

Life stages and relationships

ABLE accounts: save with a disability and keep your benefits

An ABLE account lets someone with a disability save and invest while keeping SSI and Medicaid. Who qualifies, the 2026 rules and how to start.

6-minute read • Updated October 2026 • Checked against its sources



The short version

- ✓ An ABLE account lets a person whose disability began before age 46 save and invest without losing SSI or Medicaid.
- ✓ In 2026, up to \$20,000 can go in from anyone, and money spent on disability-related costs comes out tax-free.
- ✓ SSI ignores the first \$100,000. If the account is what puts you over SSI's limit, SSI pauses but Medicaid continues.

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What an ABLE account is

An ABLE account is a savings and investing account for a person with a disability. ABLE stands for Achieving a Better Life Experience, the 2014 law that created it. ¹ The account belongs to the person with the disability, and each person can have only one at a time. ²

Its biggest benefit is what it doesn't do. If you get Supplemental Security Income (SSI), savings over \$2,000 (\$3,000 for a couple) usually put your payments at risk. ³ Money in an ABLE account works differently. SSI doesn't count the first \$100,000 in the account, and money you take out isn't counted as income. ¹

\$100,000 of an ABLE account balance that SSI doesn't count

Source: Social Security Administration, SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts (Program Operations Manual System) (Effective February 26, 2026)

That means you can build a cushion, save for a big purchase or invest for later, without giving up the support you rely on.

2

Who can open one

Since January 1, 2026, you can open an ABLE account if your disability or blindness began before age 46. Before then, it had to begin before age 26.¹

There are two ways to show you qualify:¹

- **You get benefits because of that disability**, such as SSI or Social Security disability benefits.
- **Or you certify it.** You, or whoever opens the account, confirm that the disability seriously limits daily life and began before age 46, and that you have a copy of a doctor's signed diagnosis.

A parent, guardian or another trusted person can open and run the account for a child, or for an adult who can't open or manage it alone. There's a set order for who can step in, starting with someone who holds a power of attorney. The account still belongs to the person with the disability.^{1 2}



Turned away before?

If you were told no because your disability began between your 26th and 46th birthdays, the rule changed on January 1, 2026. It's worth checking again.

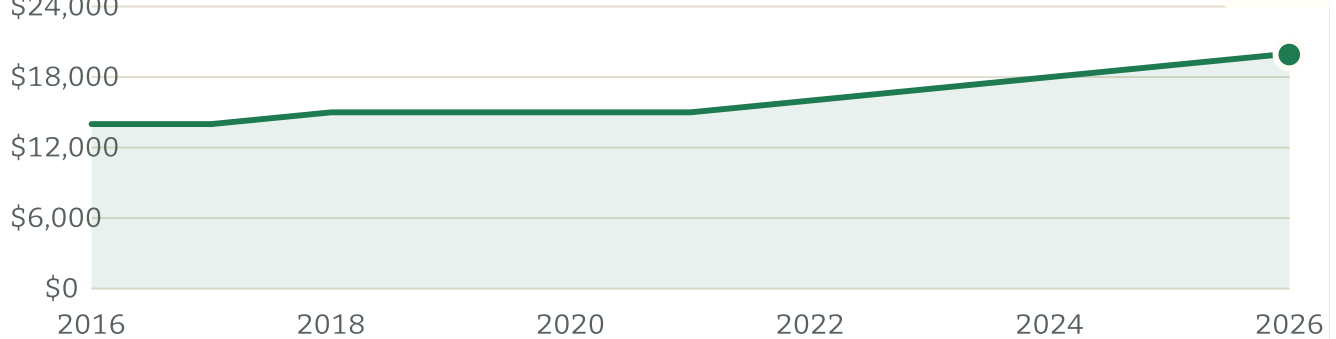
3

How much can go in, and from whom

Anyone can add money: you, your family, your friends, even a trust.¹ All of it together can't go over the yearly limit, which is \$20,000 in 2026.^{1 4}

Up to \$20,000 can go in during 2026

The most that can be added to one ABLE account in a year, from everyone together

\$20,00**2026**

Someone who works may be able to add more from their own pay. See the section on how much can go in.

Source: Social Security Administration, SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts (Program Operations Manual System) (Effective February 26, 2026)

If you work, you may be able to add more from your own pay. The extra amount is capped at the federal poverty line for one person from the year before, or at what you earned, if that's less. ^{5 1} For 2026, ABLE programs put that cap at \$15,650 in the 48 states and D.C., \$17,990 in Hawaii and \$19,550 in Alaska. ^{6 7} Those are the 2025 federal poverty guidelines for one person. ⁸ You can't add this extra amount in a year when money goes into a retirement plan at work for you. ⁵

Depending on your income, money you put in yourself may also earn the Saver's Credit, a tax credit of up to \$1,000. It can only lower income tax you owe, so it doesn't help if you owe none. ^{2 9}

Have money in a 529 college savings plan? It can be moved into an ABLE account for the same person or a family member. The move counts toward that year's limit. ¹⁰

4**What the money can pay for**

Money spent on "qualified disability expenses" comes out tax-free. ¹¹ The list is wide. It covers costs like these: ^{2 1}

- Housing and food
- School, job training and support at work
- Transportation
- Health, prevention and wellness
- Assistive technology and personal support
- Money management, legal fees, and funeral and burial costs

Money taken out for something that isn't a qualified disability expense can be taxed: the earnings part counts as income, plus an extra 10% federal tax on that part. ² If you live in California, the state usually adds an extra 2.5% tax on that part. ¹² If you still have it the

next month, SSI counts it as savings.¹

For SSI, the timing of what you take out matters, and housing has its own rule.

**Housing money: spend it the same month**

If you take money out for rent, a mortgage or utilities, spend it in that same month. If it's still in your bank account on the first of the next month, SSI counts it as savings. Money for other approved costs can wait, as long as you keep it set aside for that cost.¹

5

Keeping SSI and Medicaid safe

SSI ignores the first \$100,000 in the account. If the balance goes over that, and it's the only reason your savings are too high, your SSI payments pause instead of ending, and Medicaid continues. Once the balance drops again, SSI can restart.¹

Two more rules are worth knowing:

- **Your pay still counts.** Wages you deposit into the account are still income for SSI that month.¹
- **What's left at death.** After final approved bills are paid, the state can ask to be paid back from the account for Medicaid costs.¹ In California, Medi-Cal (the state's Medicaid program) doesn't file a claim on a CalABLE account. It can recover only from money that has passed into an estate, and only when all of these are true: the person was 55 or older, the estate goes through formal probate, they received nursing home or other long-term care services, and no spouse, registered domestic partner, child under 21 or disabled child survives them.¹⁴

**Try it this week**

Write down what you spend in a typical month on housing, food, getting around and health. Those are costs an ABLE account can pay for, and your list shows how much you might run through one.

6

How to open one

1**Check that you qualify.**

Your disability began before age 46, and you get SSI or Social Security disability benefits, or you can certify that it seriously limits daily life and you have a doctor's signed diagnosis.

2

Pick a program.

States run ABLE programs, and you can join another state's program if it allows that. ¹ Compare fees and investment choices. Investment options can lose money. In California's CalABLE, for example, only the FDIC-insured option is insured. ⁶ Money you'll need soon, like for rent, is safer in an insured option, if your program has one.

3

Open it online.

If someone will help you manage it, ask the program how to add them.

4

Keep receipts

for what you pay from the account, especially for housing.

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For advisers: the planning details

If you're helping a client weigh an ABLE account, these are the details that most often matter.

- **Eligibility by certification.** A client who doesn't get SSI or Social Security disability benefits can qualify by certifying marked and severe functional limitations that began before age 46, with a physician-signed diagnosis kept on file. ¹
- **Two different limits.** In 2026, the ABLE limit is \$20,000, while the annual gift tax exclusion is \$19,000. ^{4 13} A single giver who fills the account should check the gift tax rules.
- **Extra contributions from work.** These come only from the beneficiary's own compensation, and only in a year with no contribution to a workplace retirement plan for them. ⁵
- **529 rollovers are permanent.** Public Law 119-21 removed the 2025 end date. A rollover still counts against the year's limit. ¹⁰
- **Distributions and SSI.** A distribution isn't income. One for housing, or for something that isn't a qualified expense, counts as a resource if it's still held the next month. Other qualified distributions kept for a planned expense don't count. ¹
- **The \$100,000 line.** Above it, SSI is suspended, not ended, and Medicaid continues, but only when the ABLE balance is what puts the client over the resource limit. If other resources alone exceed it, the usual suspension applies: Medicaid stops, and SSI ends if the suspension lasts 12 months. Plan contributions and spending with that line in mind. ¹
- **Who can manage the account.** Signature authority can go to an agent under a power of attorney, a conservator or guardian, a spouse, parent, sibling or grandparent, or a representative payee. It isn't ownership. ¹
- **Trusts and what's left.** A trust can contribute to an ABLE account. ¹ Because the state can claim remaining funds for Medicaid (in California, only from an estate, as above), some families also talk with an attorney about a special needs trust for larger gifts.

Questions to bring to your adviser

A volunteer adviser is ready when you are.

Weighing an ABLE account for yourself or someone you love? A volunteer adviser can help you fit it with your benefits.

go.advisersgiveback.org/start



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