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Achieving a Better Life Experience for People With Disabilities (CalABLE)

The ABLE Act: Providing Greater Financial Security to Californians Living with a Disability

What is CalABLE?

California Achieving a Better Life Experience (CalABLE) is a new program within the State Treasurer's Office that will allow people with disabilities to establish a tax-advantaged savings account that may be used for a broad range of qualified living expenses without fear of losing vital government assistance.

In California, some people living with disabilities and their families rely on a variety of public benefit programs provided by the state and federal government to make ends meet. They include but are not limited to Supplemental Security Income (SSI), Medicaid, and other state public benefit programs. These programs provide critically important services to people with disabilities but often do not allow individuals to save more than a total of \$2,000, or earn more than \$680 a month. These restrictions are a major barrier for people with disabilities and their families to save for long-term needs, leaving them vulnerable to changes in health, living arrangements, unexpected emergencies, or simply the explosive growth in the cost of healthcare.

How Much Can a Person Have in the Account?

A beneficiary can save up to \$100,000 in an Achieving a Better Life Experience (ABLE) account while still maintaining eligibility for public benefit programs.

How Much Can a Person Contribute?

Contributions to the account are currently limited to \$14,000 per year, and can be made by the individual account holder, family, and friends. The account's earnings are allowed to accumulate tax-free, and the withdrawals, provided they qualify as disability expenses, are also tax-free. Contributions to an ABLE account must be made in cash instruments from the contributor's after-tax income.

Who is Qualified to Open an Account?

Based on federal law, an eligible individual is a person who is 1) entitled to benefits on the basis of disability or blindness under the Supplemental Security Income (SSI) program or under the Social Security Disability, Retirement, and Survivors program; or, 2) An individual who submits certification that meets the criteria for a disability certification. The eligible individual's disability must have occurred before the age 26. An eligible individual may only have one account.

What Can the Funds be Used For?

Any expenses made for the benefit of the eligible beneficiary and related to his/her disability, including: education, housing, transportation, employment training and support, assistive technology and personal, support services, health, prevention and wellness, financial management and administrative services, legal fees, funeral expenses, and other expenses, which are approved by federal regulations.

How Will CalABLE be Administered?

The law establishing the CalABLE program creates a 7 member CalABLE Act Board, chaired by the State Treasurer, and includes the Director of Finance, the State Controller, the Director of Developmental Services, and the chairperson of the State Council on Developmental Disabilities, the Director of Rehabilitation, and the Chair of the State Independent Living Council.

When Will CalABLE be Open for Business?

The goal is to open for business the summer of 2017. The Board held its first meeting August 15, 2016. Before CalABLE opens for business, the Board is required to establish its program regulations, issue a Request for Proposal for a program consultant, program administrator and asset manager, and then contract with a financial services provider.

I Need to Deposit Funds ASAP – How Can I Open an Account Sooner?

The federal ABLE Act permits beneficiaries to open an account in another state's program if their state does not have a program available. Until CalABLE is open for business, we encourage eligible individuals to explore opening accounts in Ohio or Tennessee's existing programs.

[Ohio STABLE Program](#)

[Tennessee ABLE Program](#)

History of the ABLE Act

The federal ABLE Act was signed into law by President Obama on December 19, 2014. The law required each state to decide whether to offer a qualified ABLE program to its residents. During the 2015-2016 Legislative Session, Senator Fran Pavley of Agoura Hills and Assemblymember Jacqui Irwin of Thousand Oaks co-authored and passed two bills, Senate Bill (SB) 324 and Assembly Bill (AB) 449, which established the California ABLE Act. In October 2015, Governor Brown signed the California ABLE Act into law. An appropriation to begin implementation of the ABLE Act was included in the Governor's 2016-17 Budget.

How Can I Get Involved?

The Treasurer looks forward to working with all stakeholders to make sure the program meets the needs of the disabled community and their families. Interested parties can [sign up](#) to receive CalABLE information and may also [connect with us on Facebook](#).

For more information, contact [Christina Elliott](#), Executive Director.