



**Washington State**

ABLE SAVINGS PLAN

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

# Protect Disability Benefits Using ABLE / DDETF



**Developmental  
Disabilities**

**Endowment Trust Fund**

Protect today, provide for tomorrow



# Thank you for hosting!

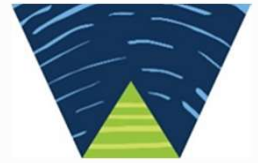
Peter Tassoni

ABLE Plan Administrator

Tamara Roberts

DDETF Trust Manager

- Achieving a Better Life Experience 529A savings plan
- Developmental Disabilities Endowment Trust Fund – a special needs trust





# 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

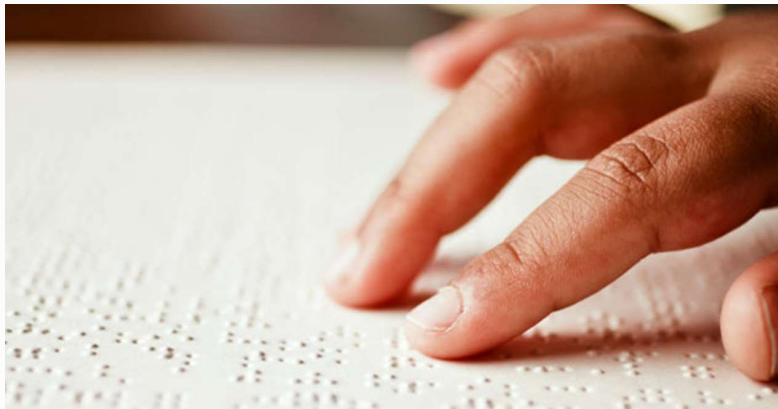
Trust Fund I  
(Third Party Settled Trust)  
Trust Fund II  
(First Party / Self Settled Trust)

MASTER TRUST AGREEMENT  
JOINDER AGREEMENT

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

# A Nutshell / One Image Choice - ABLE or DDETF?

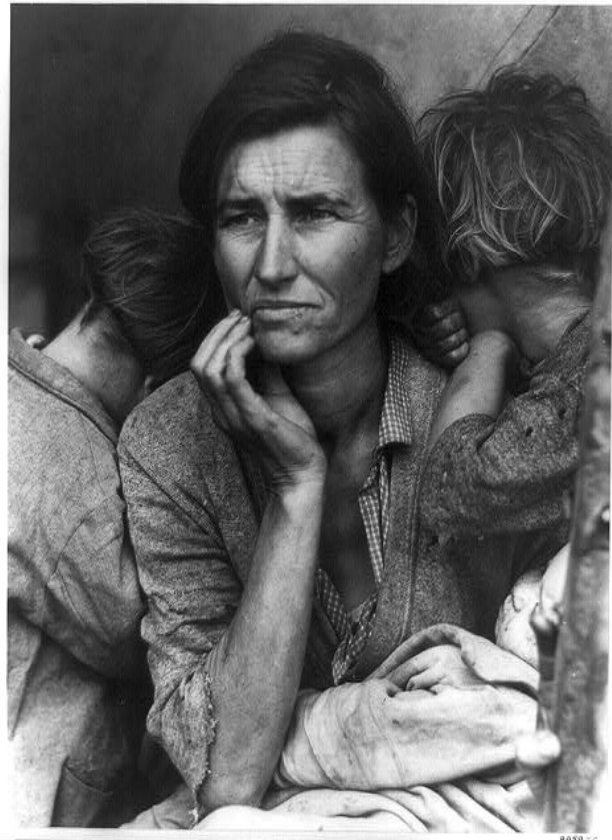
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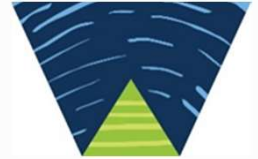


# Problem: \$2,000 Asset Limit

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



# Solution!

Any and all money in an ABLE or DDETF trust is exempt – not counted, ignored, excluded – by SSA, HUD, DSHS and HCA





# 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 §42 USC §1396(d)(4)(a) and §42 USC §1396(d)(4)(c).

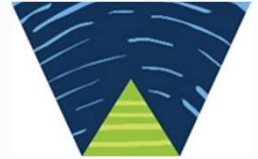




# Types of Special Needs Trust

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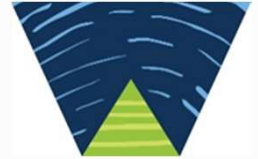
- 1<sup>st</sup> party trusts
  - Beneficiary's money
  - Payback for Medicaid services required
- 3<sup>rd</sup> party trusts
  - Mom's & dad's money
  - No payback – remainder \$ goes to heirs
- ABLE is 1<sup>st</sup> party regardless of contributor
  - Payback for Medicaid services required



# Is One Better than the Other?

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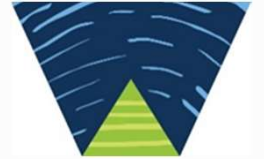
- Both programs protect assets  
Resources in ABLE or DDETF accounts are excluded from SSA or Medicaid or HUD or SNAP eligibility determinations and monthly benefit calculations
- Neither program protects income  
Wages, bonuses, commissions, royalties, SSI, SSDI, VA, child support, pensions, alimony,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



# Is One Better than the Other? Continued...

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- Special Needs Trusts
  - Requires Trustee to manage the funds
  - Requires annual IRS Form 1041
  - Beneficiary cannot access the funds directly
- ABLE exempt savings investment account
  - Account owner is in charge of the funds
  - Account owner can spend the money on anything regardless of whether it is an eligible qualified disability expenditure or not



# 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 / supports needed?
- Family based or provider based services?
- A saving account or a spending account?

# Nuts and Bolts





# Who Can Use WA ABLE?

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## A. Beneficiary must be:

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

- AND -

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

1. Eligible to receive SSI or SSDI due to disability;
2. Have a condition listed on SSA's "List of Compassionate Allowances Conditions" with a self-certification (doctor's note)



# Who Can Use DDETF?

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The beneficiary must:

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



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

# Expenditures



**Basic Living Expenses\***



**Housing\*\***



**Transportation**



**Education**



**Assistive Technology**

*vacations, outings, entertainment, recreation are very popular*



**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 or a vendor (form)
- 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 but not to beneficiaries
- \$12.50 processing fee after 12<sup>th</sup> disbursement request in the same year for each subsequent request

# Fees

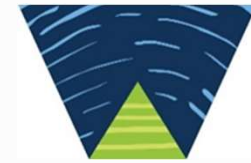
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## DDETF



- \$600 enrollment fee (matched)
- 1% management fee on trust balance charged annually (first \$75 matched)
- \$75 tax preparation fee charged annually (matched)
- Matching once vested (at least \$900 in contributions in 3 years)
- No fees for mailing things

## ABLE

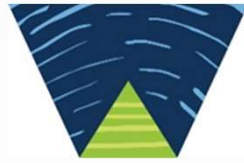


- No application fee
- \$35 annual maintenance fee
- 0.30% - 0.38% management fee on assets charged quarterly
- Non-QDEs assessed 10% penalty and account earnings are taxed
- Mailed documents assessed postage service fee

# 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

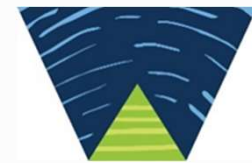
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## DDETf



- 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



- \$16,000 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

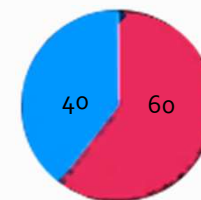
DDETF



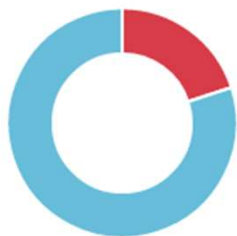
1. Cash Option



1. Private Funds

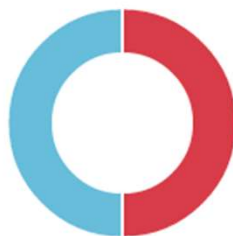


2. Conservative



■ Stocks ■ Bonds

3. Moderate



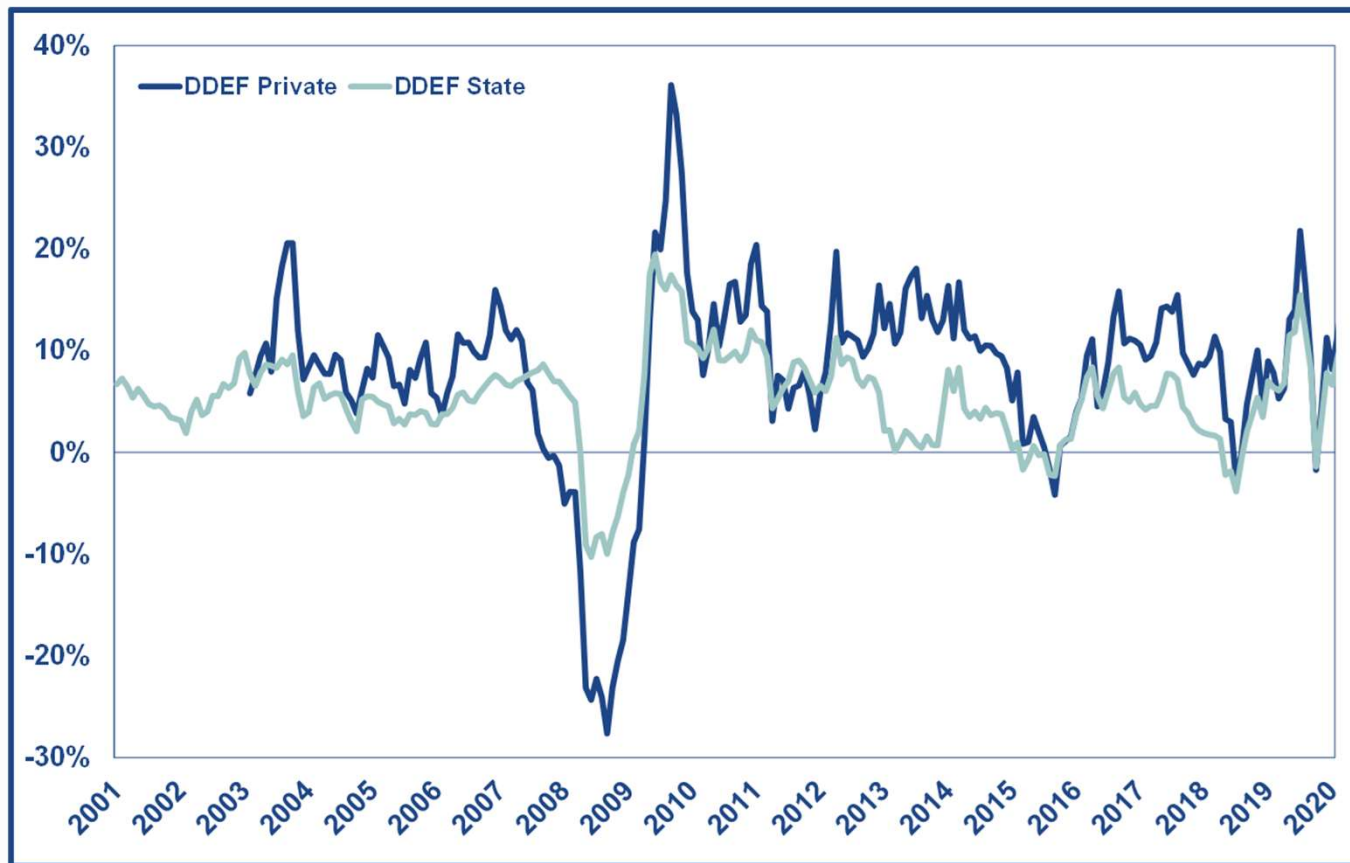
■ Stocks ■ Bonds

4. Aggressive



■ Stocks ■ Bonds

# Rolling One Year Returns



# Medicaid Recovery

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## 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 exempt
- Trust 2s – 1<sup>st</sup> party settled mandatory if beneficiary received Medicaid / Medical Assistance services

# SSA Rep Payees

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## ABLE



- Authorized Legal Representatives expanding to include rep payees in 2022
- Fill out a form to become the ALR and begin running the account

## DDETF



- Rep Payees can be the primary representative
- Provide to trust office documentation
  - Make reimbursement requests for beneficiary



# Entity ALRs / Primary Reps

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## ABLE



- Entity Authorized Legal Representative for organizations
- Manage client's accounts
- Contact Peter to get the forms to fill out

## DDETf



- Organizations can function as primary representatives
- Provide power of attorney or guardianship papers
- Make reimbursement requests for beneficiary

# Moving Forward





# ABLE to Work

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- If working, may contribute an *additional* amount equal to current year gross income — up to \$12,880 in 2022
- Eligible only if beneficiary or employer is NOT contributing to a defined contribution plan

Payroll Deduction (forms available for your employer)

IRS Savers Credit (claimed on your 1040 form)

Entity/Organizational Authorized Legal Representative

- <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>



# New Features

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## Expansion of Authorized Legal Representative:

- eligible individual with a disability;
- individual selected by the eligible individual;
- individual's agent under a power of attorney, conservator or legal guardian;
- a spouse, parent, sibling or grandparent;
- representative payee (individual or organization).

# 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.



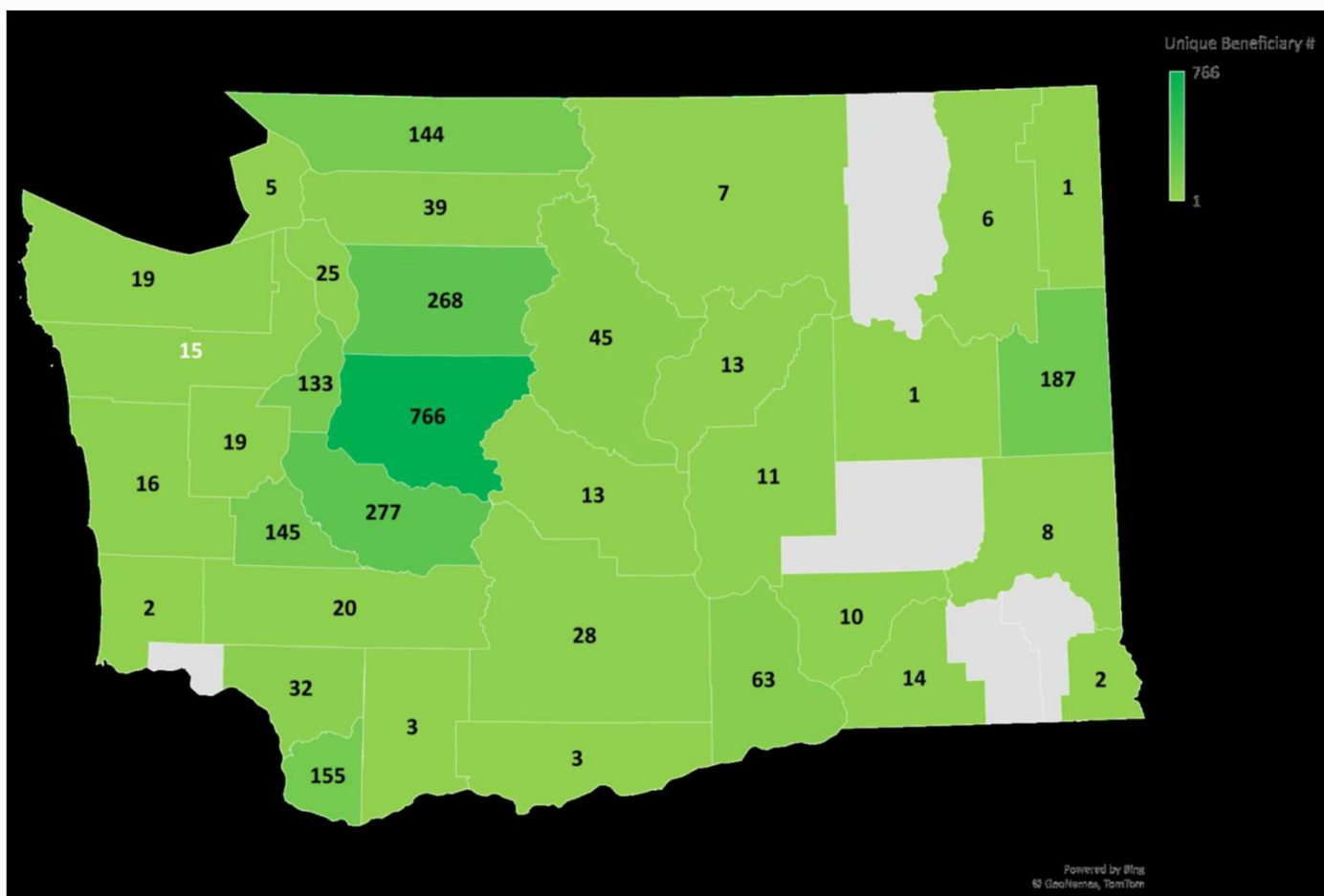
## 3. Complete Information

- 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



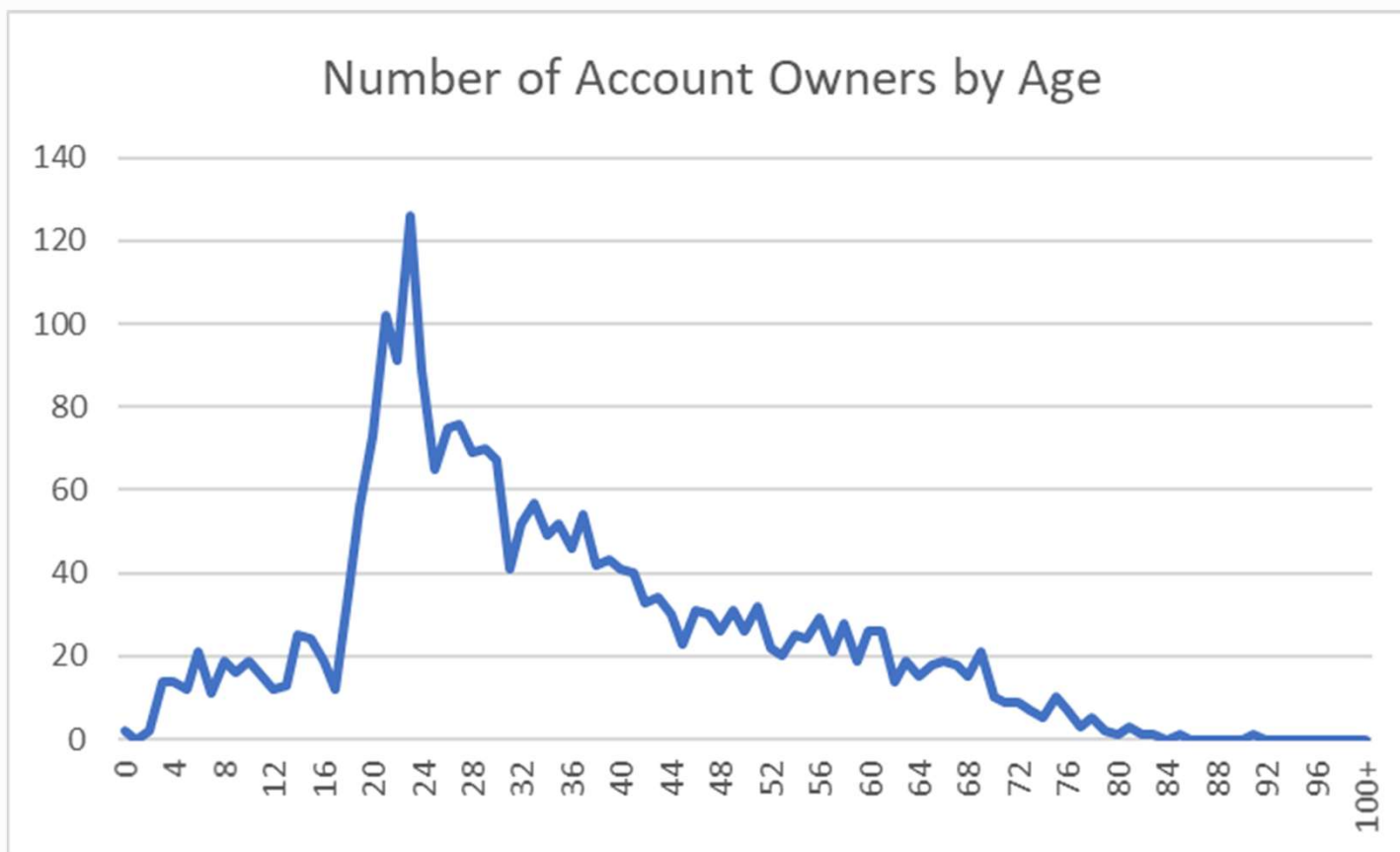
# ABLE Accounts by County



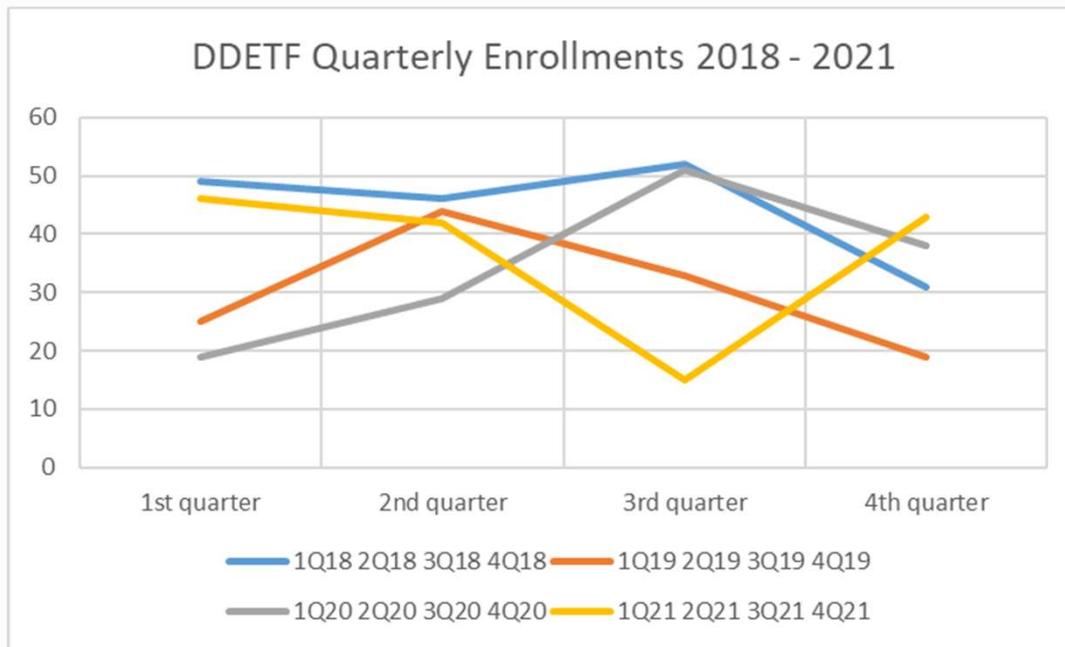
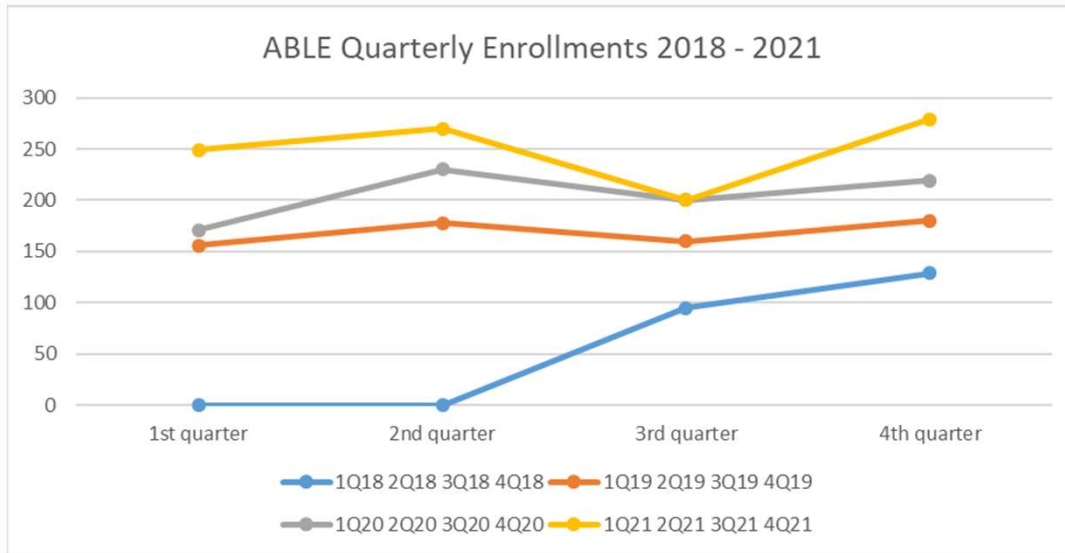
2,511  
active  
accounts  
and \$20  
million in  
assets



# ABLE Accounts by Age



Ages range from 0 to 91 but the peak is transition aged kids - September 2021



ABLE takes a bite out of DDETf enrollments - but the pandemic throws everything off





# 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

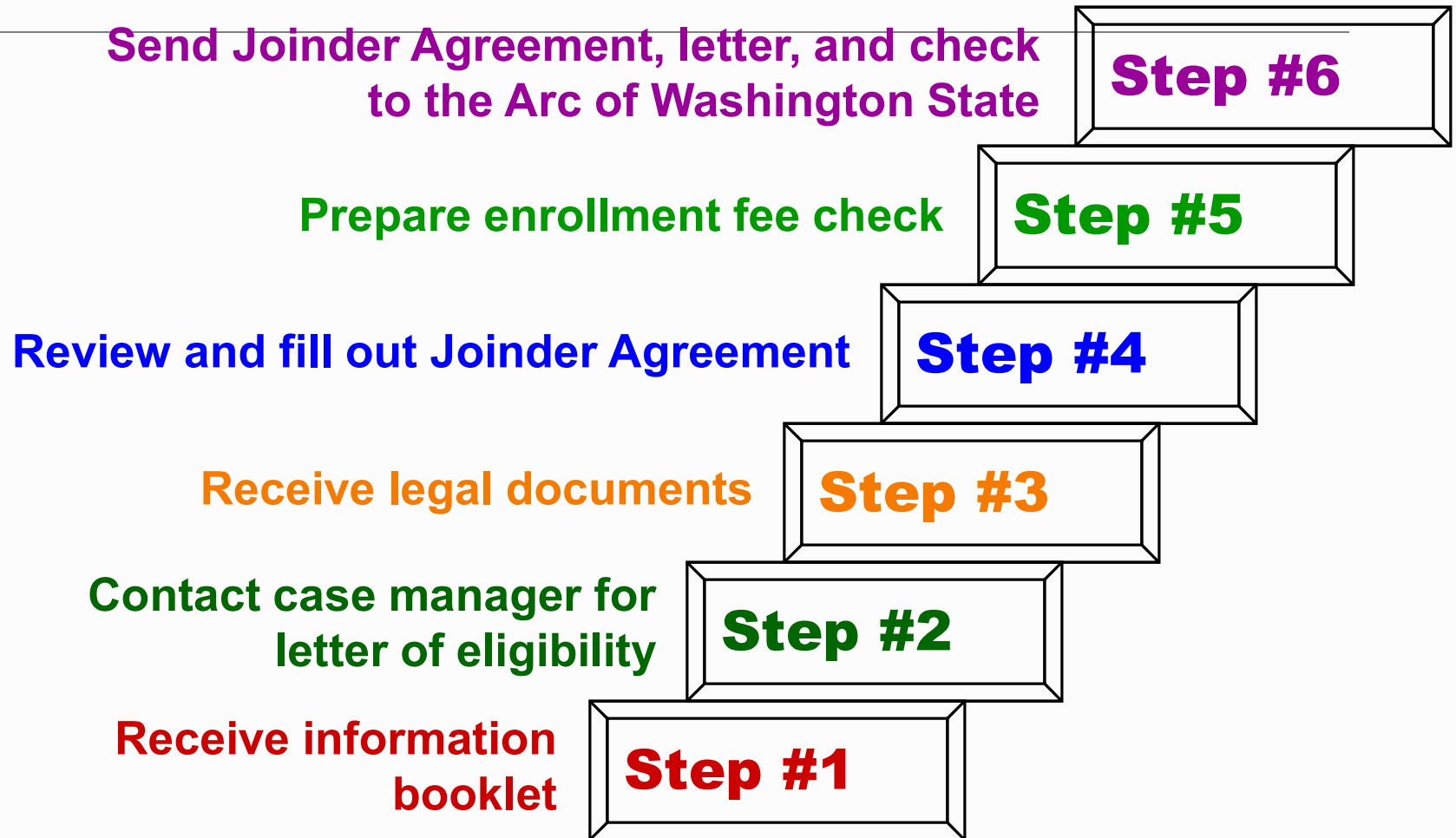
TRUST | SCHEDULE C - DISBURSEMENT PLAN

DDETF YOUR COPY NOTE

TRUST | AGREEMENT

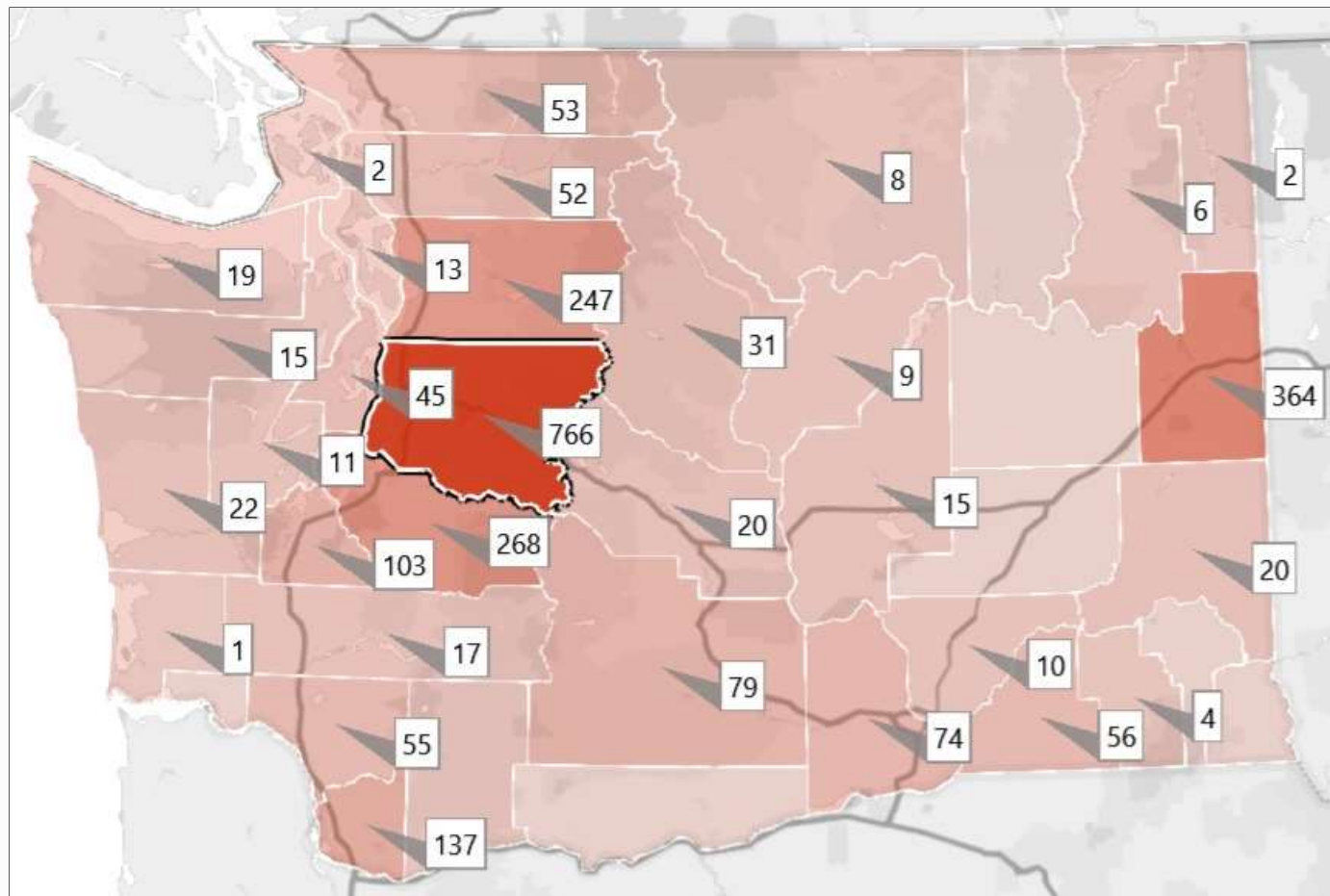
DOWNLOAD ALL

# What is the Next Step?





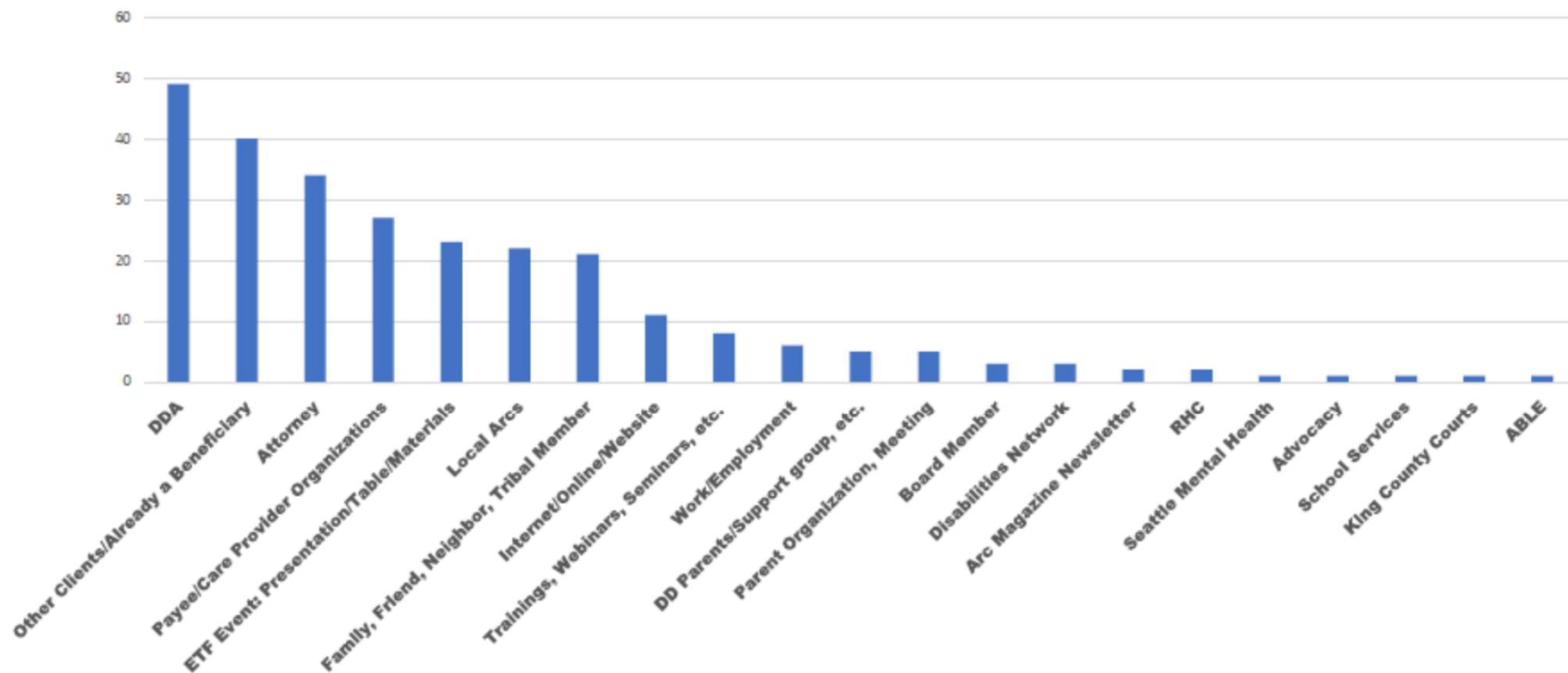
# DDETF Accounts by County



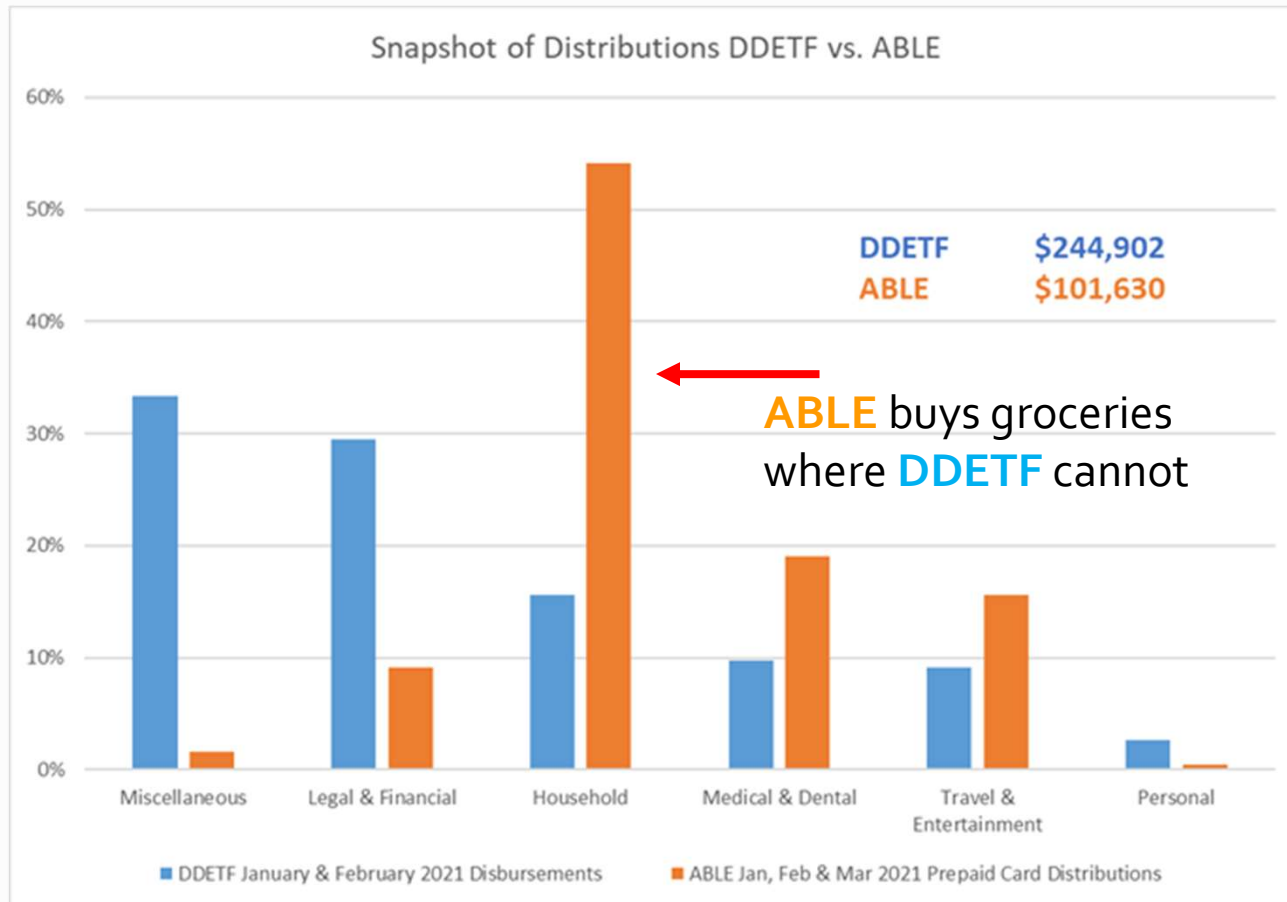
2,800 active accounts and \$101 million in assets

# DSSH refers clients to DDETF

**How Did You Hear About Us?**  
**Customer Service Survey (July 2002 - 11/30/2021, 170 Replies)**  
**DDETF Staff Interactions (July 2018 - 11/30/2021, 96 Replies)**  
**12/2/2021**



# Back to the Expenditures



# ABLE and Special Needs Trust

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 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](mailto:info@arcwa.org) · [www.arcwa.org](http://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

- Facebook @WASStateABLE
- Twitter @wa\_able

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