

TEXAS *able* CONNECTIONS

BROUGHT TO YOU BY THE TEXAS ABLE® PROGRAM

MARCH 2022

The ABLE Connections newsletter is your resource for learning more about the Texas Achieving a Better Life Experience (Texas ABLE®) Program. This quarterly newsletter will highlight features of the Program and provide updates and important reminders.



IN THIS ISSUE

LOWER ACCOUNT FEES AND NEW INVESTMENT OPTION

SAVE MORE WITH ABLE TO WORK

SPOTLIGHT ON THE DALLAS ABILITIES EXPO

BACK TO THE BASICS: QUALIFIED DISABILITY EXPENSES

Make Texas ABLE a Part of Your Plan to Save This Year

A new year means new savings goals and is the perfect time to review your budget and plan for your or a loved one's financial future. If you haven't already done so, you may want to consider adding a tax-advantaged Texas ABLE account to your plan and start saving for qualified disability related expenses today.

Here are a few things to keep in mind about contributions:

- Contribute up to \$16,000 per year (certain working beneficiaries can contribute more).
- Get started with as little as \$50 to establish an account; \$25 minimum for subsequent contributions.
- Account balance of \$100,000 or less does not impact eligibility for SSI. Funds in the account do not count toward the account owner's eligibility for Medicaid.
- Anyone can contribute to a Texas ABLE account — family, friends and even a special needs trust. The account owner controls the account no matter who contributes.
- Use our online gifting tool to let others know about the account and how to contribute. It's easy for others to make contributions directly to the account through our secure online platform.
- Set up automatic contributions. Put your savings on repeat with recurring contributions from a checking or savings account.
- Contribute by check, electronic funds transfer, payroll deduction or a rollover from another ABLE program or 529 college savings account.
- Transfer funds from your ABLE account to the U.S. Bank® Focus Card, a prepaid debit card, for convenience and ease in using your funds for qualified disability expenses anywhere that Visa® is accepted.

ABOUT TEXAS ABLE

The Texas ABLE Program was authorized under the [federal ABLE Act](#), which was signed into law in December 2014, and then established through the [Texas ABLE Act](#), which was passed by the Texas Legislature in 2015. The [Texas Prepaid Higher Education Tuition Board](#), with assistance from the Texas Comptroller of Public Accounts, administers the Program.

See our [Program Disclosure Statement and Participation Agreement](#) for detailed information.

Lower Account Fees and New Investment Option

We've got some good news! We recently reduced our account maintenance fee from \$4.00 to \$3.50 per month for existing and new participants. We also added a new Conservative Allocation option to our current investment lineup. Program participants now have five investment options to choose from designed to meet different savings goals — four Managed Allocation options and one FDIC-insured Bank Savings Account option.

Visit the [investments](#) section on our website to find more information, including details on investment options, underlying funds and historical investment performance.



DID YOU KNOW?

Investment options can be changed up to twice a year.

NEW ANNUAL CONTRIBUTION LIMIT FOR 2022

Effective Jan. 1, 2022, the Internal Revenue Service increased the annual gift tax exclusion rate, which means the annual contribution limit for ABLÉ accounts is now \$16,000. Certain working ABLÉ account owners can save even more — up to an additional \$12,880 in working wages (explanation below). See our [FAQs](#) for more information on contribution limits.

Save More with ABLÉ to Work



Thanks to the Tax Cuts and Jobs Act of 2017, working ABLÉ account owners who do not participate in an employer-sponsored retirement plan may contribute more than the \$16,000 standard annual contribution limit. The additional contribution amount is based on the lesser of:

1. The account owner's compensation for the taxable year; or
2. The prior year's federal poverty line for a one-person household (the poverty line for 2021 was \$12,880).

This means that Texas ABLÉ account owners who are working, but do not participate in an employer-sponsored retirement plan, have the opportunity to save up to a maximum of \$28,880 in calendar year 2022 in an ABLÉ account. That's a big deal.



TEXAS ABLE
OUTREACH TEAM

Abilities
EXPO



SPOTLIGHT ON
THE DALLAS
ABILITIES EXPO

The Texas ABLE outreach team continues to educate Texans about Texas ABLE through virtual and in-person events. In December, the team presented and hosted a booth at the Abilities Expo in Dallas — reaching more than 3,000 people. It was a great opportunity to speak with folks one-on-one about Texas ABLE and to connect with other disability partners and associations.

If you would like the Texas ABLE outreach team to conduct a presentation or webinar for your organization or community group, please contact us at 512-475-5331 or by email at TexasABLE@cpa.texas.gov.

Back to the Basics: Qualified Disability Expenses

We are taking it back to the basics of ABLE and plan to use this section in our quarterly newsletters to highlight some common ABLE-related topics and definitions. In our previous issue, we learned about eligibility, and in this issue, we'll learn about qualified disability expenses. Take a look at our Q & A below.

How do I use the money in an ABLE account?

Funds in a Texas ABLE account can be used to pay for qualified disability expenses.

What is a “qualified disability expense”?

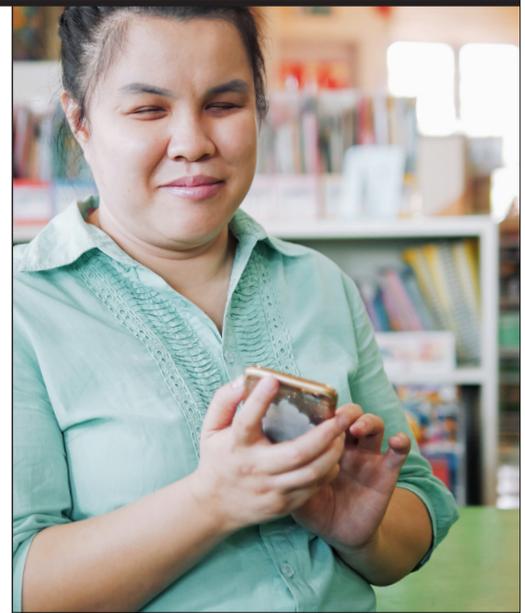
A qualified disability expense is an expense that is related to the eligible individual's blindness or disability and that assists them in maintaining or improving their health, independence or quality of life.

Qualified disability expenses may include, but are not limited to, education, housing, transportation, employment training and support, assistive technology, personal support services, health, prevention and wellness, financial management and administrative services, legal fees, funeral and burial expenses and basic living expenses.

Qualified disability expenses include day-to-day basic living expenses such as food and housing, and are not limited to items for which there is a medical necessity or that solely benefit the eligible individual.

Can I use the funds in an ABLE account to pay for housing or rent?

Yes. Funds from a Texas ABLE account can be used to pay for housing expenses as long as the distribution from the account and payment occur in the same month. In other words, a withdrawal for housing expenses must be spent in the same month. If not, it will count as a resource for means-tested benefits such as SSI beginning on the first day of the month following receipt by the beneficiary.



HOUSING EXPENSES INCLUDE:

- MORTGAGE
- REAL PROPERTY TAXES
- RENT
- HEATING FUEL
- GAS
- ELECTRICITY
- WATER
- SEWER
- GARBAGE REMOVAL

How do I prove that I am spending the funds on qualified disability expenses?

The eligible individual or their authorized legal representative is responsible for withdrawals from the account and maintaining good records of how funds are spent.

The Texas ABLE Program does not require documentation to request a withdrawal; however, you may be asked by state or federal agencies to verify your expenditures were used for qualified disability expenses.



STATE OF TEXAS OFFERS PREPAID TUITION PLAN AND COLLEGE SAVINGS PLAN

In addition to the Texas ABLE Program, the state of Texas offers tax-advantaged options for individuals saving for college. You can find more information at SaveNowForCollege.org.



UPCOMING WEBINARS

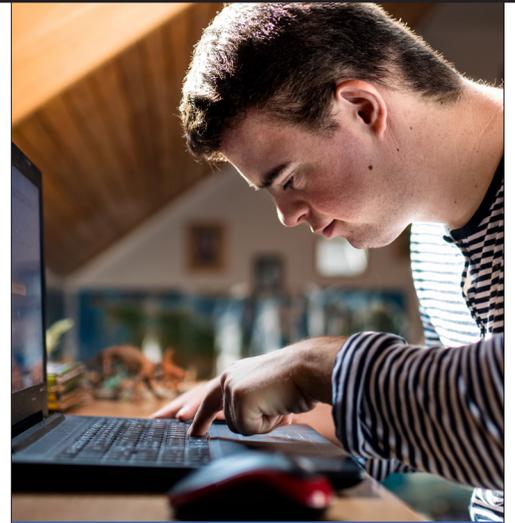
Ready to learn more about Texas ABLE? Upcoming webinars will cover the basics of Texas ABLE, answer the following questions and more:

- What is a Texas ABLE account?
- Who is eligible to open or be the beneficiary of a Texas ABLE account?
- How can I use the money in a Texas ABLE account?
- What are the features and benefits of the Texas ABLE Program?
- How do I open a Texas ABLE account?
- How do I contribute and withdraw funds from a Texas ABLE account?

Visit our [events page](#) to register.

CONNECT WITH US

Our customer service team is available Monday through Friday, 8 a.m.-5 p.m. CT, excluding holidays. Send us an [email](#) or give us a call at 844-4TX-ABLE (844-489-2253).



IMPORTANT LINKS

[Webinar Calendar](#)

[Eligibility Quiz](#)

[Enroll Online](#)

[FAQs](#)

[Helpful Resources](#)

[Texas ABLE Connections Archives](#)



The Texas ABLE® Program (“Program”) is administered by the [Texas Prepaid Higher Education Tuition Board \(“Board”\)](#). Orion Advisor Solutions, Inc. is the program manager. The Program and the Board do not provide legal, financial, or tax advice and participants in the Program should consult a legal, financial, or tax advisor before investing. Fees and charges for the most recent quarter are available on our website at TexasABLE.org/expenses.

An account could lose money including the principal invested. Other than the Bank Savings Account option, accounts are not insured or guaranteed by the FDIC. No part of an account is a deposit or obligation of, or is guaranteed or insured by, the Board, the state of Texas, or any agency or agent thereof. Interests in the Program have not been registered with or approved by the SEC or any state. Investors should carefully consider the tax consequences, impact on benefit eligibility, Medicaid recapture, investment objectives, risks, fees, charges, and expenses associated with the Program. The Board may suspend, modify, or terminate the Program or change investment approaches, offerings, and/or underlying investment funds at any time and without the consent of account owners, authorized legal representatives, or beneficiaries. The Program Disclosure Statement and Participation Agreement contains this and other important information about the Program and may be obtained by visiting TexasABLE.org or calling 844-4TX-ABLE (844-489-2253). Investors should read all Program documents carefully before investing.

© 2022 Texas Prepaid Higher Education Tuition Board. “Texas ABLE®” is a registered service mark of the Texas Prepaid Higher Education Tuition Board and distributed by Northern Lights Distributors, LLC, Member FINRA, SIPC. 4221 N 203rd St, Suite 100, Elkhorn NE 68022. All rights reserved.

1260-NLD-03042022