

# NC ABLÉ Advocates Training



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# History of the ABLE Act

## History of the ABLA Act: Achieving a Better Life Experience Act

- Initially sponsored by four US Congressional leaders with support from the Down Syndrome Association of Northern Virginia
- First ABLA bill was introduced to the 113th Congress in 2006
- On December 3, 2014, the US House of Representatives passed the ABLA Act with a 404-17 vote
- ABLA received sponsorship from 380 US Representatives and 78 US Senators
- One of the most bipartisan laws ever passed in the history of any US Congress
- Created a new Section 529A of the Internal Revenue Code



## History of the ABLE Act: Achieving a Better Life Experience Act

- On December 19, 2014, the “Stephen Beck, Jr., Achieving a Better Life Experience Act,” also known as ABLE, was signed into federal law by President Obama
- Aims to reduce financial strains faced by individuals with disabilities and their families by making tax-advantaged accounts available to cover qualifying costs related to the account owner’s disability
- Account funds are intended to supplement benefits from private insurance, Medicaid, SSI programs, employment, and other sources



## History of the ABLE Act: Honoring an Advocate and Champion



The ABLE Act was named after the late Stephen Beck, Jr., one of the original ABLE parent advocates and bill supporter, National Down Syndrome Society Vice-Chairperson, and father of a daughter with Down Syndrome.

Stephen, passed away shortly after the passage of the ABLE Bill in the House and less than two weeks before President Obama signed the Act into federal law.



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# North Carolina ABLE Program

## North Carolina ABLE Program

- Governor Pat McCrory signed the North Carolina ABLE Act (NC ABLE Act) into law on August 11, 2015
- The law outlines the requirements for the ABLE Program, the ABLE Board of Trustees, and administration of the ABLE program
- The NC ABLE program was officially launched on January 26, 2017
- NC ABLE accounts are open to residents of any state
- The Program is governed by the NC ABLE Program Board of Trustees and administered by the North Carolina (NC) Department of State Treasurer



## NC ABLE Board of Trustees

The Board of Trustees provides oversight of the general administration and proper operation of the ABLE Program and determines the appropriate investment strategy for the ABLE Program Trust.



Treasurer Dale Folwell



Kody Kinsley



Ray Grace



Marquita Robertson



Melinda Plue



Ben Wright



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# Organizations

# National ABLE Alliance

The National ABLE Alliance is a partnership of states dedicated to providing people with disabilities a new way to save for disability-related expenses.



## ABLE National Resource Center

The ABLE National Resource Center (ANRC) is a collaborative that brings together the investment, support and resources of some of the country's largest and most influential national disability organizations to accelerate the design and availability of ABLE accounts to meet the needs of individuals with disabilities and their families.

Founded and managed by National Disability Institute (NDI), the ANRC's goal is to provide consistent, reliable information concerning the benefits of an ABLE account. In addition, the ANRC aims to educate individuals with disabilities and their families, state government and legislatures, financial service companies and financial planners and attorneys - who focus on trust and estate planning - about ABLE's potential positive impact on the lives of millions of Americans with disabilities.



NATIONAL RESOURCE CENTER  
ACHIEVING A BETTER LIFE EXPERIENCE ACT

[www.ablenrc.org](http://www.ablenrc.org)



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# Benefits of ABLE

## What are the Benefits of ABLE?

- Tax-advantaged savings account
- Allows disabled individuals to save for qualified disability-related expenses
- Preserves resource benefits such as Supplemental Security income (SSI) and Medicaid
- Provides tax-free investment earnings





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# Opening an ABLE Account

## Who is Eligible?

Two criteria must be met to open an ABLE account:

1. Disability or blindness occurred before age 26

**AND**

at least one of the following is true:

2. Eligible to receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) due to disability or blindness

**OR**

Have written medical documentation from a licensed physician verifying the diagnosis of disability or blindness

## Certification

Beneficiaries must self-certify:

1. At the time of application
2. Every year the ABLER account remains open

**Note:** Certification applies for the entire year even if the participant becomes ineligible during the year. Eligibility ceases at the beginning of the next taxable year. The account remains an ABLER account during the period of ineligibility, contributions may not be made to the account, and distributions do not qualify as QDEs until the account holder becomes eligible.

# How to open an ABLÉ account

Enroll online  
**NC.SaveWithABLE.com**

PLAN BENEFITS    INVESTMENT OPTIONS    CONTACT US

**Giving those with disabilities the ability to save.**  
New NC ABLÉ helps individuals save, while preserving their SSI and Medicaid.  
[Start Saving](#)

**Save smart.**  
Enjoy tax-advantaged saving without impacting your current benefits.  
[See how »](#)

**Invest easily.**  
Choose options that fit your goals and comfort level.  
[Learn more »](#)

**Start here.**  
It only takes a few minutes and a few clicks.  
[Open an account »](#)

Download, print and mail in form

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**NC ABLÉ**  
**Enrollment Form**

**IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT.**  
We are required by federal law to obtain from each person who opens an Account certain personal information—including name, street address, and date of birth, among other information—that will be used to verify their identity. If you do not provide us with this information, we will not be able to open your Account. If we are unable to verify your identity, we reserve the right to close your Account or take other steps we deem reasonable.

- You can enroll online at [nc.savewithable.com](http://nc.savewithable.com).
- An individual can only have one ABLÉ Account nationwide.
- The Account can only be opened for an Eligible Individual.
- The Plan Disclosure Documents contain important information about NC ABLÉ and the National ABLÉ Alliance, including, among other information, the objectives, risks, charges, expenses, and restrictions in connection with opening and investing in NC ABLÉ. Capitalized terms used in this Enrollment Form and not defined, have the meanings provided in the Plan Disclosure Documents.
- Before investing, you should check with your home state to determine if it offers tax or other benefits for investing in its own plan.
- Type or print clearly, printing in capital letters and black ink. Please mail the form to NC ABLÉ. Do not staple.

Forms can be downloaded from our website at [nc.savewithable.com](http://nc.savewithable.com), or you can call us to order any form—or request assistance in completing this form—at **1.888.627.7503** any business day from 8 a.m. to 5 p.m. ET.

**1.888.627.7503**  
8 a.m. to 5 p.m. ET M-F

[nc.savewithable.com](http://nc.savewithable.com)

[nc.clientservice@savewithable.com](mailto:nc.clientservice@savewithable.com)

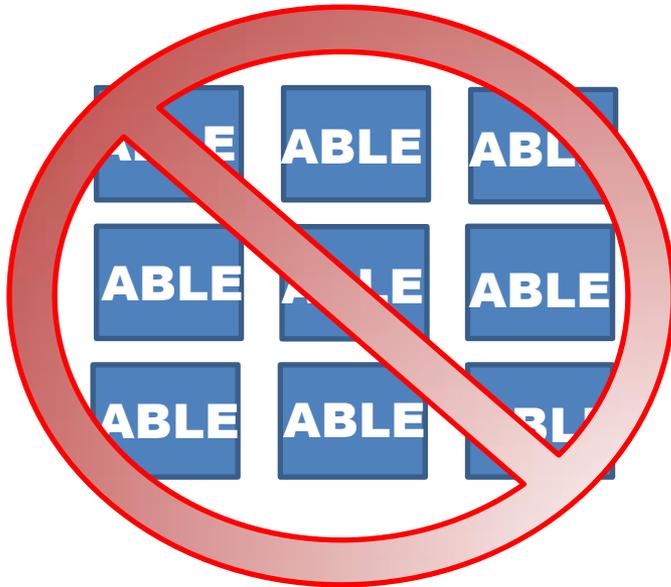
Regular mailing address:  
**NC ABLÉ**  
P.O. Box 219350  
Kansas City, MO 64121

Overnight mailing address:  
**NC ABLÉ**  
920 Main Street, Suite 900  
Kansas City, MO 64105

**For help opening an account, call NC ABLÉ at 888-627-7503  
(Monday – Friday, 8:00 am – 5:00 pm ET)**

## One Account Rule

- Eligible individuals are limited to one ABLER account
- Additional accounts may not be treated as an ABLER account and will be subject to normal resource counting rules
  - Exception: Rollover or program-to-program transfers





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# Account Owners and Authorized Agents

# Account Owner and Authorized Agents

While the person who qualifies for an ABLA account is considered the owner, they can get help from an “Authorized Agent.” There are four levels of agent status.



1

### LEVEL 1

Can access information about the account

3

### LEVEL 3

Can access information, receive duplicate statements, move money within the account, and withdraw money

2

### LEVEL 2

Can access information, receive duplicate statements, and move money within the account

4

### LEVEL 4

Can do everything the account owner can do – full access



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# Investment Options

# Checking account with Debit Card option



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**FIFTH THIRD BANK**

## Checking Account

- Interest bearing
- FDIC insurance up to \$250,000
- Debit card with no card issuance fees
- Check writing
- Use of 53,000+ fee-free ATMs nationwide
- No monthly fee if balance >\$250 or obtain electronic statements
- No overdraft fees



# Investment Options

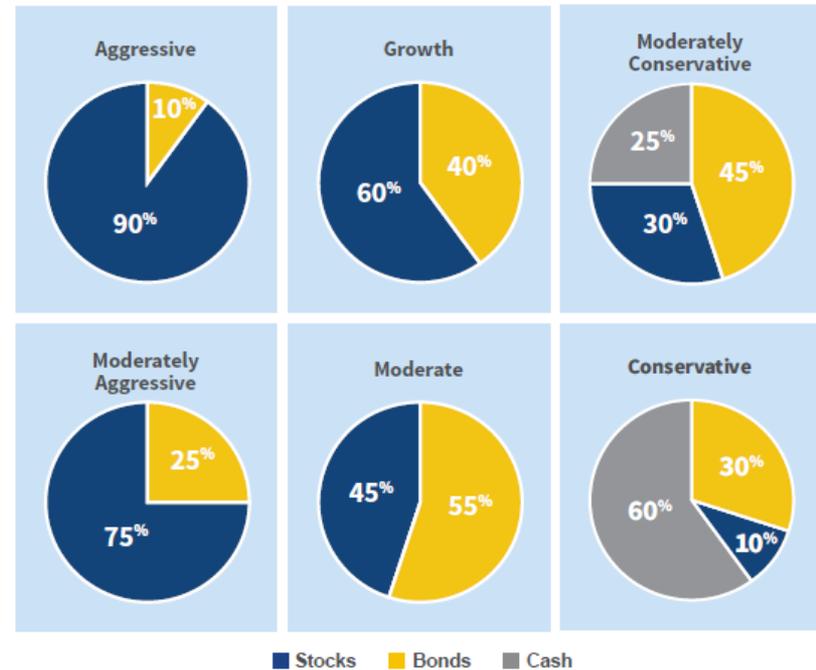


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- Range of investment options
- Options based on risk level/comfort
- Money could grow over time
- NOT insured and it's possible to lose money
- Performance is not guaranteed





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# Contributions

# Contributions from Family and Friends



- Family and Friends can contribute after-tax dollars
- “Hand’s off rule” - Contributions are **not** considered income if they are made by **direct deposit by a third party (not including the owner’s wages)**
- **Gifting** from friends and family with

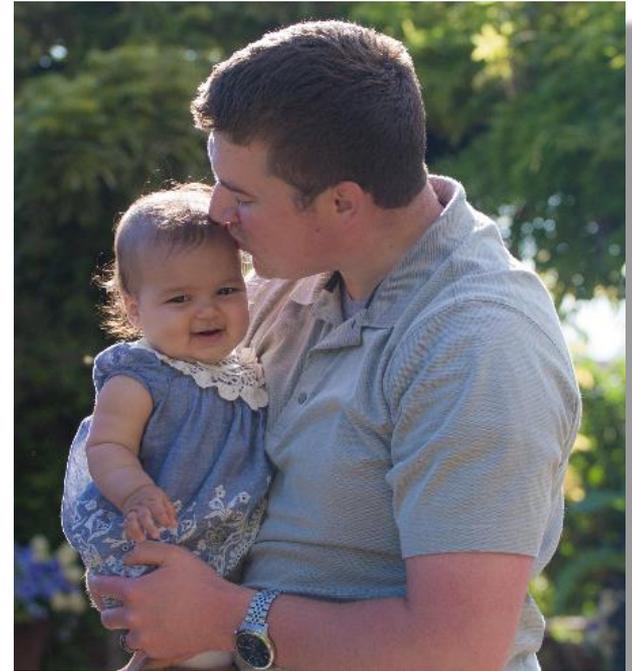


<https://www.ugiftable.com/home.html>



# 529 Plan Rollovers

- Funds in a 529 Plan may be **rolled over tax-free** to an ABLE account for the designated beneficiary of the 529 account or certain members of the beneficiary's family
- Any funds rolled over **count** towards the annual limits
- Rollover amounts greater than the annual contribution limit are considered income
- These provisions became effective December 23, 2017 and will end on December 31, 2025



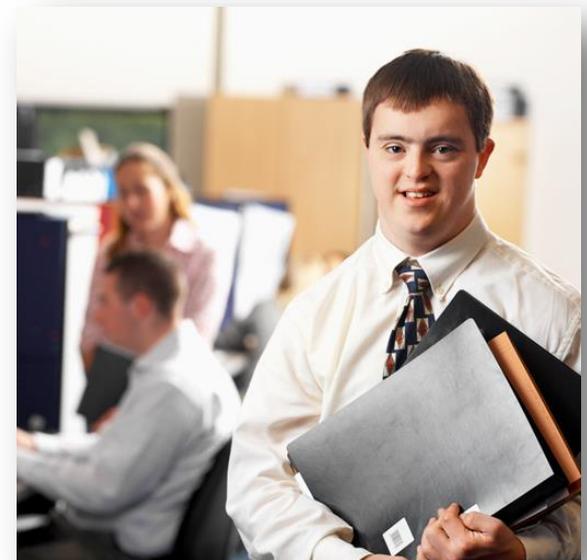
# Contributions Limits

- Combined contributions cannot exceed \$15,000 annually
- Up to \$100,000 is excluded from the calculation of the resource limit for SSI
- Maximum balance of \$450,000



## ABLE to Work Provision

- Annual contribution limit may increase by the lesser of the amount of their earned income or the one-person poverty level for the prior year
- Account Owner must not make or receive a contribution to a defined contribution retirement plan (e.g., 401k)
- The *federal* Tax Saver's Credit applies for ABLE contributions, up to \$2,000 per account (*if the account owner is at least 18 years old and not a full-time student or someone's dependent*)
- These provisions will end on December 31, 2025 if not renewed by Congress





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# Withdrawals

# Qualified Disability Expenses (QDEs)

**QDEs are broadly defined to include any expenses that are both (1) related to the account owner's disability or blindness; and (2) for the benefit of the account owner, including, but not limited to:**

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology and personal support services
- Health, prevention, and wellness
- Financial management and administrative services
- Legal fees
- Expenses for oversight and monitoring
- Funeral and burial expenses



**Distributions for QDEs are not considered “income” for a benefits program that limits eligibility based on income.**

# Withdrawals

- Withdrawals can be made by:
  - ✓ electronic fund transfer (EFT)
  - ✓ check
  - ✓ debit card
  - ✓ ATM withdrawals



**REMEMBER: Distributions for QDEs are not considered “income” for a benefit program that limits eligibility based on income.**



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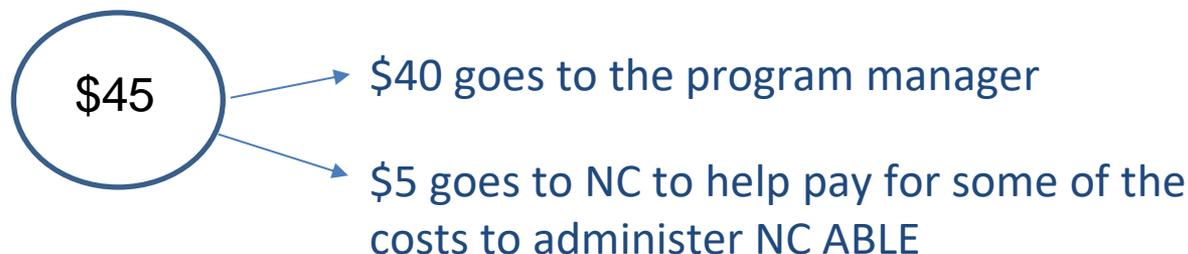


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# Annual Cost

# Understanding Account Fees

- **Annual account maintenance flat fee** of \$45 – regardless of the size of the account balance. (\$60 for paper statements)



- **Checking Account option** - Fifth Third charges \$2 per month. Waived if average daily account balance is \$250 or more, OR if electronic delivery of statements is elected
- **Annual asset-based fees for investment options** between .34% and .37% depending on investment options chosen (i.e. \$3.40 - \$3.70 per \$1,000, annually)



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# Death Benefits and Medicaid Recapture

## What happens upon the death of an account owner?

Funds are distributed from the NC ABLE account in the following order:

- Outstanding qualified disability expenses, including funeral and burial expenses
- Medicaid recapture
- Account Owner's estate/will

*Tax consequences of earnings portion of distribution*

- Included in recipient's gross income? **YES**
- Subject to additional 10% tax? **NO**

## Medicaid Recapture Provision

- Upon the death of the account owner, federal law allows the state of North Carolina to make a claim for reimbursement of the total Medicaid-related services
- Recovery amount is calculated based on the amount paid by the state Medicaid program from the time the ABLE account was opened.
- Recaptured amount is paid after all outstanding qualified disability and funeral and burial expenses paid
- Medicaid premiums (if any) paid by the account owner are subtracted.



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# ABLE and Special Needs Trust

## ABLE and Special Needs Trusts

- Can be used in conjunction with a Special Needs Trusts (SNTs)
- Choice depends upon the potential account owner's specific needs and financial goals
- Encourage meeting with a SNT attorney for further information



## Resources



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<http://www.ablenrc.org/>



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Washington, DC 20006**



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## References

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# Questions



# Thank you



Presenter's Name  
*Presenter's Title*



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Use your contact information with the organization or the organization's general inquiry contact information



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