

## ASK VIVIAN: Sage Planning's Vivian Villers



**Q. "I understand that the funds in an ABLE account can only be withdrawn for "qualified disability expenses." How do they know if you used the money for the allowed expense?"**

Let's first review some basics:

- An ABLE account allows the individual with a disability to have up to \$100,000 in their Social Security number and continue to receive SSI and Medicaid benefits.
- Withdrawals for qualified expenses are usually tax free (similar to allowable withdrawals from a college 529 plan). Qualified disability expenses include things such as housing, transportation, employment training and support, cost of assistive technology, education, prevention and wellness, financial management, and administration, etc.
- It is advisable to take withdrawals from the ABLE account via either check or debit card. Taking this approach helps create an accurate paper trail (or record). Keep in mind that withdrawals for non-qualified expenses will be subject to taxes on the amount plus a 10% penalty.

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