

About MEFA



Not-for-profit state authority created in 1982
helping families plan, save, and pay for college

Your Presenter Today

Mary Rubenis

Attainable Outreach Manager



Mary joined MEFA in 2017 as part of the College Planning Team and is the Attainable Outreach Manager. She assists families and school professionals with the U.Plan, U.Fund, college loans, and financial aid.

She is passionate about helping families and individuals with disabilities and gives seminars on the Attainable Savings Plan to local organizations.

How to Participate in This Webinar

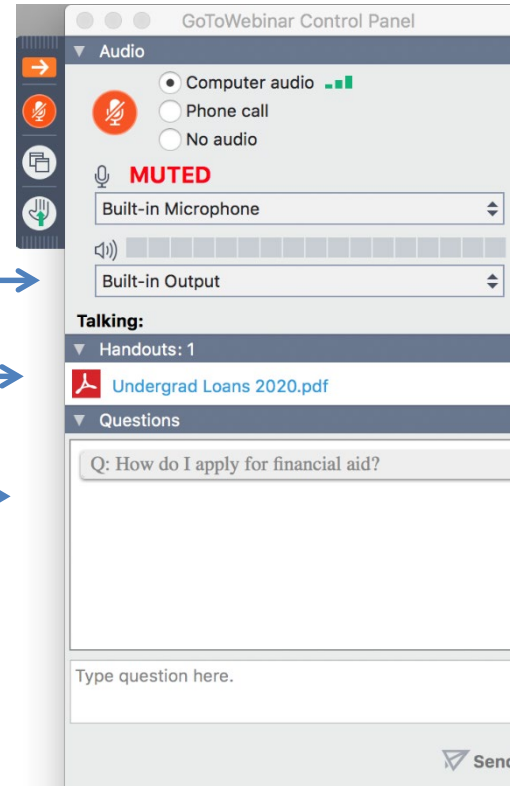
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Questions section





Attainable: The ABLE Savings Plan

Offered by MEFA and Managed by Fidelity Investments

The Attainable Savings plan was launched in 2017. MEFA is the state sponsor and Fidelity Investments is the program manager.

MEFA began its partnership with Fidelity in 1999 when it selected Fidelity to serve as the program manager of the U.Fund 529 College Investing Plan. Together MEFA and Fidelity offer expertise in college financing and money management.

MEFA And Fidelity Partnership



A young child with light brown hair and blue-rimmed glasses is being held from behind by an adult. The child is looking off to the side with a thoughtful expression. The adult's arm and shoulder are visible, wearing a blue patterned shirt. The background is a soft-focus indoor setting with warm lighting. The image has a blue gradient overlay on the right side.

What is the ABLE ACT?

The Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act amended the federal tax code in 2014 to add Section 529A. This legislation established ABLE accounts, tax-exempt accounts for eligible individuals with disabilities to be used for qualified disability expenses while still keeping eligibility for federal public benefits.

A photograph of a woman with long brown hair smiling broadly while holding a young girl with long brown hair. The girl is laughing with her mouth open. They are outdoors in a park-like setting with trees and a yellow bench in the background. The image is partially covered by a dark blue gradient on the right side.

ABLE's Journey

ABLE is one of the most significant pieces of disability legislation since the Americans with Disabilities Act (ADA) was passed 30 years ago. 85% of the entire U.S. Congress supported the ABLE Act.

Who is Eligible for an Attainable Account?

Individuals are eligible if the applicable disability occurred before the individual turned 26 years old and the individual:

- Is eligible to receive SSI or SSDI due to the disability

OR

- Has a condition listed on the Social Security Administration's *List of Compassionate Allowances Conditions*

OR

- Self certifies, which requires a diagnosis of a physical or mental impairment that causes "marked and severe functional limitations," such as conditions in the Social Security Administration's Blue Book and that have lasted or are expected to last for at least 1 year

Qualified Expenses for Attainable Accounts



Health



Housing



Education



Transportation



Assistive Technology Support



Employment Training & Support



Personal Support Services



Basic Living Needs

A photograph of a man and a young boy laughing together. The man, on the left, is wearing a light blue t-shirt and has his hand on the boy's head. The boy, on the right, is wearing a red shirt and a grey vest, and is laughing with his mouth open. The background is a warm, orange-toned wall.

Benefits of an ABLE Account

- Allows the account owner or Beneficiary the ability to save over \$2,000 without affecting federal benefits
- Permits the account to be owned by the individual with the disability
- Provides individuals with disabilities:
 - Financial independence
 - New investment opportunities
 - Multiple tax benefits

Attainable Account Features

- Total annual contribution can not exceed \$15,000
- If employed, the Beneficiary may add up to \$12,490 more each year from earnings, so the annual contribution increases to \$27,490 (for 2020)
- Maximum account balance can not exceed \$400,000
- SSI is not suspended until account exceeds \$100,000
- No annual account fee



- No explanation needed for a withdrawal
- Manage your expenses with a Fidelity Cash Management Account and Fidelity Full View®
- Distributions for non-qualified expenses are considered a non-qualified withdrawal. Taxes, as well as a 10% federal penalty tax, may be owed on earnings associated with a non-qualified withdrawal and benefits may be affected
- Any housing expense must be spent in the calendar month it is withdrawn

Account Withdrawals

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ABLE Account Transfers

Transferring an Account?

You can only have one ABLE account per eligible individual, but can move assets from one ABLE plan to another with no tax consequences.

Changing Beneficiaries?

You may transfer all or part of the money from your ABLE account to another person's ABLE account, with no tax consequences, provided that person is eligible for an ABLE account and is a sibling* to the original Beneficiary.

Attainable Highlights

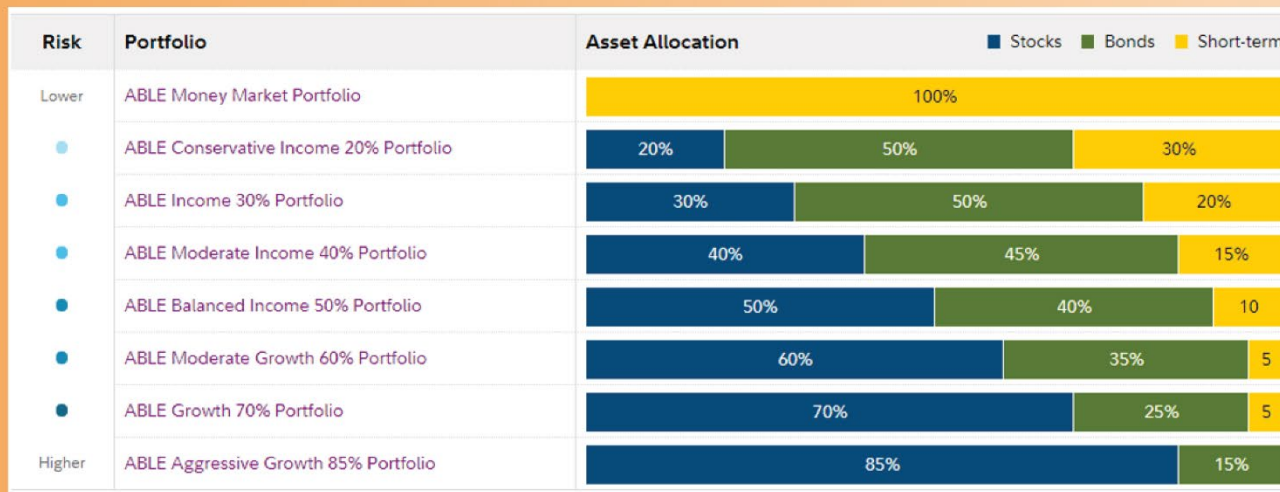
- Choose from a range of professionally managed investment portfolios
- Access to a Fidelity Cash Management Account with debit card, fee-free ATM access, and check-writing capabilities
- Access to Fidelity BillPay[®], a free, online service that lets you easily make payments and manage your bills
- Access to Fidelity Full View for all financial information in one place, including Attainable, retirement, and credit accounts



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Asset Allocation for Attainable Portfolios

Attainable portfolios that are more conservative (and tend to have lower risk) are at the top of the chart, and more aggressive portfolios that have greater risk but the potential for higher returns are toward the bottom of the chart.



Units of the portfolios are municipal fund securities and are subject to market fluctuation and volatility. Gain or loss may occur when units are sold.

2020 Tax Updates

ABLE Financial Planning Act

Provided that the Beneficiary is the same individual on both accounts (or one Beneficiary is a family member of the other), it is now allowable to transfer funds from a 529 college savings plan into an ABLE account without incurring any tax or penalty.

ABLE To Work Act

The ABLE to Work legislation specifies that ABLE account Beneficiaries who work and earn income may now contribute over the annual limit of \$15,000 into their ABLE account.

ABLE on the FAFSA

You do not have to list the funds in an ABLE account on the FAFSA. The FAFSA specifically excludes ABLE accounts in the asset section.

2020 Tax Updates

Saver's Tax Credit For Retirement Savings & ABLE Account Beneficiary Tax Credit

Must meet the following eligibility criteria:

- Age 18 or older
- Not a full-time student
- Not claimed as a dependent on another person's return

The amount of the credit is 50%, 20%, or 10% of retirement plan, IRA, or ABLE account contributions depending on the taxpayer's Adjusted Gross Income (as reported on Form 1040)

The maximum contribution amount that may qualify for the credit is \$2,000 (\$4,000 if married filing jointly), making the maximum credit \$1,000 (\$2,000 if married filing jointly)

ABLE Age Adjustment Act

The ABLE Age Adjustment Act would amend Section 529A of the Internal Revenue Code to increase the eligibility threshold for ABLE accounts for onset of disability from prior to age 26 to prior to age 46. By passing the ABLE Age Adjustment Act, more than 14 million people with disabilities would be allowed to open ABLE accounts, nearly doubling the currently eligible population.

Advocates should reach out to each of their two U.S. Senators and their member of the U.S. House of Representatives and urge them to co-sponsor the ABLE Age Adjustment Act, S. 651 in the Senate, and H.R. 1814 in the House.

Attainable Savings Plan & Special Needs Trusts

**Complementary
tools that can be
used together:**

1. Trusts can be written or amended for distributions to Attainable
2. Trusts can accept unlimited cash and non-cash assets

**Attainable
Savings Plan**

1. Broader spending power (i.e. housing and food)
2. No federal income tax on earnings
3. Can be established, administered, and owned by an individual with a disability

Brian Guay



Additional Resources

ABLE National Resource Center: ablenrc.org

MEFA: mefa.org

Attainable Savings Plan: fidelity.com/able

Visit mefa.org/able-registration-form to sign up
for updates and information about Attainable

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Additional Resources



Social Security

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Program Operations Manual System (POMS)

Effective Dates: 04/16/2020 - Present

[Previous](#) | [Next](#)
TN 81 (04-20)

SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts

Citations: Public Law 113–295 The Stephen Beck, Jr., Achieving a Better Life Experience Act (ABLE Act) – Enacted December 19, 2014

<https://secure.ssa.gov/poms.nsf/lnx/0501130740>

Additional Resources

National Disability Institute (NDI), which manages the ABLE National Resource Center (ABLE NRC), has launched a new set of resources to help people with disabilities and chronic health conditions respond to the financial challenges of the COVID-19 pandemic.

The Financial Resilience Center helps users manage their finances. The Association for Financial Counseling, Planning, and Education® (AFCPE) offers virtual financial counseling and coaching, and LifeCents will provide access to online financial wellness training. These resources and assistance are offered free of charge.
nationaldisabilityinstitute.org/financial-resilience-center/

Stay in Touch



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