

PFA Tips

Using Maryland ABLE

Maryland ABLE is a savings program which seeks to encourage and assist individuals and families in saving private funds to support individuals with disabilities to maintain health, independence, and quality of life. ABLE accounts allow people with disabilities to save and invest money that is not counted towards asset limitations set by means-tested benefit programs such as Medicaid or SSI. "Asset limits" prevent people with disabilities from saving money beyond \$2,000 (a typical asset limit) and planning for their future.

Can I open an ABLE Account at my local bank or credit union?

No, ABLE programs are managed by state agencies and offer online enrollment through their websites. During the enrollment process, you can link a new or existing bank account of your choice to make transfers in and out of the ABLE account.

How much does it cost to have an ABLE account?

Each state ABLE program has the ability to set its own account management fees. All ABLE programs work to ensure that the fees are nominal.

In Maryland, a minimum contribution of \$25 is required to establish an account. The minimum for subsequent deposits is \$5. For Maryland ABLE, there is an annual maintenance fee used to cover some services administered by the Program Manager, Vestwell (i.e. operating the Customer Service center, maintaining the Maryland ABLE website). It is currently \$35 per year, billed quarterly at \$8.75. It is optional to use the Prepaid VISA card offered through True Link; the cost is \$1.25 per month, with additional fees to replace lost cards. There are additional asset-based fees for opting into any of the four investment options which can be found in the MD ABLE Program Disclosure Booklet - <http://bit.ly/4pZyzqn>.

What can my ABLE account pay for?

Qualified Disability Expenses (QDEs) for ABLE accounts are defined as expenses that support a person's health, independence, and quality of life. Some examples of these expenses can include:

- rent, mortgage, food and utilities
- medical, dental, and mental health care services
- job training or education costs
- service animals
- adaptive equipment and assistive technology
- transportation and personal support
- transition support
- emergency expenses

These are examples and not an exhaustive list of what the funds in an ABLE account can be used for.

If I move, what happens to my ABLE account?

Maryland ABLE offers national enrollment. Since account management can be done online or through the mobile app, you can keep and maintain your Maryland ABLE account should you move out of state. Account holders can visit their new state's ABLE program website to see if there are incentives that will benefit them. If you decide to transfer your Maryland ABLE account to another state's program, rollovers to another state are available at no cost.



Medicaid "Clawback"

A Maryland ABLE account is generally protected from Maryland Medicaid filing a claim to recapture money for long term care services provided since the ABLE account has been opened because Maryland state law prohibits it unless required by federal law. While the federal ABLE Act allows states to seek reimbursement for Medicaid expenses paid for an ABLE account beneficiary since the ABLE account was opened, after their death, Maryland law specifically states that a state agency or instrumentality cannot seek payment from the account unless mandated by federal law. Therefore, the "clawback" or "payback" risk is significantly reduced for Maryland ABLE accounts.

What happens to the money in an ABLE account when someone passes away?

Outlined here is the general process that is followed for ABLE accounts. Steps are subject to change depending on the individual's circumstances. Please contact the ABLE program administrator should you have any questions about this.

When the beneficiary of an ABLE account dies, the funds are first used to pay any remaining qualified disability expenses (QDEs) and funeral/burial costs. If the beneficiary received Medicaid long term

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care benefits, Maryland passed a law that states the Maryland Medicaid will not seek to reclaim funds from the account unless federally mandated to do so. If federally mandated, a claim could be filed against the account for the amount of medical assistance after their ABLE account was established. After all expenses have been paid, the remaining balance may go to a designated successor beneficiary or, if none, to the account owner's estate.

Updates to Maryland ABLE

If you already have a Maryland ABLE account, you can now access your account on your phone or tablet. Just download the Vestwell app for iOS or Android systems and take your account with you on the go. You can make contributions, withdraw funds, share gifting pages, and more. Download the app today and log in using your Maryland ABLE username and password.

**Updates to all ABLE Programs**

ABLE is expanding to help even more people. A new federal law titled the ABLE Age Adjustment Act, is set to take effect on January 1, 2026, raising the age of onset for the disability to 46 (previously 26). This may provide the benefits of an ABLE account for the tax advantaged, and asset protected savings of ABLE accounts to over 8 million additional people across the country.

H. R. 1, the newest tax bill passed by congress made three critical benefits for ABLE accounts permanent:

- Ability to roll over funds from a 529 college savings account to an ABLE account
- Ability for the account owner to contribute additional money equal to their annual gross wages up to the ABLE to Work limit over the annual contribution limit
- Eligibility to have tax savings as defined in the Savers Credit for contributions to an ABLE account which increases from \$2,000 to \$2,100 in 2027

Additional Resources

Maryland ABLE

<https://www.marylandable.org/>

Intro to ABLE webinars

<https://www.abletoday.org/intro>

PFA Tips: Using Maryland ABLE (529A Plan) To Gain Independence

<https://pathfindersforautism.org/articles/financial/pfa-tips-using-able-to-gain-independence/>

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