



# CalABLE Qualified Disability Expenses

What can you buy with CalABLE?

April 16, 2025



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## Webinar Setup



### Spanish Interpreter

Click Interpretation in webinar controls and click Spanish



### ASL Interpreters

View the speaker gallery to find a video feed of our ASL interpreters



### Captioning

Turn on Closed Captioning in the webinar controls

# Presentation Slides

Please visit the CalABLE website for a copy of today's slides.

<https://www.treasurer.ca.gov/able/events/webinars/2025/index.asp>



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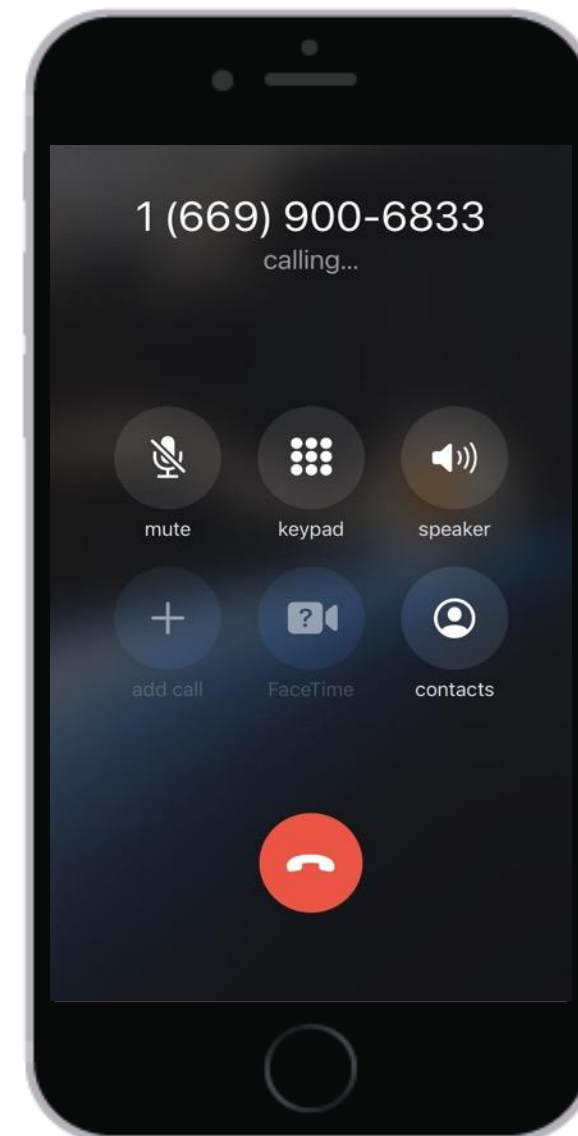
## Audio Options for the Webinar: Telephone

### Via your computer speakers

Please make sure your speakers are turned on or your headphones are plugged in.

### Via telephone:

1. Call: 1-669-900-6833
2. Enter Webinar ID: 885 6463 6005



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## Submitting Questions

### Q&A Box

Submit your questions using the Q&A box at any time

### Email Us

Audio-only participants may email us at [CalABLE@treasurer.ca.gov](mailto:CalABLE@treasurer.ca.gov)

### Survey

Submit your feedback and unanswered questions

We will answer as many questions as possible. Please note, we cannot answer questions about specific personal situations, but we can direct you to resources.



# Welcome

Fiona Ma  
*California State Treasurer*



# CalABLE Qualified Disability Expenses

What can you buy with CalABLE?

April 16, 2025



# Poll: I am a...

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- Account owner
- Authorized legal representative / Parent

- State Employee
- Service Provider

- Potential CalABLE participant
- Other





# Poll:

## Have you attended a CalABLE Webinar before?

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Yes

No



# **CaLABLE Basics**



**CalABLE is a tax-advantaged savings and investment program designed to help people with disabilities achieve their financial dreams.**

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ABLE stands for  
**"Achieving a Better Life Experience."**

It is a federal program signed into law in 2014.

With CalABLE, you can save money without losing your eligibility for other benefits.



## Who is Eligible for CalABLE?

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**You can open an account at any age, but you must have a disability that began before age 26\* and:**

- You meet the eligibility criteria for disability benefits like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).
- Or**
- You can self certify if your disability is on the SSA List of Compassionate Allowances or Blue Book (Listing of Impairments)
    - You may be asked to provide a [signed letter](#) from a qualified physician

13 \* The age limit for onset of disability to increase from 26 to 46 starting in 2026





## CalABLE protects SSI benefits

SSA Program Operations Manual System for ABLE Accounts:

<https://secure.ssa.gov/poms.nsf/lnx/0501130740>

Contributions are not considered income\*

Distributions are not considered income

Distributions for qualified disability expenses are excluded from countable resources

- Housing expenses must be withdrawn and spent in the same calendar month

\* Please note: Income contributed into a CalABLE account is still considered income



If you're on SSI, you could not save more than

**\$2,000**



Now with CalABLE you can save up to

**\$100,000**

# Additional Agency Guidance

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**SSDI:** No asset limit

**Medi-Cal:** As of January 1, 2024, the Medi-Cal asset limit has been eliminated

- <https://www.treasurer.ca.gov/able/Medi-Cal-FS.pdf>

**HUD / Section 8:** CalABLE account excluded when determining eligibility

- <https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2019-09.pdf>

**CalFresh:** CalABLE account excluded when determining eligibility

- <https://www.treasurer.ca.gov/able/resources/acl.pdf>

\* CalABLE is currently working with these agencies to update the yearly contribution limits listed. Please use these letters for guidance.

## Please note:

CalABLE staff are not experts on benefits. If you have specific questions on benefits eligibility or reporting your CalABLE account, please reach out to your benefits providers directly.

If you are eligible for these means-tested benefits through SSI, you will want to keep the \$100,000 limit in mind.

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## How much you can contribute to your CalABLE account in 2025?

**\$19,000**

**Annual contribution cap**

*(contributions only)*

**\$100,000**

**Total cap of recipients  
of SSI benefits**

*(contributions + earnings)*

**\$529,000**

**Total contribution cap  
for CalABLE**

*(contributions + earnings)*

*CalABLE will automatically reject excess contributions*

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# Invest your money

- CalABLE offers professionally managed investment portfolios
- Potential **tax-free** growth
- Opportunity to build wealth through compound earnings

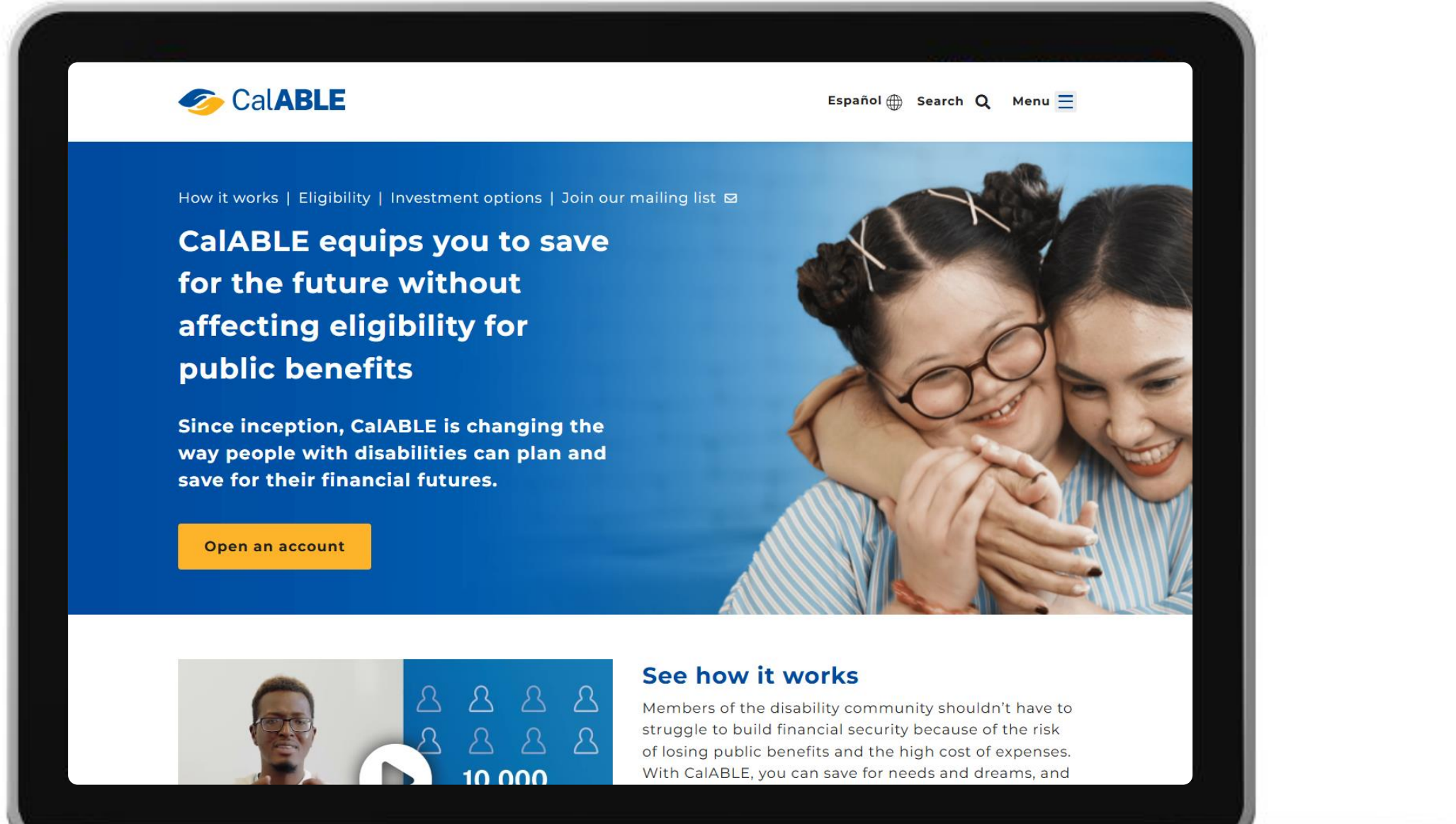


The [allocation of underlying mutual funds by target risk investment option](#) can be found on [CalABLE.ca.gov](http://CalABLE.ca.gov).





# Get started today: CalABLE.ca.gov



Español Search Menu

[How it works](#) | [Eligibility](#) | [Investment options](#) | [Join our mailing list](#)

## CalABLE equips you to save for the future without affecting eligibility for public benefits

Since inception, CalABLE is changing the way people with disabilities can plan and save for their financial futures.

[Open an account](#)



### See how it works

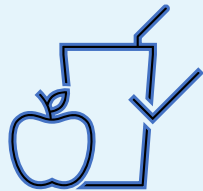
Members of the disability community shouldn't have to struggle to build financial security because of the risk of losing public benefits and the high cost of expenses. With CalABLE, you can save for needs and dreams, and

# Qualified Disability Expenses

# What Is a Qualified Disability Expense (QDE)?

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Expenses that are for the benefit of the designated beneficiary in maintaining or improving:



**Health**



**Independence**



**Quality of Life**

# QDE Quiz:

## Could a monthly bus pass be considered Qualified Disability Expense?

Likely, yes

Likely, no

Not sure



# QDE Quiz:

## Could a vacation to Disney World be considered a Qualified Disability Expense?

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Likely, yes

Likely, no

Not sure



# QDE Quiz:

## Could lunch with friends be considered a Qualified Disability Expense?

Likely, yes

Likely, no

Not sure



# QDE Quiz:

Could the down payment for a car in the name of the account owner's parents be a Qualified Disability Expense?

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Likely, yes

Likely, no

Not sure



# Poll:

## What are you saving for?

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First home

Education

Service dog

Recreation and vacation

Accessible vehicle

Technology or equipment

Health and wellness







# Example QDE Categories

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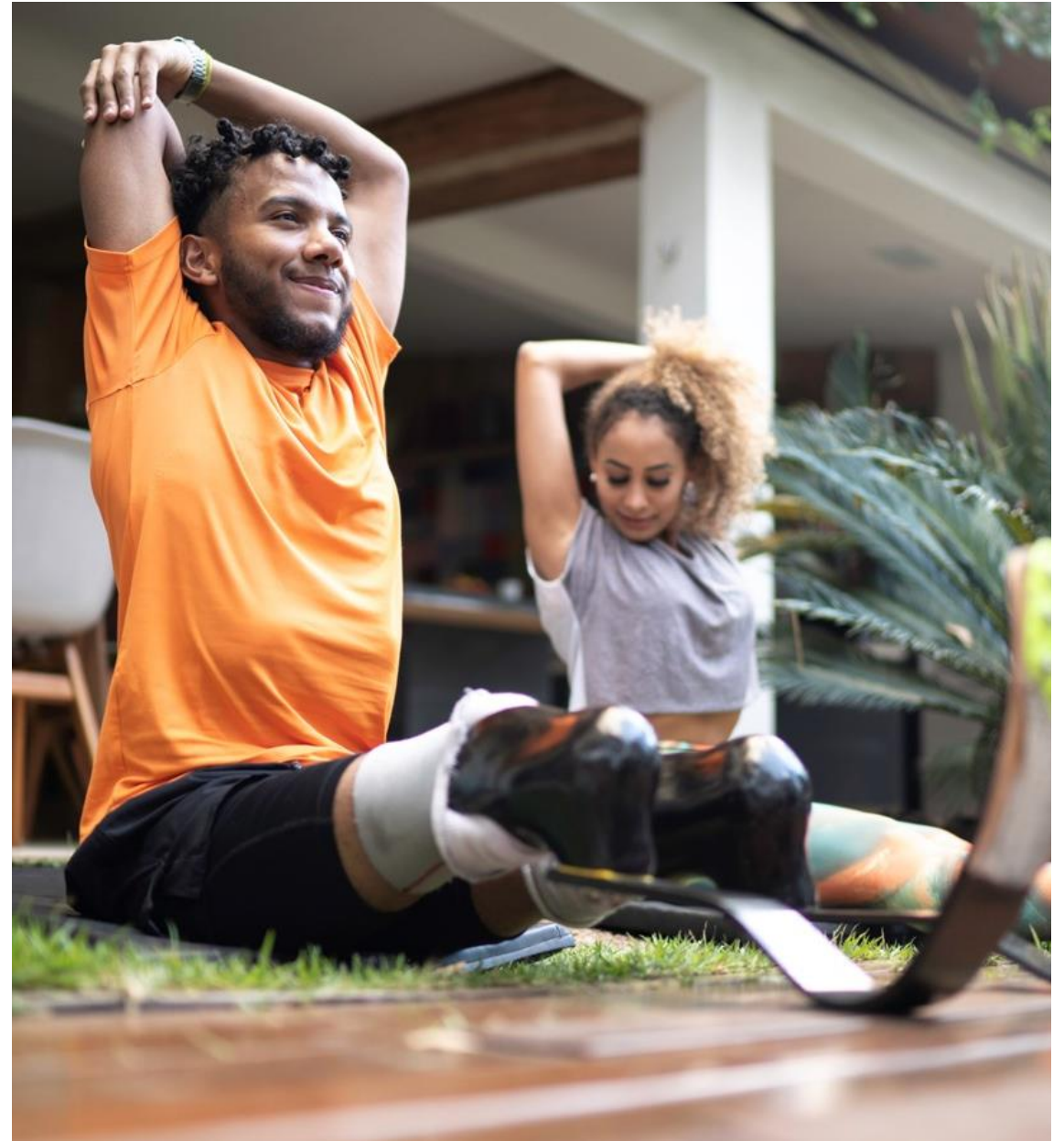




## Withdrawing for QDEs

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- Withdrawals for QDEs are tax and penalty free
- Withdrawals for QDEs do not count as income
- Withdrawals for QDEs are not counted as a resource by means-tested benefits



# Example from the POMS: Change of Intent on the Use of a Distribution

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In June, Jennifer takes a \$7,000 distribution from her ABLE account to pay an **educational expense** that is a QDE. Her educational expense is due in September.

In August, Jennifer gets a job offer and **decides not to return to school**.

The \$7,000 becomes a **countable resource** in September because she no longer intends to use it for an educational expense that is a QDE, unless Jennifer **re-designates** it for another QDE or **returns** the funds to her ABLE account prior to September.



## Housing Guidance

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- The entire value of an ABLE account is excluded from household assets
- Third-party contributions/gifts into an ABLE account are not considered income
- Distributions from an ABLE account are not considered income

Wage income received will be included as income

\* Withdrawal and payment of housing expenses must occur in the same calendar month to avoid problems with SSI Benefits



## POMS Housing Expense Examples

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Mortgage (including property insurance required by the mortgage holder)

Real property taxes

Rent

Heating fuel

Gas

Electricity

Water

Sewer

Garbage removal

Housing expenses for purposes of an ABLE account are similar to household costs for in-kind support and maintenance purposes.

However, for ABLE purposes, food is considered a basic living expense, but not a housing expense.

# Example from the POMS: Housing Expense

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Amy takes a distribution of \$500 from her ABLÉ account in **May** to pay a housing expense for **June**. She deposits the \$500 into her checking account in May, withdraws \$500 in cash on June 3, and pays her landlord.

This distribution is a housing expense and part of her checking account balance as of June 1, which makes it a **countable resource** for the month of June.

# What Is a Non-Qualified Disability Expense?

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Any expense that **does not** benefit the beneficiary by maintaining or improving health, independence or quality of life.

**Because the categories are intentionally broad, there are very few purchases that would be considered nonqualified disability expenses**





## Examples of Non-QDEs

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Gifts for other people

Any illegal purchases

Gambling

**IMPORTANT NOTE:**  
If CalABLE money is used for a non-qualified disability expense (non-QDE), the expense would be subject to regular income taxes, plus a 10% tax penalty on account earnings – and benefits may be at risk.

Money used for non-QDEs may now be considered a resource.



**What if I am unsure if an expense is qualified?**

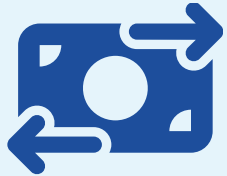
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# Making Withdrawals

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## How do I access my money?



**Electronic withdrawals**



**Prepaid Card**



**By check**

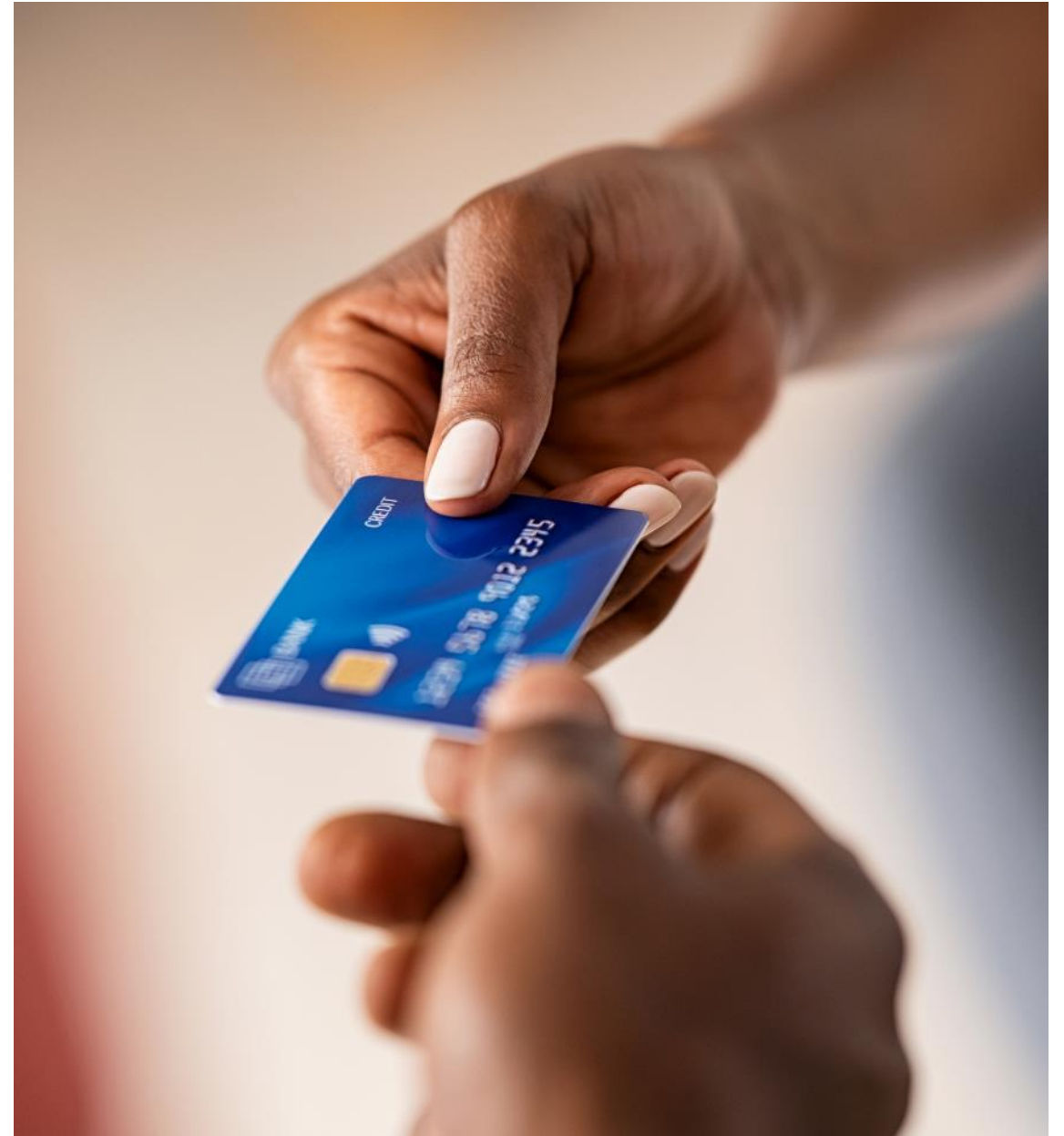


**Monthly Withdrawals**

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## Access your money easily with a prepaid card

- Load funds onto your prepaid card anytime from your CalABLE account
- Use it to pay for qualified disability expenses anywhere Visa® cards are accepted
- SSI Guidance: Money stored on the card does not count as an asset
- Customize your spending - set where your card will and won't work to avoid fraud
- You can have two separate cards - one for the beneficiary and one for the authorized legal representative
- No monthly fees



## Make a withdrawal

There is a \$5 minimum.

### Step 1 of 2

#### Transfer to \*

Bank Account or Prepaid Card 


- Withdraw funds via electronic transfer to your bank account.  
Each online withdrawal to a Bank Account is limited to \$25,000. Prepaid card withdrawals are limited to \$5,000 per trade day.

Check to Account Owner 

Addresses changed or added within 15 days cannot be used.

Check to Bill Pay Recipient 

There is a \$5,000 daily withdrawal limit to Bill Pay Recipients.

To withdraw more than \$25,000 to a bank or by check, or to withdraw more than \$5,000 to a bill pay recipient, use the [Withdrawal Form](#) .

## Withdrawals – Step 1 (Bank)

### Make a withdrawal

There is a \$5 minimum.

#### Step 2 of 2

Enter the amount you'd like to withdraw from each portfolio. To withdraw more than \$25,000 to a bank or by check, you will need to use the [Withdrawal Form](#).

#### Transfer to \*

This is the bank account that your withdrawn funds will be sent to.

Chase 7947

Investment Option	Amount
<b>FDIC-Insured Portfolio</b> Available amount for withdrawal \$1,000.00 <sup>2</sup> <input type="checkbox"/> Withdraw all funds (\$1,000.00) <sup>1</sup>	Amount \$ 100
<b>Total</b>	
\$ 100.00	

Footnote 1: This amount is based on the most recently calculated market value of your investment and may fluctuate depending on the final trade day price. It does not include pending contribution amounts. The actual amount withdrawn may vary and may be rejected if it exceeds your final trade day available balance. You must wait at least 5 business days to withdraw contributed funds and 10 days to withdraw funds that have been gifted. [Return](#)

Footnote 2: Your withdrawal limit is 100% of your Investment portfolio's starting available balance for today minus pending withdrawals and related transaction fees. [Return](#)

ABLE accounts are subject to a \$25,000 daily withdrawal limit. Please note that any pending transactions will impact these limits.

Back

Review

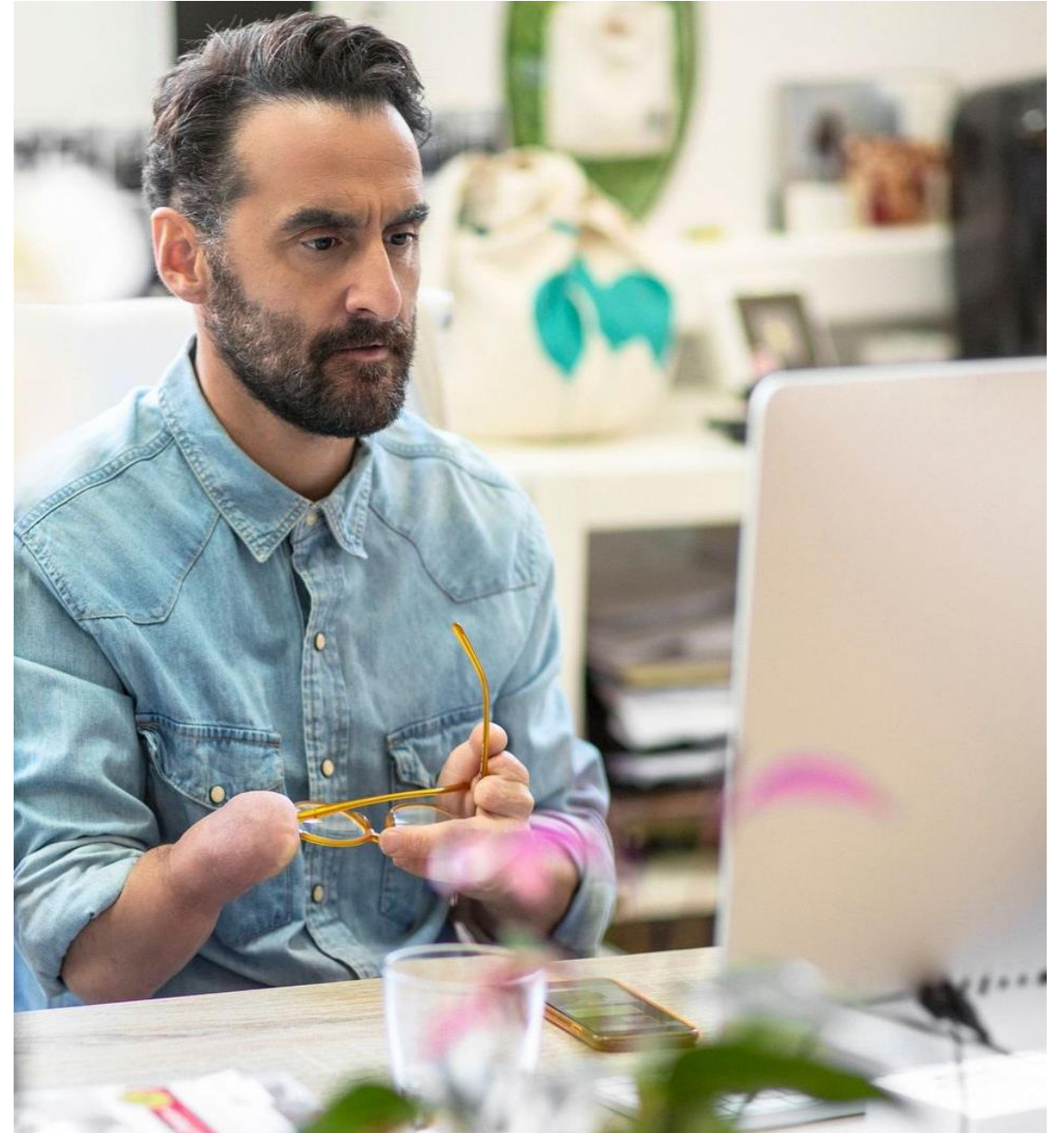
# Withdrawals – Step 2 (Bank)



## Best Practices for Record Keeping

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- Keep receipts in a secure and safe area
  - Scan receipts and notes, store them on a computer
  - Organize receipts by date to easily find them
  - You can upload receipt photos to your prepaid card portal
- Take notes of the purchased item and the amount of the CalABLE withdrawal
- The IRS recommends keeping records for 3 years from the date you filed your original return or 2 years from the date you paid the tax



# **CaLABLE Ambassador Jennifer**



# Reminders

# Contact Us

## CalABLE Service Center

- **Phone: 833-Cal-ABLE (833-225-2253) between 6am and 5pm PT**
  - For those with a hearing impairment, please contact us at the number above via a relay service
- **Customer Support:** <https://www.sumday.com/customer-support/calable>
- **You can sign up to receive our emails, newsletters and information by scanning the QR code.**



# CalABLE Resources

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[Partner Toolkit](#)



[YouTube](#)



**Brochures**



[Twitter](#)



[Instagram](#)



[Facebook](#)

*Stay up to date with the latest news and join the conversation on social media*



## CalABLE from Childhood to Adulthood

May 14, 2025

2:00 P.M. - 3:30 P.M. PT

This program is free and open to the general public.

Dial in by calling  
1-669-900-6833

Webinar ID:  
830 2914 1570



### CalABLE Monthly Webinar Series

Register now:



[https://us06web.zoom.us/join/register/WN\\_5ISypCTiRROv2dH7YSL2rA](https://us06web.zoom.us/join/register/WN_5ISypCTiRROv2dH7YSL2rA)

CalABLE is governed by the California ABLE Act Board, an instrumentality of the State of California. Vestwell State Savings, LLC ("Vestwell") is the program administrator. More information about the program can be found at [calable.ca.gov](http://calable.ca.gov).

CalABLE is a savings and investment program offered by the state of California to people with disabilities that began before reaching age 26.

**In this webinar, we will explore:**

- CalABLE Basics
- How CalABLE can assist in the transition from childhood to adulthood
- Transition resources from guest presenters



**Detalles en español en el post de abajo**



## Fill out the anonymous webinar survey!

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1. I am a... CalABLE participant, ALR, potential CalABLE participant, service provider, State employee, other.
2. Do you have any questions we didn't answer?
3. Email or phone number (optional if you would like follow-up)
4. What did you like most about this event?
5. What could we have done better?
6. After this presentation, do you have enough information to open a CalABLE account?
7. Things I wish I knew when I started CalABLE



# Disclosure Part 1

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This website, presentation, and any blogs or other promotional materials do not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service by Vestwell State Savings, LLC or any of its parents, subsidiaries, affiliates (collectively, "Vestwell") or another third party. Vestwell does not make any representations regarding the appropriateness or suitability of any securities, products, investments, or services and Vestwell does not provide legal, tax, financial, or investment advice to any individual. Vestwell State Savings, LLC is a service provider to certain state-sponsored retirement, college savings, and ABLE programs ("Program"). Any information on or in our website, presentations, blogs, or marketing materials relating to any Program is provided for general education purposes only and should not be used or interpreted by anyone for any other purpose. Any link from this website to a third party website, including any link to a website of any Program website is not an endorsement or recommendation of such Program or regarding any investment options available in such Program, nor is it a statement or opinion as to the accuracy or completeness of any information. All investments involve risk, including the total or partial loss of principal, market fluctuations, liquidity and interest rate risks, domestic and international risks, and inflation-related risks, among many others. Investors are solely responsible for determining whether any investment, investment strategy, security, or transaction affecting their account in any such Program is appropriate for them. Investors should consider consulting their own business advisor, attorney, or tax and accounting advisor regarding their specific business, legal or tax situation, and should review the offering document or other disclosure provided by the Program or issuer of any security before deciding whether to make an investment.

## Disclosure Part 2

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CalABLE's investment options are selected by the California ABLE Act Board. Account balances in CalABLE will vary with market conditions and are not guaranteed or insured by the California ABLE Act Board, the State of California, the Federal Deposit Insurance Corporation (“FDIC”), Vestwell, or any other organization.

Neither Vestwell nor the California ABLE Act Board are investment or tax advisors and do not provide tax, legal, financial, or other investment advice. You should consult appropriate professional advice or consultation if you have questions related to taxes or investments. Consider the investment objectives, risks, charges and expenses before investing in the CalABLE. Please call toll-free 833-CAL-ABLE for a Disclosure Statement containing this and other information. Read it carefully. Before investing in any savings program, you should consider whether your home state provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state’s savings program.

You also should consult your financial, tax, or other adviser to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to directly contact your home state’s savings program, or any other state savings program, to learn more about those plans’ features, benefits and limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The FDIC-Insured Portfolio is FDIC-insured up to \$250,000, subject to certain restrictions. Interests in the CalABLE program are not registered with or in any way approved by the Securities and Exchange Commission or by any state securities commission.

**Thank You**



# Death of Beneficiary

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**Funds from a CalABLE account can be used by his or her estate to repay any outstanding eligible expenses, funeral, and burial costs.**

When CalABLE is notified of a Beneficiary's death, CalABLE will request satisfactory proof of death and documentation from the executor or administrator of the Beneficiary's estate. Upon receipt of such proof of death, CalABLE will suspend all Account activity, except that the executor or administrator of the Beneficiary's estate will be permitted to take withdrawals from the Account.

Death of Beneficiary Form:

<https://calable.ca.gov/assets/docs/death-of-beneficiary-form.pdf>

An executor or administrator of a Beneficiary's estate should consult with qualified tax and legal advisors regarding the tax treatment of such withdrawals and the potential for Medicaid/Medical recapture by Medicaid/Medical or other states.

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## Medi-Cal Recovery

**CalABLE accounts for CA residents are protected against Medi-Cal recovery (SB 218, AB 2216).**

However, the state may recover on assets that have transferred from a CalABLE account to an estate, if ALL of the following apply:

The deceased Medi-Cal member was aged 55 or older.

The member leaves an estate that is subject to formal probate. Under current law, only estates that exceed \$184,500 in value are subject to formal probate.

The member received nursing facility services or home and community-based services, including related hospital and prescription drug services.

The member is not survived by a spouse or registered domestic partner, child under 21 years of age, or disabled child of any age.

\* As of 1/1/2023, ABLE accounts for CA residents not established in CA are subject to Medi-Cal recover claim

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## Successor Designated Beneficiary

- A Successor Designated Beneficiary for a CalABLE account must be a sibling, step-sibling, or halfsibling of the designated beneficiary, and must also have a qualifying disability.
- A successor must be added to the account before the death of the beneficiary.
- You can add a successor in the CalABLE portal or using a paper form:  
<https://calable.ca.gov/assets/docs/add-edit-remove-successor-designated-beneficiary-form.pdf>



Currently, CalABLE does not have the ability to list a successor Authorized Legal Representative. In the case of the ALR's death, please use the Change of Authorized Legal Representative Form:  
<https://calable.ca.gov/assets/docs/change-of-alr-form.pdf>