



Achieving A Better Life Experience



What is Maryland ABLE?

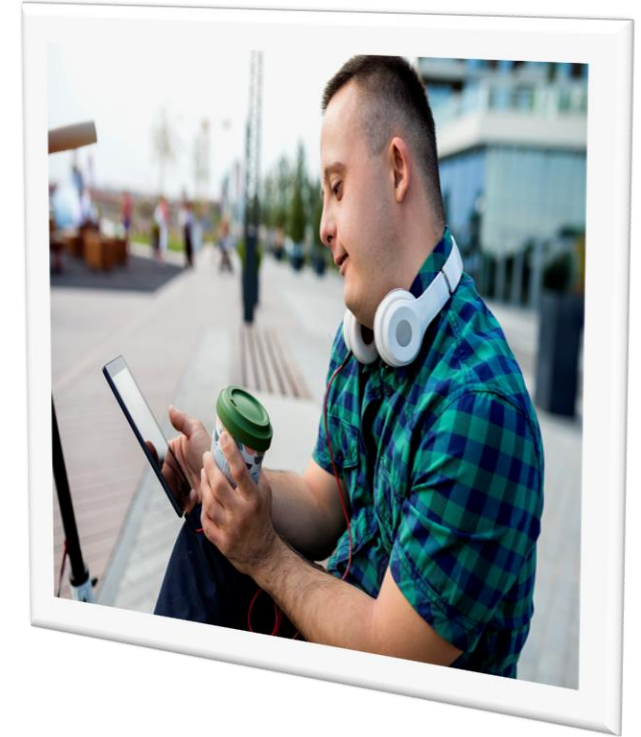
Maryland ABLE accounts are a way for people with disabilities and their families to save money without jeopardizing state or federal benefits, such as SSI, Medicaid, waiver services, etc.



- Signed into law by President Obama in 2014
- Part of the [Internal Revenue Code](#): ABLE accounts = IRC § 529A
- Maryland ABLE Act (HB431) signed into Maryland law by Governor Hogan on April 12, 2016
- Operated by Maryland 529 (previously College Savings Plans of Maryland)

Why open an ABLÉ account?

- Increase saving limits before SSI cash benefits are impacted.
- Saving without jeopardizing state or federal means-tested benefits such as Medicaid, SSI, waiver services, food, or housing assistance.
- No federal or state taxes on the earnings while the funds are in the ABLÉ account, AND no taxes on the withdrawals if the funds are used for Qualified Disability Expenses (QDEs).
- Access to a Maryland State income tax deduction up to \$2,500 per contributor per beneficiary for Maryland residents contributing to an ABLÉ account.
- Easy online enrollment and account management.
- Easy access to funds



Who can open an ABLER account?



To be eligible for an ABLER account, you must:

(1) Have developed a disability prior to the age of 26

You do not need to have been formally diagnosed with the disability, but must be able to show documentation that you had the disability

(2) Meet the Social Security definition of disability

You can show this by:

Showing you have been found eligible for Supplemental Security Income (SSI) or Social Security disability benefits (SSDI)

OR

Providing a "disability certification" from a licensed physician stating that you meet the Social Security-level of disability

Who owns the ABLE account?



- ABLE account is **Owned & Operated** by the person with a disability.
- If the ABLE account holder needs help managing his or her account, Authorized Legal Representative (ALR) can be appointed, but the person with a disability is always the owner and designated beneficiary.
- If the ABLE account owner is a child, a parent or legal guardian can serve as the ALR. If the account holder is over the age of 18, the account owner must give permission to serve as the ALR. The ALR will need to be legal guardian or have power of attorney.
- One ABLE account per beneficiary.

What do I need to know regarding contributions?



- \$25 initial deposit when you open the account.
- \$10 minimum contribution.
- \$16,000 **standard annual contribution limit.**
- \$12,880 in ABLÉ to Work contributions for beneficiaries who qualify in 2022.
- \$100,000 ABLÉ account balance before SSI cash benefits may be suspended.
- \$500,000 account balance after which contributions will not longer be accepted.

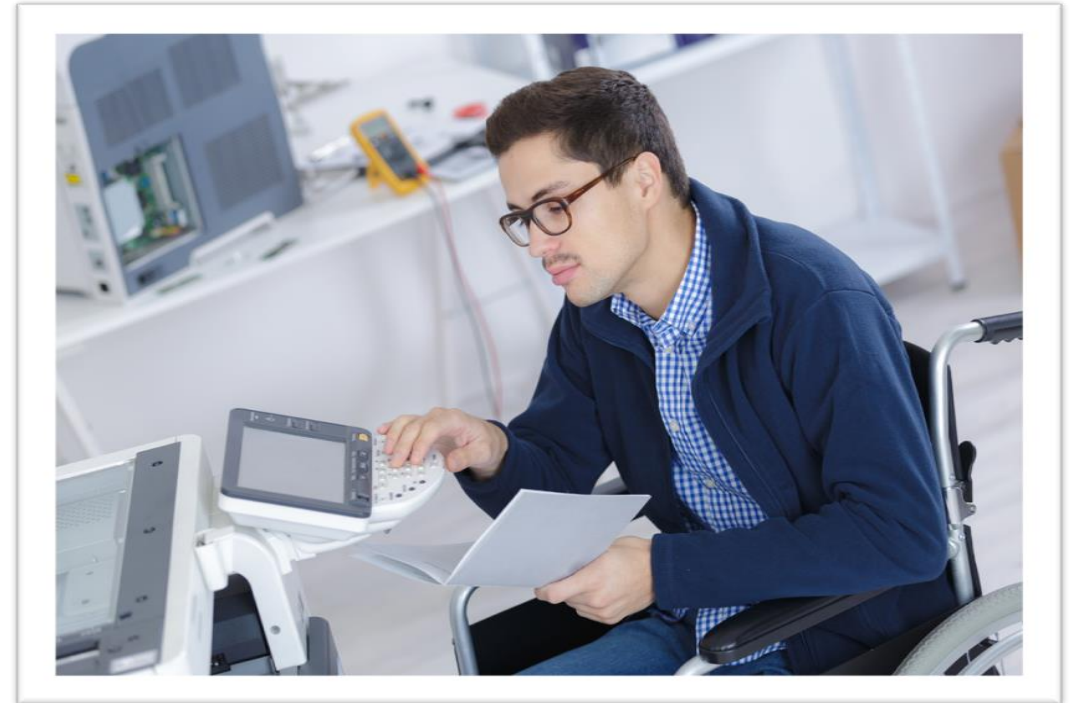
Contributions can be made via check, automatic deposit, or by electronic funds transfer (“EFT”).

ABLE To Work Act

Eligibility: If the beneficiary or his/her employer does not contribute to the beneficiary's retirement plan, including a defined contribution plan (e.g. 401 (k), 403 (b), or 457(b) retirement plan) within the taxable year.

Contributions: Allows contributions above the \$16,000 annual contribution. Limits additional contributions equal to the beneficiary's **gross income** for the current year up to **\$12,880** for 2022.*

- **Unemployment Benefits:** Unemployment benefits **can** be deposited as a Standard or ABLE to Work contribution.
- Unemployment benefits are **NOT** counted towards the beneficiary's gross income for the current year.



**This is equal to the Federal Poverty Level for a one-person household as determined for the calendar year preceding the tax year in which contributions are made.*

ABLE Financial Planning Act



- Rollovers can now be made from 529 college savings plans to ABLE accounts. (Under current federal law, the rollover would have to take place by December 31, 2025.)
- Are initiated by the 529 college savings account holder.
- Permitted when the beneficiary of the ABLE account is the same beneficiary or a member of the family of the beneficiary of the college savings account beneficiary (as defined by Section 529 of the Internal Revenue Code).
- Maximum rollover amount is currently \$16,000 LESS the contributions made to the ABLE account for the current tax year.

What are the Savings/Investment Options?

Cash Option - FDIC-insured banking product similar to a savings account

Investment Option - 4 Investment choices:

- Conservative
- Moderate
- Aggressive
- Fixed Income

Account owners are allowed to change their investment options up to twice a year

Account owners can choose more than one investment option and/or the cash option and have the ability to direct what portion of each contribution/distribution comes from specific portfolios they hold.

- **Example:** Account holder makes a total contribution of \$100 and directs \$20 to the Cash option, \$20 to Fixed Income, and \$60 to Moderate.
- **Example:** Account holder takes a distribution of \$200 and directs \$100 to come out of the Cash option, \$50 from Fixed Income and \$50 from Moderate.



Who can contribute to an ABLER account?



- Account Owner
- Family
- Friends
- Earned income
- Unemployment funds
- Economics Stimulus Payment
- Rollover money from a 529 College Savings Plan
- Small inheritances
- Small settlements

What can I use the money in the ABLÉ account for?

Qualified Disability Expenses (QDEs)

Documentation to Support Expenses Must Be Maintained



Health, prevention, and wellness



Housing (rent & mortgage)



Education



Employment training and support



Transportation



Basic living expenses



Assistive technology and personal support services



Financial management and administrative services



Legal fees



Expenses for oversight and monitoring



Funeral and burial expenses

How do I access the money in the ABLE account?



- Link an existing bank account to your ABLE account
- Log in and make contributions or withdrawals online
- Deposit or request paper checks*
- Prepaid Card option*

** Fees apply*

Features of a Maryland ABLE Account

Online Gifting Page

- Customize your page with a yearly gifting limit
- Share your link to invite friends and family
- Easy and convenient to use!



Prepaid Card Option

- Quick and convenient access to ABLE account money
- Use online or in stores to pay for QDEs
- Decide how much to load on card
- Upload receipts for easy record keeping
- Customize spending and alert features
- Monthly fee of \$1.25 to use Prepaid card option



Payroll Deduction

- Available for beneficiary and ALR only
- Download the payroll deduction form
- Review the payroll deduction guide for instructions





Maryland ABLE Tax Incentives

Maryland State Income taxpayers can claim up to a **\$2,500 income tax deduction** per contributor, per ABLE account.

Joint filers can claim up to \$5,000.

* Remember, a deduction reduces your total taxable income by the percentage of your highest federal income tax. It is NOT a dollar-for-dollar credit.



Account Fees

- \$35 annual Account Maintenance Fee
 - Withdrawn quarterly from the ABLE Account
 - Annual fee is pro-rated based on when the account is opened
- Asset based fees on investment options
 - Vary based on investment option (See Disclosure Statement)



Enrollment

A close-up photograph of a person's hand touching a document with Braille. The hand is positioned on the left side of the frame, with fingers slightly curled. The document is white with raised Braille dots. The background is softly blurred, showing more of the document and the hand.

**To Enroll and Manage Your Account
Visit Our Website**

www.marylandable.org

Via this site, you can also access our:

- **Program Disclosure Booklet;**
- **Frequently Asked Questions; and**
- **Forms.**

How do I open an account?

Before you open an account, meet our plan manager



Sumday Administration, LLC is our plan manager. We collaborated with them to give you a secure online way to open and manage your Maryland ABLE account. Their intuitive online platform makes it easy to add or withdraw money, and keep an eye on your ABLE account. Sumday, a BNY Mellon company, is affiliated with one of the world's largest financial institutions, The Bank of New York Mellon.

*By clicking below you will be leaving www.marylandable.org and linking to www.sumday.com.
Please note the different Terms of Use and Privacy Statement.*

LETS GO

What will I need when I open an account?

- Beneficiary Social Security Number (and SSN or EIN if Authorized Legal Representative)
- If you're an ALR, you will need a copy of your paperwork to upload electronically
- Bank account information to link to your ABLE account

How do I manage my account?



- Manage your account information
- Change investment options
- Make contributions into your ABLER account AND make transfers out of your ABLER account

Need help?

Maryland ABLER offers many ways to get in touch:



- Live Chat @ marylandable.org
- Online Request
- Customer Support:

1-855-5MD-ABLE (1-855-563-2253)

What are the important numbers to remember?

Contribution Minimums

- \$25 to open an account
- \$10 minimum deposit after account is open

Account Fees

- \$35 annual account maintenance fee (pro-rated, assessed quarterly)
- Additional asset-based fees on investment options (see Disclosure Booklet for details)
- \$1.25 Monthly fee if the Prepaid Card option is selected

Contribution Limits

- \$16,000 annual contribution limit
- \$12,880 ABL to Work contribution over the \$15,000 if the beneficiary qualifies

Account Limits

- \$100,000 can be contributed before SSI cash benefits are impacted by account balance
- \$500,000 maximum account values after which contributions are not accepted

Tax Benefits

- \$2,500 State income deduction per contributor, per ABL account, for Maryland State Taxpayers



How can you contact us?

www.marylandABLE.org

Customer Support - 1-855-5MD-ABLE
(855-563-2253)

questions@marylandable.org



Facebook.com/MarylandABLE



@MarylandABLE





Thank you!