

Comparison Guide: Special Needs Trust and ABLE Account

As a trustee for Special Needs Trusts, ACHIEVA Family Trust helps individuals with disabilities and families navigate through the options to protect their futures and enhance their lives.

The Achieving a Better Life Experience (ABLE) Act allows individuals with disabilities to save for qualified disability related expenses. ABLE creates a new provision under the current IRS code §529 education savings plan to establish these accounts.

Without a Special Needs Trust or ABLE Account, an individual who receives certain government benefits, such as Supplemental Security Income (SSI), Social Security Disability Income (SSDI) and Medicaid, would only be allowed to have \$2,000 in financial resources before losing government benefits; ABLE accounts allow for up to \$100,000.

DIFFERENCES BETWEEN A SPECIAL NEEDS TRUST AND AN ABLE ACCOUNT

	SPECIAL NEED TRUSTS	ABLE ACCOUNTS
Contributions	No contribution limit.	Only \$15,000 in total from all sources each year. Beneficiaries who are working and not participating in an employer-sponsored pension plan may add additional funds equal to the federal poverty level for a one-person household, or the individual's annual compensation, whichever is greater.
Contributors	Contributors depend on what type of trust.	Any person, including beneficiary, may contribute.
Maximum Account Value	No maximum account value.	<ul style="list-style-type: none"> • \$100,000 to retain SSI. • Otherwise, max 529 account amount per state (Pennsylvania max \$511,758).
Number of Accounts	An individual may have more than one type of Special Needs Trust.	One ABLE account per individual.
Benefit Eligibility	SSI, Medicaid and Waiver eligibility will not be impacted if properly drafted.	<ul style="list-style-type: none"> • SSI payments will be suspended if account value is more than \$100,000. • Medicaid and Waiver not impacted.
Disability Onset	Onset age is not a factor.	Disability must occur before age 26.
Eligibility	Meets the Social Security Administration's definition of disabled, generally.	Receiving SSI/SSDI benefits or submit disability certification.
Uses	Can be used for the supplemental needs and sole benefit of the beneficiary.	For "qualified disability expenses" as defined by federal and state regulations.
Remaining Funds	Use of remaining funds depends on the type of trust.	Federal law requires funds remaining at beneficiary's death to pay back state(s) for Medicaid paid on beneficiary's behalf. Pennsylvania waives Medicaid payback, but there may be Estate Recovery in certain cases.