ABLE 101 Part 4: Choosing a Program

There are many ABLE programs nationwide – which is right for me?

ABLE account programs are set up by different states and run at the state level – but most are open to out-of-state residents, which means that there are many opportunities available. As of January 2018, there are 33 state programs with more on the way. Programs have many features, including investment options, fees, spending options, and tax advantages. These vary between states, so you should do research to pick the best program for you. There are some considerations and questions you may have.

How many ABLE options do I have?

As of January 2018, there are 33 state ABLE programs up-and-running with more on the way. Over two thirds of these programs (23 of the 33) allow for enrollment by out-of-state residents, which means that you can at least choose between those options – even if there is not a program running in the state where you reside! Some programs, though, only allow in-state residents to open accounts (as of January 2018, this includes Florida, Georgia, Kentucky, Louisiana, Missouri, New Hampshire, New Mexico, New York, South Carolina, and Vermont). If you live in one of those states, you can open an account through your state's program or choose any of the programs that are open nationwide.

Each ABLE program also provides multiple account options. These include mutual funds for investing (with various levels of risk and reward) and FDIC-insured accounts (like conventional bank accounts). Some only allow one option while others allow a mix of funds. So, when you choose a state, you can also decide how your money is allocated in that state's account options.

What are some differences in programs that I should consider?

Programs have a number of different features, and they are constantly working to improve and provide the best program possible. Some features that are different between programs include:

- If the program is open to out-of-state residents or only available to in-state residents
- The program's investment manager (some are state-run and some use large mutual funds)
- Account options for investments and FDIC-insured funds and ways to change allocations
- Spending options, such as electronic fund transfers, checkbooks, or debit cards
- Account management fees and fees for debit cards
- Whether fees are any different for in-state residents
- State income tax credits for contributions made by in-state residents
- Other unique features or benefits specific to the state's program

It is important to research your account options and choose the best ABLE program for you. For details about state programs and a convenient way to compare them side-by-side, check out the ABLE National Resource Center's state comparison tool.

If I choose one program, do I need to stick with it forever?

Not at all! Federal law allows you to transfer your ABLE account funds into a different program once per calendar year. You can only have one ABLE account open at a time, so you must transfer all your funds if you decide to change programs. New states are opening programs and more are on the way. Program features are often changed or upgraded (for example, more states are adding debit card options). If you see a better option open later on or simply decide that you would prefer a different program, you are allowed to change once per year.

I've put my money in one of the investment account choices in an ABLE program, but I might change my mind later. Can I change how my money is invested or saved?

Absolutely, though there might be some constraints. Most ABLE programs have between 3 to 5 account options ranging from conservative to more aggressive investments, and some have FDIC-insured accounts (like bank accounts). Some programs require you to put all your funds in one account type, while others can allow a distribution of funds. In general, states allow you to entirely change account allocations once per year. So, if you decide you want safer investments, you can choose a more conservative fund or mix of funds, and if you want more aggressive investing, you can switch your money the other way. Some states that allow a mix of accounts can also let you keep your existing funds in their place and then, simply direct new contributions to a different account mix and change the direction of new funds as frequently as you want.