

STABLE»
ACCOUNT

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Presenter:

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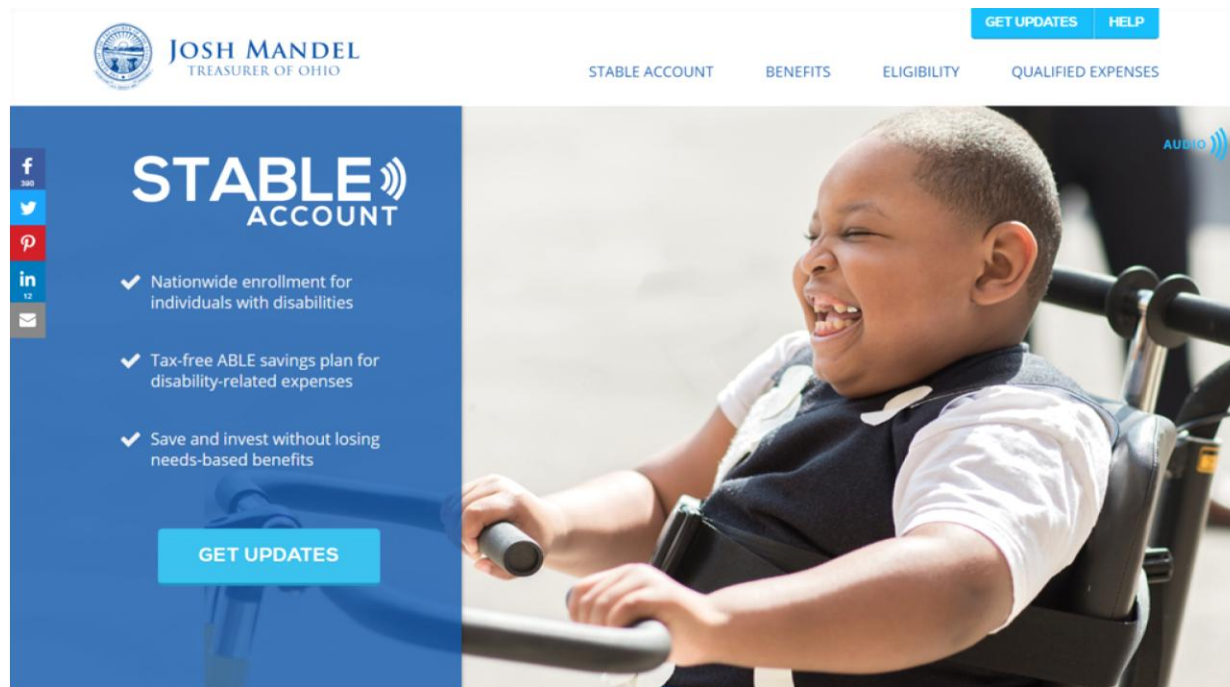
Director, STABLE Account

stableaccount.com



Overview

- Established by Treasurer of Ohio, Josh Mandel
- **stableaccount.com**



What is ABLE?

- Federal legislation passed 2014
- Ohio legislation passed in the summer of 2015
- 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
 - Tax-free interest earnings
- Similar to 529 college savings accounts

What is a STABLE Account?

- STABLE is Ohio's ABLE Plan
- Direct-Sold Plan
- All Online - NOT offered through or at a bank

Who Can Have a STABLE Account?

- Individuals with disabilities that occurred prior to age 26
- Three paths to eligibility:
 1. Receiving SSI or SSDI due to disability
 2. Have a condition listed on SSA's List of Compassionate Allowances Conditions
 3. Self-certification
 - Diagnosed by physician with a physical or mental impairment that causes "marked and severe functional limitations"
 - Condition lasts for at least 1 year

Who Can Have a STABLE Account?

- Eligibility Quiz at stableaccount.com
- Limit of one account per individual
- Account owned by the individual with the disability, but an “Authorized Legal Representative” (ALR) can open and administer account
 - ALR = parent, guardian, or power of attorney

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 + Rent**
 - Basic Living Expenses
 - Medical Bills
 - Education
 - Transportation
 - Assistive Technology

Non-Qualified Expenditures

- Consequences
 - **Affects Benefits**
 - The amount of the expenditure is now a countable resource
 - **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 withdrawal that \$100 but do not use it for a QDE. You must pay regular income taxes, plus 10% on the \$10.

STABLE and Benefits

- General Rule: Your STABLE Account will not affect your eligibility for federal or Ohio means-tested benefits (like SSI or Medicaid)
- SSI Limitations:
 - Contributions: Beneficiary's own wages still count as income even if contributed to STABLE Account
 - Balances: Balances over \$100,000 count as a resource – but SSI merely suspended, not terminated
 - Withdrawals: 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 Payback

- 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

Enrollment

- Online Enrollment
- Free - takes approx. 20 minutes
- Can be done by individual with disability (“Beneficiary”) or an ALR
 - ALR = parent, guardian, power of attorney
- ALR can manage multiple accounts under one login

Enrollment

- You will provide:
 - personal information
 - certifications regarding your disability & eligibility
 - bank account routing information (for initial contribution)
 - investment selections
- Minimum opening deposit: \$50.00

Eligibility Certifications

1) Select from four criteria:

BENEFICIARY ELIGIBILITY **STABLE** ACCOUNT

To be eligible for a STABLE Account you must meet specific eligibility requirements.

Please select Basis for Eligibility:

Select

- Select
- Beneficiary is entitled to Supplemental Security Income (SSI) under SSA Title XVI, due to blindness or disability
- Beneficiary is entitled to Social Security Disability Insurance (SSDI) under SSA Title II, due to blindness or disability
- Beneficiary has a condition on the SSA Compassionate Allowances list
- Beneficiary is self-certifying a disability that has been diagnosed by a licensed physician

Check here if the Beneficiary's disability is considered permanent?
This information will be used in determining annual re-certification eligibility requirements.

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Eligibility Certifications

2) If self-certifying...

Additional
Information
Required:

- Dr. name
- Address
- Date of diagnosis

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BENEFICIARY ELIGIBILITY

To be eligible for a STABLE Account you must meet specific eligibility requirements.

Physician Information
You are declaring the beneficiary has a medically determinable physical or mental impairment that meets the statutory criteria as evidenced by a signed diagnosis of a licensed physician. Please supply physician information below.

Salutation	First Name*	Last Name*	Suffix
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Address 1*

Address 2 (Apt, Suite, Unit, Floor)

City*	State*	Zip Code*
<input type="text"/>	<input type="text" value="State"/>	<input type="text"/>

Date of Diagnosis*

* Do not need to send in written diagnosis, but must have on hand.

Eligibility Certifications

3) Permanent Disability?

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



Account Functionality

- **Contributions**

- Via EFT or check
- \$14,000 annual limit
- \$426,000 lifetime limit (contributions suspended)
- System automatically rejects excess contributions

- **Gifting**

- Create an eGift Event (birthday, holiday, etc.); system will send out an email to friends and family

Account Functionality

- **Withdrawals**
 - Free + No Limits
 - Is it for a Qualified Disability Expense?
 - STABLE will not ask what you spend on, but SSA and IRS can
 - IRS has ultimate compliance/audit authority
 - Transfer to personal checking or savings
 - Transfer to STABLE Card

STABLE Card



- Loadable debit card
- Does not pull from account
 - you load discrete amounts onto card
- Online spending records
 - track Qualified Disability Expenses
- Single-source of funds
 - no commingling of funds with personal checking or savings

STABLE Card



- Companion Cards
- Protection for loved ones – limiting of merchants, no cash access
- Categorization of expenses (qualified/unqualified)
- Memo lines for expenses
- Online Bill Pay (coming soon)

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%

Investment Options

- Four target risk funds* through Vanguard that range from aggressive to conservative
- One FDIC-Insured Option

* Future expansion to 8-12 Funds

STABLE vs. SNT

- Complement, not competition
- STABLE:
 - Cost-Effective
 - Broader spending power (i.e. housing)
 - No First-Party/Third-Party Distinction – no restrictions on fund sources at set up
 - No age limit at time of establishment
 - Easy account closure
 - Money not locked-in; can take it out subject to taxes
 - Easy solution for equal savings amongst your children

STABLE vs. SNT (cont.)

- STABLE:
 - Medicaid Payback
 - Payback starts from moment STABLE Account is opened, not before
 - Can be established, administered, and owned by individual with disability
 - State tax deduction currently in legislature
 - No federal income tax on earnings
 - No separate returns to file

Customer Service

- Call Center available 9a-6p EST
- Email: team@stableaccount.com
- Special training for assisting individuals with disabilities
- No financial advice



Helpful Resources

Customer Service

team@stableaccount.com

1-800-439-1653

Website URL

stableaccount.com