made to an account by anyone and may qualify for a state tax deduction. The account can be used for daily transactions, as well as for long-term savings.

## Who may open an account?

An ABLÉ account may be opened by the disabled beneficiary who meets the eligibility requirements or by another person, including the guardian or conservator for the individual with a disability. For further details on eligibility, please see the applicable federal law.

## Who is eligible?

Not all individuals with disabilities will be eligible to open an ABLÉ account. The ABLÉ Act limits eligibility to individuals with a disability (as defined by SSA) which began before turning 26 years of age. If you meet this age criteria and are also already receiving benefits under SSI and/or SSDI, you are automatically eligible to establish an ABLÉ account. If you are not a recipient of SSI and/or SSDI, but still meet the age of onset disability requirement, you could still be eligible to open an ABLÉ account if you meet Social Security's definition and criteria regarding significant functional limitations and receive a letter of certification from a licensed physician. You need not be under the age of 26 to be eligible for an ABLÉ account. You can be over the age of 26, but must have acquired your disability before your 26th birthday.



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## How can funds be used?

Funds in the account can be used to purchase “qualified disability-related expenses.” A “qualified disability-related expense” is any expense related to the designated beneficiary’s disability that assists him/her in increasing and/or maintaining their health, independence and/or quality of life. These may include expenses related to education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other similar expenses.

## When will ABLÉ accounts be available?

ABLE accounts are expected to be available in June 2019.

## How do you open an ABLÉ account?

Enrollment will be available online or by paper applications. A link to the Mississippi ABLÉ Program is still in development.

## Are contributions tax deductible?

Contributions made into ABLÉ accounts may be deductible on your Mississippi income tax return. Please see ABLÉ’s enabling legislation for further details on possible tax benefits of ABLÉ contributions.

## How do you manage an ABLÉ account?

ABLE accounts are a unique savings and investment vehicle for individuals with disabilities. They allow eligible individuals with disabilities to build assets through savings and investments in order to help them better reach their financial goals and create a more promising economic future. ABLÉ accounts allow for significant amounts of money to be put into a tax-advantaged saving and investment account without affecting eligibility for means tested programs such as SSI or Medicaid. The account owner is the manager and beneficiary of the account.

The funds contributed into an ABLÉ account can be invested in a range of different options. This allows account owners to accumulate assets, or possibly lose assets, based on the performance of their investment choices. ABLÉ account owners do not need to put all their funds in just one investment choice (although they can if they would like to).

Each investment option is typically associated with its own asset-based fee. ABLÉ account owners can change their investment options up to two times per calendar year. The Mississippi ABLÉ program will offer an “FDIC-insured account.” These account options offer risk-free savings, as opposed to the various investment options which could fluctuate in terms of gains and losses.

## How much will it cost someone to open an account?

There is no cost to open an ABLÉ account. The fee to maintain a Mississippi ABLÉ Account will be \$3.75 per month. This fee may decrease as enrollment in the program increases. Additional fees may apply.

## How will the money in an ABLÉ account be invested?

Mississippi’s ABLÉ program will offer diverse investment options, ranging from FDIC insured to higher risk stock and bond options.

## How will someone withdraw their money?

While the Mississippi ABLÉ account offers a great way to save money, participants may also choose to withdraw their money through real-time debit cards, electronic transfers and/or paper checks.



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## Who can make a contribution to an ABLÉ account?

Anyone can make a contribution to an ABLÉ account. The account owner is the manager and beneficiary of the account.

## Who are the Mississippi ABLÉ Board Members?

The nine Mississippi ABLÉ Board Members include:

- Lynn Fitch, State Treasurer
- Chris Howard (Vice-Chairman), Executive Director of the Department of Rehabilitation Services
- Diana Mikula, Executive Director of the Department of Mental Health
- Richard Courtney (Chairman), 1st Supreme Court District and Attorney
- Michael Schloegel, 2nd Supreme Court District and Senior Vice-President, Hancock Whitney Bank
- Kimberly Remak, 3rd Supreme Court District and Board Member of The Arc Northwest Mississippi
- Jayne Buttross, Attorney, Board Member of Coalition for Citizens with Disabilities
- Pam Dollar, Executive Director of Coalition for Citizens with Disabilities
- Paul Rogers, Attorney, Board Member of Coalition for Citizens with Disabilities

## Where can I get more information on the Mississippi ABLÉ Program?

The Mississippi ABLÉ Program was established in 2017 through Senate Bill No. 2311 and is now found at Mississippi Code Section 43-28-1 et. seq. This legislation established an ABLÉ Board which is working with the Mississippi Department of Rehabilitation Services to implement the program. The ABLÉ Board will keep information updated on the MDRS website ([www.mdrs.ms.gov](http://www.mdrs.ms.gov)) and also the Mississippi ABLÉ website ([www.MississippiABLE.com](http://www.MississippiABLE.com)). Any questions not addressed on these websites can be directed by email to MDRS at [MSABLEINFO@mdrs.ms.gov](mailto:MSABLEINFO@mdrs.ms.gov) or by calling Billy Taylor, MDRS Chief of Staff at (601) 853-5240.

*\*Disclaimer: The information provided in this flyer is general background information only, is given in summary form, and does not purport to be complete. If you are considering opening an ABLÉ account, you should seek competent advice concerning the effect of opening and contributing to an ABLÉ account on the eligibility or continued eligibility for federal and state government benefits. Funds remaining in an ABLÉ account may be subject to Medicaid recovery upon the death of the account owner. You should also seek the advice of a professional concerning any financial, tax, or legal implications related to opening and maintaining an ABLÉ account. Participating in Mississippi's ABLÉ Program may involve investment risk including the possible loss of principal.*