



Washington State

ABLE SAVINGS PLAN

washingtonstateable.com

Future Planning Options

infant and early childhood conference

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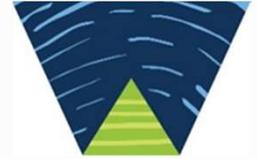
**Developmental
Disabilities**

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.

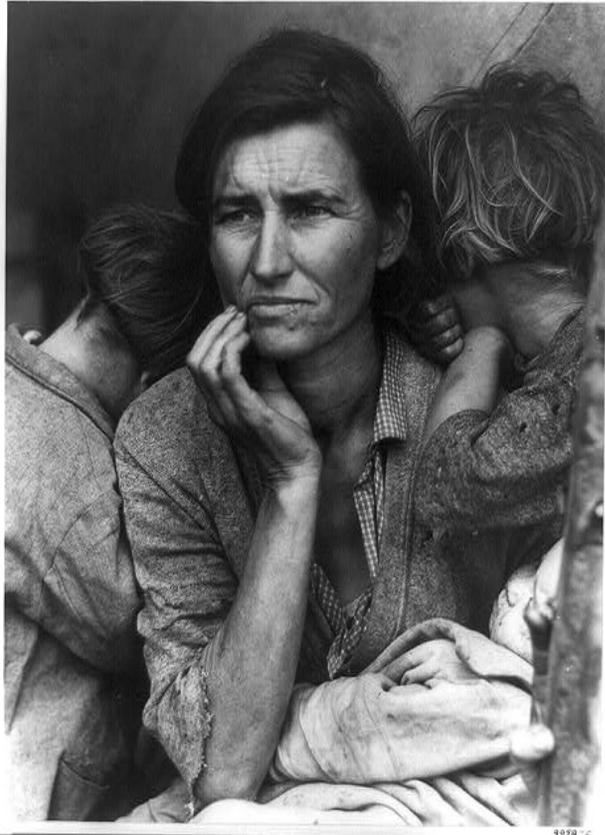
State of Washington
Developmental Disabilities
Endowment Fund

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



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



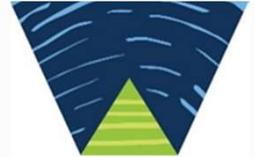
What is ABLE

- 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.



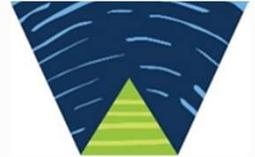
What is DDETF

- 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.



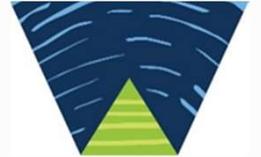
Is one better than the other?

- Both programs protects 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



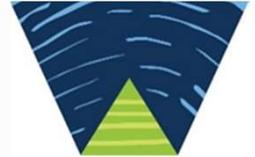
Similarities

- 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

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



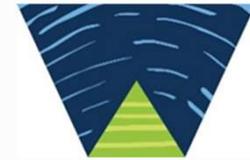
The Person's Situation

- 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:

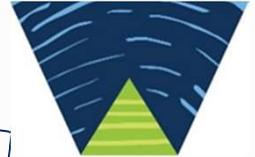
1. Eligible to receive SSI or SSDI due to disability;
2. Have a condition listed on SSA's "List of Compassionate Allowances Conditions"; or
3. Self-certification

Who Can Use DDETF?



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

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 12th 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

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

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



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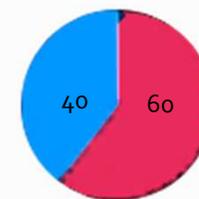
DDETF



1. Cash Option

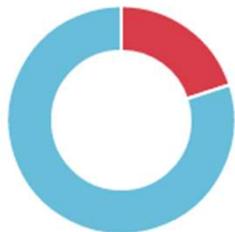


1. Private Funds



2.

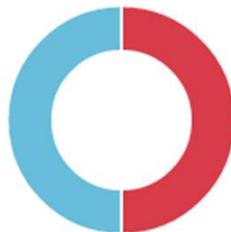
Conservative



■ Stocks ■ Bonds

3.

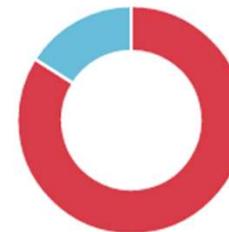
Moderate



■ 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



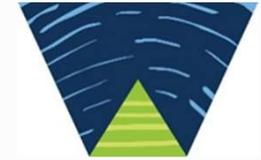
It depends

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

Moving Forward



Sign Up for an ABLE Account at Home



5. You're In!

Now that we've got the basics, you can go back into your account to manage your plan, edit information and keep tabs on things at any time from your computer, tablet or phone.



1. Get Ready!

Make sure you have the following handy:

- A computer, laptop or tablet
- Beneficiary personal information (like SSN, DOB, address — the usual).
- Known qualifying disability.
- A bank login or bank account information for you or the beneficiary.
- Guardianship or power-of-attorney information (if applicable).



2. Go Online

- Sign up at home (not at a bank).
- Visit <https://www.washingtonstateable.com/> on your laptop, computer or mobile device.
- Select the “Open An Account” button in the upper right-hand corner of the screen.



4. Fund Your Account

- Choose how to allocate money in your account.
- Then, enter your banking info to securely connect your bank so you can schedule contributions and/or add money whenever you want.

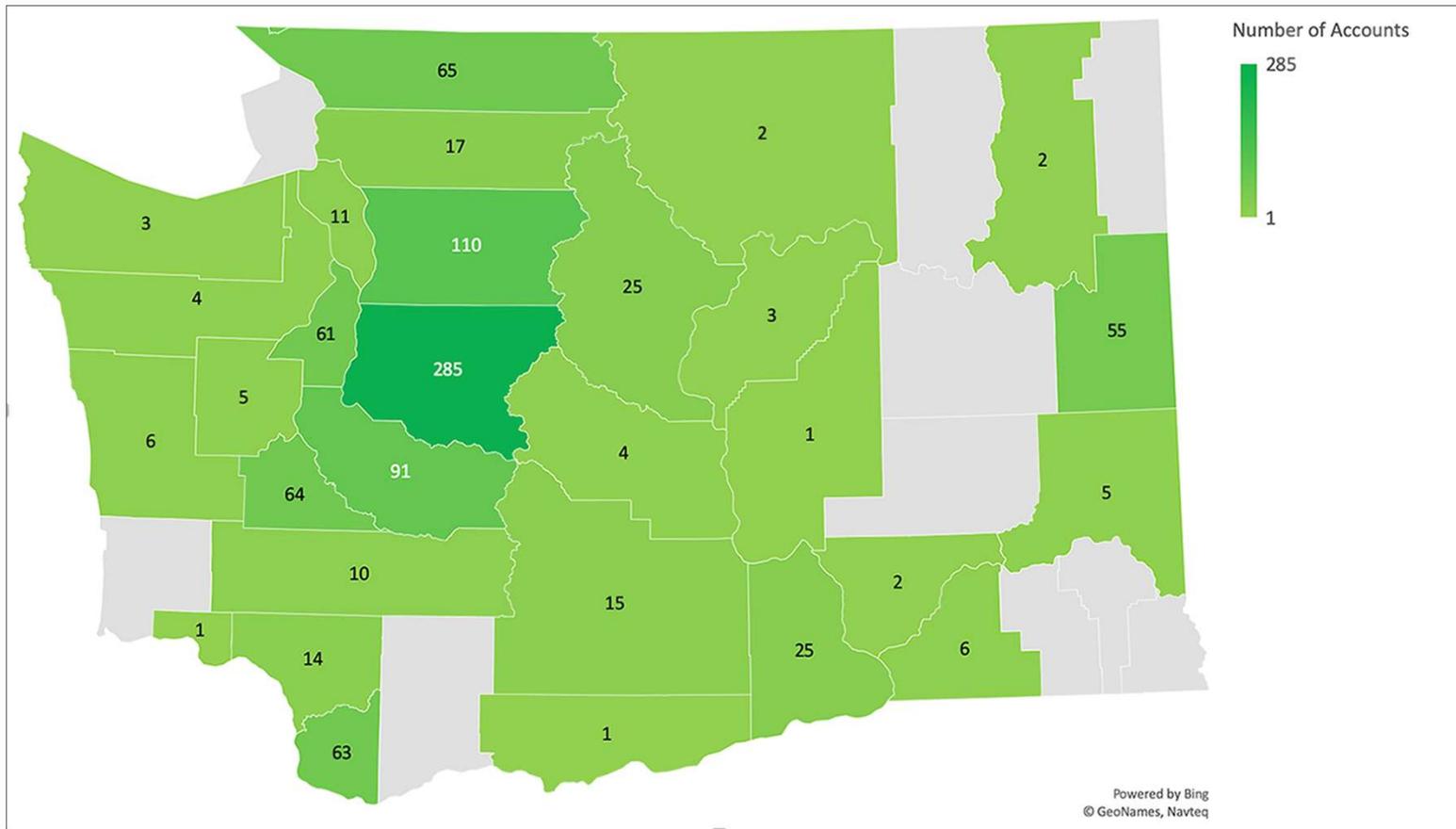


3. Complete Information

- Follow the prompts to complete the forms with required information about the beneficiary and yourself (if you are not the beneficiary), including proof of eligibility, if and where necessary.
- If applicable, upload guardianship or power-of-attorney documentation.

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

ABLE Accounts by County





DDETF enrollment process

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

Forms | Developmental Disa... x

Developmental Disabilities Endowment Trust Fund
Protect today, provide for tomorrow

HOME OVERVIEW FORMS FAQ NEWS ABOUT CONTACT

PROCESS WHAT TO EXPECT FORMS

FORMS

The Master Trust Document and Joinder Agreement (available below) are necessary for enrolling in the DDETF program. These forms, along with the Schedule C, comprise the DDETF Enrollment Packet.

The Master Trust Document governs the individual trust accounts, and the Joinder Agreement personalizes the trust for the beneficiary. These two documents together create the trust document so it is important that both documents are reviewed prior to the completion of the Joinder Agreement.

TRUST | ENROLLMENT DOCUMENTS AND FORMS

DDETF APPLICATION COVER LETTER

DDETF INSTRUCTIONS

TRUST | JOINDER AGREEMENT

TRUST | SCHEDULE A

TRUST | SCHEDULE B

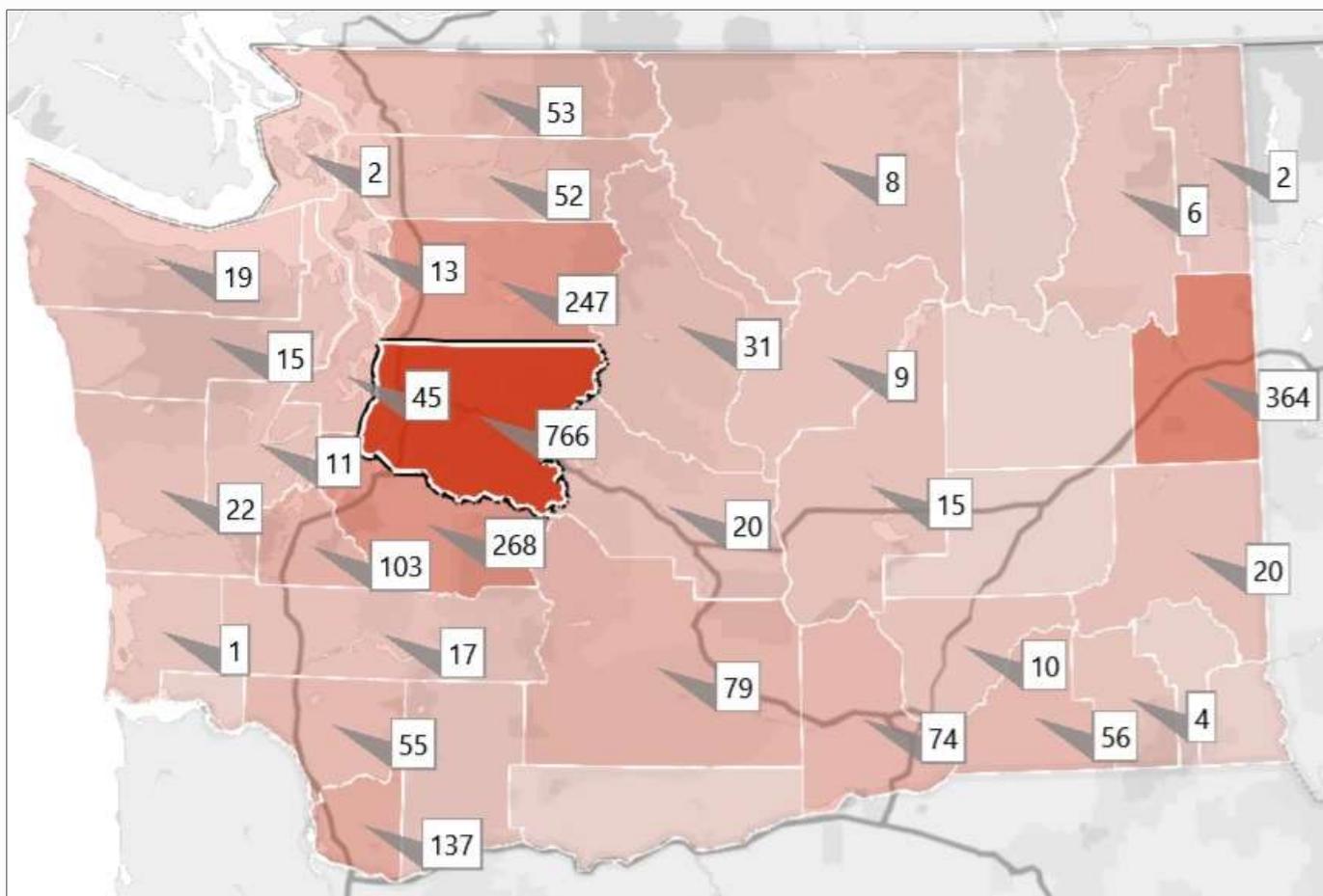
TRUST | SCHEDULE C - DISBURSEMENT PLAN

DDETF YOUR COPY NOTE

TRUST | AGREEMENT

DOWNLOAD ALL

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
Who is it for? <ul style="list-style-type: none"> A person with a developmental disability, under age 65, who has been determined eligible for state DDA services The condition happened at the age 18 or before Lives in the state of Washington at the time of enrollment 	Who is it for? <ul style="list-style-type: none"> 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 Condition happened before age 26
What is it? <ul style="list-style-type: none"> Special Needs Trust Trust 1 Third Party Trust Trust 2 Self-Settled Trust 	What is it? <ul style="list-style-type: none"> A form of 529 Account Tax Favored Qualified ABLE program in IRS code
Are there limits in contributions and spending? <ul style="list-style-type: none"> No limits on contributions No limits on spending, except room and board for those on SSI Does not affect SSI or Medicaid eligibility 	Are there limits in contributions and spending? <ul style="list-style-type: none"> \$14,000 a year in contributions Maximum account balance of \$86,000 Spending is approved for qualified disability related expenses First \$ 100,000 does not affect SSI eligibility
Are taxes involved? <ul style="list-style-type: none"> Earnings from investments are taxed when spent, if the person has taxable income Qualified Disability Trust 	Are taxes involved? <ul style="list-style-type: none"> ABLE accounts not taxed 10% federal tax penalty for distributions not used for qualified disability expenses
What occurs if the beneficiary passes away? <ul style="list-style-type: none"> Trust 1 Third Party: no pay back required Distributed according to Trust documents Trust 2 Self-Settled: Medicaid/Medical Assistance Recovery 	What occurs if the beneficiary passes away? <ul style="list-style-type: none"> Medicaid/Medical Assistance Recovery regardless of contributor
What does it cost? <ul style="list-style-type: none"> 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 	What does it cost? <ul style="list-style-type: none"> Annual fee of \$35.00 Annual investment fee of 0.30-0.38 depending on the investment portfolio

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

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