

*mefa*<sup>®</sup>

# **Attainable: The ABLE Savings Plan**

Offered by MEFA and managed by Fidelity Investments



About MEFA

**The Massachusetts Educational Financing Authority is a state authority created in 1982 to help families plan, save, and pay for college.**

## 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.**
- **In Massachusetts, accounts from the ABLE Act are called Attainable savings accounts.**

[See the bill on congress.gov](https://www.congress.gov/bills/113/5771)

**H.R.5771 - Tax Increase Prevention Act of 2014**

- **The Attainable Savings Plan was launched in 2017.**
- **MEFA is the state sponsor and Fidelity Investments is the program manager.**
- **Fidelity has trained a specialized division to assist individuals with setting up and answering questions regarding their Attainable accounts.**

## Who is Eligible for an ABLÉ Account?

**Individuals are eligible for an Attainable Savings Account if the onset of disability occurred before the individual turned 26 years old (regardless of current age) and the individual:**

- **Is eligible to receive SSI or SSDI due to their disability**

**OR**

- **Self-certifies as meeting requirements. This requires a diagnosis with functional limitations, such as those in the Social Security Administration's Blue Book (general categories are listed at right) or their Compassionate Allowances Conditions**

### SSA's Blue Book Categories

- Musculoskeletal Disorders
- Special Senses and Speech
- Respiratory Disorders
- Cardiovascular System
- Digestive System
- Genitourinary Disorders
- Hematological Disorders
- Skin Disorders
- Endocrine Disorders
- Congenital Disorders that Affect Multiple Body Systems
- Neurological Disorders
- Mental Disorders
- Cancer (Malignant Neoplastic Diseases)
- Immune System Disorders

## Who Can Open an Account?

**Attainable accounts can be opened by:**

- **Individual with the disability**
- **Person with Power of Attorney**
- **Legal Guardian**
- **Spouse**
- **Parent**
- **Sibling**
- **Rep Payee**

**The above is a hierarchy of who can open Attainable accounts. People who do so must certify that there is not anyone above them in the hierarchy willing and able to establish the account.**

**Always consider the designated beneficiary to be the owner of the ABLÉ account, regardless of whether someone else has signature authority over it.**

## Qualified Disability Expenses for ABLE Accounts



Health



Housing



Education



Transportation



Assistive Technology Support



Employment Training & Support



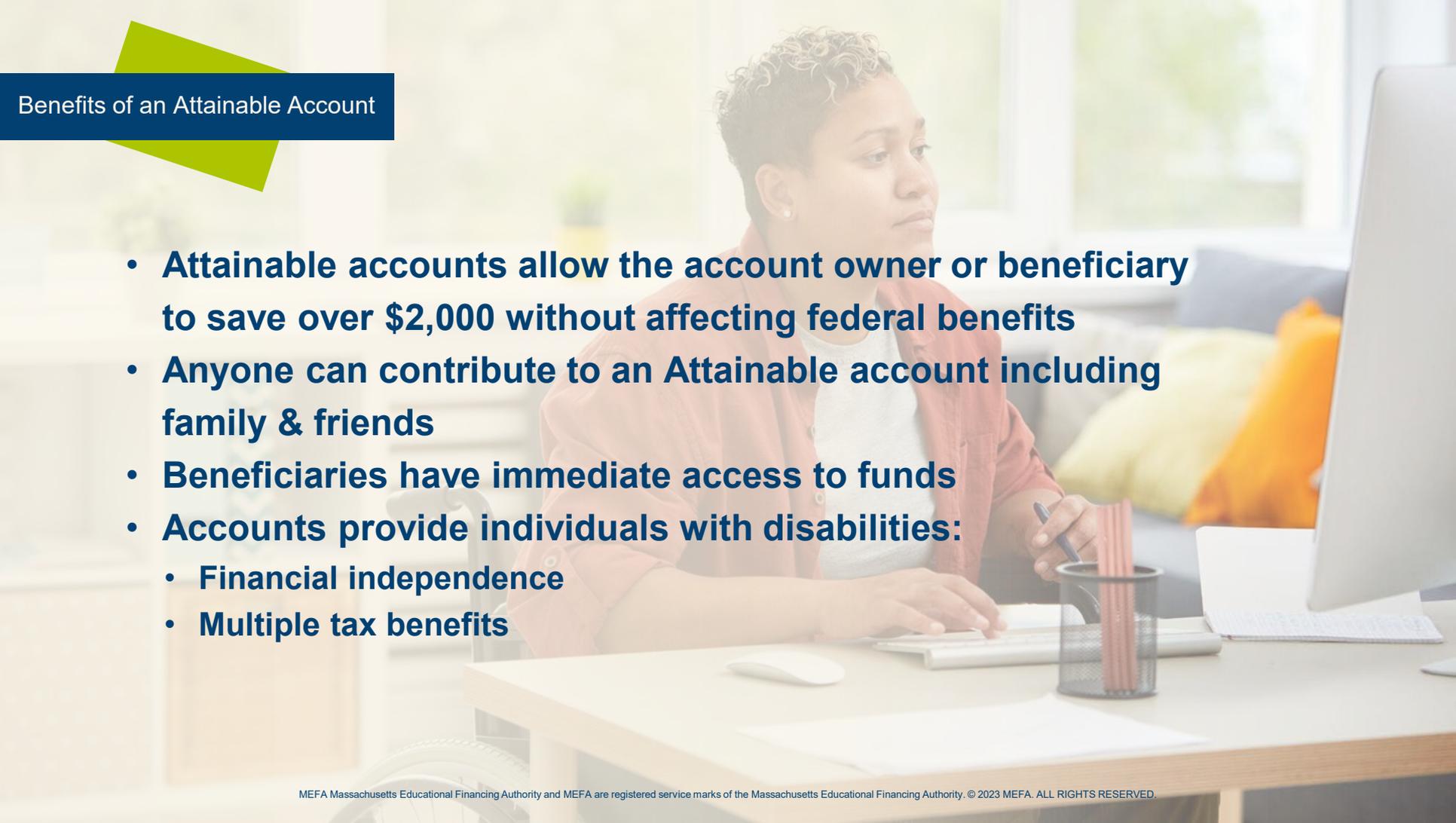
Personal Support Services



Basic Living Needs

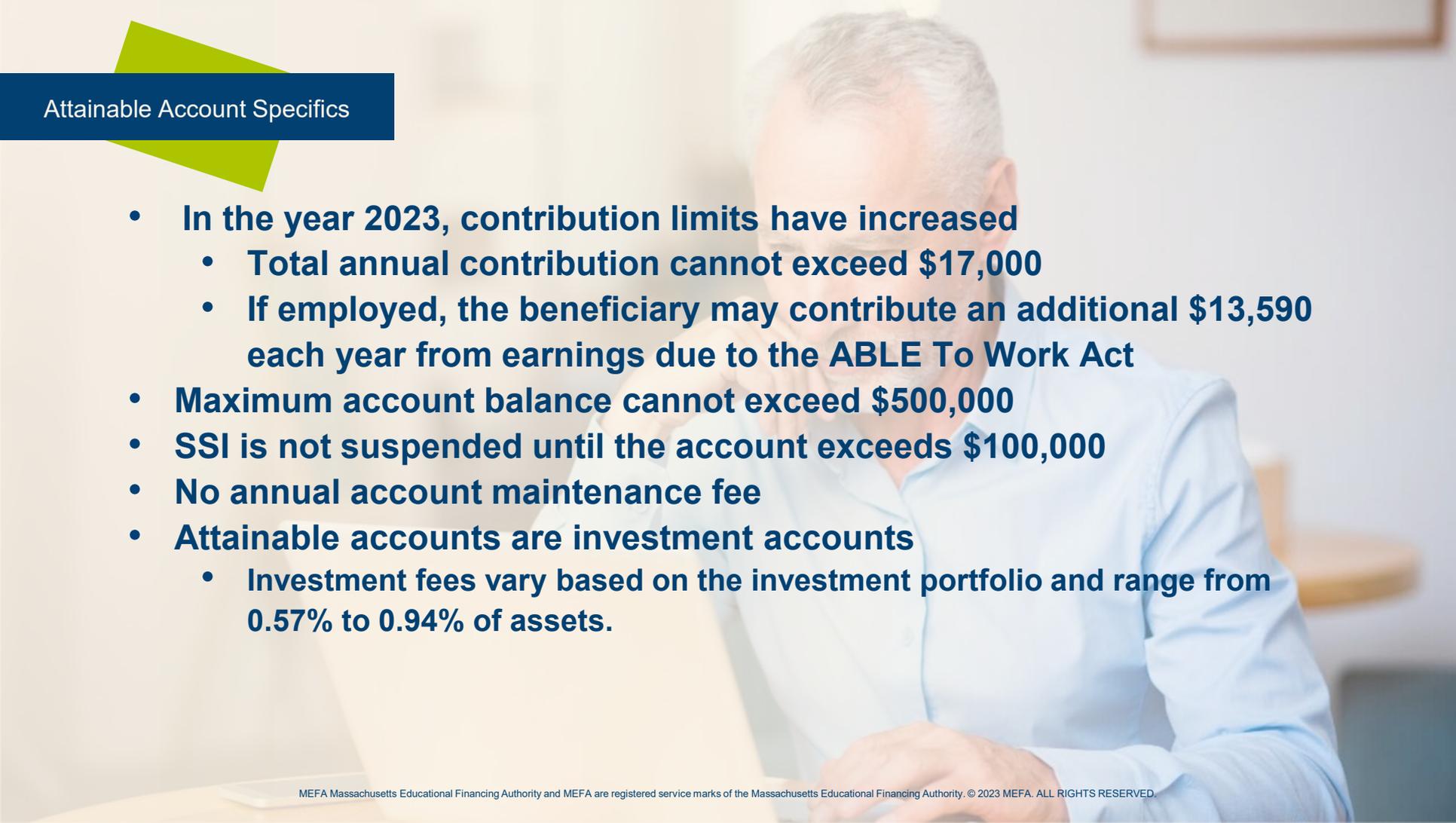
**QDEs (Qualified Disability Expenses) should be broadly understood and should not be limited to expenses for which there is a medical necessity, or expenses that provide no benefits to others (outside of the benefit to the beneficiary).**

**Support Services should be understood to include financial management, administrative services, legal fees, and expenses for oversight and monitoring.**



## Benefits of an Attainable Account

- **Attainable accounts allow the account owner or beneficiary to save over \$2,000 without affecting federal benefits**
- **Anyone can contribute to an Attainable account including family & friends**
- **Beneficiaries have immediate access to funds**
- **Accounts provide individuals with disabilities:**
  - **Financial independence**
  - **Multiple tax benefits**

The slide features a background image of an older man with grey hair, wearing a light blue button-down shirt, sitting at a desk and looking at a laptop. In the top-left corner, there is a dark blue rectangular box with a lime green triangle pointing towards it from the left. The text 'Attainable Account Specifics' is written in white inside the blue box. The main content is a bulleted list of account details in dark blue text. At the bottom, there is a small line of fine print in grey.

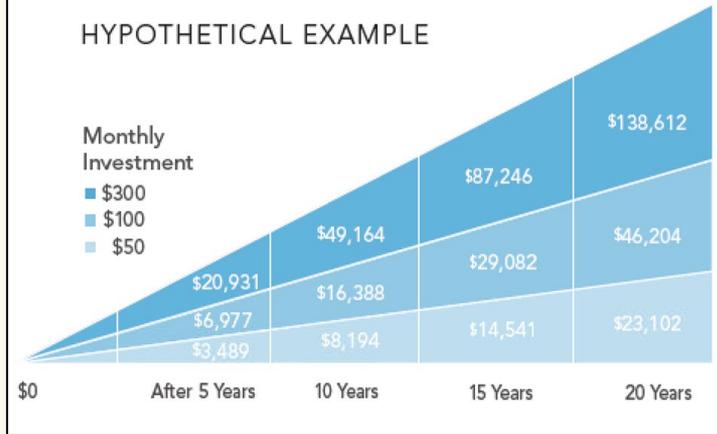
## Attainable Account Specifics

- **In the year 2023, contribution limits have increased**
  - **Total annual contribution cannot exceed \$17,000**
  - **If employed, the beneficiary may contribute an additional \$13,590 each year from earnings due to the ABLE To Work Act**
- **Maximum account balance cannot exceed \$500,000**
- **SSI is not suspended until the account exceeds \$100,000**
- **No annual account maintenance fee**
- **Attainable accounts are investment accounts**
  - **Investment fees vary based on the investment portfolio and range from 0.57% to 0.94% of assets.**

- **Participants have the option to invest the savings from the Attainable account to try to grow the money in professionally managed portfolios that match their savings goals and risk tolerance**
- **Regular investments can add up over time**
- **As the middle of this chart shows, just \$100 a month could be worth approximately \$46,204 in 20 years**
  - **For reference that would be \$24,000 if it was not invested.**

Look what \$300 a month could be worth.

### HYPOTHETICAL EXAMPLE



This hypothetical example illustrates the potential value of different regular monthly investments for different periods of time and assumes an average annual return of 6%. Contributions to an Attainable account must be made with after-tax dollars. This does not reflect an actual investment and does not reflect any taxes, fees, expenses, or inflation. If it did, results would be lower. Returns will vary, and different investments may perform better or worse than this example. Periodic investment plans do not ensure a profit and do not protect against loss in a declining market. Past performance is no guarantee of future results.

\*APY: Annual Percentage Yield

# Asset Allocation and Tax Benefits

Attainable Accounts have 8 possible portfolios to choose from.

Attainable portfolios that are more conservative (and tend to have lower risk) are at the top of the chart.

More aggressive portfolios that have greater risk and 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.

Beneficiaries can change their portfolio twice per calendar year.

Get more information on [Fidelity's website](#)

Risk	Portfolio	Asset Allocation
Lower	ABLE Money Market Portfolio	100% Short-term
	ABLE Conservative Income 20% Portfolio	20% Stocks, 50% Bonds, 30% Short-term
	ABLE Income 30% Portfolio	30% Stocks, 50% Bonds, 20% Short-term
	ABLE Moderate Income 40% Portfolio	40% Stocks, 45% Bonds, 15% Short-term
	ABLE Balanced Income 50% Portfolio	50% Stocks, 40% Bonds, 10% Short-term
	ABLE Moderate Growth 60% Portfolio	60% Stocks, 35% Bonds, 5% Short-term
	ABLE Growth 70% Portfolio	70% Stocks, 25% Bonds, 5% Short-term
Higher	ABLE Aggressive Growth 85% Portfolio	85% Stocks, 15% Bonds

### **ABLE Financial Planning Act**

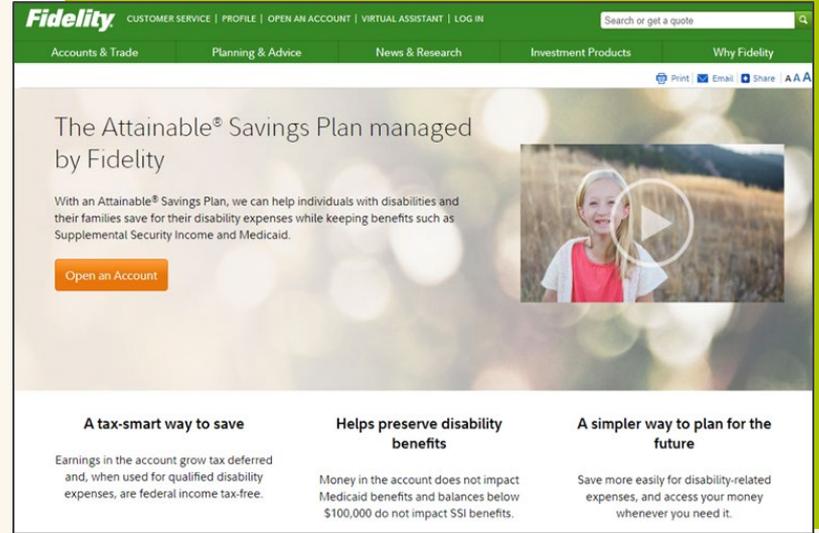
- **Provided that the beneficiary is the same individual on both accounts (or one beneficiary is a family member of the other), it is allowable to transfer funds from a 529 college savings plan into an ABLE account without incurring any tax or penalty.**

### **Saver's Credit**

- **ABLE account owners who meet certain criteria can receive a Saver's Credit on their federal taxes for contributions into an ABLE account. Individuals are eligible if they are age 18 or older, not a full-time student, and not claimed as a dependent on another person's tax return.**
- **As long as withdrawals are spent on qualified disability expenses (QDEs), Attainable account growth is federal income tax-free**

## Steps to Open an Account

1. **Visit [fidelity.com/able](https://www.fidelity.com/able)**
2. **Review plan disclosure documents**  
[Fidelity Attainable Savings Account Disclosure Document](#)
3. **Decide how to allocate funds in the account among 8 portfolio options, including an ABLE money market portfolio**



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### The Attainable<sup>®</sup> Savings Plan managed by Fidelity

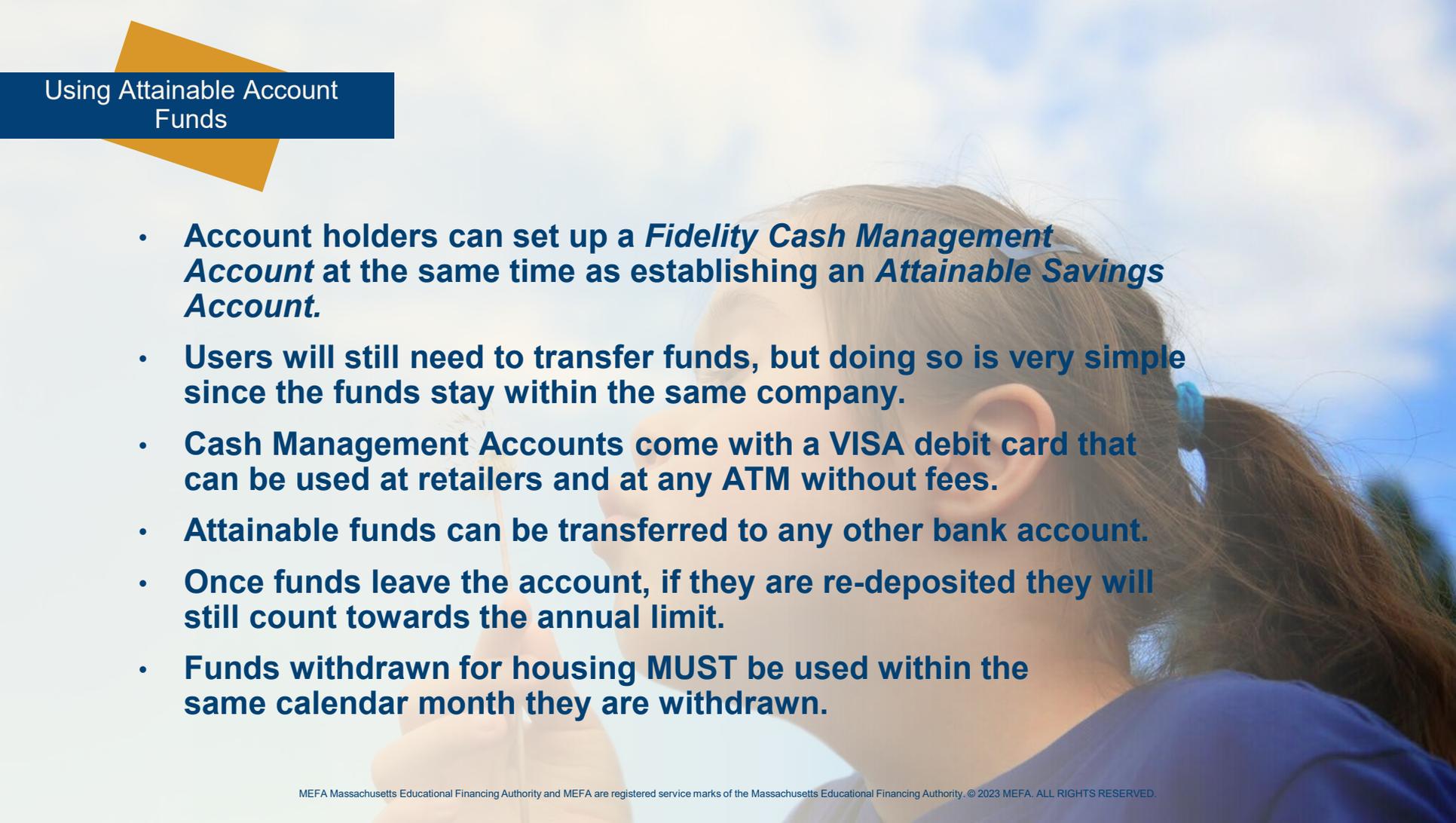
With an Attainable<sup>®</sup> Savings Plan, we can help individuals with disabilities and their families save for their disability expenses while keeping benefits such as Supplemental Security Income and Medicaid.

[Open an Account](#)

**A tax-smart way to save**  
Earnings in the account grow tax deferred and, when used for qualified disability expenses, are federal income tax-free.

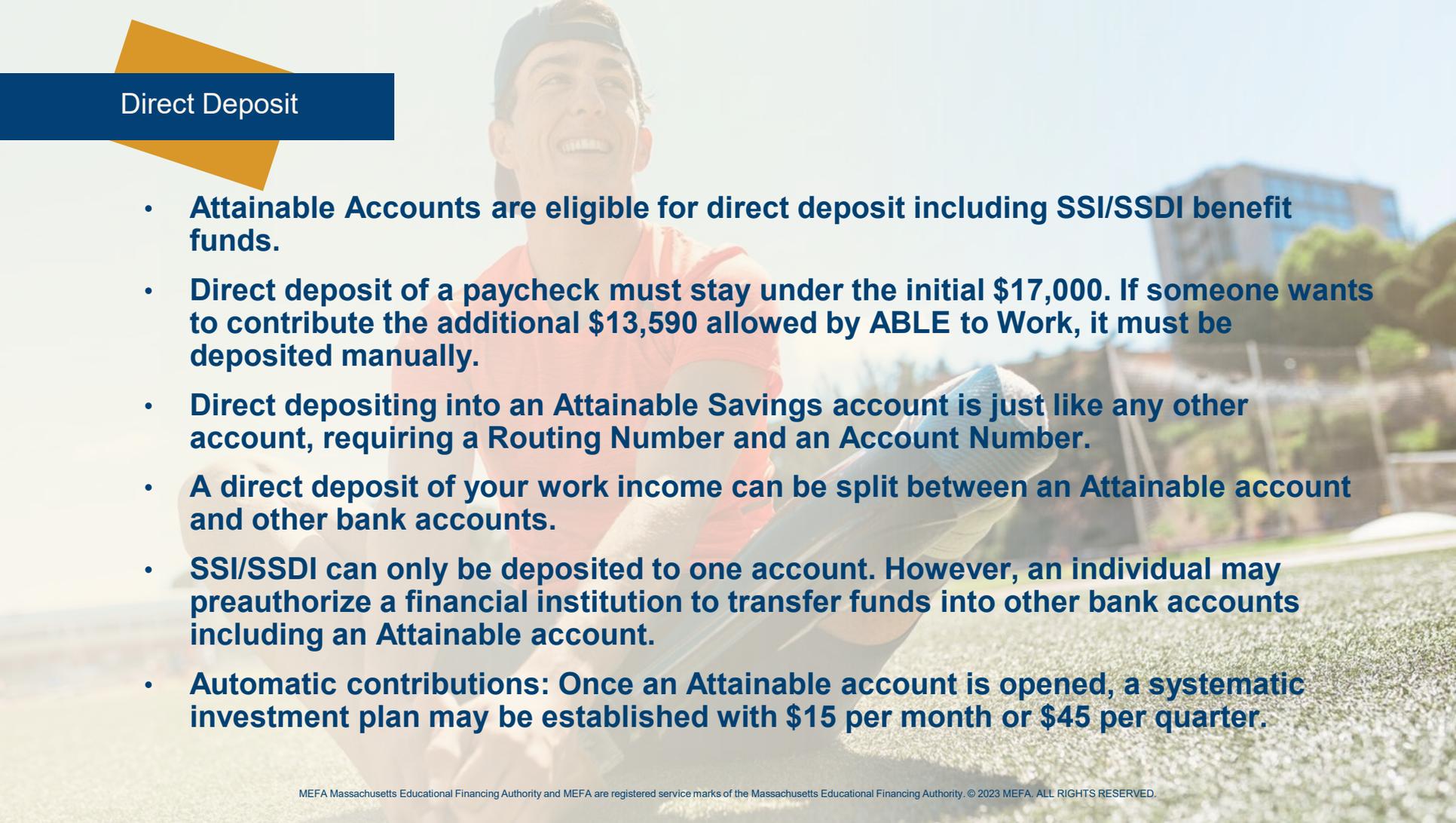
**Helps preserve disability benefits**  
Money in the account does not impact Medicaid benefits and balances below \$100,000 do not impact SSI benefits.

**A simpler way to plan for the future**  
Save more easily for disability-related expenses, and access your money whenever you need it.



## Using Attainable Account Funds

- **Account holders can set up a *Fidelity Cash Management Account* at the same time as establishing an *Attainable Savings Account*.**
- **Users will still need to transfer funds, but doing so is very simple since the funds stay within the same company.**
- **Cash Management Accounts come with a VISA debit card that can be used at retailers and at any ATM without fees.**
- **Attainable funds can be transferred to any other bank account.**
- **Once funds leave the account, if they are re-deposited they will still count towards the annual limit.**
- **Funds withdrawn for housing **MUST** be used within the same calendar month they are withdrawn.**



## Direct Deposit

- **Attainable Accounts are eligible for direct deposit including SSI/SSDI benefit funds.**
- **Direct deposit of a paycheck must stay under the initial \$17,000. If someone wants to contribute the additional \$13,590 allowed by ABLE to Work, it must be deposited manually.**
- **Direct depositing into an Attainable Savings account is just like any other account, requiring a Routing Number and an Account Number.**
- **A direct deposit of your work income can be split between an Attainable account and other bank accounts.**
- **SSI/SSDI can only be deposited to one account. However, an individual may preauthorize a financial institution to transfer funds into other bank accounts including an Attainable account.**
- **Automatic contributions: Once an Attainable account is opened, a systematic investment plan may be established with \$15 per month or \$45 per quarter.**

## Distributions Subject to Taxation

**If a withdrawal is made for a non-qualified disability expense, the account owner *may* be subject to both regular income taxes and a 10% penalty on the EARNINGS.”**

## Third-Party Access

**The designated beneficiary or other PSA, as applicable, may grant another individual, including a registered investment adviser (RIA), access to the designated beneficiary's Attainable account ("Third-Party Access").**

- **The level of access granted to a third-party is determined by the designated beneficiary or other PSA, as applicable, and the Attainable Plan program policies.**
- **Complete an *Account Authority* form on [fidelity.com](https://www.fidelity.com) to review the access levels and determine the appropriate level of account access.**
- **Any third-party access will remain in effect until it is revoked or revised by the designated beneficiary or other PSA, as applicable. Written notification must be provided to the Program Manager of any desired change to third-party access.**
- **Consult a qualified adviser prior to granting third-party access to an Attainable account.**

## Beneficiaries

- **The Beneficiary or PSA can assign a “Designated Survivor” in event of their death who will receive the balance of the account after all actions on the account have completed.**
- **The Beneficiary or PSA can assign a “Successor Beneficiary” in event of their death who will receive the balance of the account in their Attainable Account after all actions on the account have been completed.**
- **After the death of the Beneficiary the account will be Restricted for 12 months.**
- **During this 12 month period the account is subject to Medicare Recapture from any state wherein the Beneficiary has lived.**

A smiling woman with long brown hair is carrying a young girl with long brown hair on her back. They are outdoors in a park-like setting with trees and grass. The woman is wearing a dark top, and the girl is wearing a pink top and patterned shorts. The background is slightly blurred, showing green foliage and a path.

## Additional Resources

**ABLE National Resource Center: [ablenrc.org/](https://ablenrc.org/)**

**Attainable Savings Plan (MEFA): [mefa.org/attainable](https://mefa.org/attainable)**

**Attainable Savings Plan (Fidelity): [fidelity.com/able](https://fidelity.com/able)**

**SSA Spotlight on ABLE Accounts: [ssa.gov/ssi/spotlights/spot-able.html](https://ssa.gov/ssi/spotlights/spot-able.html)**

**MEFA Attainable email sign-up: [mefa.org/able-registration-form](https://mefa.org/able-registration-form)**

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Thank You

**QUESTIONS?**

Call (800) 449-MEFA (6332)  
or email [attainable@mefa.org](mailto:attainable@mefa.org)

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