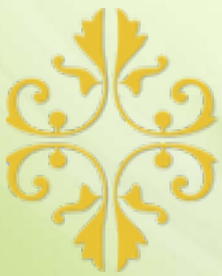


# ABLE ACCOUNTS



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## ABLE ACCOUNTS FOR QUALIFIED INDIVIDUALS WITH DISABILITIES

In California, some people living with disabilities receive certain public benefits, including Supplemental Security Income (SSI), which pays a monthly “cash” amount, and Medi-Cal, a state health insurance program. These benefits are very important to the disabled, but often do not allow individuals to save more than a total of \$2,000.00, or earn enough to support themselves. And, there are a number of significant restrictions on what the disabled beneficiary can receive from other sources, such as parents or family, to help make ends meet.

California now allows qualified people with disabilities to have a “special” account to help ease financial challenges due to their disabilities. These special accounts are called “ABLE” accounts.

An ABLE account is a savings account that can be established for the benefit of qualified individuals with disabilities. The disabled person is the account owner. Family, friends, and even the disabled individual can contribute up to \$15,000.00 per year into the account. The account’s earnings are not taxed, and the withdrawals, provided they are applied to qualifying disability expenses, are tax-free. The ABLE account owner may have up to \$100,000.00 in the account without jeopardizing their public benefits.

To be an eligible individual, he or she must:

- Be eligible for Supplemental Security Income (SSI) based on disability or blindness that began before age 26; or
- Be entitled to disability insurance benefits (DIB), childhood disability benefits (CDB), or disabled widow’s or widower’s benefits (DWB) based on disability or blindness that began before age 26; or
- Certify (or an agent under a power of attorney or, if none, a parent or guardian must certify) that the individual;
  - Has a medically determinable impairment meeting statutorily specified criteria or is blind; and,
  - The disability or blindness occurred before age 26.

Money in an ABLE Account can be used to pay for a qualified disability expense. An expense is “qualified” if: (1) You incurred the expense at a time when you were considered an Eligible Individual (see “Eligibility” above); (2) The expense relates to your disability; and (3) The expense helps you to maintain or improve your health, independence, or quality of life.

An ABLE account allows a qualified disabled person who receives SSI and/or Medi-Cal benefits to have this special bank account (with up to \$100,000.00), in addition to their regular account holding no more than \$2,000.00 (for public benefits). ABLE accounts do not take the place of Supplemental Needs Trusts, which are typically set up by the parents of the disabled individual, and where future inheritances will be held and managed by a trustee for the disabled child’s benefit. ABLE accounts allow a qualified disabled person to have access to funds now, to enhance their quality of life.

For more information, please visit [www.treasurer.ca.gov/able/](http://www.treasurer.ca.gov/able/)