



# **The 529ABLE**

## The Low-Cost Alternative *or* *Companion* to a Special Needs Trust

**Presented By**

**Carrie Waters Schmidt**

*MS, CFP<sup>®</sup>, AWMA<sup>®</sup>, ADPA<sup>®</sup>, CSRIC<sup>™</sup>, CDFA<sup>®\*</sup>*

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# Carrie Waters Schmidt

*MS, CFP®*, *AWMA®*, *ADPA®*, *CSRIC™*, *CDFP®\**

Founder of Equanimity Wealth Planning and Investing

M.S. in Financial Planning

CERTIFIED FINANCIAL PLANNER™ Practitioner

## Specializations

- Special Needs Financial Planning
- Planning for recent divorcees
- Financial planning for unmarried and LGBTQ+ Community members
- Financial planning for Executives/High income earners
- Socially Responsible Investors

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YogAutism™ Past Board President 2018 – 2025

Member at large 2025 - present



# AGENDA

- What is a 529ABLE
- Eligibility
- Uses
- Impact on Government Benefits
- Tax benefits
- Comparison with other accounts
- How to get one



# Achieving A Better Life Experience

(ABLE) Act 2014



529A ABLE 529ABLE



# What is a 529ABLE?

- Investment account
- Tax advantaged
- Similar to a Roth IRA
- Contributions not counted as income



# Who Can Get a 529ABLE?

Disabled before age 46

(up from age 26)

Meet disability requirements  
for SSI/SSDI

# Who Might This Be?

**Not just congenital disorders!**

Injured **veterans**

**Survivors** of vehicle crashes, accidents, or  
domestic abuse

Individuals with silent disabilities like **bi-polar  
disorder, fibromyalgia, schizophrenia, or  
debilitating migraines**

Diagnoses of **muscular dystrophy, MS, or  
degenerative sight conditions.**

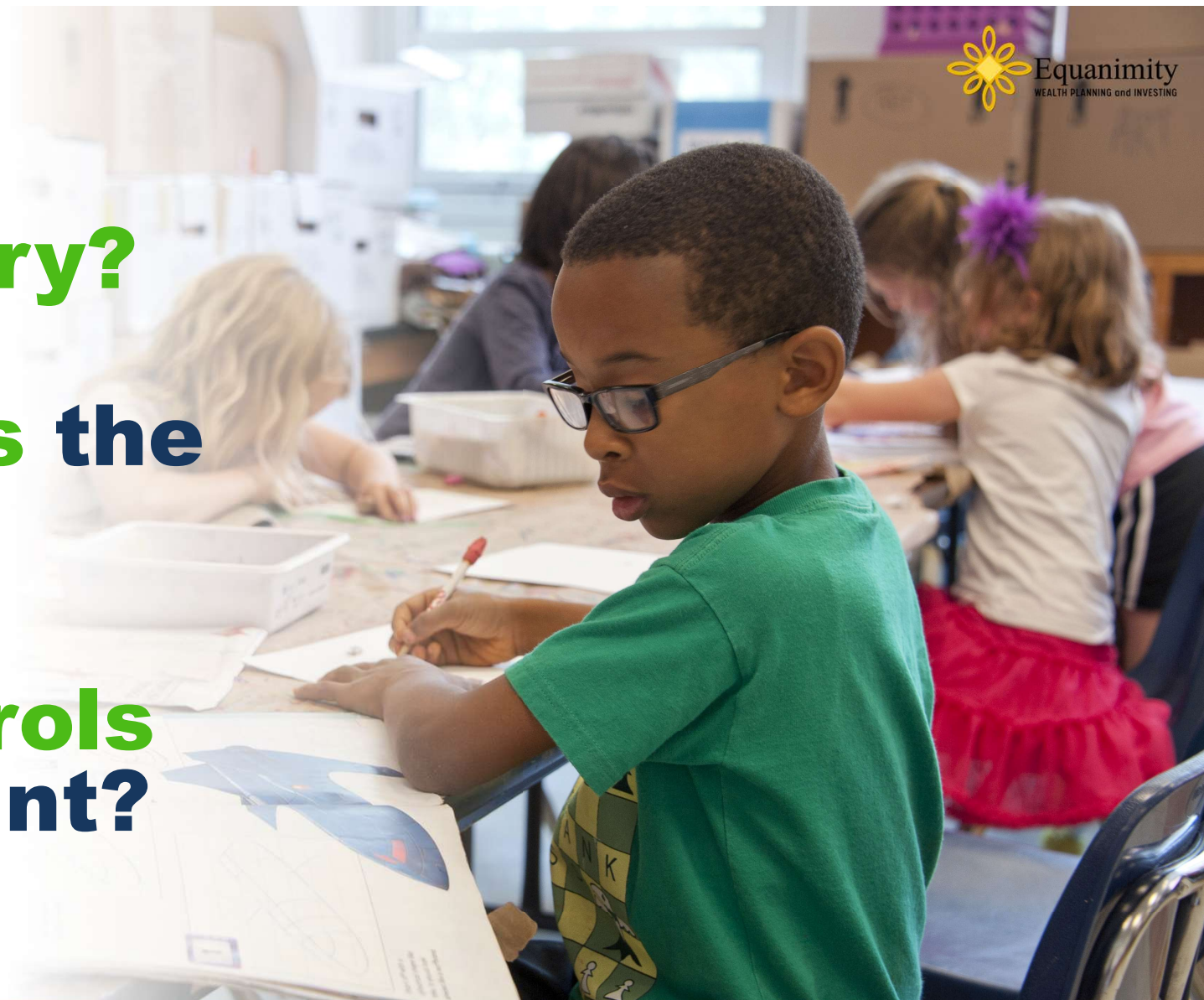
**The list goes on!!**



**What is a  
Beneficiary?**

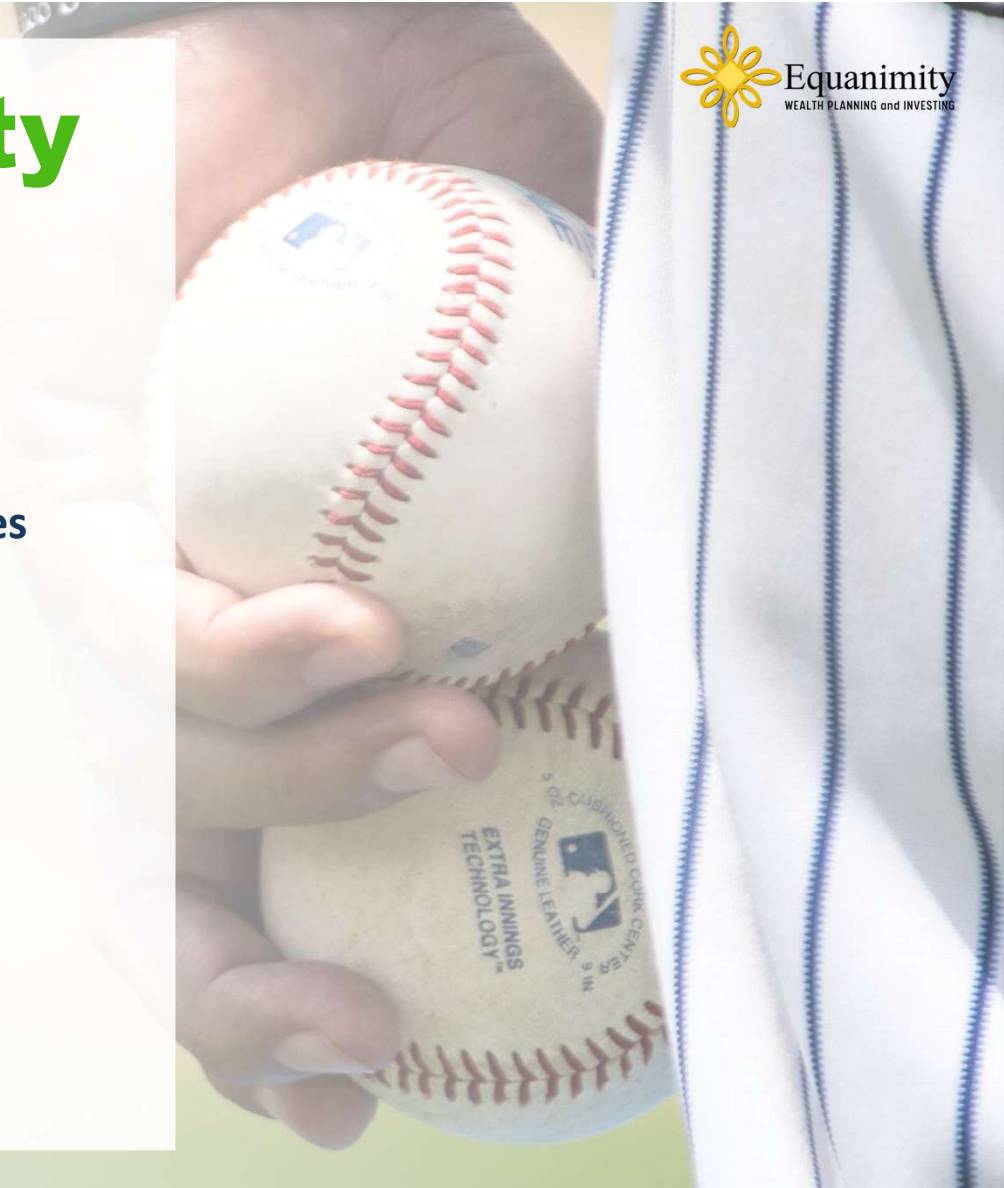
**Who owns the  
account?**

**Who controls  
the account?**



# Qualified Disability Expenses

- Housing
- Medical expenses
- Health and wellness
- Financial management and administrative services
- Transportation
- Legal expenses
- Recreation
- Education
- Employment & support services
- Assistive technology
- Personal support services
- Expenses for oversight and monitoring
- Funeral & burial expenses





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# In-Eligible Withdrawals

10% penalty

Growth counted as  
income

# QUIZ

Can a 529ABLE owner/beneficiary contribute part of their income to an ABLER to avoid having that income counted for SSI, Medicaid, food stamps, etc.?

# QUIZ

Can a 529ABLE owner/beneficiary contribute part of their income to an ABLE to avoid having that income counted for SSI, Medicaid, food stamps, etc.?

**NO**

# QUIZ

Both investment growth and withdrawals from an ABLE are not counted as income.

# QUIZ

Both investment growth and withdrawals from an ABLE are not counted as income.

**TRUE**

# QUIZ

Money saved in a 529ABLE is counted as an asset/income of the beneficiary for means-tested benefits.

# QUIZ

Money saved in a 529ABLE is counted as an asset/income of the beneficiary for means-tested benefits.

**FALSE**

# 529ABLE and Government Benefits

	Account Values \$100,000	Account Values over \$100,000
<b>SSI</b>	Not counted as an asset	Amount over \$100,000 counted as an asset
<b>Medicaid</b>	No effect	No effect

# WHO CAN CONTRIBUTE?

*Account owners*

*Employers*

Family

**529 College Plans Special  
Needs Trusts**



# To avoid being counted as income...

Make contributions

\* **DIRECTLY** \*

to the account





# How much can be saved?

**\$19,000**  
Per year

+

**\$15,650**  
Per year  
Owner's Earnings

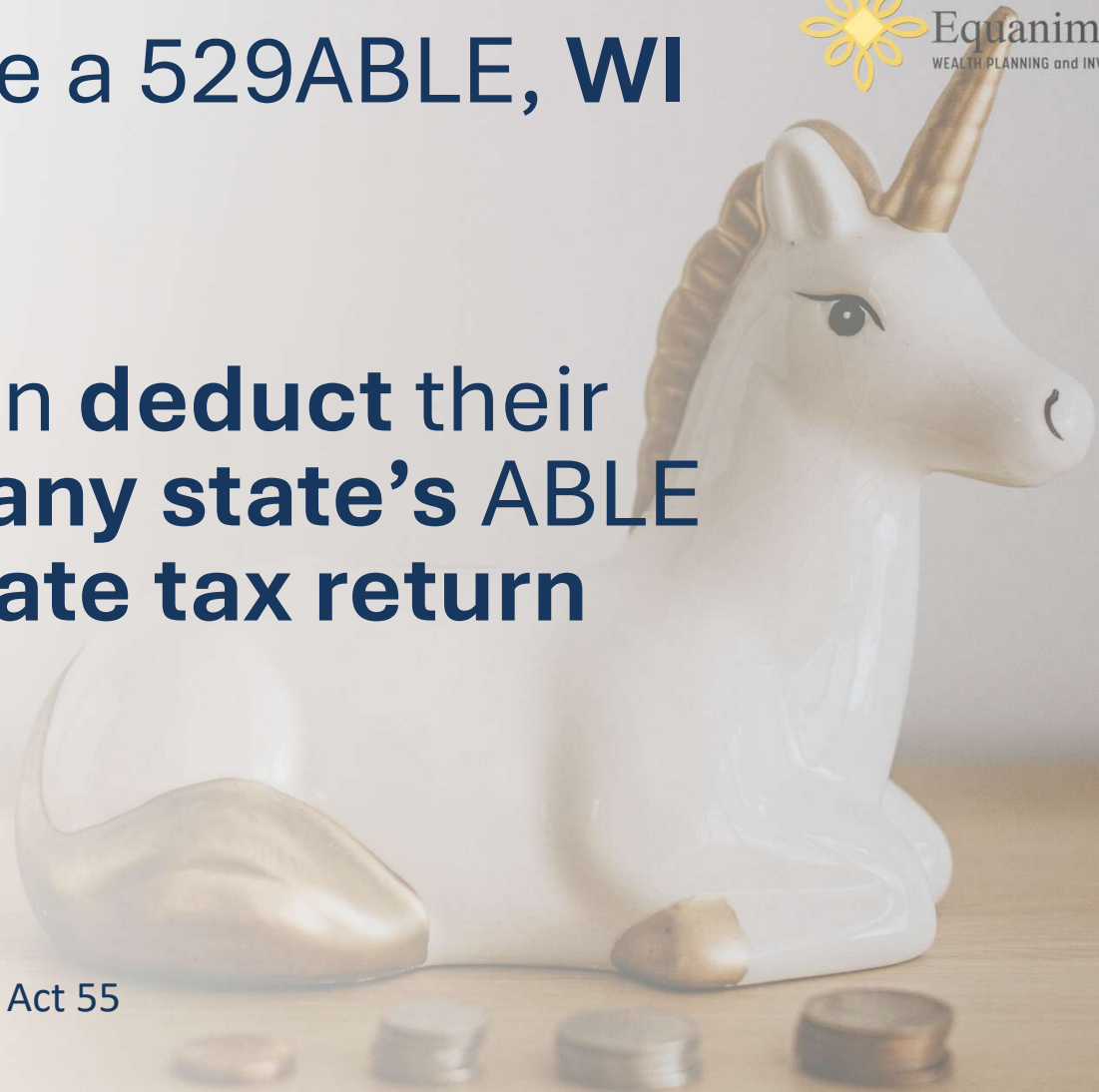
The background of the image consists of several overlapping US dollar bills, including a prominent 100-dollar bill on the left and a 20-dollar bill on the right. The bills are slightly out of focus, creating a sense of depth. A dark blue rectangular box with a thin green border is centered over the bills, containing the text "Tax Benefits" in a bold, white, sans-serif font.

# Tax Benefits

Most states have a 529ABLE, **WI does not.**

WI residents can **deduct** their contribution to **any state's ABLE** from their **WI state tax return**

2015 Senate Bill 21, 2015 WISCONSIN Act 55



# Saver's Credit

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Up to 50% of deposit

Max of \$1,000(s)/\$2,000(m)

## Requirements

- At least 18 years old
- Not a dependent or student
- Subject to income limitations



# Tax Refunds

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Avoid claiming your  
refund as an asset...

**Save it in an  
ABLE**

Use IRS Form #8888



# What if all the money isn't used?



Pay off outstanding  
expenses, funeral/burial  
costs

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Medicaid payback

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Funds paid out to  
beneficiaries

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# Medicaid Payback

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**What's the account purpose?**

*Ensure your family member has enough money?*

or

*Making sure Medicaid gets nothing?*

**NOW**

**Let's do some  
comparisons...**



# 529 College Plan vs. 529ABLE



## 529 College Plan

- Tuition
- Supplies
- Room and Board

## 529ABLE

- Tuition/Supplies
- Room and Board
- Almost everything else!

**What if I have both?**

**Can we use them**

**together?**



# YES!

529 College Accounts are  
**great** for College Expenses

*529A plans are **great** for most  
**everything else!***



# Special Needs Trust vs. 529ABLE

## Special Needs Trust

- No annual deposit maximum
- Can change investments anytime
- Growth is taxable
- Taxed at high Trust rates
- Shouldn't be used for housing

## 529ABLE

- Tax-free growth
- Can use for housing
- Deposit max of \$19,000/yr
- Can deduct contributions on state tax return
- <\$100,000 balance no effect on benefit
- Can reallocate 2X/yr
- Medicaid payback

# NOTE

## Special Needs Trusts can be tricky

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- Large withdrawals can disqualify you from SSI
- Used for food or shelter – it's considered ISM



**What about these two?**

**Can we use them**

**together?**



# YES!

## **SNTs are a fantastic *estate planning tool***

Use it for long-term asset management  
& growth-oriented investments

## **529A plans are a fantastic *“current” independence- enhancing tool***

Use 529ABLE for home expenses  
& dividend-paying investments



**What if I make too much  
money to be eligible for SSI  
or Medicaid benefits?**

*That's okay!*



How do you get  
an **ABLE**?

## **Unassisted** Online

Several plans to choose from

Some require residency

## **Assisted** With an advisor

One plan available

# How do you get an **ABLE?**

- Available in all states
- Most states have their own ABLE plan
- Go to [ABLENRC.org](http://ABLENRC.org) or work with an advisor



# How to compare plans

Costs (Maintenance fees often range \$30 - \$60/yr.)

- *Beware of extra fees like extra charge for paper statements*

Required minimum contribution?

Debit card available? *Do you need a debit card?*

Are risk-appropriate investments available?

What is your preference for working with an advisor?

# Contact Us

Carrie Waters Schmidt

Carrie@EquanimityWealth.com

608-287-3029 | [www.EquanimityWealth.com](http://www.EquanimityWealth.com)

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# Resources

- **ABLE NRC- The ABLE National Resource Center** [www.Ablenrc.org](http://www.Ablenrc.org)
- **IRS website regarding ABLEs** <https://www.irs.gov/government-entities/federal-state-local-governments/able-accounts-tax-benefit-for-people-with-disabilities>
- **Allocation of Refund to ABLE, IRS Form 8888** <https://www.irs.gov/pub/irs-pdf/f8888.pdf>
- **Saver's Credit IRS Form 8880** <https://www.irs.gov/pub/irs-pdf/f8880.pdf>
- **WI's Saver's Credit eligibility** <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>
- **State of Wisconsin Department of Revenue regarding ABLEs**, includes rules and list of states with 529As and plans that do not require Residency <https://www.revenue.wi.gov/Pages/FAQS/ise-ABLEAccounts.aspx>