

DMA ADMINISTRATIVE LETTER NO: 01-17, ACHIEVING A BETTER LIFE EXPERIENCE (ABLE ACT)

DATE: January 1, 2018

SUBJECT: Achieving a Better Life Experience (ABLE Act)

DISTRIBUTION: County Directors
Medicaid Staff

I. BACKGROUND

The Achieving a Better Life Experience (ABLE) Act is a federal program that was signed into law December of 2014. ABLE gives individuals who were determined disabled prior to their 26th birthday, and their families, the opportunity to save for the future and fund essential disability related expenses without impacting eligibility for Medicaid.

The North Carolina Department of State Treasurer launched the [NC ABLE Program](#) January 26, 2017.

II. POLICY

A. An applicant/beneficiary (a/b) can be the designated beneficiary of only one ABLE account from any state.

B. Income

1. ABLE account distributions are not evaluated for income and remain a non-countable resource when determining or re-determining Non-MAGI program eligibility.
2. Any taxable portion of distributions, regardless the amount, is countable income when determining or re-determining MAGI program eligibility.
 - a. Obtain the prior year 1040 Tax Form.
 - b. Any amount claimed on line 21 of a tax return and labeled "ABLE" is countable income. The amount is prorated over a 12-month period.

C. Resources

An ABLE account is a non-countable resource when determining or re-determining non-MAGI program eligibility.

1. A/b with resources that are within the allowable resource limit:
 - a. Verification of ABLE account is not required.
 - b. Do not request documentation from the applicant/beneficiary (a/b).
2. A/b with resources that exceed the allowable resource limit:
 - a. Allow the a/b to rebut or reduce any excess resources.
 - b. ABLE account funds in any account should be excluded when determining countable resources.
 - It is the responsibility of the a/b or representative to provide verification.

D. Transfer of Assets

Any amount claimed on line 21 of a tax return and labeled “ABLE” is evaluated for transfer assets (MAGI and Non-MAGI).

E. Effective date:

This policy is effective upon receipt.

If you have any questions regarding this material, please contact the Operational Support Team (OST) at ost.policy.questions@dhhs.nc.gov

Dave Richard

Deputy Secretary for Medical Assistance

(This material was written and researched by Deirdre Lisman, Medicaid Eligibility Unit).