



CalABLE and Special Needs Trusts

December 12, 2024



Webinar Setup



Spanish Interpreter

Click Interpretation in webinar controls and click Spanish



ASL Interpreters

View the speaker gallery to find a video feed of our ASL interpreters



Captioning

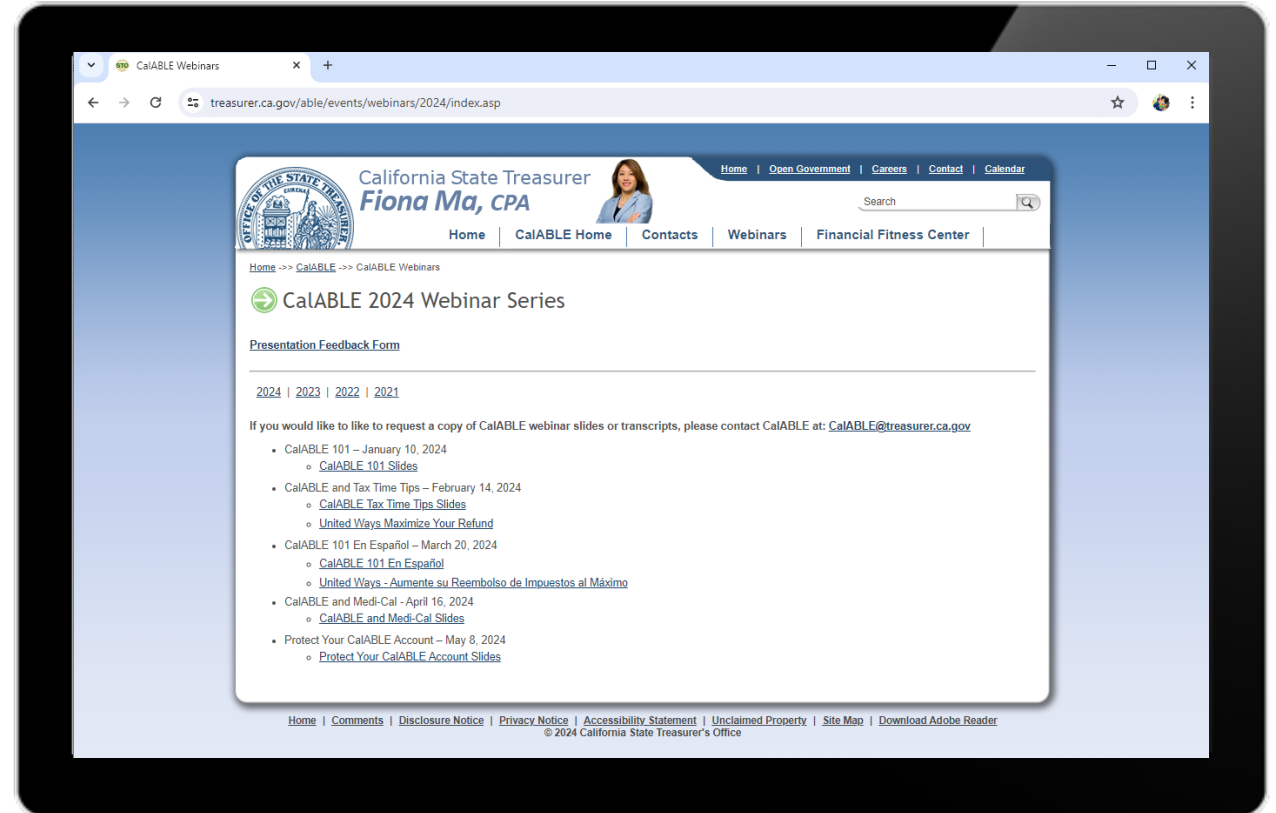
Turn on Closed Captioning in the webinar controls

A transcript view is also available

Presentation Slides

Please visit the CalABLE website for a copy of today's CalABLE slides.

<https://www.treasurer.ca.gov/able/events/webinars/2024/index.asp>



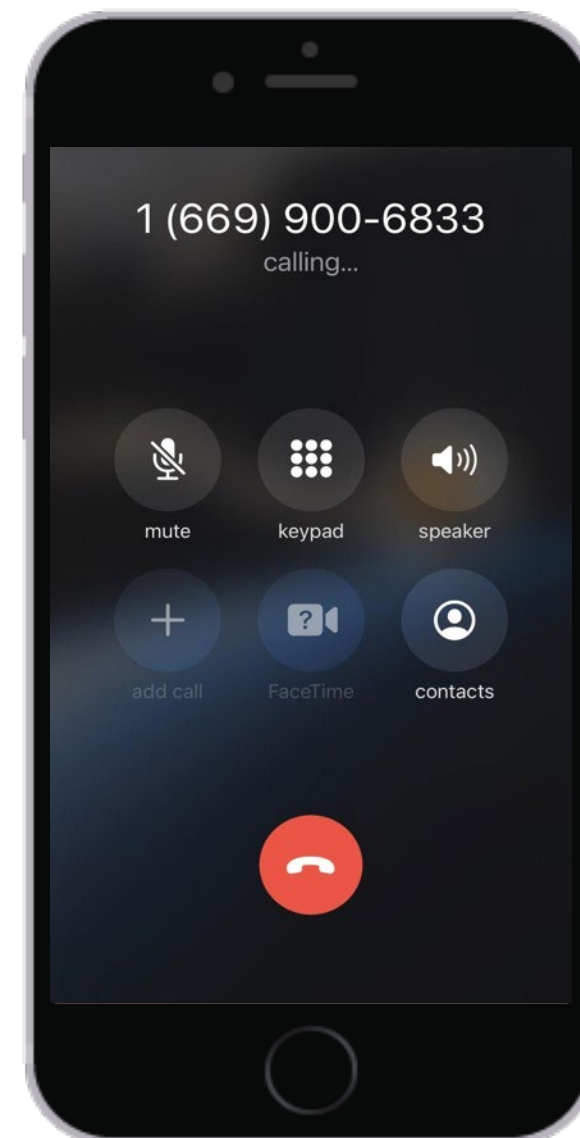
Audio Options for the Webinar: Telephone

Via your computer speakers

Please make sure your speakers are turned on or your headphones are plugged in.

Via telephone:

1. Call: 1-669-900-6833
2. Enter Webinar ID: 880 8348 3332



Submitting Questions

Q&A Box

Submit your questions using the Q&A box at any time

Email Us

Audio-only participants may email us at CalABLE@treasurer.ca.gov

Survey

Submit your feedback and unanswered questions

Q&A Portion

Our team members will be answering questions in the Q&A during the webinar. We will also select a few questions to answer live at the end of the webinar.

We will answer as many questions as possible.

Please note, we cannot answer questions about specific personal situations, but we can direct you to resources.





Welcome

Fiona Ma
California State Treasurer



CalABLE and Special Needs Trusts

December 12, 2024



Poll: I am a...

Account owner

Authorized legal representative

State Employee

Service Provider

Potential CalABLE participant

Other



Poll:

Have you attended a CalABLE Webinar Before?

Yes

No



CaLABLE Basics



CalABLE is a tax-advantaged savings and investment program designed to help people with disabilities achieve their financial dreams.

ABLE stands for
"Achieving a Better Life Experience."

It is a federal program signed into law in 2014.

With CalABLE, you can save money without losing your eligibility for other benefits.



Who is Eligible for CalABLE?

You have a disability that began before age 26

- You meet the eligibility criteria for disability benefits like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).
- Or
- You can self certify if your disability is on the SSA List of Compassionate Allowances or Blue Book (Listing of Impairments)
 - You may be asked to provide a [signed letter](#) from a qualified physician



What do I need to know before I open an account?

- Participants can only have one ABLE account
- The person with a disability is always the ABLE account owner and beneficiary of the funds
- Account can be opened by the person with a disability or an Authorized Legal Representative



Who can be an Authorized Representative:

Legal guardian/conservator

Spouse

Parent

Sibling

Grandparent

Power of attorney

Representative payee appointed for the eligible individual by the Social Security Administration

Anyone requested by the account owner

The role of the Authorized Legal Representative

An Authorized Legal Representative (ALR) is someone who is allowed under state and federal law to make decisions for the CalABLE account beneficiary. There can be only one ALR per account, but regardless of who opens the account, the beneficiary is the sole owner of all the funds.



CalABLE Protects SSI Benefits

Before CalABLE, people with disabilities could not save more than \$2,000 in their bank accounts without the risk of losing their benefits.

Now, those with a CalABLE account can save up to \$100,000 and use it to improve their quality of life while pursuing their goals.

Opening a CalABLE account can be a life-changing experience.



If you're on SSI, you could not save more than

\$2,000



Now with CalABLE
you can save up to

\$100,000

How much you can contribute to your CalABLE account in 2024?

\$18,000

Amount contribution cap*

(contributions only)

\$100,000

**Total cap of recipients
of SSI benefits**

(contributions + earnings)

\$529,000

**Total contribution cap
for CalABLE**

(contributions + earnings)

CalABLE will automatically reject excess contributions

Who can contribute to a CalABLE account?

Beneficiary

- Earnings/Benefits (counted as income)
- May contribute above the annual limit if working
- Asset protected

3rd Party

- Family, friends, entities, etc.
- Not counted as income or in-kind contribution
- Won't affect benefits award
- Set up your gifting portal!

**Contribution Limit:
\$18,000**



Grow your gifts with a \$25 bonus from CalABLE!

The first 200 CalABLE Account Holders who receive a gift contribution before the end of the year will have \$25 added to their account balance in early January*

Already have a gifting page?

Share your unique link with family and friends today

Don't have a gifting page?

1. Sign in to your CalABLE account and click the "Create a Gifting Page" link on your account overview page
2. Enter your annual gifting limit and follow the prompts to set up your page
3. Click "Publish" if everything looks good
4. Share the link to your page with friends and family

Have Questions?

Visit calable.ca.gov or call 833-225-2253.

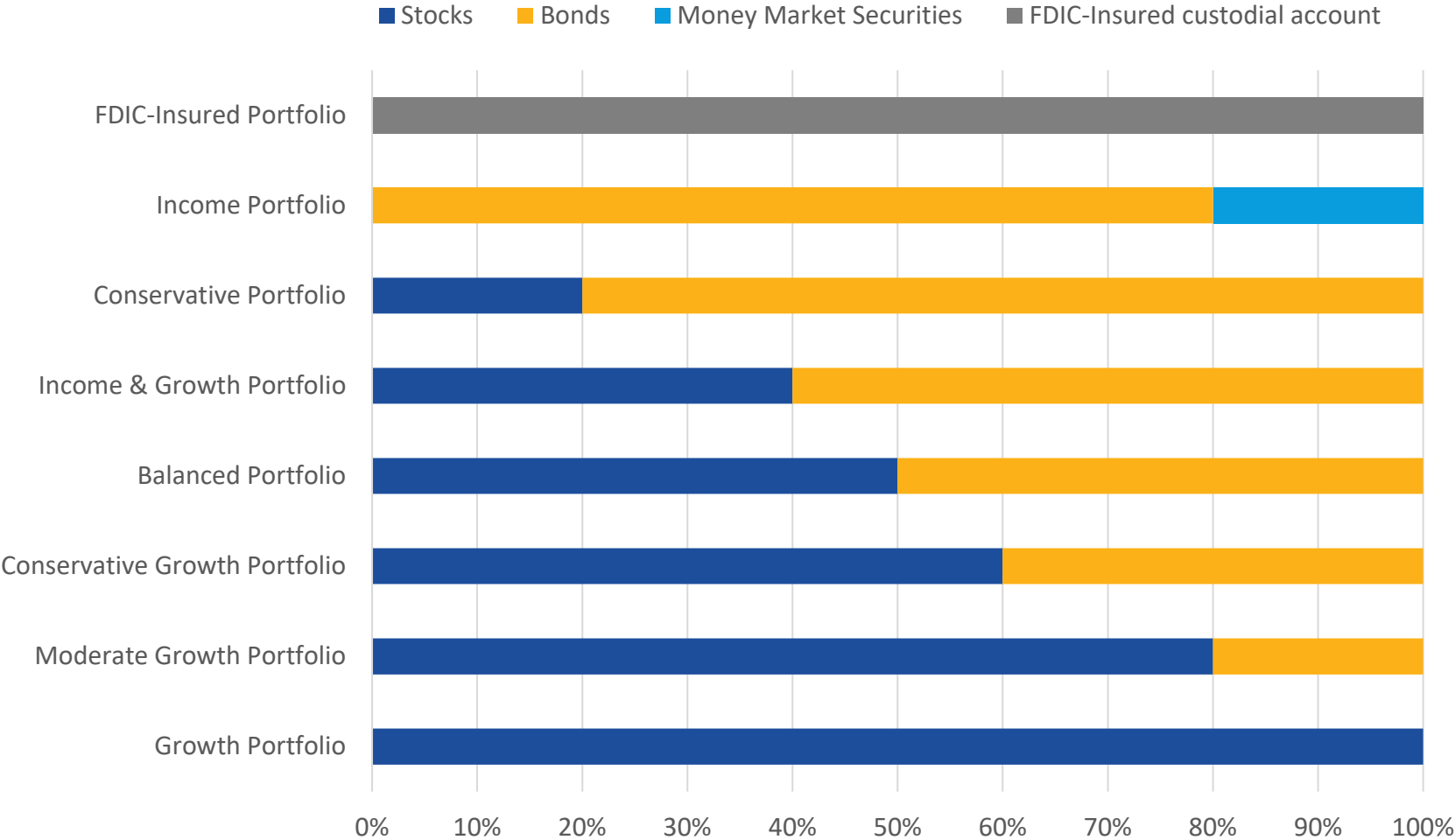
*\$25 will be applied to the first gift received by the first 200 account owners. Account owners cannot receive multiple promotions. All gifts must be a minimum of \$1. The promotion ends on December 31, 2024.

Invest your money

- CalABLE offers 8 professionally managed investment portfolios
- Potential tax-free growth
- Opportunity to build wealth through compound earnings
- Low annual fee of \$30
 - Investment and state administrative fees generally total between 0.28% - 0.45% of the account's balance per year



CalABLE Investment Portfolio Options



This presentation or other promotional materials do not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service by Vestwell State Savings, LLC or any of its parents, subsidiaries, affiliates (collectively, "Vestwell") or another third party. Vestwell does not make any representations regarding the appropriateness or suitability of any securities, products, investments, or services and Vestwell does not provide legal, tax, financial, or investment advice to any individual. Vestwell State Savings, LLC is a service provider to certain state-sponsored retirement, college savings, and ABLE programs ("Program"). Any information on or in our website, presentations, blogs, or marketing materials relating to any Program is provided for general education purposes only and should not be used or interpreted by anyone for any other purpose. All investments involve risk, including the total or partial loss of principal, market fluctuations, liquidity and interest rate risks, domestic and international risks, and inflation-related risks, among many others and investors should consult their own investment or financial advisor.

Poll:

What are you saving for?

First home

Education

Service dog

Recreation and vacation

Accessible vehicle

Technology or equipment

Health and wellness



What can I spend my money on?

Any expense that helps the account holder maintain or improve their health, independence, or quality of life.

| | | |
|--|---|------------------------------|
| Education | Housing* | Transportation and travel |
| Employment training and support | Basic Needs including food | Recreation and entertainment |
| Health, prevention, and support services | Assistive technology and related services | Legal fees |
| Financial management and administrative services | Funeral and burial expenses | And more |

SSI Guidance:

Distributions are not considered income.

Distributions for qualified disability expenses are excluded from countable resources.

* Housing expenses must be withdrawn and spent in the same calendar month.

Death of Beneficiary

Funds from a CalABLE account can be used by his or her estate to repay any outstanding eligible expenses, funeral, and burial costs.

When CalABLE is notified of a Beneficiary's death, CalABLE will request satisfactory proof of death and documentation from the executor or administrator of the Beneficiary's estate. Upon receipt of such proof of death, CalABLE will suspend all Account activity, except that the executor or administrator of the Beneficiary's estate will be permitted to take withdrawals from the Account.

Death of Beneficiary Form:

<https://calable.ca.gov/assets/docs/death-of-beneficiary-form.pdf>

An executor or administrator of a Beneficiary's estate should consult with qualified tax and legal advisors regarding the tax treatment of such withdrawals and the potential for Medicaid/Medical recapture by Medicaid/Medical or other states.

Medi-Cal Recovery

CalABLE accounts for CA residents are protected against Medi-Cal recovery (SB 218, AB 2216).

However, the state may recover on assets that have transferred from a CalABLE account to an estate, if ALL of the following conditions apply:

The deceased Medi-Cal member was aged 55 or older.

The member leaves an estate that is subject to formal probate. Under current law, only estates that exceed \$184,500 in value are subject to formal probate.

The member received nursing facility services or home and community-based services, including related hospital and prescription drug services.

The member is not survived by a spouse or registered domestic partner, child under 21 years of age, or disabled child of any age.

* As of 1/1/2023, ABLE accounts for CA residents not established in CA are subject to Medi-Cal recover claim

Successor Designated Beneficiary

- A Successor Designated Beneficiary for a CalABLE account must be an ABLE-eligible sibling, step-sibling, or halfsibling of the designated beneficiary.

AND

- The Successor Designated Beneficiary must have or establish an ABLE account.
- A successor must be named on the account before the death of the beneficiary.*
- You can add a successor in the CalABLE portal or using a paper form:
<https://calable.ca.gov/assets/docs/add-edit-remove-successor-designated-beneficiary-form.pdf>



Currently, CalABLE does not have the ability to list a successor Authorized Legal Representative. In the case of the ALR's death, please use the Change of Authorized Legal Representative Form:

<https://calable.ca.gov/assets/docs/change-of-alr-form.pdf>

Poll:

Do you have a Special Needs Trust?

Yes

I'm planning
to set one up

No

N/A



Margaret Fulton

Margaret Fulton is an attorney practicing law in the areas of estate planning, trusts, probate, and special needs planning. She is certified by the California State Bar as a Specialist in Estate Planning, Trust and Probate Law. She received a BA from the University of California at Berkeley, a law degree from UC Law San Francisco (formerly Hastings College of the Law), and a Master of Laws in Taxation degree from McGeorge School of Law in Sacramento. She now practices law with the firm of Robinson, & Fulton, a law corporation, which is located in Auburn, California. For more information about her practice, see her website at www.fulton-law.com.

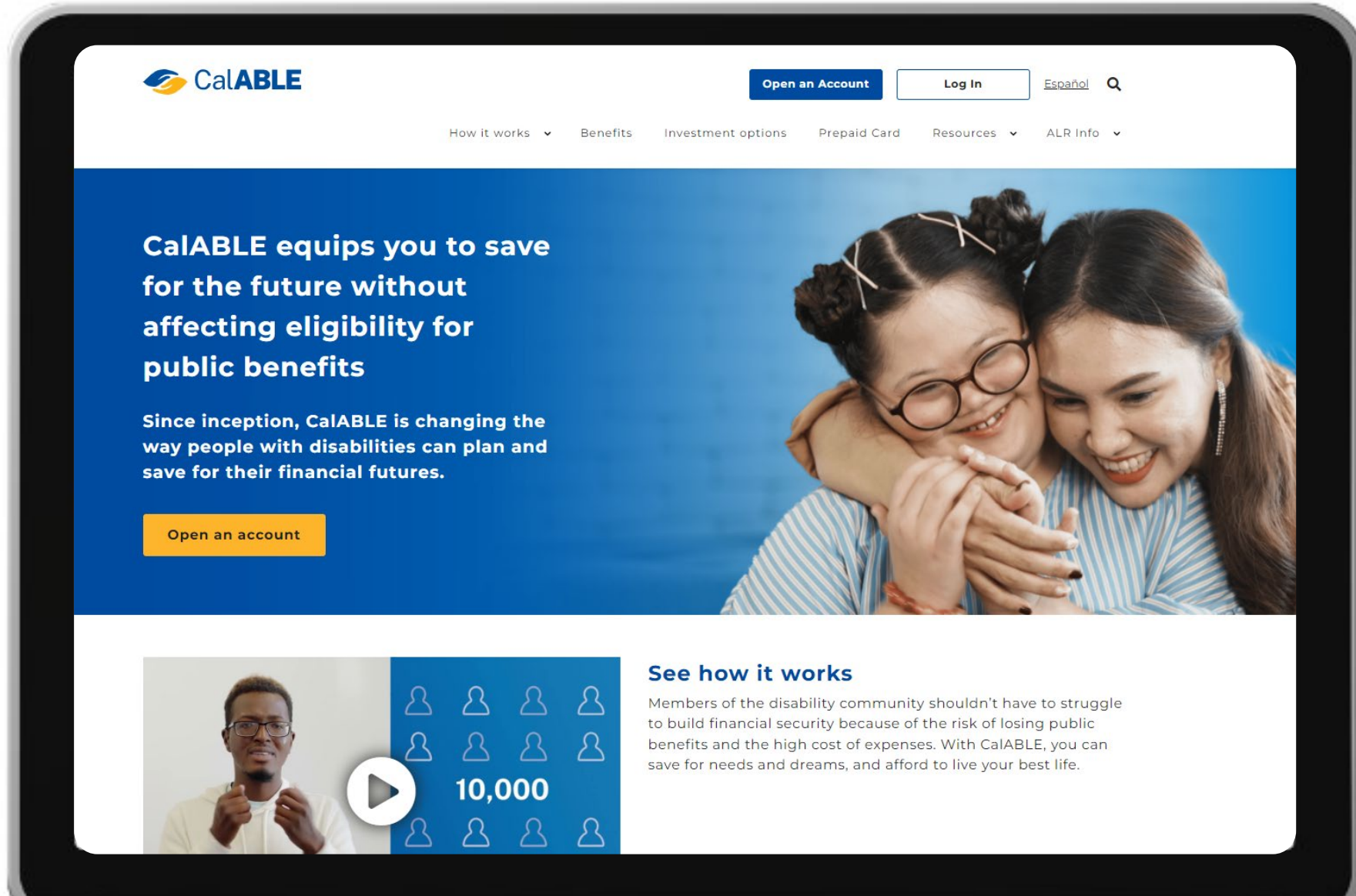


Special Needs Trusts Presentation

Reminders



Get started today: CalABLE.ca.gov



Get your contributions in before the end of the year!

The \$18,000 annual contribution limit is for the calendar year so be sure to maximize your contributions before the end of 2024.





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New Contribution Limits for 2025

\$19,000

2025 Annual Contribution Cap

\$15,060

2025 Additional Contributions
through ABLE to Work

These contribution limits will go into effect on January 1, 2025. Remember, for 2024 the annual contribution cap is \$18,000 and the ABLE to Work cap is \$14,580.

Contact Us

CalABLE Service Center

- **Phone: 833-Cal-ABLE (833-225-2253) between 6am and 5pm PT**
 - For those with a hearing impairment, please contact us at the number above via a relay service
- **Customer Support:** <https://www.sumday.com/customer-support/calable>
- **You can sign up to receive our emails, newsletters and information by scanning the QR code.**





CalABLE 101

Everything you need to know about
CalABLE for 2025

January 22, 2025

2:00 P.M. - 3:30 P.M. PT

This program is free
and open to the
general public.

Dial in by calling
1-669-900-6833

Webinar ID:
836 0976 3295



CalABLE Monthly Webinar Series

Register now:



https://us06web.zoom.us/webinar/register/WN_8lKr5zoSQUxByCsjK9EGRA

CalABLE is governed by the California ABLE Act Board, an instrumentality of the State of California. Vestwell State Savings, LLC ("Vestwell") is the program administrator. More information about the program can be found at calable.ca.gov.

CalABLE is a savings and investment program offered by the state of California to people with disabilities that began before reaching age 26.

In this webinar, we will explore:

- What is CalABLE?
- Frequently asked questions
- Resources



**Detalles en español en el
post de abajo**



Fill out the anonymous webinar survey!

1. I am a... CalABLE participant, ALR, potential CalABLE participant, service provider, State employee, other.
2. Do you have any questions we didn't answer?
3. Email or phone number (optional if you would like follow-up)
4. What did you like most about this event?
5. What could we have done better?
6. After this presentation, do you have enough information to open a CalABLE account?
7. Things I wish I knew when I started CalABLE



Disclosure Part 1

This website, presentation, and any blogs or other promotional materials do not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service by Vestwell State Savings, LLC or any of its parents, subsidiaries, affiliates (collectively, "Vestwell") or another third party. Vestwell does not make any representations regarding the appropriateness or suitability of any securities, products, investments, or services and Vestwell does not provide legal, tax, financial, or investment advice to any individual. Vestwell State Savings, LLC is a service provider to certain state-sponsored retirement, college savings, and ABLE programs ("Program"). Any information on or in our website, presentations, blogs, or marketing materials relating to any Program is provided for general education purposes only and should not be used or interpreted by anyone for any other purpose. Any link from this website to a third party website, including any link to a website of any Program website is not an endorsement or recommendation of such Program or regarding any investment options available in such Program, nor is it a statement or opinion as to the accuracy or completeness of any information. All investments involve risk, including the total or partial loss of principal, market fluctuations, liquidity and interest rate risks, domestic and international risks, and inflation-related risks, among many others. Investors are solely responsible for determining whether any investment, investment strategy, security, or transaction affecting their account in any such Program is appropriate for them. Investors should consider consulting their own business advisor, attorney, or tax and accounting advisor regarding their specific business, legal or tax situation, and should review the offering document or other disclosure provided by the Program or issuer of any security before deciding whether to make an investment.

Disclosure Part 2

CalABLE's investment options are selected by the California ABLE Act Board. Account balances in CalABLE will vary with market conditions and are not guaranteed or insured by the California ABLE Act Board, the State of California, the Federal Deposit Insurance Corporation (“FDIC”), Vestwell, or any other organization.

Neither Vestwell nor the California ABLE Act Board are investment or tax advisors and do not provide tax, legal, financial, or other investment advice. You should consult appropriate professional advice or consultation if you have questions related to taxes or investments. Consider the investment objectives, risks, charges and expenses before investing in the CalABLE. Please call toll-free 833-CAL-ABLE for a Disclosure Statement containing this and other information. Read it carefully. Before investing in any savings program, you should consider whether your home state provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state’s savings program.

You also should consult your financial, tax, or other adviser to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to directly contact your home state’s savings program, or any other state savings program, to learn more about those plans’ features, benefits and limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The FDIC-Insured Portfolio is FDIC-insured up to \$250,000, subject to certain restrictions. Interests in the CalABLE program are not registered with or in any way approved by the Securities and Exchange Commission or by any state securities commission.

Thank you!



Q & A

CalABLE vs. Special Needs Trusts

| | CalABLE | Special Needs Trusts |
|---------------------|---|--|
| Set Up | Can open by yourself online in 20 minutes or less. | Generally, need to work with an attorney to create. |
| Ownership & Control | Individual with a disability is the owner. They, or an Authorized Legal Representative, can manage and spend the money. | A Trustee manages the Trust and has sole discretion over spending. |
| Purchases | Broad range of allowable uses, including food and housing. | Broad range of allowable uses, but sometimes not housing. |
| Cost | Free to open. Fees start at just \$30 a year. Some investment choices have additional fees. | Varies; anywhere from a few hundred to a few thousand to start, plus ongoing costs. |
| Contribution Limits | Anyone can contribute. Deposits limited to \$18K/year (possibly more if individual is employed) | Contributors are limited (may not include Beneficiary). No deposit limits. |
| Medi-Cal Payback | Medi-Cal will not seek recovery from a CA resident and CalABLE account. | Only first-party (self-settled) trusts must pay back Medi-Cal. |
| Investment Options? | Yes, 8 options. Offers ability to grow your money. Account owner chooses how to invest. | Yes, options vary. Offers ability to grow your money. Trustee chooses how to invest. |
| Taxes | Tax-free withdrawals for qualified expenses. | Earnings are taxed. |