

# CalABLE and HUD

Alison Brokke, Program Analyst, HUD SF Field Office

October 15, 2024

# Voucher and Public Housing Program

Housing Choice Voucher Program

Including all special voucher types

Public Housing

Projectbased Section 8

## Special Purpose Voucher Programs

---

Emergency Housing Vouchers (EHV)

Family Unification Program (FUP)

Foster Youth to Independence (FYI) Initiative

Mainstream Vouchers

Non-Elderly Disabled (NED)

Stability Voucher Program

Tenant Protection Vouchers

Veterans Affairs Supportive Housing (VASH) Vouchers

Witness Relocation Program

# How does having a CalABLE account affect my eligibility for HUD programs?



Having a CalABLE account does not affect eligibility for HUD programs. You can open and maintain a CalABLE account while keeping your housing benefits. These benefits are not affected by your CalABLE account balance regardless of the amount saved in the account. However, withdrawals for non-qualified expenses may affect your benefits and may have tax implications.

Per the mandate of the ABLE Act, for the purpose of determining eligibility and continued occupancy, HUD will disregard amounts in the designated beneficiary's/individual's ABLE account.

# HUD NOTICE PIH 2019-09

HUD has provided the following instructions regarding ABLÉ accounts:

1. Distributions from ABLÉ accounts are excluded from income.
2. The entire value of an ABLÉ account is excluded from assets. If the designated beneficiary deposits any amount previously included as income into their ABLÉ account, that deposited amount must also be excluded from the household's asset calculation and must not be counted as income again when the beneficiary receives a distribution from the account.
3. Gifts made directly to ABLÉ accounts by third parties are excluded from income.
4. Income that the participant receives in their name, for example Social Security or wage income, is still counted as income, even if the money is direct deposited into the ABLÉ account. However, pre-tax employer contributions to the ABLÉ account that are not deducted from wages are excluded from annual income.
5. Rollovers from existing ABLÉ accounts to the designated beneficiary's ABLÉ account are not counted as annual income to the designated beneficiary

<https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2019-09.pdf>

# More about exclusions



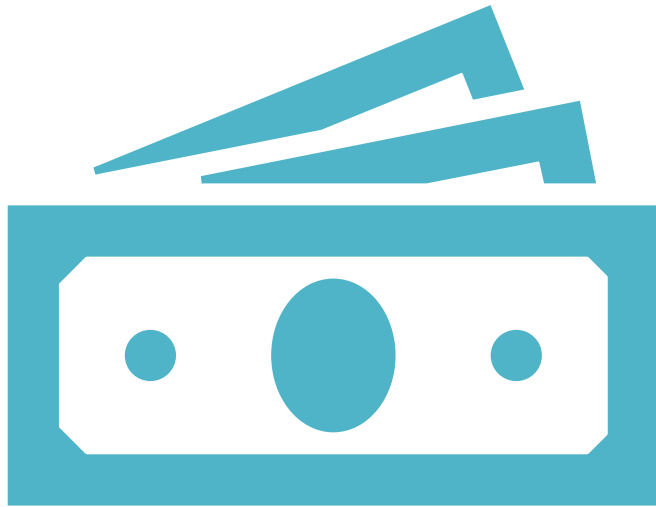
## Contributions made by the designated beneficiary

If the beneficiary has a portion of his/her wages directly deposited into his/her ABLÉ account, then all wage income received, regardless of which account the money is paid to, is included as income. Pre-tax employer contributions to an ABLÉ account (that are not deducted from wages) are excluded.

## Contributions made by others directly into the ABLÉ account

If someone other than the designated beneficiary contributes directly to the ABLÉ account, that contribution will not be counted as income to the designated beneficiary. If a relative provides a recurring gift of \$100 per month directly to the beneficiary, the recurring gift would be counted as income. If a relative deposits the \$100 recurring monthly gift directly into the ABLÉ account, then it will not be counted as income.

# How does working affect my eligibility for HUD programs?



Individuals have to be income eligible to receive assistance under HUD programs.

All wage income received, regardless of which account the money is paid to, is included as income.

Annual income is defined as the anticipated total income from all sources received by every family member which are not specifically excluded. The ABLE Act creates a federally mandated exclusion for ABLE accounts applicable to HUD programs. In determining a family's income, HUD will exclude amounts in the individual's ABLE account. The entire value of the individual's ABLE account will be excluded from the household's assets. This means actual or imputed interest on the ABLE account balance will not be counted as income. Distributions from the ABLE account are also not considered income. All wage income received, regardless of which account the money is paid to, is included as income.

# What do I need to report to HUD programs regarding CalABLE?

Public Housing Authorities (PHAs) and owners should verify the amount held in the ABLE account.

PHAs and owners should develop a policy and procedure for verifying ABLE accounts that obtains the following information:

- the name of the designated beneficiary; and
- the State ABLE program administering the account to verify that the account qualifies as an ABLE account

Questions?