

## **Achieving a Better Life Experience (ABLE) Accounts**

Qualified individuals with disabilities from South Dakota may contribute up to \$14,000 a year to an Achieving a Better Life Experience (ABLE) account without jeopardizing eligibility for federally- and state-funded, means-tested benefits such as Social Security and Medicaid.

ABLE accounts are made possible by the federal Achieving a Better Life Experience (ABLE) Act passed by Congress in 2014 and South Dakota's ABLE law which became effective July 1, 2016. Previously, individuals receiving assistance through Social Security, Medicaid and other publicly-funded programs could save a maximum of \$2,000 before they started to lose their benefits. Now, with the launch of nationwide ABLE programs, individuals with disabilities that occurred before the age of 26 and their families may be able to contribute up to \$14,000 per year (\$100,000 maximum account balance) to a tax-exempt ABLE account without affecting the individual's eligibility for state and federal benefits. The funds can be used for disability-related expenses including education, assistive technology, personal support services, housing, healthcare and transportation.

Beneficiaries may choose from a variety of investment options, similar to 529 college savings accounts or Roth IRAs. Participants can withdraw and spend money as needed for qualified disability expenses.

The State of South Dakota does not offer its own ABLE program but several States have sponsored programs that are open to residents of South Dakota and other states.

*The information contained on this website is for general informational purposes only and does not constitute tax or investment advice. The South Dakota Investment Council does not recommend or endorse, nor is responsible for, any state ABLE program. Investments in an ABLE program may not be insured and may be subject to financial market conditions. Before you invest in any state's ABLE program, please read the program description and disclosure statement and carefully consider the plan's objectives, risks, charge and expenses.*