

# attainable<sup>SM</sup>

The ABLE Savings Plan offered by MEFA  
and managed by Fidelity



# What is an ABLE Account?



- The Achieving a Better Life Experience (ABLE) Act, enacted on December 19, 2014, permits the establishment of ABLE Savings Accounts under [Section 529A of the Internal Revenue Code](#).
- The ABLE Act allows those with disabilities to set up tax-advantaged savings accounts (now known as 529-A accounts) to save for expenses including, but not limited to the following: education, housing, transportation, employment training, assistive technologies and related services, personal support services, or health and basic living expenses.
- In May 2017, MEFA and Fidelity launched the Attainable Savings Plan<sup>SM</sup> to help disabled individuals and their families save for disability related expenses.

# What does an ABLÉ account offer me?



*The ABLÉ Act recognizes the significant costs of living with a disability:*

- These extra costs could include raising a child with disabilities; assisting a working age adult with disabilities; providing accessible housing and transportation; delivering personal assistance services; affording assistive technology and health care not covered by insurance, Medicaid or Medicare.
- The ABLÉ legislation explains that an ABLÉ account will, with private savings, "secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, Medicaid, SSI, the beneficiary's employment and other sources."

# Facing Challenges and Seeking Opportunities



Challenges	Opportunities	Intent of ABLÉ
\$2,000 asset cap for means tested government programs like SSI and Medicaid	More persons with disabilities pursuing post-secondary education and entering the workforce	To encourage and assist in the saving of private funds to support the maintenance of health, independence and quality of life

# Plan Highlights: The Attainable Savings Plan



- Official plan name: The Attainable Savings Plan
- State Sponsor: The Massachusetts Educational Financing Authority (MEFA)
- Program Manager: Fidelity Investments
- Plan offers a full digital account experience:
  - Account Opening
  - Account Maintenance
  - Contributions and Distributions
  - Robust Product Pages and FAQs
- Dedicated Fidelity ABLE phone representatives
- Choose from a range of professionally managed investment portfolios
- Ability to pair with a *Fidelity Cash Management Account* with debit card, Fidelity BillPay, fee free ATM access, check writing capabilities and more...

# ABLE Account Eligibility



- A person is considered eligible for an ABLE account if he or she:
  - Is entitled to benefits based on disability under Title II (SSDI) or Title XVI (SSI) of the SSA, or certifies that he or she is disabled, or has a condition listed on the List of Compassionate Allowances maintained by the SSA.
  - In either case, the applicable disability must have occurred before the individual turned 26 years old.
  
- The Attainable Savings Plan<sup>SM</sup> doesn't require you to submit documentation regarding the disability, but you will be required to certify and attest on the Attainable account application that you meet and comply with the eligibility requirements as set forth under IRC Section 529A.
  
- In all circumstances, the eligible individual, also known as the beneficiary, is the account owner.
  
- A person with signature authority (**PSA**) can establish and control an ABLE account for a designated beneficiary who is a minor child, is otherwise incapable or has chosen not to manage the account.

# Benefits of an ABLER Account



ABLE Savings Accounts are advantageous because they:

- Foster and support the health, independence, and quality of life of individuals with disabilities
- Provide an easy and accessible way to invest and save for qualified disability expenses
- Offer a variety of professionally managed investment options
- Provide federal and state tax benefits

# Attainable Plan Features



## Account Caps:

- Total annual contributions = \$14,000  
(tied directly to the federal gift tax exclusion limit for 2017)
- Maximum account balance = \$400K
- \$100,000 = amount at which Supplemental Security Income (SSI) is **suspended** but not terminated
- Medicaid is not affected by balances in an Attainable Savings Plan

## Attainable Savings Plan<sup>sm</sup> Account Minimums

- \$50 Minimum initial contribution
- \$30 Minimum account balance

# Investment Options: The Attainable Savings Plan



## Investment Portfolios

### Asset allocation for Attainable portfolios

Attainable portfolios that are more conservative (and tend to have lower risk) are at the top of the chart, and more aggressive portfolios that have greater risk but the potential for higher returns are toward the bottom of the chart.

Risk	Portfolio	Asset Allocation
		<span style="color: blue;">■</span> Stocks <span style="color: green;">■</span> Bonds <span style="color: yellow;">■</span> Short-term
Lower	ABLE Money Market Portfolio	100%
	ABLE Conservative Income 20% Portfolio	20% Stocks, 50% Bonds, 30% Short-term
	ABLE Income 30% Portfolio	30% Stocks, 50% Bonds, 20% Short-term
	ABLE Moderate Income 40% Portfolio	40% Stocks, 45% Bonds, 15% Short-term
	ABLE Balanced Income 50% Portfolio	50% Stocks, 40% Bonds, 10% Short-term
	ABLE Moderate Growth 60% Portfolio	60% Stocks, 35% Bonds, 5% Short-term
	ABLE Growth 70% Portfolio	70% Stocks, 25% Bonds, 5% Short-term
Higher	ABLE Aggressive Growth 85% Portfolio	85% Stocks, 15% Bonds

Units of the Portfolios are municipal fund securities and are subject to market fluctuation and volatility. You may have a gain or loss when you sell your Units.

# Making Withdrawals from your Attainable Account



- Distributions for **qualified** disability expenses (i.e. for the benefit of the account owner in maintaining or improving his or her health, independence, or quality of life.)
  - No explanation is needed to withdraw money from your Attainable account; however, the IRS may ask you to verify that the money was used for a qualified expense, so you should keep records detailing how you're spending that money
- Distributions for **non-qualified** expenses would be considered a non-qualified withdrawal, and taxes, as well as a potential 10% federal penalty tax, may be owed on earnings associated with the withdrawal.
  - Non-qualified withdrawals may also impact disability benefits

# Spending Habits and Timing Withdrawals



- SSA\* has stated that for many qualified disability expenses, you don't need to spend the money in the same month in which you withdraw it from your Attainable account.
- However, for housing related expenses, you must spend the money on the housing expense in the same calendar month in which you withdraw it from your Attainable account.
  - If these conditions aren't met, the withdrawal\*\* may be counted as a resource and could impact SSI benefits.

*\*\*After the money has been withdrawn (but before it's spent), you can maintain the money in separate account such as a personal checking account or a Fidelity Cash Management Account.*

\*Social Security Administration

# Account Maintenance and Transfers



- Not permanently disabled? The Federal law requires that an annual recertification is submitted to the Attainable Plan stating that the account owner meets the eligible criteria to be an account owner.
- Transferring an account? You can only have one ABLE account per eligible individual, but you can move the assets in one ABLE plan to another one with no tax consequences.
- Changing beneficiaries? You may transfer all or part of the money from your Attainable account to another person's ABLE account, with no tax consequences, provided that person is eligible for an ABLE account and is a sibling to the original account owner.
  - Note: This includes brother, sister, stepbrother, stepsister, half-brother, and half-sister

# Learn More @ [www.fidelity.com/attainable](http://www.fidelity.com/attainable)



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## The Attainable Savings Plan<sup>SM</sup> managed by Fidelity

With an Attainable Savings Plan<sup>SM</sup>, we can help disabled individuals and their families save for their disability expenses while keeping benefits such as Supplemental Security Income and Medicaid.

[Open an Account](#)



### A tax-smart way to save

Earnings in the account grow tax deferred and, when used for qualified disability expenses, are federal income tax-free.

### Helps preserve disability benefits

Money in the account does not impact Medicaid benefits and balances below \$100,000 do not impact SSI benefits.

### A simpler way to plan for the future

Save more easily for disability-related expenses, and access your money whenever you need it.

#### Attainable Savings Plan features

An Attainable account is an easy and accessible way to invest and save for qualified disability expenses.

- Make annual contributions up to \$14,000 for 2017
- Choose from a range of professionally managed investment portfolios
- Use your account to save and pay for qualified disability expenses over the short and long term

[See our FAQs](#)

#### Who is eligible?

Individuals are eligible for an Attainable account if they are already receiving benefits under Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI). If not, they may still be eligible if they certify that they are blind or disabled and have a written diagnosis of their condition by a licensed physician. Under all circumstances, the onset of the disability must have begun prior to age 26.

[See the full eligibility guidelines](#)

#### Learn more about Attainable accounts

-  **Explore investment options**  
Choose from professionally managed portfolios that best match your savings, investment objectives, and risk tolerance.
-  **Using your account**  
Get additional information for managing your Attainable account, including contributions, withdrawals, and more.
-  **Our program sponsor**  
Visit MEFA's website.

# Important Legal Information



**The Attainable Savings Plan is offered by the Massachusetts Educational Financing Authority and managed by Fidelity Investments.**

**Qualified ABLÉ Programs offered by other states may provide state tax benefits to their residents or taxpayers that are not available through the Attainable Savings Plan. If you are not a resident of Massachusetts, you should consider whether your home state offers its residents or taxpayers state tax advantages or benefits for investing in your home state's qualified ABLÉ program before making an investment in the Attainable Savings Plan**

**Unit of the portfolios are municipal fund securities and are subject to market fluctuation an volatility. You may have a gain or loss when you sell your units.**

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MEFA is a not-for-profit self-financing state authority that works to make higher education more accessible and affordable for students and families in Massachusetts through community education programs, college savings plans, and low-cost financing options.

The Fidelity® Cash Management Account is a brokerage account designed for spending and cash management. It is not intended to serve as your main account for securities trading. Customers interested in securities trading should consider a Fidelity Account®.

All Fidelity ATM withdrawal fees will be waived for your Fidelity Cash Management Account. In addition, your account will automatically be reimbursed for all ATM fees charged by other institutions while using a Fidelity Visa® Gold Check Card linked to your account, at any ATM displaying the Visa®, Plus® or Star® logos. The reimbursement will be credited to your Fidelity Cash Management Account the same day the ATM fee is debited from the account. Please note, there is a foreign transaction fee of one percent that is not waived, which will be included in the amount charged to your account. The Fidelity Visa® Gold Check Card is issued by PNC Bank, NA and administered by BNY Mellon Investment Servicing Trust Company, which are not affiliated with Fidelity Investments. The third-party trademarks appearing herein are the property of their respective owners.

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**Before investing, consider the investment objectives, risks, charges, and expenses of the Attainable Savings Plan and its investment options. Contact Fidelity for a Fact Kit, Disclosure Document containing this information. Read it carefully.**

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