



# ARKANSAS ABLE

GIVING THOSE WITH DISABILITIES  
THE ABILITY TO SAVE



# WHAT IS ABLE?



“Achieving a Better Life Experience”

Arkansas ABLE is an affordable savings and investment plan that makes it possible for people with disabilities and their families to save and invest their money for expenses related to living with a disability.

It’s like a 529 savings plan that people with disabilities may use to pay for qualified expenses.



# AR ABLE HISTORY

- **1990:** Congress passed the Americans with Disabilities Act, which opened many doors for people with disabilities nationwide, including Arkansas.
- **2014:** Congress passed the ABLE Act, which allowed people with disabilities to use tax-advantaged savings accounts for disability-related expenses.
- **2015:** The Arkansas legislature passed the bill that established ABLE in Arkansas.
- **2018:** The Arkansas ABLE Plan was officially launched by former Arkansas State Treasurer Dennis Milligan.





# WHO'S ELIGIBLE?

ELIGIBLE INDIVIDUALS ARE THOSE WHO:

- Have a physical or mental disability that is expected to last for at least a year or can be terminal

OR

- Their disability is included on the Social Security Administration's list of compassionate allowances conditions

AND

- Onset of their disability occurred before age 26\*

*\*The ABLÉ Age Adjustment Act, which increases the age of onset from 26 years to 46 years, was adopted in December 2022. This new eligibility age will go into effect beginning in 2026. Arkansas ABLÉ intends to adopt this change through State Legislative approval.*



# ABLE PRESERVES BENEFITS



Savings in an ABLE account are NOT counted in determining eligibility for any federal needs-based benefits such as Medicaid, SSI\*, SSDI, SNAP or TANF

*\*Exception: Only when the account exceeds \$100,000*



# SSI & MEDICAID

ABLE assets are disregarded in determining **Supplemental Security Income (SSI)** eligibility.

**Exception:** Only when the account exceeds \$100,000.

- First \$100,000 in ABLE account assets will be disregarded.
- SSI monthly payments will be *suspended* if the beneficiary's account balance exceeds \$100,000, but SSI eligibility will not be terminated.
- Funds above \$100,000 will be treated as a resource.

ABLE assets are disregarded in determining **Medicaid** eligibility.

- Medicaid benefits are NOT suspended if the ABLE account balance exceeds \$100,000.
- Legislation went into effect on January 1, 2019 that prohibits any state agency from seeking retribution from the ABLE account of a deceased beneficiary.



# QUALIFIED DISABILITY EXPENSES

A qualified disability expense is ANY expense incurred as a result of living with a disability and intended to maintain or improve quality of life. These include, but are not limited to:

- Education
- Health and wellness
- Housing
- Transportation
- Legal fees
- Financial management
- Employment training & support
- Assistive technology
- Personal support services
- Oversight and monitoring
- Funeral and burial expenses

**AR** **ABLE**



# AUTISM-RELATED EXPENSES

According to *Autism Speaks* (2023), average medical expenses for children and adolescents with ASD are 4.1 to 6.2 times greater than expenses for those without autism. Some autism-related ABLÉ qualified expenses include, but are not limited to:

- Personal Support & Therapy
  - Supervised care
  - ABA therapy
  - Speech therapy
  - Aquatic therapy
- Equipment & Assistive Tech
  - Noise canceling headphones
  - Sensory toys
  - Speech tablets







# ABLE ACCOUNT OPTIONS & BENEFITS



# DIFFERENT ACCOUNT TYPES

Eligible individuals may open the account for themselves, or an authorized individual (including parent or guardian) may open an account on his/her behalf. **Accounts may be opened for as little as \$25.**

Regardless of who is authorized to manage the account, the beneficiary is **ALWAYS** considered the ABLE account owner.

## Self

- This account type is for individuals who are able to act on their own behalf.



# DIFFERENT ACCOUNT TYPES

## *CONTINUED*

### Authorized Individual

- This account type is for individuals who are unable to act on their own behalf. For these accounts to be established, legal documentation is not required\*, but is encouraged in case of an audit. The IRS has set the following hierarchy (in order):

1. P.O.A	2. Conservator	3. Legal Guardian	4. Spouse
5. Parent	6. Sibling	7. Grandparent	8. SSA Rep Payee

\* Entity enrollments require legal documentation.



# STATE TAX ADVANTAGE

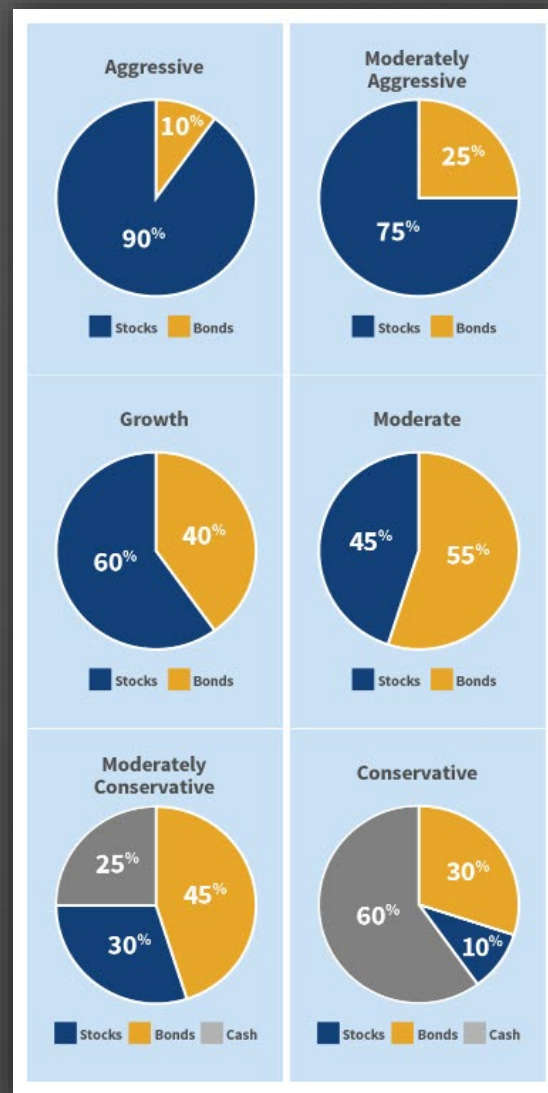
- Arkansas taxpayers may deduct up to \$5,000 (up to \$10,000 for married couples) of their Arkansas ABLE plan contributions from their state adjusted gross income.
- Withdrawals are tax-free if used to pay for qualified disability expenses.





# INVESTMENT OPTIONS TO FIT ALL NEEDS

- Arkansas ABLE offers six low-cost investment options to match goals and risk comfort level.
- The annualized investment costs on assets range from 0.30% to 0.33%, depending on which investment option(s) is selected.
- Individual Account owners also have the option to set up an FDIC-insured checking account to regularly withdraw funds via check or debit card.





# CONTRIBUTIONS & FEES



# CONTRIBUTIONS

- Anyone may make contributions into an ABLE account:
  - Beneficiary, family, friends, an employer and others
  - Contributions may include social security payments, earnings from work, gifts, or rollovers from a member of the family's ABLE account.
- The Ugift option allows Account Owners to share a code and link for easy contributions. Like GoFundMe – but with a state tax deduction.
- Total annual contributions may not exceed the federal gift tax contribution which is currently \$17,000\*.
- Total account balance may not exceed \$366,000.

\* *The ABLE to Work Act of 2017 allows working account owners to contribute more.*



# AR ABLE TO WORK

- ABLÉ account owners who earn income may contribute additional funds beyond the annual \$17,000 contribution limit.\*
- The additional annual contribution amount is equal to the US Department of Health and Human Services poverty guidelines amount for a one-person household (\$14,580 for Arkansas in 2023\*\*) **OR** the account owner's gross wages, whichever is less.
- Working account owners are *not* eligible to contribute the additional funds if they are already contributing to their retirement through:
  - A defined contribution plan
  - An annuity contract
  - An eligible deferred compensation plan
- Working account owners may take advantage of ABLÉ to work whether they are working part-time or full-time.

\*Check the [SSA POMS](#) for income guidelines.

\*\*The poverty guidelines amount changes each year.





# ABLE FEES ARE LOW

- Each account is charged a maintenance fee of \$14.50 per quarter (\$58 annually). Investment accounts are also charged an asset-based fee (.30% - .33%).
- The checking option has a \$2 monthly fee that is waived if the average daily balance is over \$250 or electronic delivery.
- This fee will be discounted by \$6.25 if electronic delivery is used for statements and confirmations. An additional \$1.25 discounted if the account owner or authorized individual is a resident of Arkansas.
- **SO, if electronic delivery used and owner is Arkansas resident, the maintenance fee drops to \$7 each quarter (\$28 annually).**



# OPEN AN ACCOUNT IN MINUTES

VISIT [AR.SaveWithABLE.com](https://AR.SaveWithABLE.com)

CALL (888) 609-8874

EMAIL [AR.ClientService@SaveWithABLE.com](mailto:AR.ClientService@SaveWithABLE.com)



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