

# NC ABLE

How a NC ABLE Account Can Help You  
Plan For The Future



**NC ABLE**

National ABLE Alliance Member



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STATE TREASURER OF NORTH CAROLINA  
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# Importance of Planning for the Future

Financial planning is an important part of life and now with an NC ABLE account individuals with disabilities can better prepare for their financial future.

During this webinar, you'll learn:

- What NC ABLE is
- Features and benefits of an account
- How an account can be used
- Opening an account
- And more!



# The NC Achieving a Better Life Experience Act

On August 11, 2015, Governor McCrory signed the NC ABLE Act, allowing NC to offer this program to eligible individuals in North Carolina and across the United States.

Currently there are more than 800 open accounts with an average balance of nearly \$9,000.



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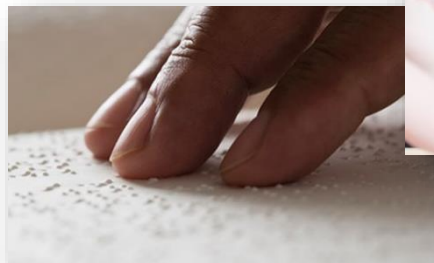
[Launched January 26, 2017.](#)



# The ABLE Act – How it Helps

The ABLE Act allows people with disabilities to save in a tax-advantaged account for qualified disability expenses, similar to the 529 tax-advantaged accounts used by families to save for their children's college educations.

These accounts can provide an avenue for savings for many for whom it has not been feasible to save before – laying the foundations of economic independence and financial security.



# Who is eligible?

**ELIGIBILITY** =

**At least ONE of the following is true:**

- ☐ You have a disability or blindness with a written diagnosis from a licensed physician that can be produced if requested

**OR**

- ☐ You are eligible for SSI or SSDI because of a disability or blindness



- ☐ **Your disability occurred before age 26**

**\*\* YOU DO NOT NEED TO BE CURRENTLY RECEIVING BENEFITS OF ANY KIND to be eligible to open a NC ABLE account \*\***

## How do I certify? How often?

- ✓ NC ABLE account owners must self-certify every year that they qualify. You must have a disability with a written diagnosis from a licensed physician or SSA eligibility letter that can be produced if requested.







### **REMEMBER!**

**YOU DO NOT NEED TO BE CURRENTLY RECEIVING BENEFITS OF ANY KIND to be eligible to open a NC ABLE account**




# How can I open a NC ABLE account?

Enroll online  
**NC.SaveWithABLE.com**

PLAN BENEFITS	INVESTMENT OPTIONS	CONTACT US
<p><b>Giving those with disabilities the ability to save.</b></p> <p>New NC ABLE helps individuals save, while preserving their SSI and Medicaid.</p> <p><a href="#">Start Saving</a></p>		
 <p><b>Save smart.</b></p> <p>Enjoy tax-advantaged saving without impacting your current benefits.</p> <p><a href="#">See how »</a></p>	 <p><b>Invest easily.</b></p> <p>Choose options that fit your goals and comfort level.</p> <p><a href="#">Learn more »</a></p>	 <p><b>Start here.</b></p> <p>It only takes a few minutes and a few clicks.</p> <p><a href="#">Open an account »</a></p>

Download, print and mail in form

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NC ABLE  
**Enrollment Form**

**IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT.**

We are required by federal law to obtain from each person who opens an Account certain personal information—including name, street address, and date of birth, among other information—that will be used to verify their identity. If you do not provide us with this information, we will not be able to open your Account. If we are unable to verify your identity, we reserve the right to close your Account or take other steps we deem reasonable.

- You can enroll online at [nc.savewithable.com](https://nc.savewithable.com).
- An individual can only have one ABLE Account nationwide.
- The Account can only be opened for an Eligible Individual.
- The Plan Disclosure Documents contain important information about NC ABLE and the National ABLE Alliance, including, among other information, the objectives, risks, charges, expenses, and restrictions in connection with opening and investing in NC ABLE. Capitalized terms used in this Enrollment Form and not defined, have the meanings provided in the Plan Disclosure Documents.
- Before investing, you should check with your home state to determine if it offers tax or other benefits for investing in its own plan.
- Type or print clearly, printing in capital letters and black ink. Please mail the form to NC ABLE. Do not staple.

Forms can be downloaded from our website at [nc.savewithable.com](https://nc.savewithable.com), or you can call us to order any form—or request assistance in completing this form—at **1.888.627.7503** any business day from 8 a.m. to 5 p.m. ET.

**1.888.627.7503**  
8 a.m. to 5 p.m. ET M-F

[nc.savewithable.com](https://nc.savewithable.com)

[nc.clientservice@savewithable.com](mailto:nc.clientservice@savewithable.com)

Regular mailing address:  
**NC ABLE**  
P.O. Box 219350  
Kansas City, MO 64121

Overnight mailing address:  
**NC ABLE**  
920 Main Street, Suite 900  
Kansas City, MO 64105

**Or call NC ABLE at 888-627-7503**  
**(Monday – Friday, 8:00 am – 5:00 pm ET)**

# Who can open a NC ABLE account? What about Guardians?

IF Account owner is:



Adult WITHOUT a guardian



THEN Authorized Agent can be:

Self  
*or*  
Power of Attorney



Adult WITH a guardian



Parent  
*or*  
Guardian of Estate  
*or*  
General Guardianship  
~~Guardian of the Person~~



Minor/child



Parent/Guardian



# Authorized agents can help

The person who qualifies owns the NC ABLE account, but they can get help from “Authorized Agents.”

Four levels of power can be given:

**Level 1 – Can get information**

**Level 2 – Can get information, duplicate statements and move \$**

**Level 3 – Can get information, duplicate statements, move \$ and withdraw \$**

**Level 4 – Can do everything the account owner can do – Full access**



# Where does the money go?



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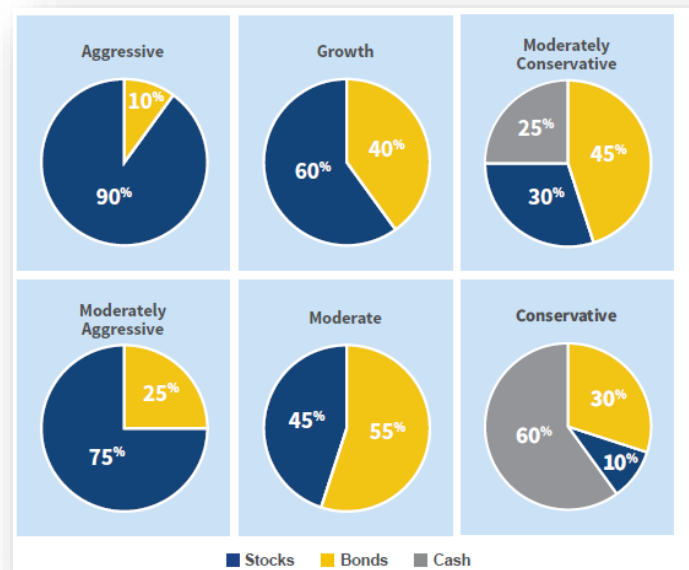


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**FIFTH THIRD BANK**

Checking account



# Checking account with Debit Card option



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**FIFTH THIRD BANK**

Checking account

- FDIC insurance up to \$250,000
- Interest bearing
- Debit card with no card issuance fees
- Check writing



- Use of 53,000+ fee-free ATMs nationwide
- No monthly fee if balance >\$250 or obtain electronic statements
- No overdraft fees

# Investment Options



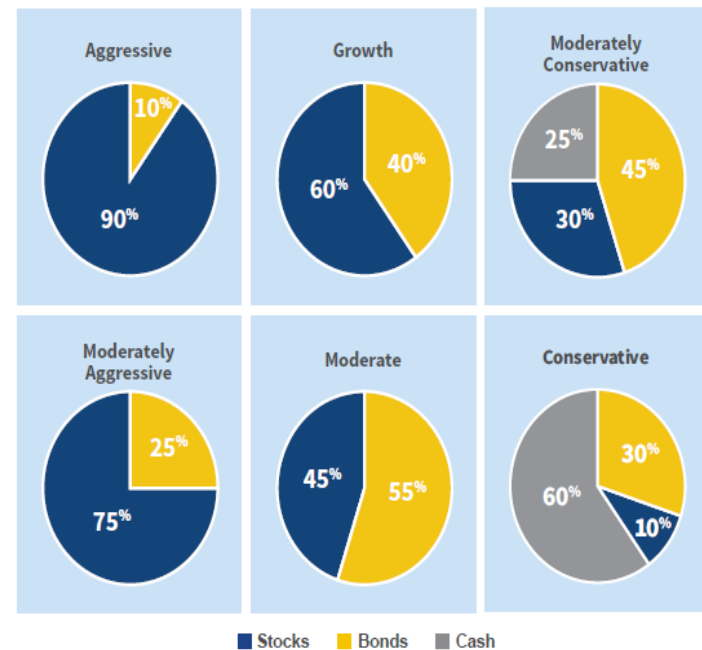
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## Target Risk Investment Options

- Invest in funds based on your risk preference and investment goals
- Each investment option provides a mix of passively managed investment funds with varying levels of exposure to stocks and bonds, combined in the more conservative options with a savings account



# Putting \$\$ IN:

## What about making Contributions ?



- Up to \$15,000 per year
- “Hand’s off rule” - Contributions are **not** considered income if they are made by **direct deposit by a third party (not including the owner’s wages)**
- **Gifting** from friends and family with



# Putting \$\$ IN:

## What about Income from work?

- **NEW!!** ABLE-to-Work provisions allow annual contribution limits greater than \$15,000 – up to federal poverty limit for a one-person household
- Beneficiary must not make or receive a contribution to a defined contribution retirement plan (e.g., 401k)
- The *federal* Tax Saver's Credit applies for ABLE contributions, up to \$2,000 per account (*if the account owner is at least 18 years old and not a full-time student or someone's dependent*)
- These provisions will end on December 31, 2025







## Putting \$\$ IN:

### What about 529 Rollovers?

- Funds in a 529 Plan may be rolled over tax-free to an ABLE account for the designated beneficiary of the 529 account or certain members of the beneficiary's family
- These **count** as part of the \$15,000 contribution limit
- Rollovers greater than \$15,000 are considered income
- Rollover forms can be found on the NC ABLE website under the "Forms" section
- These provisions became effective December 23, 2017 and will end on December 31, 2025



## Contribution and Account Limits:

- Annual contribution limit: \$15,000 (includes contributions from account owner, friends, family and eligible account rollovers)
- Up to \$100,000 is excluded from the calculation of the resource limit for SSI
- Maximum permissible balance: \$450,000



# Comparing 529 and ABLE 529A Accounts

NC ABLE accounts give individuals with disabilities a path of financial independence and allow them to take an active role in their financial futures, rather than simply being a beneficiary of an account.

529A college savings accounts are great for education expenses, however NC ABLE accounts allow account holders to use their money for much more than education. ABLE accounts allow account holders to use their money for Qualifying Disability Expenses (QDEs) which will be explained later.



## Taking \$\$ OUT:

### What are Qualified Disability Expenses (QDEs)?

Qualified disability expenses (QDEs) are broadly defined to include any expenses that are both (1) related to the account owner's disability or blindness; and (2) for the benefit of the account owner, including, but not limited to:

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology and personal support services
- Health, prevention, and wellness
- Financial management and administrative services
- Legal fees
- Expenses for oversight and monitoring
- Funeral and burial expenses

**Distributions for QDEs are not considered “income” or “resources” for a benefits program that limits eligibility based on income or resources.**

# Taking \$\$ OUT:

## How is money Distributed or Withdrawn?

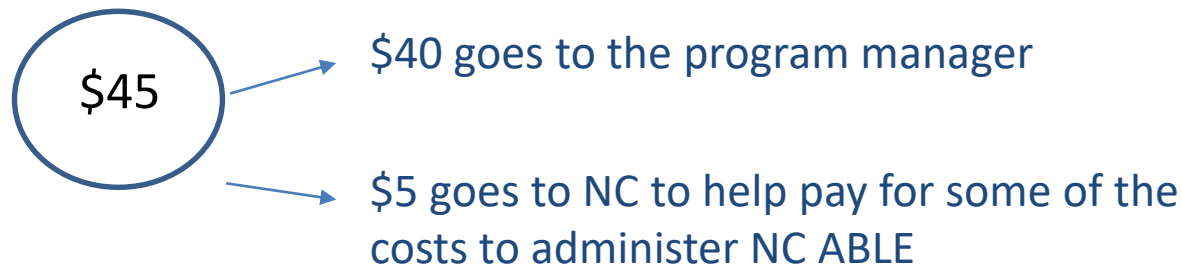
- Distributions can be made by:
  - ✓ electronic funds transfer (EFT)
  - ✓ check
  - ✓ debit card
  - ✓ ATM withdrawals



**REMEMBER: Distributions for QDEs are not considered “income” or “resources” for a benefits program that limits eligibility based on income or resources.**

# Fees

- **Annual account maintenance flat fee** of \$45 – regardless of the size of the account balance. (\$60 for paper statements)



- **Checking Account option** - Fifth Third charges \$2 per month. Waived if average daily account balance is \$250 or more, OR if electronic delivery of statements is elected
- **Annual asset-based fees for investment options** between .34% and .37% depending on investment options chosen (i.e. \$3.40 - \$3.70 per \$1,000, annually)



# What happens upon the death of an account owner?

Funds are distributed from the NC ABLE account in the following order:

- Outstanding qualified disability expenses, including funeral and burial expenses
- Medicaid recapture
- Account owner's estate/will

*Tax consequences of earnings portion of distribution*

- Included in recipient's gross income? YES
- Subject to additional 10% tax? NO



# What is the Medicaid Recapture Provision?

- Upon the death of the account owner, the state of North Carolina is permitted by federal and state law to make a claim for payment from the account owner in an amount equal to the total medical assistance paid for the account owner by the state Medicaid program, after the establishment of the NC ABLE account.
- The amount that can be recaptured is calculated after: 1) any outstanding qualified disability expenses are paid, including any funeral and burial expenses for the account owner, and 2) Medicaid premiums (if any) paid by the account owner have been subtracted.
- Any remaining funds in the account owner's account are distributed to the account owner's estate or beneficiary under his/her will.

## Where can I get more information?



[NC.SavewithABLE.com](http://NC.SavewithABLE.com)



(888) 627-7503



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Raleigh, NC 27604

## And follow us on social media:



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