

**ACHIEVING A BETTER LIFE EXPERIENCE ACT**

**ABLE ACCOUNTS**

MAKING A GOOD LIFE POSSIBLE

**Blaine P. Brockman**  
Brockman Legal Services

P.O. Box 303 • West Jefferson, OH 43162 • PH: 614-879-4143 • FX: 614-879-6154 • BrockmanLegal.com

---

---

---


---

---

---

---

---



**Public Benefits Primer**  
The "Big 4" means – tested benefits

- ✓ SSI – Supplemental Security Income
- ✓ ABD (aged, blind, disabled) Medicaid
- ✓ SNAP (Supplemental Nutrition Assistance Program)
- ✓ Section 8 Housing

---

---

---


---

---

---

---

---



**The ABLE Act**  
Achieving a Better Life Experience

- ✓ First introduced in 2006
- ✓ Signed into law on December 19, 2014
- ✓ Based on 529 college savings accounts
- ✓ Legislative intent:
  - One of the few times the legislature realized that resource limits for public assistance programs fall well below that necessary for people with disabilities to live a quality life.

---

---

---


---

---

---

---

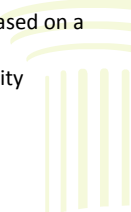
---

  
BROCKMAN  
LEGAL SERVICES, LLC  
MAKING A GOOD LIFE POSSIBLE

**The ABLE Act**  
Basic Eligibility

✓ Blind or disabled before reaching age 26

- Receiving Social Security benefits based on a disability
- Otherwise meeting the Social Security disability test



---

---

---


---

---

---

---

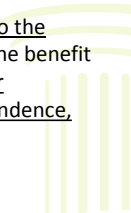
---

  
BROCKMAN  
LEGAL SERVICES, LLC  
MAKING A GOOD LIFE POSSIBLE

**The ABLE Act**  
Qualified Disability Expenses

✓ From the IRS prosed regulations:

Expenses are expenses that relate to the beneficiary's disability and are for the benefit of that beneficiary in maintaining or improving his or her health, independence, or quality of life.



---

---

---


---

---

---

---


---

  
BROCKMAN  
LEGAL SERVICES, LLC  
MAKING A GOOD LIFE POSSIBLE

**The ABLE Act**  
Qualified Disability Expenses

✓ This includes expenses for:

- education
- housing
- transportation
- personal services
- assistive technology
- legal fees
- financial services
- employment training
- funeral expenses



---

---

---


---

---


---

---

---

  
**The ABLE Act**  
The Housing Problem

- ✓ For Social Security, housing expenses are “in-kind support and maintenance”, also called ISM.
- ✓ ISM reduces SSI benefits by 1/3<sup>rd</sup>.
- ✓ Will you have to track ABLE expenses for housing? This could be a problem.



---

---

---


---

---

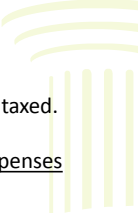
---

---

---

  
**The ABLE Act**  
Other ABLE Act Features

- ✓ Contributions can be made by any person, including a trust or estate.
- ✓ Contributions are not tax deductible.
- ✓ Income earned by the accounts is not taxed.
- ✓ Withdrawals for qualified disability expenses are not taxable.



---

---

---


---

---

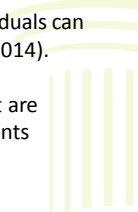
---

---

---

  
**The ABLE Act**  
Other ABLE Act Features

- ✓ Individuals are limited to one ABLE account.
- ✓ Total annual contributions by all individuals can go up to the gift tax limit (\$14,000 in 2014).
- ✓ Total contributions to an ABLE account are limited to the State limit for 529 accounts (\$414,000 in 2015).



---

---

---


---

---

---

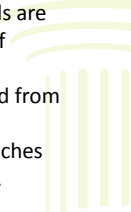
---

---



**The ABLE Act**  
Other ABLE Act Features

- ✓ Individuals maintain eligibility for means-tested benefits.
- ✓ ABLE account balances and withdrawals are completely excluded for the purpose of Medicaid and other benefit programs.
- ✓ Up to \$100,000 in account are excluded from counting as resources.
- ✓ SSI is suspended when the account reaches \$100,000 until the account back down.




---

---

---


---

---

---

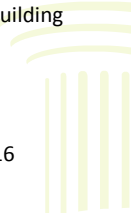
---

---



**The ABLE Act**  
The status in Ohio

- ✓ The federal act does not set up ABLE accounts.
- ✓ The Treasure of State is charged with building Ohio's ABLE program.
- ✓ Ohio is ahead of almost all states.
- ✓ Expected implementation: January 2016




---

---

---


---

---

---

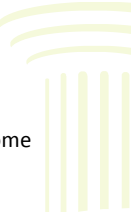
---

---



**The ABLE Act**  
ABLE is just a tool in the toolbox

- ✓ Third Party Trusts
- ✓ First Party (payback) Trusts
- ✓ Pooled Trusts
- ✓ Likely account beneficiaries
  - People with MWBI or receiving income
  - Personal injury cases
  - Unplanned inheritances




---

---

---


---

---

---

---

---

 **BROCKMAN**  
LEGAL SERVICES, LLC  
MAKING A GOOD LIFE POSSIBLE

Questions?

MAKING A GOOD LIFE POSSIBLE

P.O. Box 303 • West Jefferson, OH 43162 • PH: 614-879-4143 • FX: 614-879-6154 • BrockmanLegal.com

---

---

---

---

---

---

---

---