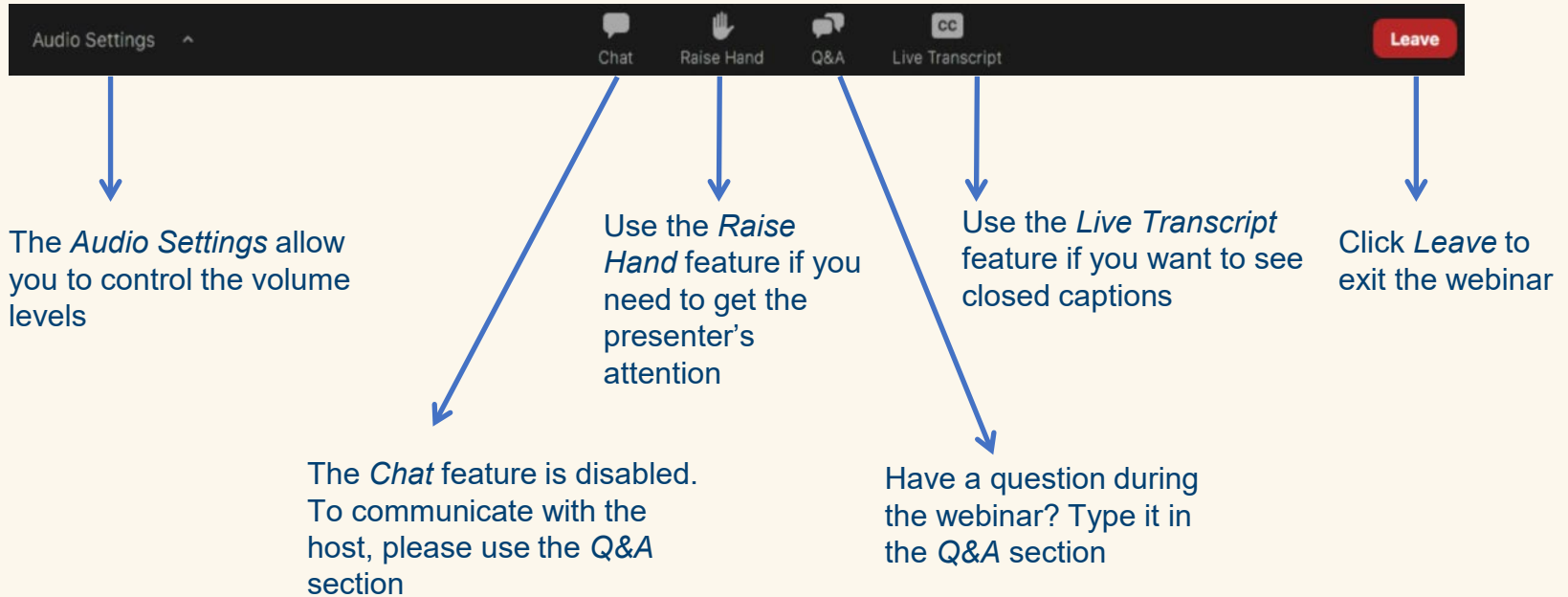


Attainable[®] : The ABLE Savings Plan

Offered by MEFA and managed by Fidelity Investments

mefa[®]

How to Participate

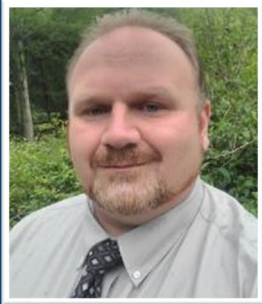


Adam Hartwell

Director of Attainable Outreach

mefaSM

Massachusetts Educational
Financing Authority



Adam is a career human services professional with over twenty years of work in Developmental Disability supports, Community Advocacy, and Education; Adam won the ANCOR National Award for Innovation in 2018.




The Massachusetts Educational Financing Authority (MEFA) is a state authority created in 1982 to help families plan, save, and pay for college and reach financial goals.

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 investment accounts for eligible individuals with disabilities to be used for qualified disability expenses while still keeping eligibility for federal public benefits

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

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

The logo features a dark blue horizontal bar with the text 'MEFA and Fidelity Partnership' in white. To the left of this bar is a lime green triangle pointing to the right, partially overlapping the bar.

MEFA and Fidelity Partnership

- MEFA is the state sponsor
- Fidelity Investments is the program manager
- There are 49 active ABLE Programs in the USA
- In Massachusetts, accounts from the ABLE Act are called Attainable[®] savings accounts
- The Attainable[®] Savings Plan was launched in 2017

Who is Eligible for an Attainable® Account?

Individuals are eligible for an Attainable® account if the onset of disability occurred before the individual turned 26 years old (46 years old starting in 2026), 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

Benefits of an Attainable® Account

- Attainable® accounts allow the account owner or beneficiary to save above the \$2000 SSI asset limit without affecting federal benefits
- Family & friends can also contribute to an Attainable® account
- Beneficiaries have immediate access to funds
- Accounts provide individuals with disabilities:
 - Financial independence
 - Multiple tax benefits



Qualified Disability Expenses for Attainable® Accounts

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology and related services
- Health
- Prevention and wellness
- Funeral and burial
- Basic living expenses
- Personal support services
 - Financial management and administrative services
 - Legal fees
 - Expenses for ABLE account oversight and monitoring

QDEs (Qualified Disability Expenses)

- should be broadly understood
- should not be limited to expenses for which there is a medical necessity

Food is a qualified disability expense

- **Food** includes groceries, food delivery, restaurant meals, takeout, and more.

Housing Expenses

Housing expenses for an ABLE account are similar to household costs for in-kind support and maintenance purposes. Housing expenses include:

- Mortgage & house down payment (including property insurance required by the mortgage holder)
- First and last rent payments and security deposit
- Real property taxes
- Rent
- Heating fuel, gas, & electricity
- Water and sewer
- Garbage removal



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
- Grandparent
- Rep Payee

This is a hierarchy. People who open an account 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 Attainable® account, regardless of whether someone else has signature authority over it.

Attainable[®] Account Specifics

- Contribution limits have increased in 2024
 - Total annual contribution cannot exceed \$18,000
 - If employed, the beneficiary may contribute an additional \$14,580 (or the total amount of annual gross income, if less) each year from earnings due to the ABLÉ To Work Act
- Account balance cannot be added to once it exceeds \$500,000
- SSI is not suspended until the account exceeds \$100,000
- You cannot have an Attainable[®] Account and a retirement account from your employer at the same time
- No annual account maintenance fee
- Attainable[®] accounts are investment accounts
 - Investment fees vary based on the investment portfolio and range from 0.20% to 0.86% of assets

At Home and Reducing “Spend Downs”

- Without the ABLE Act, individuals are currently only allowed to have \$2,000 in assets for all expenses. Savings are discouraged, and unexpected income or routine savings can easily exceed the limit.
 - This necessitates a “spend down,” where money has to be spent to get assets under \$2,000 to preserve benefits.
- Attainable provides the opportunity for individuals to save for larger expenses without fear.
- Attainable also provides a place to move funds so that forced spending isn't necessary.

Attainable[®] allows an individual to save.



Education Expenses

Education expenses include:

- Tuition
- Textbooks
- Assistive technology
- 1-on-1 assistance
- In college, many supports are self-initiated and private pay that were available in high school

Attainable® can be used to provide opportunities for education equity



- Due to SSI asset and income limitations many individuals limit themselves to a 20-25-hour work week
- Attainable[®] can help someone in a trial of working full time:
 - Save up the necessary funds to cover your needs (rent, food, etc.) for 3-4 months
 - Start working full time; your SSI will be suspended
 - If working full time doesn't work out, your savings will cover your expenses while SSI is re-established
 - If SSI is re-started within 12 months of suspending it, you can restart without issue; consult a benefits counselor to make sure this is accurate for your circumstances

Attainable[®] can offer a path to independence

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 toward the annual limit
- Funds withdrawn for housing **MUST** be used within the same calendar month they are withdrawn.
- Because withdrawals from an Attainable® account are an Investment Trade, time should be allowed for the funds to be deposited, generally about 24 hours
- Bonds cannot be directly rolled over into an ABLÉ account. They will need to be cashed out first.

Steps to Open an Account

Visit [fidelity.com/able](https://www.fidelity.com/able)

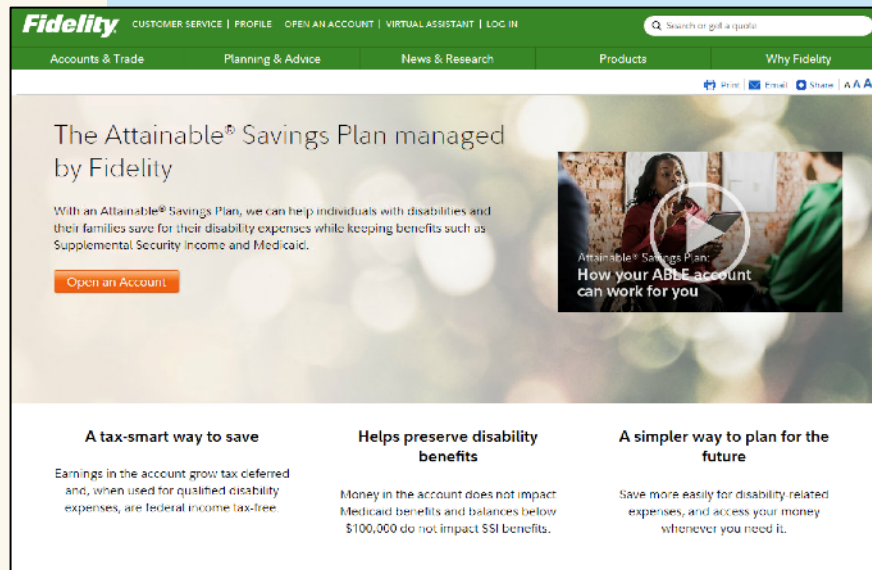
Review [Fidelity Attainable® Savings Account Disclosure Document](#)

Decide how to allocate funds in the account among 9 portfolio options, including a money market portfolio

Questions? Fidelity has trained a special division to be able to assist with ABLE Accounts:

844-458-2253

TTY: 800-544-0118



The screenshot shows the Fidelity website's landing page for the Attainable Savings Plan. The header includes the Fidelity logo, navigation links for Customer Service, Profile, Open an Account, Virtual Assistant, and Log In, and a search bar. Below the header is a navigation menu with links for Accounts & Trade, Planning & Advice, News & Research, Products, and Why Fidelity. The main content area features a large heading: "The Attainable® Savings Plan managed by Fidelity". Below this heading is a sub-heading: "With an Attainable® 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." A prominent orange button labeled "Open an Account" is positioned below the text. To the right of the text is a video player showing a woman in a red shirt speaking to a group of people. Below the main content area are three columns of text, each with a heading and a brief description of the plan's benefits.

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.

Helping Money Work Harder

- Attainable[®] savings can be invested in professionally managed portfolios that match the beneficiary's savings goals and risk tolerance
- 9 possible portfolios
- 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

Portfolio	Asset allocation - Stocks	Asset allocation - Bonds	Asset allocation - Short-term
ABLE Money Market Portfolio	0% Stocks	0% Bonds	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
ABLE Aggressive Growth 85% Portfolio	85% Stocks	15% Bonds	0% Short-term
ABLE Multi-Asset Index Portfolio	85% Stocks	15% Bonds	0% Short-term

Source: Fidelity 2023

Units of the Portfolios are municipal fund securities and are subject to market fluctuation and volatility. You may have a gain or loss when you sell your Units.

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.

Attainable® Portfolios



Units of the Portfolios are municipal fund securities and are subject to market fluctuation and volatility.
 You may have a gain or loss when you sell your Units.

Direct Deposit

- Attainable[®] Accounts are eligible for direct deposit including SSI/SSDI benefit funds
- Direct deposit of a paycheck must stay under the initial \$18,000. If someone wants to contribute the additional \$14,580 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

Record Keeping

- Payees are responsible for keeping records on how they spent or conserved benefits
- Payees report on the use of benefits by completing a Representative Payee Report (Form SSA-623, SSA-6230, SSA-6234, or SSA-6233)
- Payees must complete the report annually, unless they are exempt under GN 00605.015 (generally these are guardians of minors or a guardian who lives with their disabled adult child)
- SSA mails the report form to payees or payees can file the report online using iRPA or myRPA
- All payees must also report on the use of benefits to SSA upon request
- Payees should keep records on expenses for at least the past two years
- If the payee mixes Social Security benefits with other funds that belong to the beneficiary, the payee must maintain a recordkeeping system to differentiate SSA benefits from other funds

Taxes and Fees and Non-Qualified Expenses

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 from the investment.

- There are two circumstances in which a Non-Qualified Distribution is not subject to the 10% federal penalty tax:
 - Distributions made on or after the death of the Designated Beneficiary to the estate or heir or legatee of the Designated Beneficiary
 - Distributions constituting the return of Excess Contributions to the Contributor on or before the due date, including any extensions, of the Designated Beneficiary's federal tax return for the taxable year in which the Excess Contribution was made

ABLE Financial Planning Act

- Provided the beneficiary is the same 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. This program will end on January 1, 2026 and are still subject to the annual contribution limits.

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, Attainable[®] account growth is federal income tax-free

Third-Party Access

- The PSA (Person with Signature Authority) may grant another individual access to the beneficiary's Attainable[®] account
- These can include the Registered Investment Adviser (RIA), Parent, or Residential Program Manager, etc.
- This is called granting "third-party access"
- The level of access is determined by the beneficiary or PSA and the Attainable[®] Plan program policies

- Complete an *Account Authority* form on 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 beneficiary or PSA
- 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 “Successor Participant” in event of their death who will receive the account balance in their own Attainable[®] account after all account actions have been completed

The beneficiary or PSA can assign a “Successor Beneficiary” in event of their death who will receive the account balance after all account actions have been completed

After the death of the beneficiary, the account will be restricted for 12 months, during which the account is subject to Medicaid Recapture from any state wherein the beneficiary has lived

Additional Resources

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

ABLE National Resource Center: ablenrc.org/

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

SSA Spotlight on ABLE Accounts: ssa.gov/ssi/spotlights/spot-able.html

MEFA Attainable[®] email sign-up: mefa.org/able-registration-form

Connect with MEFA on Social Media



facebook.com/mefaMA



@mefa_ma



@MEFAtweets



linkedin.com/company/mefa



youtube.com/MEFAcounselor



mefa.org/mefa-podcast

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Thank You

QUESTIONS?

Call (800) 449-MEFA (6332)
or email attainable@mefa.org

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