



## A SAVINGS PROGRAM FOR TEXANS WITH DISABILITIES

### What is an ABLÉ account?

ABLE accounts are 529A tax-advantaged savings accounts for eligible individuals with disabilities.

### About Texas ABLE®

The Texas Achieving a Better Life Experience (Texas ABLE®) Program is a new tax-advantaged savings program that encourages and assists individuals and families to save and pay for disability-related expenses to maintain an eligible individual's health, independence and quality of life.



*The Program is administered by the Texas Prepaid Higher Education Tuition Board through the Texas Comptroller's Office.*

### Benefits

Texas ABLE accounts allow Texans with disabilities the ability to save up to \$15,000\* per year for disability-related expenses without losing eligibility under SSI, SSDI, Medicaid and certain other means-tested public benefits.



Withdrawals are tax-free if used to pay for Qualified Disability Expenses, and any earnings on your investments grow tax-free.

*\* The expanded contribution for working individuals with disabilities under the Tax Cuts and Jobs Act may apply.*



**Glenn Hegar**

Texas Comptroller of Public Accounts

### Eligibility

The Program is open to Texans who have the onset of a disability before the age of 26 and meet one of the following criteria:



- Are entitled to receive benefits through Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) based on disability, or
- Have a condition on the Social Security Administration's list of Compassionate Allowances Conditions, or
- Have a physician's diagnosis of blindness or of a physical or mental impairment that meets program requirements.

### Highlights

- An eligible individual or their Authorized Legal Representative (a parent, legal guardian or other fiduciary) can open and manage the account.
- Anyone can contribute to the account — an eligible individual, family, friend, trust, etc.
- Account funds can be accessed and monitored online.
- You can maintain control of your account and choose how you want your funds invested.
- Except with respect to rollovers and program-to-program transfers, eligible individuals may only have one ABLE account.



## Using an ABLÉ Account

Funds in an ABLÉ account can be used to pay for Qualified Disability Expenses that relate to the beneficiary's blindness or disability and are used to maintain or improve his or her health, independence or quality of life.

Any available funds remaining in an ABLÉ account after the beneficiary's death could be subject to a state of Texas reimbursement claim for medical assistance paid by Medicaid for the beneficiary during the period that their ABLÉ account was open.

## Qualified Disability Expenses may include:

Education, housing,\* transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, oversight and monitoring, funeral and burial and other expenses identified by the IRS.

*\* A distribution from an ABLÉ account for housing is an allowable expense. The withdrawal is disregarded for means-tested benefits as long as the distribution from the account and payment occur in the same month.*

## Investment Options

The Program offers four different Investment Options. Three are Managed Allocation Options – Aggressive, Moderate and Moderately Conservative – and one is a Bank Savings Account Option, which will invest in an omnibus savings account insured by the FDIC.

## Contributions

Annual contributions are limited to \$15,000, and the maximum contribution limit is \$370,000.



Funds up to \$100,000 are generally disregarded for purposes of determining eligibility to receive government assistance or benefits.\*

Annual contributions to an ABLÉ account cannot exceed the individual gift tax exclusion for that given year unless the Tax Cuts and Jobs Act applies.

*\* Exceptions apply. See the Program Disclosure Statement for information and details.*

Other than FDIC insurance for the Bank Savings Account Option, accounts are not insured or guaranteed and could lose money (including the principal invested). Before investing in the Program, investors should carefully consider the federal and state tax consequences, possible negative effects on eligibility for federal or state benefits, and possible Medicaid recapture, investment objectives, risks, administrative fees, service and other charges and expenses associated with the Program. The *Program Disclosure Statement and Participation Agreement* contains this and other information about the Program, and may be obtained by visiting [www.TexasABLE.org](http://www.TexasABLE.org) or by calling 844-4TX-ABLE (844-489-2253). Investors should read the *Program Disclosure Statement and Participation Agreement* carefully before investing.

For comments or complaints, contact Prepaid Higher Education Tuition Program, Office of the Comptroller of Public Accounts, P.O. Box 13407, Austin, Texas 78711-3407, 512-936-2064.

**TexasABLE.org**