



**Washington State**

ABLE SAVINGS PLAN

[washingtonstateable.com](http://washingtonstateable.com)

# Future Planning Options

*infant and early childhood conference*

**Peter Tassoni, Washington Dept. of Commerce**

**Tamara Roberts, The Arc Washington State**

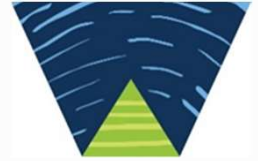


**Developmental  
Disabilities  
Endowment Trust Fund**

Protect today, provide for tomorrow



# Legal Stuff – cannot give legal or financial advice



Washington State ABLE Savings Plan accounts are not guaranteed by the Washington Treasurer's Office, the State of Washington, any state agency or subdivision thereof, or their authorized agents or affiliates.

You could lose money by investing in a Washington State ABLE Savings Plan account. Consider investment objectives, risks, charges, and expenses before investing.

Before opening an account, you should carefully read and understand the Plan Disclosure and Participation Agreement.

State of Washington  
Developmental Disabilities  
Endowment Fund

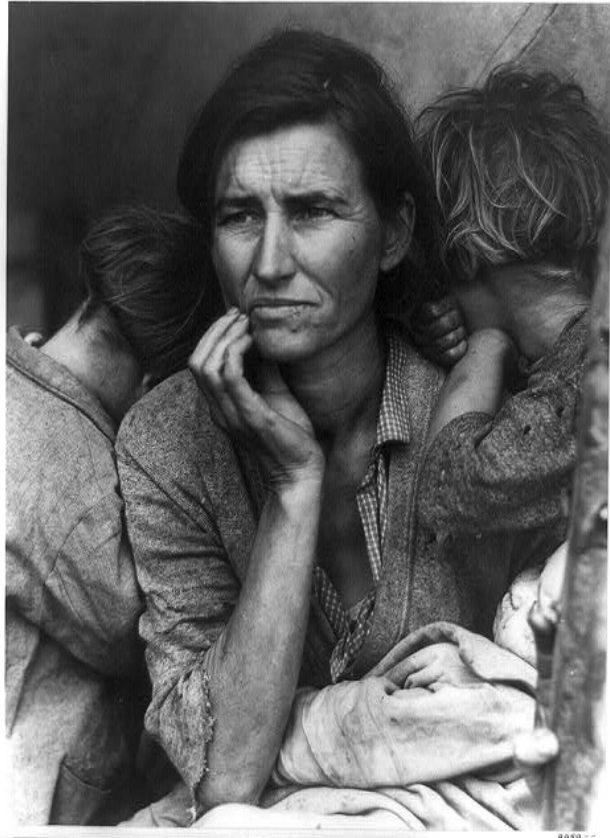
Trust Fund I  
(Third Party Settled Trust)  
Trust Fund II  
(First Party / Self Settled Trust)

MASTER TRUST AGREEMENT  
JOINDER AGREEMENT

These are legal documents. You are encouraged to seek independent, professional advice before signing.

# Problem: \$2,000 Asset Limit

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- Federal means tested benefit condition (SSI, SNAP, HUD, TANF, Medicaid, etc.)
- Last adjusted in 1983



# What is ABLE

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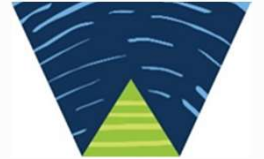
- ABLE accounts are a tax advantaged way for people with disabilities and their families to save money without jeopardizing state or federal benefits.
- These accounts are defined under the IRS tax code in section 529A ~ similar to college saving / investment plans.



# What is DDETF

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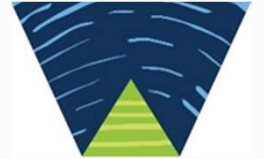
- DDETF is a special needs or supplemental trust.
- Individual trust accounts are a way for people with *developmental* disabilities and their families to save money without jeopardizing state or federal benefits.
- These trusts are defined under the Social Security Act in section 1619.



# Is one better than the other?

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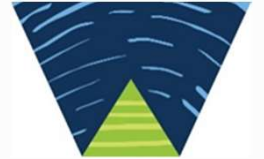
- Both programs protect assets  
Resources in ABLE or DDETF accounts are excluded from SSA or Medicaid or HUD or SNAP eligibility determinations and monthly benefit calculations
- Neither program protects income  
Wages, bonuses, SSI/SSDI, VA, pensions, royalties, alimony, settlements, inheritances are counted



# Similarities

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- Created by federal laws and regulations
- Governed by independent governing boards appointed by the governor
- Protect assets from the \$2,000 resource limit
- Prepackaged investment options
- Take liquid contributions only – US dollars
- Spend on items / services to improve health, independence, and/or quality of life
- Turnkey program – does not require an attorney

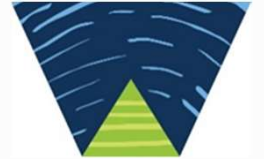


# Differences

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- Eligibility
- Annual contributions
- Medicaid recovery
- Penalties for ineligible withdrawals
- Records keeping
- Process for making contributions and taking withdrawals





# The Person's Situation

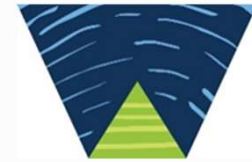
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- One time contribution or ongoing
- Competent to run their own account
- Guardianship / estate planning needs
- Intensity of services needed
- Family based or provider based services
- A saving account or a spending account

# Nuts and Bolts



# Who Can Use WA ABLE?



## A. Beneficiary must be:

- A Washington resident with a disability that occurred prior to age 26
- AND -

## B. Beneficiary must meet one of three criteria:

1. Eligible to receive SSI or SSDI due to disability;
2. Have a condition listed on SSA's "List of Compassionate Allowances Conditions"; or
3. Self-certification

# Who Can Use DDETF?

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The beneficiary must:

- Reside in the State of Washington at the time of enrollment.
- Meet the state definition of *developmental* disability, as determined by a representative of the Washington State Developmental Disabilities Administration.
- Be under the age of 65 at the time of enrollment.



-Make it Explainable & Defendable  
-Keep Receipts & Good Records

# Expenditures



**Basic Living  
Expenses\***



**Housing\*\***



**Transportation**



**Education**



**Assistive  
Technology**



**Employment  
Training**



**Personal  
Support  
Services**



**Legal Fees  
Funeral &  
Burial\*\*\***



**Health &  
Wellness**



**Financial  
Management**

# How to get money out

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## ABLE



- Transfer money to prepaid card and use at retailers and online but not ATMs
- Transfer money to beneficiary's bank account electronically
- Request a check to be mailed to beneficiary
- Call the customer service team or execute withdrawals through your user account

## DDETf



- Submit paperwork / receipts to trust manager for disbursement
- Trust manager can send checks to vendors for payment of services
- Trust manager can send checks to guardians, rep payees, and power of attorneys for eligible disbursements for them to pay vendors

# Fees

## DDETf



- \$600 enrollment (matched)
- 1% management fee on trust balance charged annually (first \$75 matched)
- \$75 tax preparation fee charged annually (matched)
- \$12.50 processing fee after 12<sup>th</sup> disbursement request in the same year for each subsequent request

## ABLE



- \$35 annual maintenance fee
- 0.30% - 0.38% management fee on assets charged quarterly
- Non-QDEs assessed 10% penalty and account earnings are taxed
- Mailed documents assessed postage service fee

# Record Keeping

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## ABLE



- Beneficiary keeps all receipts for qualified disability expenditures in case of IRS audit or agency request
- Prepaid card transactions, contributions, and withdrawals are logged on the user account
- Statements, tax forms, and transactions available online
- Reports balances to SSA monthly

## DDETf



- Beneficiary, power of attorney, guardian, or SSA rep payee submits receipts for disbursements to trust manager
- Trust manager keeps records in case of audit
- Statements, tax forms, and disbursements mailed
- No reporting to SSA



# Contributions

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## DDETf



- Unlimited annual contributions
- Unlimited lifetime balance
- Take paper check or bill pay
- Trust manager reviews to ensure no co-mingling of first and third party monies

## ABLE



- \$15,000 annual limit on contributions
- \$500,000 lifetime limit on account
- Take paper check, bill pay or ACH and e-gifting (credit & debit cards)
- System automatically rejects excess contributions

# Investment Options



ABLE

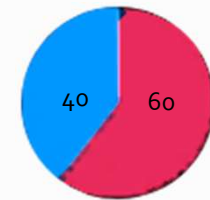
DDETF



1. Cash Option



1. Private Funds



2.  
Conservative



■ Stocks ■ Bonds

3.  
Moderate



■ Stocks ■ Bonds

4.  
Aggressive



■ Stocks ■ Bonds

# Medicaid recovery

## ABLE



Mandatory

- States cannot collect Medicaid costs incurred before the date the ABLE account opened from the ABLE account
- Other states can recover from WA ABLE account too

## DDETf



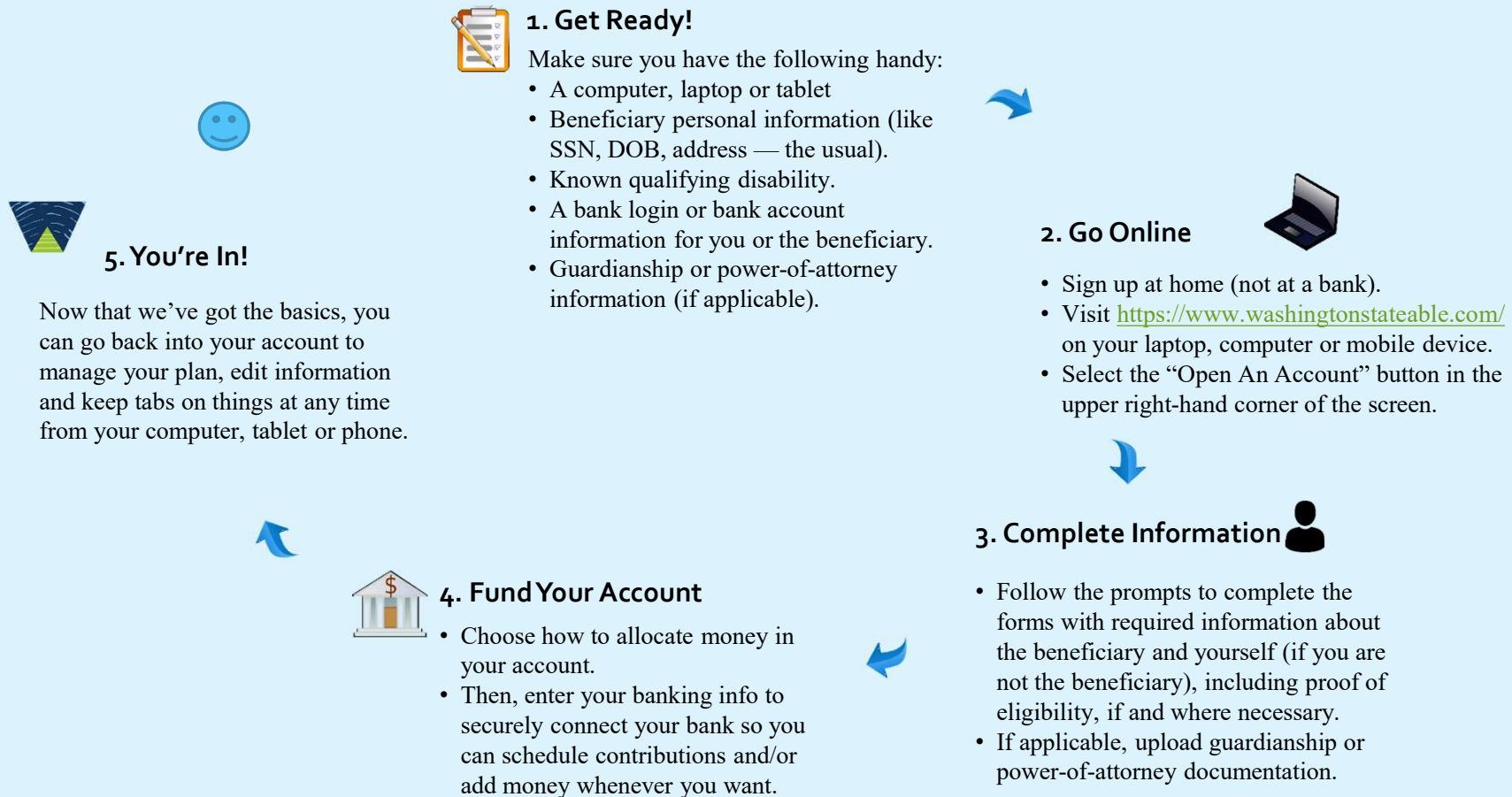
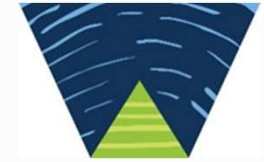
It depends

- Trust 1s – 3<sup>rd</sup> party settled are exempted
- Trust 2s – 1<sup>st</sup> party settled mandatory if beneficiary received Medicaid / Medical Assistance services

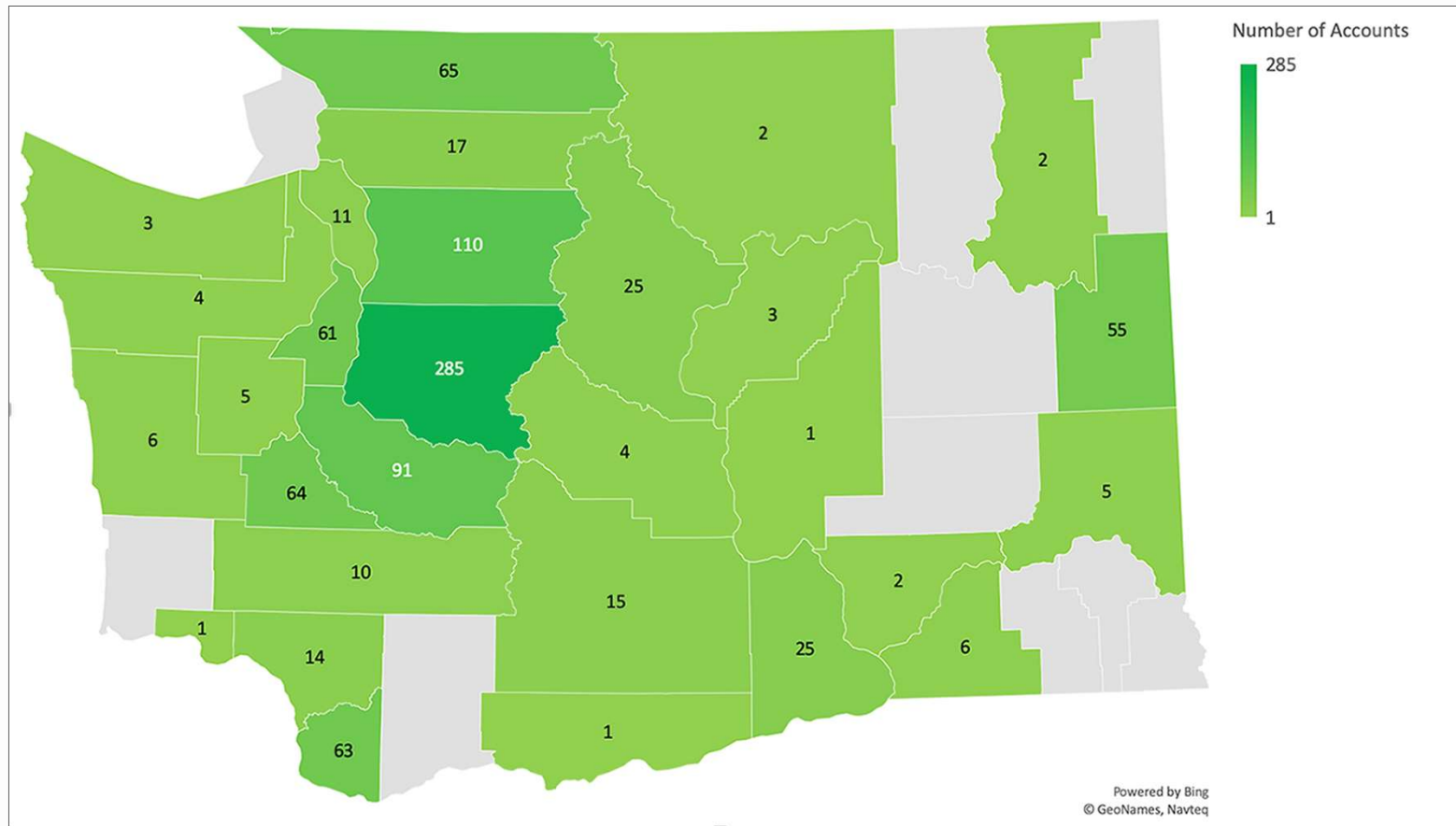
# Moving Forward



# Sign Up for an ABLE Account at Home



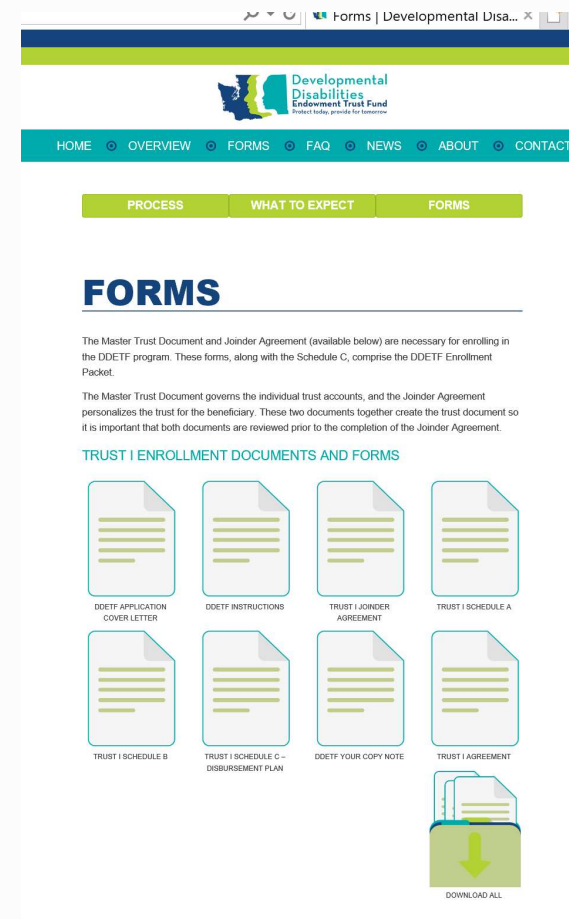
\*Verifying guardianship / power-of-attorney status may cause a delay in accessing your account by several days



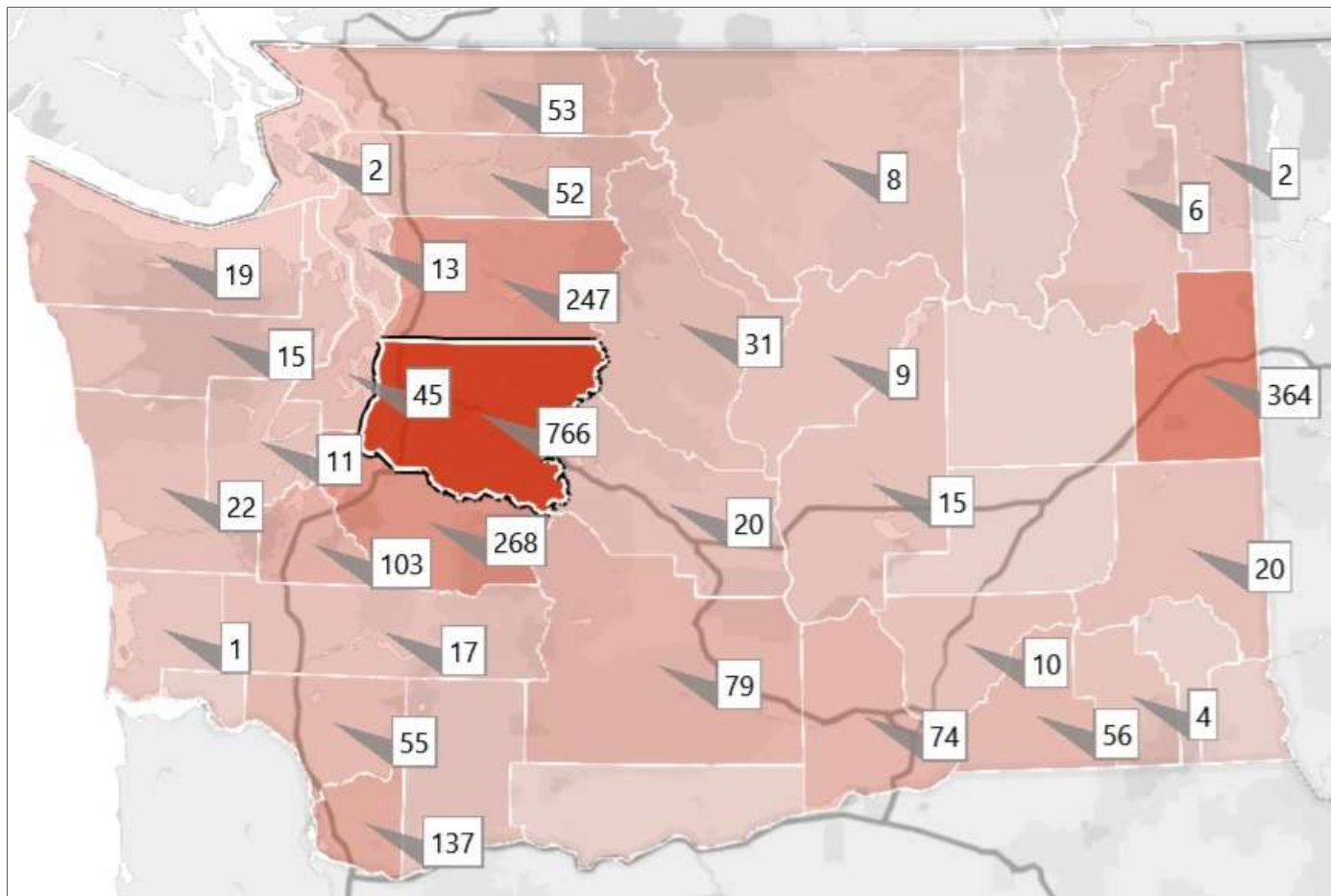


# DDETF enrollment process

- Submit completed, notarized paperwork to trust manager
- Submit enrollment fee to trust manager
- Make contributions
- Vest in three years



# DDETF Accounts by County



Number of Accounts  
0 – 766  
per county



# ABLE and DDETf

Two programs that can be used together



DD Endowment Trust Fund RCW 43.330.431	ABLE Act** Federal Law PL 113-295
<b>Who is it for?</b> <ul style="list-style-type: none"> <li>A person with a developmental disability, under age 65, who has been determined eligible for state DDA services</li> <li>The condition happened at the age 18 or before</li> <li>Lives in the state of Washington at the time of enrollment</li> </ul>	<b>Who is it for?</b> <ul style="list-style-type: none"> <li>A person eligible for SSI benefits or the Social Security Disability, Retirement, and Survivor's program or who submits certification that meets the criteria for a disability certification</li> <li>Condition happened before age 26</li> </ul>
<b>What is it?</b> <ul style="list-style-type: none"> <li>Special Needs Trust</li> <li>Trust 1 Third Party Trust</li> <li>Trust 2 Self-Settled Trust</li> </ul>	<b>What is it?</b> <ul style="list-style-type: none"> <li>A form of 529 Account Tax Favored Qualified ABLE program in IRS code</li> </ul>
<b>Are there limits in contributions and spending?</b> <ul style="list-style-type: none"> <li>No limits on contributions</li> <li>No limits on spending, except room and board for those on SSI</li> <li>Does not affect SSI or Medicaid eligibility</li> </ul>	<b>Are there limits in contributions and spending?</b> <ul style="list-style-type: none"> <li>\$14,000 a year in contributions</li> <li>Maximum account balance of \$86,000</li> <li>Spending is approved for qualified disability related expenses</li> <li>First \$ 100,000 does not affect SSI eligibility</li> </ul>
<b>Are taxes involved?</b> <ul style="list-style-type: none"> <li>Earnings from investments are taxed when spent, if the person has taxable income</li> <li>Qualified Disability Trust</li> </ul>	<b>Are taxes involved?</b> <ul style="list-style-type: none"> <li>ABLE accounts not taxed</li> <li>10% federal tax penalty for distributions not used for qualified disability expenses</li> </ul>
<b>What occurs if the beneficiary passes away?</b> <ul style="list-style-type: none"> <li>Trust 1 Third Party: no pay back required</li> <li>Distributed according to Trust documents</li> <li>Trust 2 Self-Settled: Medicaid/Medical Assistance Recovery</li> </ul>	<b>What occurs if the beneficiary passes away?</b> <ul style="list-style-type: none"> <li>Medicaid/Medical Assistance Recovery regardless of contributor</li> </ul>
<b>What does it cost?</b> <ul style="list-style-type: none"> <li>Enrollment fee of \$600 (A payment plan option @ \$25.00 per month is also offered); minimum annual management fee \$75.00; and a \$75 tax prep fee. Fees are offset by a state match</li> </ul>	<b>What does it cost?</b> <ul style="list-style-type: none"> <li>Annual fee of \$35.00</li> <li>Annual investment fee of 0.30-0.38 depending on the investment portfolio</li> </ul>

\*\*Details of the ABLE Act are subject to change, pending federal rules and state legislative action.

2638 State Ave NE · Olympia, WA 98506  
Phone 360.357.5596 · Toll-free 1.888.754.8798 · Fax 360.357.3279  
Email: info@arcwa.org · www.arcwa.org

# Contacts

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## DDETF



Tamara Roberts

Phone: 888.754.8798 ext. 1

Email: [tamara@arcwa.org](mailto:tamara@arcwa.org)

Fax: 360.705.9084

Developmental Disabilities  
Endowment Trust Fund  
c/o The Arc Washington State  
2638 State Ave NE  
Olympia, WA 98506

[www.DDETF.wa.gov](http://www.DDETF.wa.gov)

## ABLE



Peter Tassoni

Phone: 360.725.3125

Email: [peter.tassoni@commerce.wa.gov](mailto:peter.tassoni@commerce.wa.gov)

ABLE Call Center: 844-600-2253,  
TTY, chat boxes on the website

[www.washingtonstateable.com](http://www.washingtonstateable.com)