

Informing Families

Building Trust

A Partnership for Better Communication
on Developmental Disability Issues in Washington State



DD Endowment Trust Fund
State Law RCW 43.330.431



ABLE Act*
Federal Law PL 113-295

Who is it for?

- A person with a developmental disability, under age 65, who has been determined eligible for state DDA services.
- The condition happened at or before age 18.
- Resident of Washington State at the time of enrollment.

What is it?

- A special needs trust set up by a third party (Trust 1) and/or by the individual (Trust 2).
- A way to save without losing eligibility for government benefits.
- Established in state law in 1999; 7 citizen governing board (6 appointment by Governor).

Is it available now?

- Yes.

Are there limitations in contributions & spending?

- No limits on contributions.
- No limits on spending, except room & board for those on SSI.
- Does not affect SSI or Medicaid eligibility.

Are taxes involved?

- Earnings from investments are taxed when spent if the person has taxable income.
- Returns are provided each year.

Can I rollover my account? What if I move?

- No rollover except to another Special Needs Trust.
- May maintain the ETF account here in Washington, even if moving to another state.

How are account funds invested?

Funds invested by the State Investment Board.

What does it cost to enroll?

\$600 enrollment fee; a minimum \$75 yearly management fee; a \$75 tax prep fee. Fees are offset by a state match.

Who is it for?

- A person eligible for SSI benefits or the Social Security Disability, Retirement, and Survivor's program; OR, submits certification that meets the criteria for a disability certification.
- Condition happened before age 26.
- Resident of Washington State.

What is it?

- A form of 529A Account Tax Favored Qualified ABLE program in IRS code.
- A tax-free way to save without losing eligibility for government benefits.
- Passed by Congress December 2014. Federal regulations to be created mid-June 2015.

Is it available now?

- Not yet. ABLE requires State Legislative action.

Are there limitations in contributions & spending?

- \$14,000 a year, but not to exceed State 529 limits.
- Spending is approved for qualified disability-related expenses.
- First \$100,000 does not affect SSI eligibility.

Are taxes involved?

- ABLE accounts are not taxed.
- 10% federal tax penalty if not used for qualified disability expenses.

Can I rollover my account? What if I move?

- Yes. Rollover to a non-ABLE account is allowed.
- If moving to another state, you must transfer the account to your new state.

How are account funds invested?

Person directs investment. Up to two changes per year.

What does it cost to open an account?

Fees for opening and managing an ABLE account are to be determined.

*Details of the ABLE Act are subject to change, pending federal rules and state legislative action.