

ABLE Act – Accounts for Persons with Disabilities Act

New Mexico

What is the ABLE Act?

The ABLE Act is a federal law that allows eligible people with disabilities to open an ABLE investment and savings account. The “Bank Safe” option is a saving account and there are four investment options available. They range from aggressive to conservative (Growth, Moderate Growth, Conservative Growth, and Income Options). It allows a person with a disability to save money without losing eligibility for Medicaid, Supplemental Security Income (SSI), and other programs. The money in this account may be used for qualified disability-related expenses.

Why open an ABLE account?

Many people with disabilities rely on Medicaid, SSI, and other public programs. To qualify for these programs, someone generally must have a low monthly income and no more than \$2,000 in countable assets. The ABLE Act allows a person to save more than this usual asset limit in an ABLE account without losing these important benefits, and to use those savings to pay for qualified expenses related to his or her disability.

Who is eligible?

An eligible person is someone whose disability began before the age of 26, and who has been living with their disability for at least one year, or expects it to last for at least a year. The applicant must also meet one of the following criteria:

- Be entitled to SSI because of their disability
- Be entitled to Social Security Disability Insurance (SSDI) because of their disability
- Have a condition listed on the Social Security Administration’s List of Compassionate Allowances Conditions at www.ssa.gov/compassionateallowances/conditions.htm
- Self-certify their disability and diagnosis when opening an ABLE account.

How can someone open an ABLE account?

The ABLE account process is online. Visit www.ablenewmexico.com to register and open an account. Enrollment is free; however, a minimum deposit of \$50.00 is needed to open an account. Any deposits after that can be as little as \$1.00. Currently, there is a \$3.50 fee per month to have an account. There is also an asset fee between 0.19% and 0.34% depending on the options chosen. Any earnings on the account are free of state and federal taxes

Key facts:

- Anyone, such as a family member or friend, may contribute to the account.
- Up to \$15,000 may be put into an ABLE account each year. More than one person can contribute, but the total contributions from all sources is limited to \$15,000 per year.
- If the beneficiary is employed, the maximum yearly contribution is \$27,060 per year.
- If the total amount in the ABLE account exceeds \$100,000, then SSI benefits will be suspended until the amount in the account drops back down to \$100,000 or less.
- ABLE account funds do not affect eligibility for Medicaid, SSI and other programs.
- ABLE account funds must be spent on costs related to living with a disability.
- Disability-related expenses may include health care, education, housing, personal support services, transportation, employment training, assistive technology and other services.
- If Medicaid benefits were used while an account is open, it may be possible for Medicaid to seek repayment after a person’s death. However, there are a number of things that the account can be used for before Medicaid could be repaid, such as funeral costs. Be sure to ask for more details.



State of New Mexico
ABLE Program

www.ablenewmexico.com

ABLE National
Resource Center
202-296-2040

www.ablenrc.org/

Questions?

Call the CDD
Information Network

1-800-552-8195

or visit our website at

www.cdd.unm.edu/infonet

Informational Tip

Sheets:

www.cdd.unm.edu/info-net/tip-sheets.html