OASIS · AT A GLANCE

MiABLE accounts and Michigan-specific tax benefits

Every dollar saved for your adult child's future used to threaten the $2,000 SSI asset limit. MiABLE changed that math, and Michigan added a tax break on top of it that most families never claim.

BY JIM PALASTY · 10 MIN READ · A STATE TAX DEDUCTION MOST MICHIGAN FAMILIES NEVER CLAIM

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THOUSAND-DOLLAR MI TAX DEDUCTION, PER CONTRIBUTOR

Michigan residents can deduct up to $5,000 per person, $10,000 if married filing jointly, from state taxable income for MiABLE contributions. It's on top of every federal ABLE benefit.

How it works

THREE STEPS

STEP 1

The $2,000 wall

SSI's asset limit has trapped families for decades. Save too much on your adult child's behalf and benefits disappear.

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STEP 2

MiABLE breaks the wall

Up to $18,000 a year can go into a MiABLE account without counting against that limit, and the first $100,000 doesn't count at all.

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STEP 3

Michigan adds a deduction

State residents get an income tax deduction on contributions that families in most other states simply don't have access to.

What MiABLE actually does

Annual limit	$18,000 per year, from any combination of contributors
SSI exemption	First $100,000 doesn't count as a countable resource
MI tax deduction	Up to $5,000 per person, $10,000 married filing jointly
Qualified expenses	Housing, transportation, education, health care, and more
Enrollment	Online, Michigan residency required, no minimum to open

THE SECURITY DEPOSIT THAT DIDN'T COST HER BENEFITS

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Renata had been saving cash in an envelope for her daughter's eventual move into her own apartment, terrified that a bank balance would trigger an SSI review. A caseworker mentioned MiABLE almost in passing. Renata opened an account online that week, moved the envelope savings in, and claimed the Michigan deduction on her taxes that spring. The security deposit got paid from the account without a single benefits question.

THE MONEY HAD BEEN SAFE THE WHOLE TIME. SHE JUST DIDN'T HAVE THE RIGHT ACCOUNT TO PUT IT IN.

What matters, at a glance

MICHIGAN SPECIFIC

$18,000 annual limit

The federal ABLE contribution limit applies to MiABLE. Family, friends, and the account holder can all contribute toward it.

$100,000 SSI exemption

The first $100,000 in a MiABLE account doesn't count as a resource for SSI purposes at all. Above that, SSI payments pause, not vanish.

Miss this and lose benefits

Money saved outside an ABLE account or trust still counts against the $2,000 asset limit. A birthday check to a regular savings account can trigger a review.

MiABLE vs. Special Needs Trust

Trusts cost more to set up and maintain but allow larger balances. MiABLE is cheaper and faster but caps out lower. Many families use both.

Medicaid payback rules differ

Unlike a third-party trust, remaining MiABLE funds may be subject to Medicaid payback after the account holder's death.

Housing deposits qualify

Rent, a security deposit, or a down payment all count as qualified disability expenses MiABLE funds can pay for without penalty.

BRING THESE · CHECK AS YOU GO

- [ ] Your family member's Social Security number and proof of disability onset before age 26
- [ ] A list of anyone else who wants to contribute (grandparents, aunts, uncles)
- [ ] Your state tax return, to actually claim the deduction
- [ ] A Michigan residency address for enrollment
- [ ] Receipts for qualified disability expenses paid from the account

YOUR MOVE

When you're ready to start saving without risking benefits, here is what to do

1. Confirm MiABLE eligibility (disability onset before age 26, or SSI/SSDI recipient).
2. Open an account online at miable.org.
3. Set up automatic contributions from family members who want to help.
4. Track qualified disability expenses as you spend from the account.
5. Claim the Michigan state tax deduction on your return.
6. Revisit annually whether a Special Needs Trust makes sense alongside it.

The $2,000 asset limit hasn't moved in decades. MiABLE is the workaround Congress and Michigan both built. Most families just don't know it exists.

RESOURCES NAMED IN THIS POST

miable.org · https://www.miable.org

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ABOUT THE AUTHOR

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