OASIS · AT A GLANCE

ABLE Accounts vs Special Needs Trusts (and the $2,000 SSI Asset Limit)

Two saving instruments, one cliff. SSI's $2,000 asset limit has not moved since 1989. ABLE accounts and SNTs are the workarounds the federal government built to keep families from falling off it. Most families need both.

BY JIM PALASTY · OASIS FOR AUTISM · 9 MIN READ

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TOOLS, ONE CLIFF

ABLE for daily savings up to limits. SNT for inheritances and big purchases. The $2,000 SSI asset cliff is what both tools exist to prevent.

How it works

THREE STEPS

What is the saving for

Car, rent, gift from grandma, inheritance, day-to-day spending. Different uses match different vehicles.

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Match the vehicle

ABLE for daily use up to limits. SNT for inheritances and large purchases. Both for most families with assets.

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Transfer in, spend out

ABLE: direct deposits, debit card, online portal. SNT: trustee distributions for documented qualified expenses.

Side by side

Annual cap	ABLE: ~$19K/year contribution. SNT: no annual cap.
Asset impact	ABLE: up to $100K excluded. SNT: not counted.
Tax treatment	ABLE: earnings tax-free if used for qualified expenses. SNT: trust tax rules apply.
Medicaid payback	ABLE: state may recover at death (varies). 3rd-party SNT: no payback.
Spending control	ABLE: account holder spends. SNT: trustee distributes.
Investment options	ABLE: state-program portfolios. SNT: open investing options.
Best for	ABLE: daily expenses + small savings. SNT: large gifts, inheritances.

WHAT IT LOOKS LIKE

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We opened her ABLE account in twenty minutes from the kitchen table. Twenty-five dollars to start. My mother sends three hundred dollars on her birthday and at Christmas. It goes straight into the ABLE account. She buys her own art supplies through the debit card. The trust still holds the money my dad left her. The two accounts do different things. We did not understand that until our attorney drew it on the back of a placemat.

MEREDITH, ROYAL OAK

What matters, at a glance

The $2,000 cliff

SSI's asset limit has been frozen at two thousand dollars since 1989. A grandmother's three-hundred-dollar birthday check, deposited in the adult's checking account, can put a recipient over the limit by the next month-end statement.

ABLE basics

Tax-advantaged savings account for people whose disability began before age twenty-six. Up to one hundred thousand dollars in the account is excluded from SSI asset calculations. Annual contributions capped.

SNT basics

A trust holds inheritances and gifts for the adult. Trustee distributes for housing, healthcare, education, transportation, and other qualified expenses. No annual cap on funding.

ABLE setup

Three business days from application to funded account in most states. Roughly the fastest disability-finance tool available. Less paperwork than a 401(k) rollover.

What ABLE pays for

Housing, transportation, education, healthcare, training, employment expenses, financial management, basic living. The list is wide and forgiving.

What SNT pays for

Same categories, plus larger one-time purchases (cars, accessibility renovations, vacations) and complex life events the trustee documents and approves.

BRING THESE · CHECK AS YOU GO

- [ ] ABLE account opened
- [ ] SNT funded (if assets warrant)
- [ ] Annual contribution tracking on calendar
- [ ] State Medicaid payback rule confirmed for ABLE
- [ ] ABLE direct-deposit set up
- [ ] Family informed of correct gift channel
- [ ] Tax filing reminder for SNT

YOUR MOVE

When grandma sends a check

1. Do NOT deposit the check in the adult's checking or savings account.
2. Deposit it in the ABLE account directly, or pay it into the SNT through the trustee.
3. If the gift is large (more than the annual ABLE contribution cap), route to the SNT first.
4. Document the source and amount in the SNT or ABLE record-keeping.
5. Tell grandma to make future gifts payable to the ABLE account or the SNT, not to your adult.

The $2,000 cliff is not natural law. Congress chose it in 1989 and has chosen not to move it for thirty-six years.

RESOURCES NAMED IN THIS POST

oasisforautism.com · https://oasisforautism.com

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