

LEGAL ALERT

June 18, 2018

New Jersey Introduces NJ ABLÉ Program

By: Shirley B. Whitenack, Esq.

Although New Jersey enacted legislation in January 2016 authorizing the establishment of tax-exempt Achieving a Better Life Experience (ABLE) accounts for certain individuals with disabilities, until now, New Jersey residents had to open such accounts in other states because New Jersey had not yet implemented an ABLE account program. On June 18, 2018, the New Jersey Human Services Commissioner announced the launch of the NJ ABLE program.

Individuals with disabilities as defined by the Social Security Administration that began prior to age 26 are eligible to deposit up to \$15,000 in 2018. The tax-free accounts will not be considered as an asset or income in determining an individual's eligibility for means-tested government benefits such as Supplemental Security Income (SSI) and Medicaid. Individuals with disabilities can have only one ABLE account. Upon the death of the account holder, Medicaid is entitled to reimbursement for all benefits paid after the account was opened.

The assets in the NJ ABLE accounts can be used to pay qualified disability expenses such as education, health and wellness, housing, transportation, legal fees, financial management, job training and support, assistive technology and personal support services. The earnings are federally tax-free if used for qualified disability expenses. Individuals can set up their accounts online.

If you have any questions or request additional information, please contact any member of Schenck, Price, Smith & King's Elder and Special Needs Law Practice Group: Shirley B. Whitenack, Regina M. Spielberg, Gary Mazart, Meredith L. Grocott, Crystal West Edwards and Lauren Mechaly.

DISCLAIMER: This Alert is designed to keep you aware of recent developments in the law. It is not intended to be legal advice, which can only be given after the attorney understands the facts of a particular matter and the goals of the client.

Florham Park
220 Park Avenue
Florham Park, NJ 07932
(973) 539-1000

Paramus
115 West Century Road
Suite 100
Paramus, NJ 07652
(201) 262-1600

Sparta
351 Sparta Avenue
Sparta, NJ 07871
(973) 295-3670

New York
116 West 23rd Street
Suite 500
New York, NY 10011
(212) 386-7628