

Q&A From October 20, 2020 Special Olympics Howard County ABLE Webinar

Q: What happens when the individual passes away?

A: Money left in the ABLE account will become part of that person's estate and a will will direct where those funds go. If a person does not have a will, the distribution of funds is subject to state estate laws. If the person receiving those funds does not have a disability, that person will have to pay taxes on the earnings in the account.

Q: Are the funds insured?

A: Funds in the Cash fund are protected under FDIC. However, there is no guarantee or protection against losses for funds in the investment funds.

Q: What is the correct site for the Maryland ABLE account?

A: www.marylandable.org. ABLEnow is not a Maryland program and if you enroll in that, you will not be able to get a Maryland tax credit.

Q: Does the \$15,000 annual contribution limit include gifts from others?

A: Yes, The total annual contributions by you, family and/or friends for a calendar year is \$15,000.

Q: What happens if the account balance exceeds \$100,000?

A: SSI cash benefits will be impacted. Medicaid will not be impacted.

Q: What types of expenses can ABLE accounts be used to pay?

A: Funds saved in the ABLE account can be paid for Qualified Disability Expenses. This includes basic living expenses, health and wellness, housing, education and training, employment, transportation, financial management and legal fees, assistive technology, burial fees and expenses.

Q: Are there expenses that would not be considered Qualified Disability Expenses?

A: Most expenses should be covered. ABLE funds cannot be used for gifts, gambling or excessive alcohol purchases.

Q: Can ABLE funds be used to pay expenses that a caregiver will occur to chaperone a person with disabilities, for example, a vacation or other outing?

A: ABLE funds cannot be used to directly purchase expenses for a chaperone. However, you can pay a chaperone a lump sum for their time. The chaperone can then use the money to pay their expenses. For example, you can pay the chaperone a lump sum that includes enough money to cover their time and movie ticket, but you cannot directly purchase the movie ticket from ABLE funds.

Q: What organization manages the Maryland ABLE accounts?

A: The Bank of NY Mellon is the program manager for ABLE cash accounts. Vanguard manages the investment funds.

Q: If I have both cash and investment accounts, can I choose from which account to make withdraws or payments?

A: No. Withdraws will be made in the same proportion that is designated for the cash and investment accounts. For example, if 40% is designated to a cash account and 60% for investment, for a withdraw of \$100, \$40 would be taken from the cash account and \$60 from the investment account.

Q: Can a debit card be used to access ABLE accounts?

A: Yes. Amounts can be transferred from the ABLE account onto a debit card. However, note that it may take a couple days before funds are available on the debit card, especially if amounts are being transferred from an investment account. Planning expenses in advance will allow for funds to be available on the debit card when needed.