



## Enable and Special Needs Trusts

Up until the passage of the ABLE Act, an individual with disabilities could only have up to \$2,000 saved in their name to apply for or maintain SSI benefits. To avoid this limit, family members and friends have used Special Needs Trusts (SNTs) to set aside resources without reducing or eliminating benefits. The Enable Savings Plan is an added way to save for individuals with disabilities so they can live and thrive independently for a lifetime. The Enable Savings Plan and SNTs can be used together to provide for financial security.

Each situation is different so you should talk with a financial or legal advisor.

**Self-Settled (First Party) Special Needs Trusts** are used by the individual with disabilities and funded with the individual's own money. For example, this Trust may be funded with money received from an inheritance or personal injury settlement.

**Third-Party Special Needs Trusts** are funded by family, friends and other individuals who want to set aside money for an individual with a disability. The assets in the Trust are not owned by the individual with a disability. Often Third-Party Special Needs Trusts are part of a parent's or other family member's estate plan.

**Assets in an Enable Savings Plan** account are owned by an Account Owner who is an Eligible Individual.<sup>1</sup> Anyone can contribute to the account, however the Account Owner (or an Authorized Individual) has control over the account and use of the assets. Unlike a SNT, there are no legal or administration fees and earnings are tax-free.

### If you have or are thinking about establishing a SNT, you should consider:

- **Opening an Enable account instead of a Special Needs Trust.** You would avoid the high fees associated with establishing and maintaining a trust (for example, legal fees to create a trust, trust administration fees, and annual filing fees) and tax on the earnings (trusts are subject to tax rates up to 37%).
- **Opening an Enable account and a Third-Party Special Needs Trust.** Encourage those who would contribute to the trust to invest up to the maximum limit in the Enable account and use the Enable account assets first as expenses occur to enjoy the tax benefits. Additional funds can still go into the trust.
- **Supplementing a trust with an Enable account.** That will show your commitment to including the individual with disabilities in your community and your support of them to achieve financial independence. If permitted, you should consider withdrawing up to \$19,000 annually from the trust for deposit directly into the Enable Savings Plan account.
- **Opening an Enable account or contributing to the account.** Use this tax-advantaged Plan if you plan on giving the individual with disabilities less than the SSI limit of \$100,000 or if the individual is not or will not be dependent on SSI. Depositing the proceeds from an inheritance or injury settlement. Depositing the money directly into a tax-free, low cost Enable account is a great way to use the Plan.

Regardless of how you choose to save, both SNTs and Enable accounts provide an opportunity to create a lifetime of financial stability.

	Self-Settled Special Needs Trust	Third-Party Special Needs Trust	Enable Savings Plan
Authority over the account	Trustee	Trustee	1. Individual with disabilities 2. Parent or guardian of a minor 3. Authorized Individual
Who owns the assets in the trust	Trust	Trust	Disabled individual
Eligibility requirements	Disabled individual under the age of 65	Disabled individual under the age of 65	Disabled or blind prior to 26 years old
Control over the assets	Trustee	Trustee	The individual (sometimes through an Authorized Individual)
Who can contribute	The disabled individual	Any person	Any person, including a trust
Tax consequences	Federal and State income tax on earnings at beneficiary's rate	Income tax on earnings at federal and state level at high rate (up to 37%)	Earnings are tax-free while in the account and when used for qualified disability expenses <sup>5</sup>
Cost and expenses	Legal fees to draft Trust Trust administration fees Annual filing fees	Legal fees to draft Trust Trust administration fees Annual filing fees	No direct cost to open or maintain an account. Annual account fee of \$45. Investment Management fees 0-.45%
Funds part of asset calculation for SSI/SSDI	No	No	No
Use of funds	As directed by the trust document, use of the funds for "support" items may impact benefits eligibility <sup>2</sup>	Non-support items per trust document only	Any qualified eligible expense and any item supported by SSI or SSDI
Annual contribution limit	None	None	\$19,000
Maximum balance limit	None	None	\$500,000
Maximum balance limit until SSI benefits suspended	None	None	\$100,000 (Medicaid benefits not impacted) <sup>4</sup>
Investing	Trustees have the authority to invest funds held in trust in any way so long as they meet their fiduciary duty and responsibilities	Trustees have the authority to invest funds held in trust in any way so long as they meet their fiduciary duty and responsibilities	Investments are pre-selected based on risk tolerance and convenience
Can the assets be transferred to someone else when the disabled individual is alive?	No	No	Yes, to an Eligible Individual who is a Member of the Family <sup>3</sup>
Protection against losing SSI or Medicaid Benefits?	Yes, depending how the funds are used	Yes, depending how the funds are used	Yes
Subject to Medicaid claims at death for expenses paid?	Yes	No	No, in the state of Nebraska, remaining assets in the account can be available to the estate, transferred to another account within Enable or can be rolled over to another qualified ABLE program.

<sup>1</sup> Enable can be owned by a wide range of Eligible Individuals including someone who: is disabled but does not use SSI or SSDI; receives or will apply for disability benefits, for if the disability has the potential to resolve; is a young child living with parents; has income whether or not in conjunction with SSI; has SSI but who regularly exceeds the \$2,000 resource limit or needs to fill the gap between expenses paid by benefits and needed by the individual; and wants to and can live and thrive independently.

<sup>2</sup> According to government regulations, food and shelter are considered support items.

<sup>3</sup> Includes a child, step-child and child-in-law; parent, step-parent and parent-in-law; sibling, step-sibling and sibling-in-law; niece and nephew; aunt and uncle; a spouse and a spouse of any of the foregoing; and a first cousin.

<sup>4</sup> When the total account balance exceeds \$100,000 the owner's SSI cash benefit could be suspended until such time as the account balance falls back below \$100,000. However, this suspension does not impact on the Account Owner's ability to receive Medicaid or developmental disability services.

<sup>5</sup> Qualified Disability Expenses (QDE) include basic living expenses and are not limited to items for which there is a medical necessity or which solely benefit a disabled individual. QDE include but are not limited to expenses related to the account owner's Education (including tuition for preschool through post-secondary schools), Housing, Transportation, Employment training and support, Assistive technology and related services, Personal support services, Health, prevention and wellness, Financial management and administrative services, Legal fees, Expenses for oversight and monitoring, Funeral and burial expenses, and Other expenses to enhance the account owner's quality of life.

**An investor should consider the Plan's investment objectives, risks, charges and expenses before investing. The Program Disclosure Statement at [www.EnableSavings.com](http://www.EnableSavings.com), for more information, should be read carefully before investing.**

**Investors should consider before investing whether their home state offers any state tax or other benefits that are only available for investments in such state's qualified savings program and should consult their tax advisor, attorney and/or other advisor regarding their specific legal, investment or tax situation.**

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Participation in the Plan does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover future expenses, or that an Account Owner is eligible to participate in the Plan.

**To learn more, visit [EnableSavings.com](http://EnableSavings.com) or call 844-362-2534**

Investments Are Not FDIC Insured\* | No Bank, State or Federal Guarantee  
May Lose Value \*Except the Bank Savings and Checking Investment Options



**The Nebraska Achieving a Better Life Experience Program Trust Issuer**  
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