

MI Student Aid

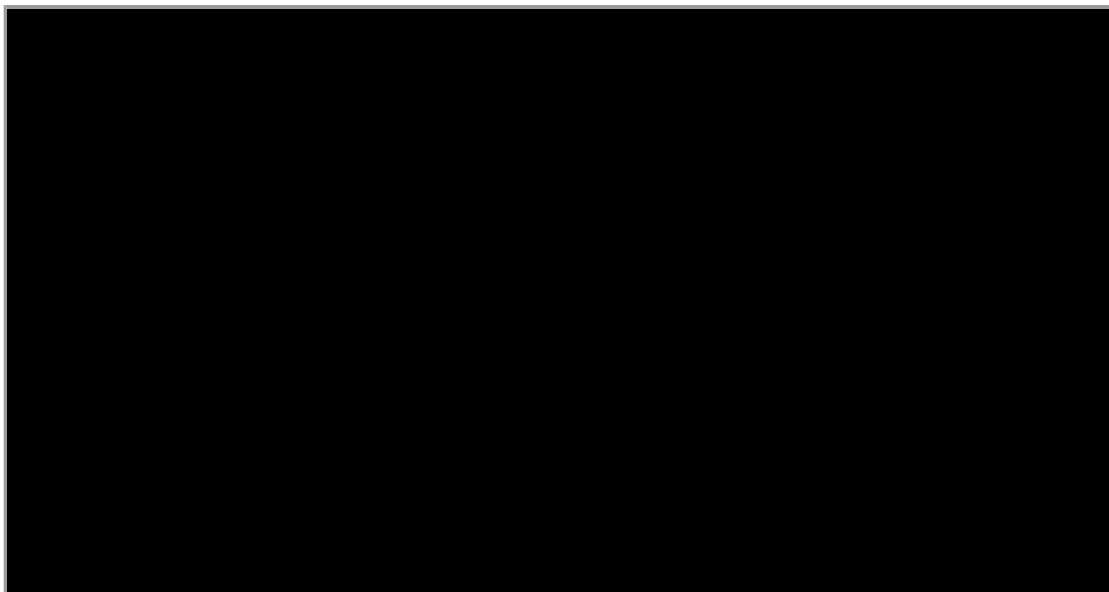
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MiABLE 529 (A) "Achieving a Better Life Experience"

[Open An Account](#)[!\[\]\(3342c215b2a8b663596a81468d5dc314_img.jpg\) **Subscribe to MiABLE Updates**](#)[!\[\]\(56549452e01ca28bdf2500ced9653143_img.jpg\) **Visit MiABLE on Facebook**](#)

The Achieving a Better Life Experience (ABLE) program was created to encourage and assist individuals and families in saving funds for the purpose of supporting individuals with disabilities to maintain health, independence and quality of life;

and to provide secure funding for qualified disability expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, the Supplemental Security Income (SSI) program, the Medicaid program, the beneficiary's employment and other sources. The federal ABLE Act was signed into law in December 2014. The Michigan ABLE (MiABLE) was signed into law in October 2015. The Michigan Department of Treasury will administer the MiABLE program.





When can I open a MiABLE account?

The Michigan Department of Treasury's Student Financial Services Bureau recently entered into an agreement with TSA Consulting Group for the management, administration and investment services for MiABLE. They are currently building the infrastructure for this program and expect to begin enrolling customers by November 1, 2016. Please click on *Subscribe to MiABLE updates* to be notified when enrollment is open.

What does the ABLE Act do?

The law allows certain people with disabilities to have special savings accounts for disability-related expenses without losing eligibility under SSI, Medicaid, and certain other public benefits.

Can an eligible individual have more than one ABLE account?

No. Eligible individuals can only have one ABLE account, but anyone can contribute to their account.

Who is eligible for an ABLE account?

An individual is eligible if they became disabled or blind before the age of 26, and either is currently entitled to Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI), or gets a disability certification under rules the U.S. Treasury will write.

The U.S. Treasury proposes that a person with signature authority, like an agent having power of attorney, or a parent or legal guardian, may aid eligible individuals who may not be able to open an ABLE account themselves.

What is the ABLE tax advantage?

Distributions from an ABLE account, including any earnings, are not taxed if used for qualified disability expenses. If a distribution is not used for a qualified disability expense, that amount could be subject to income tax and imposed a 10 percent penalty.

Distributions not used for qualified disability expenses could also affect other benefits. For federal income tax purposes, the ABLE owner should keep careful records when funds are withdrawn.

Furthermore, contributions to MiABLE accounts are deductible for up to \$5,000.00 for a single return and \$10,000.00 for a joint Michigan Income Tax return.

How much money can be deposited in an ABLE account?

There is an annual limit on the total amount that can be paid into an ABLE account. Annual deposits (contributions) to an ABLE account cannot exceed the individual gift tax exclusion in effect for the calendar year in which the contribution is made (in 2015, the amount is \$14,000).

An ABLE account is considered a 529 account by the IRS. The maximum contribution limit for all Michigan 529 plans combined for a designated beneficiary is \$500,000 – this includes any 529 prepaid tuition or college savings accounts

the beneficiary may have.

The first \$100,000 in an ABLE account would not be considered a resource when determining eligibility for SSI. If the account exceeds \$100,000, the designated beneficiary could lose their monthly SSI cash payment but would continue to receive Medicaid benefits.

How can an ABLE account be used?

An ABLE account must be used for “qualified disability expenses” that relate to the designated beneficiary’s blindness or disability and are for the benefit of that beneficiary in maintaining or improving his or her health, independence or quality of life. Internal Revenue Code, Section 529(e)(5), lists the following as qualified disability expenses:

1. education;
2. housing;
3. transportation;
4. employment training and support;
5. assistive technology and personal support services;
6. health; prevention and wellness;
7. financial management and administrative services;
8. legal fees; expenses for oversight and monitoring;
9. funeral and burial expenses;
10. and any other expenses that may be identified from time to time in future guidance published in the Internal Revenue Bulletin.

Expense payments from an ABLE account are referred to as “distributions” in the federal ABLE Act and legislation.

A distribution for housing expenses from an ABLE account would be considered a resource when determining eligibility for SSI and could affect the designated beneficiary’s Medicaid benefits.

External Links for more info:

[Federal ABLE Act](#)

[US Treasury Proposed Rules](#)

[Michigan Law](#)

[Social Security Administration Program Operations Manual System \(POMS\) - ABLE](#)

[ABLE Webinar](#)

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