



A program of the
**West Virginia State
Treasurer's Office**

John D. Perdue, State Treasurer



West Virginia's ABLE Plan

www.wvable.com

What is ABLE?

- Federal legislation passed 2014
- Creates tax-advantaged investment accounts for individuals with disabilities
 - Assets in your account do not affect eligibility for federal or West Virginia means-tested benefits programs like SSI or Medicaid
- Hybrid of 529 college savings account + checking account + Special Needs Trust



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What is WVABLE?

- WVABLE is West Virginia's ABLE Plan
 - Offered to West Virginia residents through a partnership with the Ohio STABLE Account program
- Administered by the West Virginia State Treasurer
- Launch: February 9, 2018



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Benefits of WVABLE

- Provides financial independence for people with disabilities
- Account is owned by the individual with the disability
- Dramatically increases ability to save
 - Before ABLÉ, individuals could only save around \$2,000 of their own money before risking loss of health care and other benefits
- Provides new investment opportunity
- Tax free earnings
- State of WV tax deduction (Effective May 30, 2019)



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Who Can Use WVABLE?

- Limit of one account per person
- Individuals with disabilities that occurred prior to age 26
- Must be a West Virginia resident
- Must also 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



Self-Certification

- 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 one year
- Input physician name, address, date of diagnosis
- Do not need to send in written diagnosis, but must have on hand



Enrollment

- Online Enrollment
- Free - takes approx. 20 minutes
- \$50.00 minimum opening deposit
- Can be done by individual with disability (“Beneficiary”) or an Authorized Legal Representative (ALR)
- ALR = parent, conservator (guardian), power of attorney



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Funding your Account

- **Contributions**

- Via Electronic Funds Transfer or check
- \$15,000 annual limit
- \$27,140 annual limit if employed
- \$468,000 lifetime limit
- System automatically rejects excess contributions

- **Gifting**

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



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Investment Options

- Four Vanguard mutual funds that range from aggressive to conservative
- One FDIC-Insured Option
 - Principal protected



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How can you spend STABLE funds?

- Withdrawals must be used on “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
- Basic Living Expenses
- Medical/Financial/Legal Bills
- Education
- Transportation
- Assistive Technology
- Others



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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
- Example: You contribute \$90 to your account, and you make \$10 in earnings – your balance is now \$100. You withdraw that \$100 but do not use it for a QDE. You must pay regular income taxes on the \$10 of earnings, plus an additional 10% penalty on that same \$10.



Spending From Your Account

Withdrawals

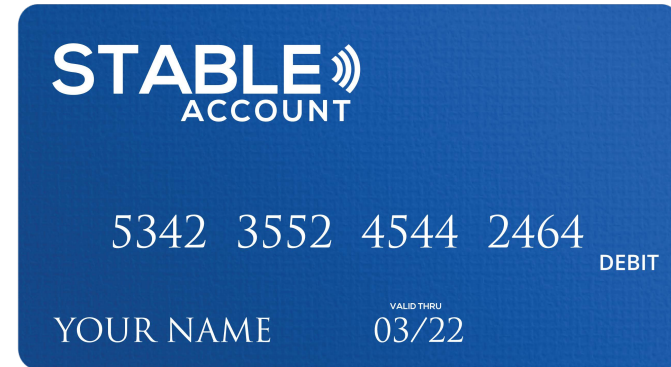
- Free + No Limits
- WVABLE will not ask what you spend on, but benefits agencies and IRS can
- Transfer to personal checking or savings
- Third-Party Check
- Transfer to STABLE Card



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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
- Text alerts to monitor spending, low balances



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SSI Considerations

- Balances over \$100,000 count as a resource – but SSI merely suspended, not terminated
 - *(Your account balance will not affect Medicaid benefits, though, regardless of the amount)*
- If you hold on to the money from one calendar month to the next, then housing expenditures and non-qualified expenditures count as resources
- Beneficiary's own wages still count as income even if contributed to a WVABLE account



If Account Holder Passes Away

- Account will pass to the account holder's estate
 - The estate administrator notifies STABLE to take over account access and then go through normal probate process
 - No designated transfer upon death
- The estate can first:
 - Pay any outstanding bills for QDEs
 - Pay for funeral and burial expenses
 - Deduct Medicaid Buy-In premiums you paid
- Per State law (new), Medicaid will NOT file a 529A claim against the WVABLE account for any Medicaid expenses incurred after the ABLE account was opened
 - However, Medicaid may recover payments from the estate of Medicaid recipients, age 55 or older, having nursing home and/or community based waiver services per the WV Estate Recovery Program
 - For more information, go to www.wvrecovery.com



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Account Cost

**Monthly
Maintenance Fees**

\$3.50 (\$42.00 Annually)

Asset-based Fees

Between 0.19% and 0.33%



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STABLE & Special Needs Trusts

- Complementary tools can be used together
- Unique STABLE Accounts benefits:
 - Cost-Effective
 - Broader spending power (i.e. housing)
 - Easy account access
 - No federal or state income tax on earnings
 - No separate tax returns to file
 - Can be established, administered, and owned by individual with disability



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Helpful Resources

Customer Service

team@stableaccount.com

1-800-439-1653

Mon.– Fri., 9 a.m.– 8 p.m. EST

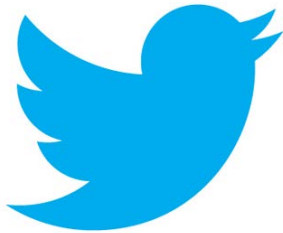
wvable@wvsto.com

1-304-340-5050

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