

NC ABLE Program

Account Eligibility, Features and Benefits



NC ABLE
National ABLE Alliance Member



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA



Achieving a Better Life Experience (ABLE)

November 2011

Federal legislation was introduced in part by U.S. Sen. Richard Burr from North Carolina.

At the time, Sen. Burr stated the ABLE Act was required because “families of individuals with disabilities often face overwhelming financial burdens associated with the expensive costs of health care, education, housing and transportation.”

December 2014

Achieving a Better Life Experience (ABLE) Act was signed into federal law by President Obama.

August 2015

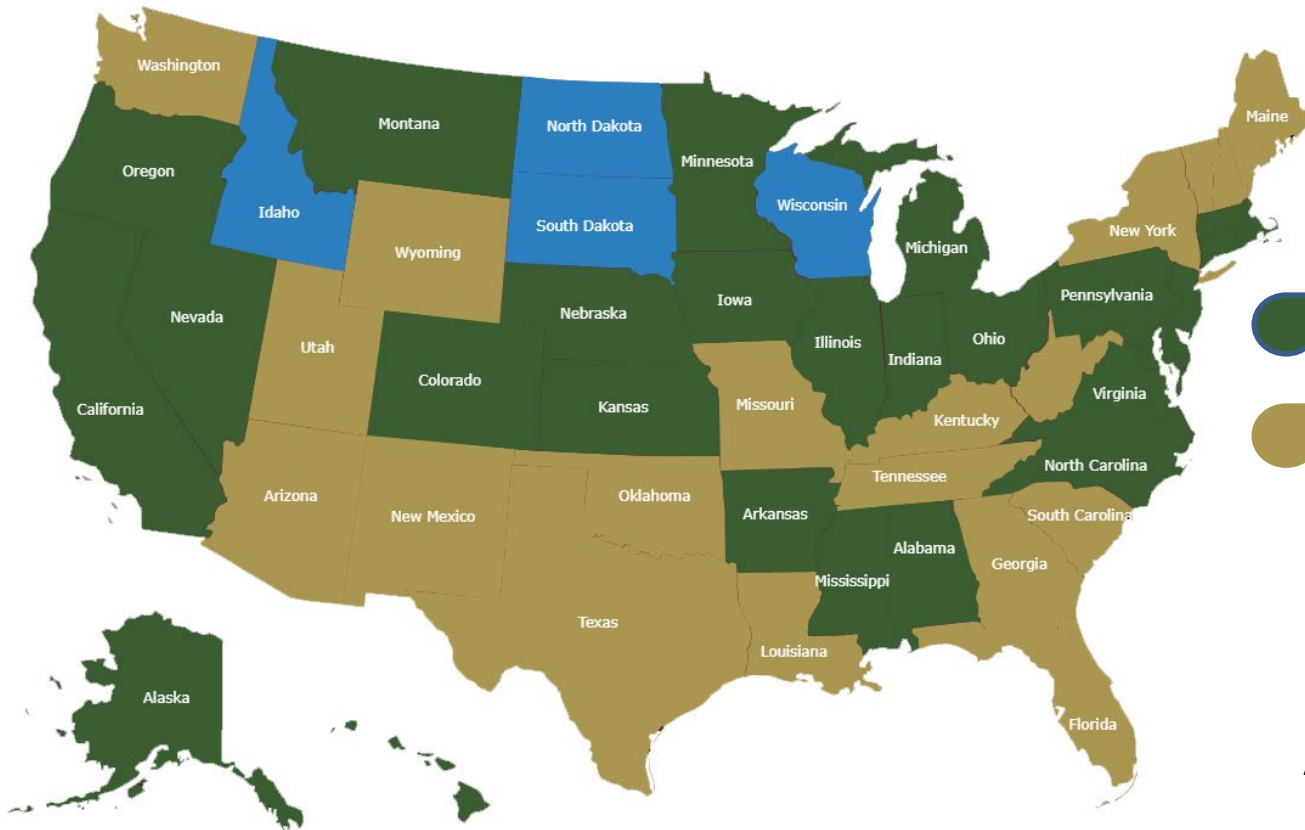
The **NC ABLE Act** was enacted, and the first accounts became available in 2017.



December 2022

The **ABLE Age Adjustment Act** was enacted as a part of SECURE 2.0. The age of eligibility will be raised to 46 in 2026.



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-  Open to residents of all states.
-  Open to state residents only.

Did you know?

ABLE accounts are available in many states, but not all states have the same features and benefits.

Why NC ABLE?



- Membership in the **National ABLE Alliance (NAA)** consortium of states and DC provides the negotiation and buying power of 19 ABLE programs.
- NC ABLE is **transparent with account fees and costs**, which are competitive with similar products.
- **NC ABLE allows parents to open an account** on behalf of their disabled child who is an adult.
- Partner in advocacy in the **North Carolina General Assembly**.

Understanding NC ABLE Benefits



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NC ABLE allows people living with disabilities to save and invest their money

in a tax-advantaged account for qualified disability expenses, without jeopardizing public, means-tested benefits such as SSI, Medicaid, HUD and others.



You do NOT have to be on public benefits to open up an ABLE account.

Eligibility & Certification



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You're generally eligible if your disability was present before the age of 26, and at least ONE of the following is true:



You have a disability 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



You have a condition from the
Social Security Administration' Compassionate Allowances List
(<https://www.ssa.gov/compassionateallowances/>)

Note: Self-certification is required at the time of application and every year thereafter. You do NOT have to be on public benefits to open up an ABLE account.

Opening an NC ABLE Account



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Who can open an NC ABLE Account?



Account Owner, the person with the disability.



Person with a power of attorney from the eligible Account Owner.



For an Account Owner **without legal capacity**, the following (in order of priority):

- Agent under a power of attorney
- Guardian of the estate / General guardian / Conservator
- Spouse
- Parent
- Sibling
- Grandparent
- SSA-appointed representative payee

NC ABLE Webinars scheduled through December 2023
Register today for an Understanding the NC ABLE Program, Basics and Information webinar. [Click here to register.](#)


Official website of the State of North Carolina [www.nc.gov](#)

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Welcome to NC ABLE


Save and Preserve Public Benefits Like SSI and Medicaid



NC ABLE Program Benefits
Learn more about tax-advantaged savings for people with disabilities.



Investment Options
Spend Today and Save Tomorrow! Choose account options that fit YOU - from checking to investments.




Open an Account
Enroll and open an account online with as little as \$25.

Opening an NC ABLE Account

Enroll online at NCABLE.org.

Paper Enrollment Form available to print or mail.

Need assistance?
(888) 627-7503
Monday – Friday,
8:00 am – 5:00 pm ET



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.
- 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.

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

 nc.savewithable.com

 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

Interested Party



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STATE TREASURER OF NORTH CAROLINA
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Interested Party

- While the person who qualifies for an ABLÉ account is considered the owner, they can get help from an *Interested Party*.
- An *Interested Party* can access information about the account, but they can not do things like move money within the account.

Examples of an Interested Party may include:

- ✓ Financial Advisor
- ✓ Certified Public Accountant (CPA)
- ✓ Legal Counsel

Authorized Individuals & Documentation



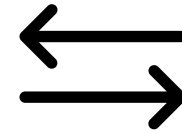
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Account Owner and Authorized Individuals



- While the person who qualifies for an ABLÉ account is considered the **Account Owner**, their account can be managed by an “Authorized Individual.”

- The **Authorized Individual** is the person who can manage and can transact on the Account on behalf of the Account Owner.



Authorized Individuals and Required Documentation



Parent

Birth Certificate



Legal Guardian / Conservator

Appointment Document from the Court (Guardian of the Estate, General Guardian, or Conservator)



Agent

under Power of Attorney (POA)

Power of Attorney



Sibling

NC ABLE Affidavit



Spouse

Marriage certificate



Grandparent

NC ABLE Affidavit



SSA-Appointed Rep Payee

SSA Letter

Contribution Sources & Limits



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Contribution Sources



Account Owner



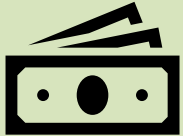
Friends & Family



Rollovers from a 529 Plan

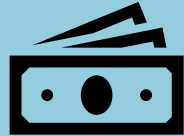


Contribution Limits



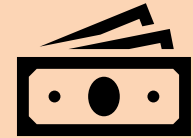
\$18k

\$18,000 per year
contribution & rollover limit



\$100k

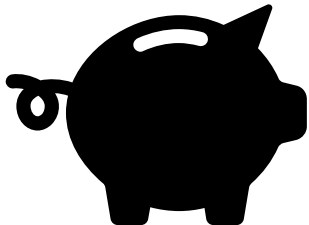
Up to \$100,000
is excluded from the
calculation of the
resource limit for SSI



\$540k

NC Limit

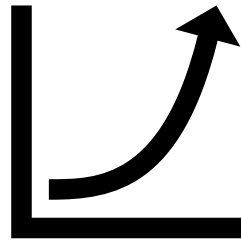
Maximum account balance
ranges from \$300,000 to
\$500,000+ by state



ABLE to Work Provision Contribution Limits

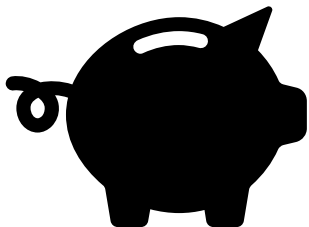


\$18k



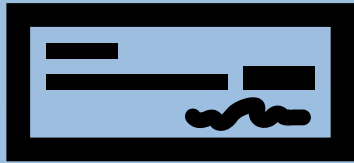
\$18,000 per year
contribution & rollover limit

Contribution limit may
increase by the lesser of



- ✓ the amount of the account owner's earned income
- or*
- ✓ the one-person poverty level for the prior year

How to Contribute to an NC ABLE Account



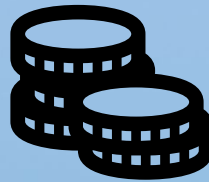
Check



Electronic Funds Transfer
(EFT)



Payroll Deductions



SSI payments can be
directly deposited
into NC ABLE accounts



Investment Options



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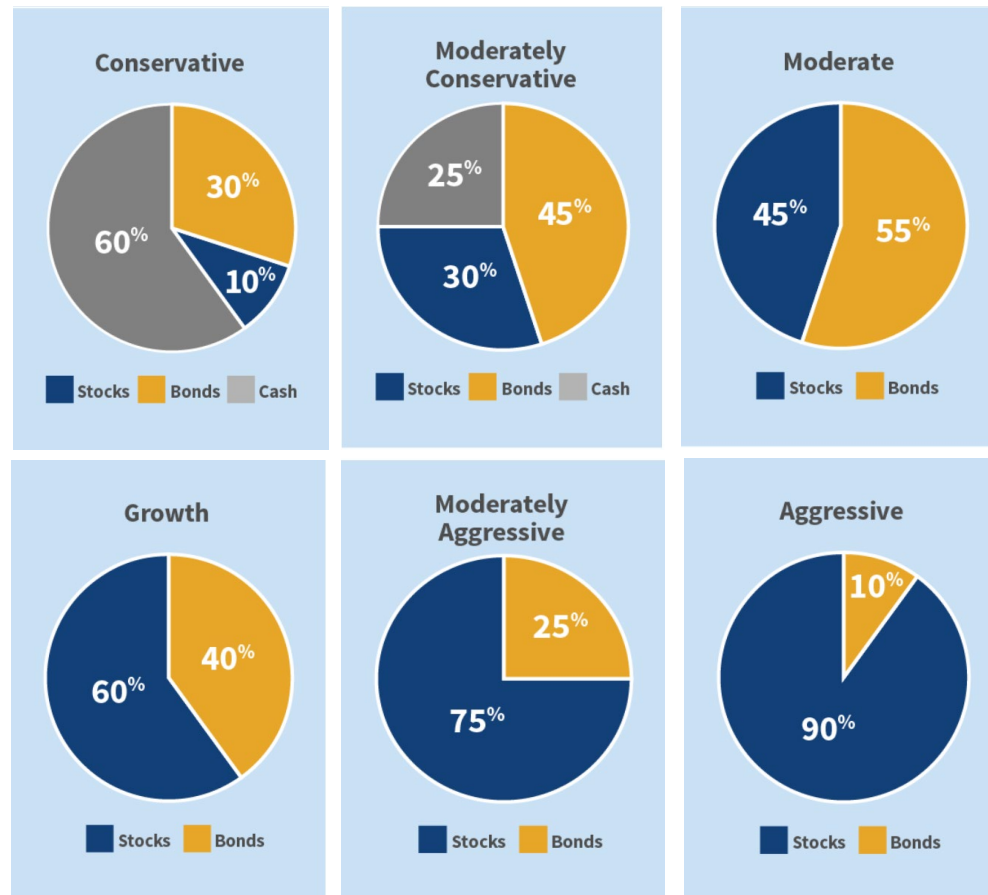
Investment Options



Checking Account Option

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

- Range of investment options
- Options based on risk level/comfort
- Money could grow over time
- NOT insured and it's possible to lose money
- Performance is not guaranteed



Investment Options

Qualified Disability Expenses



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The ABLE Act allows account owners to withdraw their money, tax-free, when it is used for a **Qualifying Disability Expense (QDE)**.

A QDE is any expense related to the account owner's disability that can be used for the benefit of the account owner in maintaining or improving their health, independence or quality of life, such as:



Education

such as tuition, special education services
including tutors



Health

including prevention and wellness



Housing

such as food, mortgage, rent, taxes and
utilities



Transportation

such as public or customized, accessible
vehicles



Legal

such as legal fees



Financial

including management and administrative
services



Technology

assistive technology and related services,
including cellphones



Funeral Expenses

funeral and burial expenses

Who Decides What is a QDE?

- Qualified Disability Expenses (QDEs) are defined by Federal law
- There is no comprehensive list of goods and services that are always QDEs
- NC ABLE *does not* make the determination on what is a QDE
- Other agencies are responsible for determining whether a purchase is a QDE:

For Income Tax



For SSI



QDE Recordkeeping

- Review your NC ABE account online at least monthly
- Keep your receipts
- Check your receipts against the withdrawals from your account
- Keep your tax forms 5498-QA (for contributions) and 1099-QA (for withdrawals)

2A2A		<input type="checkbox"/> VOID	<input type="checkbox"/> CORRECTED	
ISSUER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 ABE contributions \$	OMB No. 1545-2262	
		2 ABE to ABE Rollovers \$	2023 Form 5498-QA	
ISSUER'S TIN	BENEFICIARY'S TIN	3 Cumulative contributions \$	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2023 General Instructions for Certain Information Returns.	
BENEFICIARY'S name		5 Check if account opened in 2023 <input type="checkbox"/>		4 Fair market value \$
Street address (including apt. no.)		7 Code		6 Basis of eligibility \$
City or town, state or province, country, and ZIP or foreign postal code				
Account number (see instructions)				
Form 5498-QA		Cat. No. 67556T www.irs.gov/Form5498QA Department of the Treasury - Internal Revenue Service		

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

		<input type="checkbox"/> CORRECTED (if checked)
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross distribution \$
		2 Earnings \$
PAYER'S TIN	RECIPIENT'S TIN	3 Basis \$
RECIPIENT'S name		5 Check if ABE account terminated in the calendar year reported <input type="checkbox"/>
Street address (including apt. no.)		6 If this box is checked, the recipient is not the designated beneficiary <input type="checkbox"/>
City or town, state or province, country, and ZIP or foreign postal code		
Account number (see instructions)		
Form 1099-QA (Rev. 1-2023)		OMB No. 1545-2262 Form 1099-QA (Rev. January 2023) For calendar year 20__
www.irs.gov/Form1099QA		Distributions From ABE Accounts Copy B For Recipient This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Department of the Treasury - Internal Revenue Service		

Withdrawal Options



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**Withdrawals
from an NC ABLE
account can be
made by:**



ATM Withdrawals



Check



Electronic Funds Transfer



Debit Card



Account Fees



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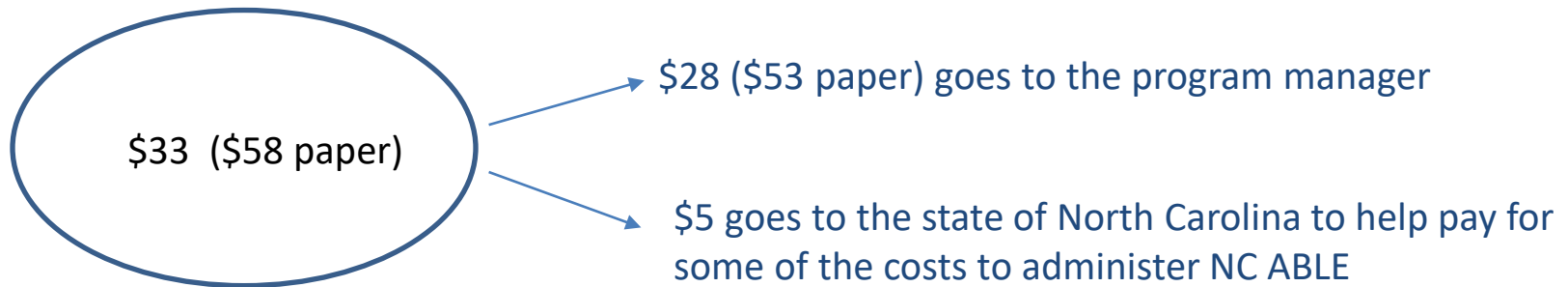


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Understanding Account Fees

- **Annual account maintenance flat fee**
\$33 – regardless of the size of the account balance (\$58 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**
.28 - .31% of assets (i.e., \$2.80 – \$3.10 per \$1,000, annually)



ABLE and Special Needs Trusts



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ABLE and Special Needs Trusts

- Can be used in conjunction with a Special Needs Trusts (SNTs)
- Choice depends upon the beneficiary's specific needs and financial goals
- Encourage meeting with a SNT attorney for further information

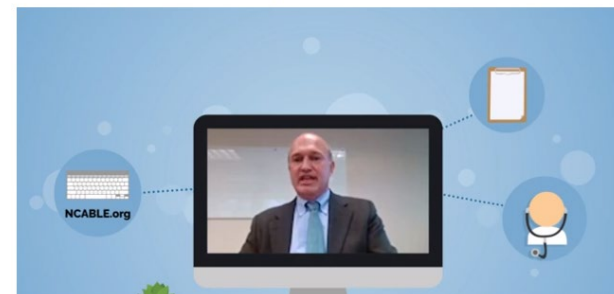


Webinars & Videos

NC ABLE webinars and videos are under the Resources tab. To register for live events, visit the events page.

NCABLE.org

NC ABLE Accounts & Special Needs Trusts



Death of an Account Owner



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What happens after the death of an Account Owner?

Funds in an ABLÉ account go to:

- Final Qualified Disability Expenses
- Medicaid recovery claim
- The Account Owner's estate



NC ABLEResources



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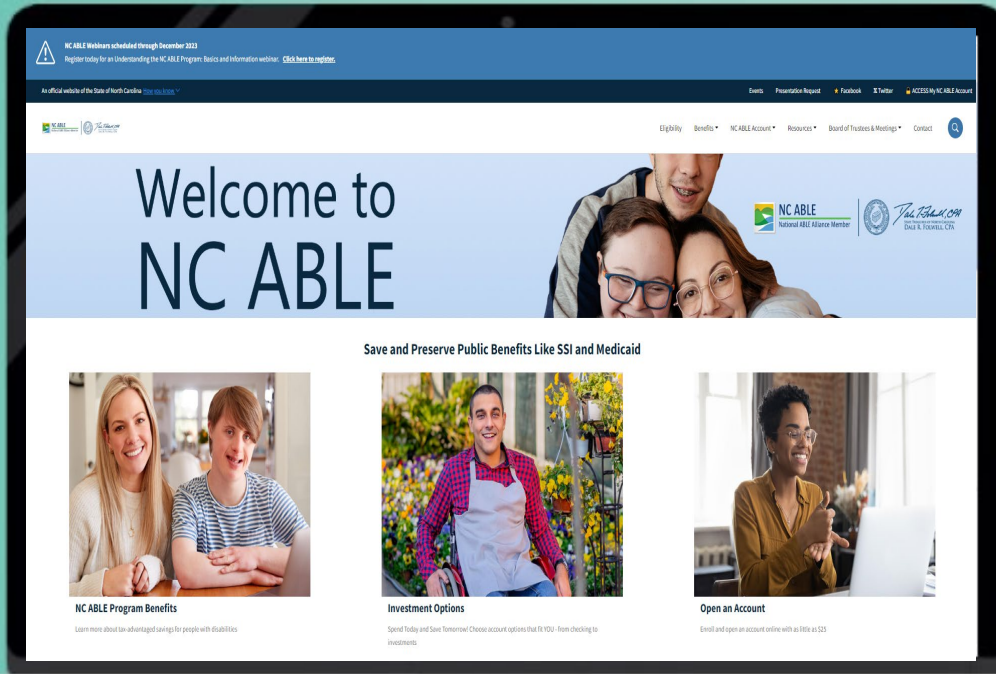




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DALE R. FOLWELL, CPA



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<http://www.ablenrc.org/>

info@ablenrc.org

1667 K Street, NW - Suite 480
Washington, DC 20006

(202) 683-6094





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Achieve a Better Life Experience

Thank you!

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Disclaimer: The content in this webinar is meant for informational purposes only and does not constitute legal, tax, financial, or other advice. Please consult a legal, tax, financial, and/or other advisor for advice regarding ABLE accounts.