

**Attorney Timothy P. Crawford, CPA, CELA\*, CAP\*\***  
wanted to share this information with you.

## **Congress Approves Tax-Free Savings Accounts For Some People With Disabilities**

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A new law just passed by Congress and signed by President Obama will allow people with disabilities who became disabled before they turned 26 to set aside up to \$14,000 a year in tax-free savings accounts without affecting their eligibility for government benefits.

Under the Achieving a Better Life Experience (ABLE) Act, the tax-free savings accounts can be used to pay for qualifying expenses such as the costs of treating the disability or for education, housing and health care, among other "disability-related expenses." The existence of the accounts will not compromise the individual's ability to qualify for benefits like SSI or Medicaid as long as the account balance does not exceed \$100,000.

States must set up programs for families to invest in the new so-called Section 529 Disability Savings Plan accounts and will provide investment options. The act takes effect at the beginning of 2015. However, it will not replace the Special Needs Trust which will still be needed for money the parents want to give to their special needs child. Money put into the Section 529 Disability Plan Savings account will be paid to the government at the death of the disabled child. Once in place, ABLE accounts will become one more tool for families of people with special needs to use in order to protect their loved ones' valuable benefits while trying to provide a decent quality of life.

But as Howard Gleckman, a fellow at the Urban Institute, points out in a Tax Policy Center blog post, the law prevents saving for disabilities that come later in life, such as dementia or severe arthritis. "In addition," Gleckman writes, "while the program benefits those with friends or relatives who can contribute to the accounts, it does much less to help those from truly low-income families who may not have money to give."

**"Those Who Plan Ahead Win.  
Those Who Don't Plan Ahead Lose."**

This article is for informational purpose only and is not intended as legal advice. It is recommended that you call Timothy P. Crawford for a free conference to discuss your situation in more detail. Attorney Crawford can be reached at 1-262-634-6659. Please refer to this article when you call.

Attorney Timothy P. Crawford is a Nationally Board Certified Elder Law Attorney (**CELA**). He has been Board Certified by the National Elder Law Foundation which has been approved as the Sole Certifying Organization for Elder Law Attorneys by the American Bar Association.

Timothy P. Crawford was invited to join the Council of Advanced Practitioners (**CAP**) of the National Academy of Elder Law Attorneys (**NAELA**) in August of 2005. **CAP** is a small group of premier elder law attorneys, all of whom have been members of NAELA for at least 10 years, are certified as elder law attorneys by the National Elder Law Foundation, and are AV rated by Martindale Hubbell, a service that provides an independent rating of the quality of attorneys, as one of the top attorneys in the nation.

Attorney Timothy P. Crawford has been selected as a **Fellow** of NAELA. **Fellow** is the highest honor bestowed by the Academy. Selection as a **Fellow** signifies that his peers recognize the lawyer as a model for others and as an exceptional lawyer and leader.

Attorney Timothy P. Crawford has a superb rating of 10 out of 10 with A V V O.

A V V O has awarded to Attorney Timothy P. Crawford the A V V O Client's Choice Award.

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"A majority of text has come from an article prepared by ElderLawAnswers members Jeff Marshall and Donald Vanarelli, friends of Attorney Timothy P. Crawford, and is used here with permission."