

Comparison of ABL Account, First Party Special Needs Trust, and Third-Party Supplemental Needs Trust

| CHARACTERISTIC | ABLE ACCOUNT | FIRST PARTY SPECIAL NEEDS TRUST – Person’s Money | THIRD PARTY SUPPLEMENTAL NEEDS TRUST |
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| What is excluded as a resource | Money in account is excluded as a resource up to \$100,000 for purposes of SSI eligibility | All money and assets are excluded as a resource for SSI and Medicaid eligibility | All money and assets are excluded as a resource for SSI and Medicaid eligibility |
| Age of person with a disability to be eligible to open | Person’s disability must have occurred before the age of 26 | Any age up to age 65; 65 and older may be possible to open an account in a pooled special needs trust | No age limit |
| How much can be contributed annually | Annual contributions up to gift tax exemption - \$19,000 in 2025; may be able to contribute an additional \$14,580 if working and not contributing to an employer sponsored retirement account | No limit | No limit |
| Tax treatment of any investment gain | Return or gain on funds because of investment grow tax free if distributions are made for qualified disability expenses | Return or gain on funds in the trust would possibly have a tax liability | Return or gain on funds in the trust would possibly have a tax liability |
| What can funds be used for | Funds are to be used for qualified disability expenses | Use of funds is not limited to qualified disability expenses | Use of funds is not limited to qualified disability expenses |
| Who can contribute funds or other assets | Funds can be contributed by the person with a disability and anyone else | Only money or other resources in belonging to the person with a disability | Only money or other resources of anyone else other than the person with a disability |
| Who can access funds or resources | Person or authorized legal representative can access directly | Person or their representative must request from the Trustee | Person or their representative must request from the Trustee |

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| What can be contributed | Only cash can be contributed | Cash or tangible personal property e.g., a house, or investment products | Cash, tangible personal property (e.g., a house), investment products, beneficiary of life insurance policy, portion of a family member's estate |
| Who is responsible for documentation for IRS accounting | Person or their legal representative responsible for maintaining receipts to verify distributions were for qualified disability expenses | Trustee responsible for documentation | Trustee responsible for documentation |
| Medicaid Estate Recovery upon the beneficiary's death | SB 160 passed in 2023 General Assembly and signed by Governor Beshear eliminated Medicaid estate recovery for STABLE Kentucky (KY's ABLE Program) accounts except as required by Federal law | Medicaid estate recovery can pre-date establishment of Trust; funds may be able to remain in a pooled special needs trust | No Medicaid estate recovery; Whoever established the Trust determines where any remainder goes |

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