

MISSISSIPPI ABLE PROGRAM

FACTS & FAQs



History of ABLE

In December of 2014, the United States Congress passed the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act which added Section 529A to the federal tax code. This enables eligible individuals with disabilities to save money in tax-advantaged accounts that may be used for qualified disability expenses while keeping their eligibility for federal public benefits. On April 11, 2017, the Mississippi Legislature passed SB 2311, establishing Mississippi's ABLE Act. The members of the Mississippi ABLE Board were appointed by Governor Phil Bryant and held their first meeting on May 8th, 2018.

After much research and consideration, the Mississippi ABLE Board voted in October 2018 to join with the National ABLE Alliance.

Why the need for ABLE accounts?

Many individuals with disabilities and their families depend on public benefits (such as SSI, SNAP and Medicaid). To be eligible for public benefits, you must not have savings of more than \$2,000 (SSI) or \$4,000 (Medicaid).

The effort for ABLE accounts originated with a group of parents of children with disabilities who recognized the unfairness of not being able to save funds in their child's name for fear of losing essential benefits that allow their child to live independently in the community. An ABLE account is much easier and less expensive than establishing a special needs trust and is easier to maintain. A qualified ABLE account holder may also be the beneficiary of a special needs trust.

How much money can be put in ABLE accounts?

The maximum yearly limit for contributions to an ABLE account is the annual gift tax exemption amount (\$19,000 in 2025). An individual who is working may contribute an additional amount not exceeding their income or the federal poverty level, whichever is less. The maximum balance for an ABLE account is \$235,000. Once an account goes over \$100,000, SSI benefits will be suspended. Other benefits are not affected by any account total.

What is an ABLE account?

ABLE accounts are tax-advantaged savings accounts for individuals with disabilities. Income earned in the account is not taxed if spent on qualified disability-related expenses. Contributions can be made to an account by anyone and may qualify for a state tax deduction. The account can be used for daily transactions, as well as for long-term savings.

Who may open an account?

An ABLE account may be opened by the disabled beneficiary who meets the eligibility requirements or by another person, including the guardian or conservator for the individual with a disability. For further details on eligibility, please see the applicable federal law.

Who is eligible?

The ABLE Act provides eligibility for individuals with a disability (as defined by the SSA) that began before their 26th birthday—or before their 46th birthday starting January 1, 2026, under the ABLE Age Adjustment Act.

If you meet this age criteria and are also already receiving benefits under SSI and/or SSDI, you are automatically eligible to establish an ABLE account.

If you are not a recipient of SSI and/or SSDI, but still meet the age of onset disability requirement, you could still be eligible to open an ABLE account if you meet Social Security's definition and criteria regarding significant functional limitations and receive a letter of certification from a licensed physician. You need not be under the age of 26 to be eligible for an ABLE account.

How do you open an ABLE account?

You can enroll online, or print a paper application, by visiting mississippiable.com.

How much will it cost someone to open an account?

There is no cost to open an ABLE account. The fee to maintain a Mississippi ABLE Account will be \$3.75 per month. This fee may decrease as enrollment in the program increases. Additional fees may apply.

Are contributions tax deductible?

Contributions made into ABLE accounts may be deductible on your Mississippi income tax return. Please see ABLE's enabling legislation for further details on possible tax benefits of ABLE contributions.

How will the money be invested?

Mississippi's ABLE program offers diverse investment options, ranging from FDIC insured to higher risk stock and bond options.

How can funds be used?

Funds in the account can be used to purchase "qualified disability-related expenses." A "qualified disability-related expense" is any expense related to the designated beneficiary's disability that assists him/her in increasing and/or maintaining their health, independence and/or quality of life. These may include expenses related to education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other similar expenses.

How will someone withdraw their money?

While the Mississippi ABLE account offers a great way to save money, participants may also choose to withdraw their money through real-time debit cards, electronic transfers and/or paper checks.

How do you manage an ABLE account?

ABLE accounts are a unique savings and investment vehicle for individuals with disabilities. They allow eligible individuals with disabilities to build assets through savings and investments in order to help them better reach their financial goals and create a more promising economic future. ABLE accounts allow for significant amounts of money to be put into a tax-advantaged saving and investment account without affecting eligibility for means tested programs such as SSI or Medicaid. The account owner is the manager and beneficiary of the account.

The funds contributed into an ABLE account can be invested in a range of different options. This allows account owners to accumulate assets, or possibly lose assets, based on the performance of their investment choices. ABLE account owners do not need to put all their funds in just one investment choice (although they can if they would like to).

Each investment option is typically associated with its own asset-based fee. ABLE account owners can change their investment options up to two times per calendar year. The Mississippi ABLE program offers an "FDIC-insured account." These account options offer risk-free savings, as opposed to the various investment options which could fluctuate in terms of gains and losses.

Who can make a contribution to an ABLE account?

Anyone can make a contribution to an ABLE account. The account owner is the manager and beneficiary of the account. There are many ways to contribute to an ABLE account, they are as follows:

- Check
- Electronic Funds Transfer
- Payroll Direct Deposit
- Recurring Contributions
- Rollover from a 529 Plan or another state's ABLE program
- Ugift

Who are the Mississippi ABLE Board Members?

The nine Mississippi ABLE Board Members include:

- David McRae, State Treasurer
- Billy Taylor (Vice-Chairman), Executive Director of the Department of Rehabilitation Services
- Wendy Bailey, Executive Director of the Department of Mental Health
- Richard Courtney (Chairman), 1st Supreme Court District and Attorney
- Michael Schloegel, 2nd Supreme Court District and Senior Vice-President, Hancock Whitney Bank
- Justin Bobo, DeSoto County Market President, First Commercial Bank
- Jayne Buttross, Attorney, Board Member of Coalition for Citizens with Disabilities
- Pam Dollar, Executive Director of Coalition for Citizens with Disabilities
- Paul Rogers, Attorney, Board Member of Coalition for Citizens with Disabilities

Where can I get more information on the Mississippi ABLE Program?

The Mississippi ABLE Program was established in 2017 through Senate Bill No. 2311 and is now found at Mississippi Code Section 43-28-1 et. seq. This legislation established an ABLE Board which is working with the Mississippi Department of Rehabilitation Services. The ABLE Board keeps information updated on the MDRS website (www.mdrs.ms.gov) and also the Mississippi ABLE website (www.mississippiable.com).

Any questions not addressed on these websites can be directed by email to MDRS at msableinfo@mdrs.ms.gov or by calling Josh Woodward, MS ABLE Director at (601) 853-5257.



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www.mississippiable.com

(888) 609-3469

**Disclaimer: The information provided in this flyer is general background information only, is given in summary form, and does not purport to be complete. If you are considering opening an ABLE account, you should seek competent advice concerning the effect of opening and contributing to an ABLE account on the eligibility or continued eligibility for federal and state government benefits. Funds remaining in an ABLE account may be subject to Medicaid recovery upon the death of the account owner. You should also seek the advice of a professional concerning any financial, tax, or legal implications related to opening and maintaining an ABLE account. Participating in Mississippi's ABLE Program may involve investment risk including the possible loss of principal.*