



VERMONT ABLE



**Vermont's ABLE Plan:
Offered in Partnership with
STABLE Accounts**

www.VermontABLE.com

What is ABLE?

- Federal legislation passed in 2014
- Creates tax-advantaged investment accounts for individuals with disabilities
 - Assets in your account do not affect eligibility for federal means-tested benefits programs like SSI or Medicaid
- Based on section 529 of the Internal Revenue Code, but with a much broader array of qualified expenses.

What is VermontABLE?

- VT-ABLE is Vermont's ABLE Plan
 - Offered to Vermonters through a partnership with STABLE Accounts and the Ohio Treasurer's Office
- VermontABLE allows Vermonters to open STABLE Accounts at discounted rates
- Vermont legislation passed in the 2015 Session
- Administered by Vermont Treasurer, Beth Pearce
- Launched February 22, 2017

Benefits of VT-ABLE

- Supports financial independence for people with disabilities
- Account is owned by the individual with the disability
- Dramatically increases ability to save
 - Before ABLE, individuals could only save around \$2,000 of their own money before risking loss of health care and other benefits
- Provides a new investment opportunity
- Earnings are free from federal and Vermont state income tax

Who Can Use VermontABLE?

- Eligibility Quiz at www.VermontABLE.com
- Individuals with disabilities that occurred prior to age 26
- Must be a Vermont resident
- Limit of 1 Account per person
- Three paths to eligibility:
 1. Eligible to receive SSI or SSDI due to disability
 2. Have a condition listed on SSA's "*List of Compassionate Allowances Conditions*"
 3. Self-certification

Eligibility Certifications

1) Select your eligibility criteria

2) If self-certifying...

- Need diagnosis of a physical or mental impairment that causes “marked and severe functional limitations”
 - Such as conditions in the SSA’s *Blue Book*
- Certify that the condition has lasted or is expected to last for at least 1 year
- Input physician name, address, date of diagnosis
- Do not need to send in written diagnosis, but must have on hand

3) Permanent Disability?

Answer “yes” to prevent need for annual re-certification

Enrollment

- Online Enrollment
- Free - takes approx. 20 minutes
- Can be done by individual with disability (“Beneficiary”) or an Authorized Legal Representative (*ALR)

* *ALR = parent, guardian, power of attorney*

Funding your Account

➤ Contributions

- ✓ Via Electronic Funds Transfer or check
- ✓ \$14,000 annual limit
- ✓ \$426,000 lifetime limit
- ✓ System automatically rejects excess contributions

➤ Gifting

- ✓ Create an eGift Event (birthday, holiday, etc.) ~ system will send an email to friends and family
- ✓ System tracks contributors for sending thank-you notes/replies

Investment Options

You can choose between -

- Four Vanguard mutual funds that range from aggressive to conservative

- OR -

- One FDIC-Insured Option that is Principal protected

How Can You Spend VT-ABLE funds?

- Withdrawals must be “Qualified Disability Expenses”
 - Anything that (1) relates to your disability and (2) helps to maintain or improve your health, independence, or quality of life

Examples:

- | | |
|-------------------------|------------------------|
| ✓ Housing and Rent | ✓ Education |
| ✓ Basic Living Expenses | ✓ Transportation |
| ✓ Medical Bills | ✓ Assistive Technology |

Non-Qualified Expenditures

Not illegal, but there are consequences...

Affects Benefits:

- The amount of the expenditure *may* now be considered a countable resource (but not necessarily)

Tax Penalties:

- Pay taxes plus 10% penalty on the earnings portion of the withdrawal

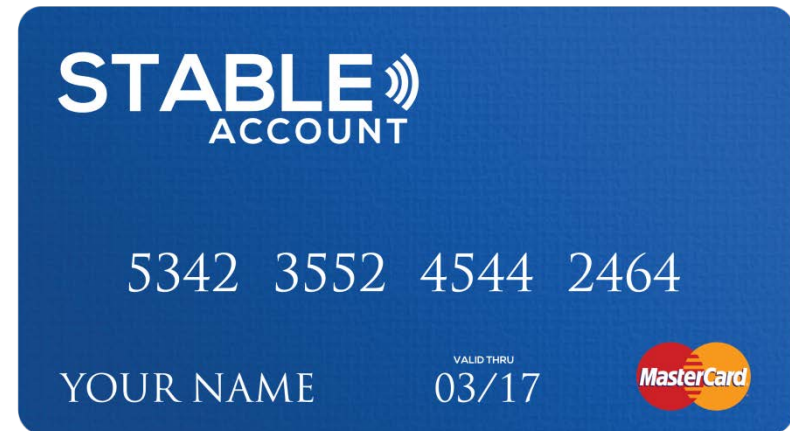
Spending From Your Account

Withdrawals

- Free + No Limits
- VT-ABLE will not ask what you spend on, but benefits agencies and IRS can
- Transfer to personal checking or savings
- Bill-pay by writing a third-party check
- Transfer to STABLE Card

STABLE 
ACCOUNT

STABLE Card



- Loadable debit card
- Does not pull from account
- Online spending records + notate expenses
- No commingling of funds with other accounts
- Protection – limiting of merchants, no cash access, no overdraft

SSI Considerations

- Balances over \$100,000 count as a resource – but SSI merely suspended, not terminated
- Beneficiary's own wages still count as income even if contributed to the STABLE Account
- If you hold on to the money from one calendar month to the next, then housing expenditures and non-qualified expenditures count as resources

Medicaid Considerations

- Unlike with SSI, your account balance will not affect Medicaid benefits regardless of the amount
- If Beneficiary was on Medicaid and passes away, Medicaid can ask for payback... BUT! First, you can:
 - Pay any outstanding bills for QDEs
 - Pay for funeral and burial expenses
 - Deduct Medicaid Buy-In premiums you paid
- Payback is only from date the account was opened

Account Cost

- Online Enrollment is free
- \$50.00 minimum deposit to open account
- \$1.00 minimum for all subsequent deposits

Monthly Maintenance Fees

\$3.50
(\$42.00 Annually)

Asset-based Fees

Between
0.19% and 0.34%

STABLE vs. Special Needs Trust

- Complement, not competition, but...
- Some benefits specific to STABLE Accounts:
 - Cost-Effective
 - Broader spending power (i.e. housing)
 - Easy account access/closure
 - No federal or Vermont state income tax on earnings
 - No separate returns to file
 - Can be established, administered, and owned by individual with disability

Helpful Resources

Customer Service

team@stableaccount.com

1-800-439-1653

Monday to Friday
9:00 am-6:00pm EST

www.VermontABLE.com

