

ABLE AND TRUST COMPARISON

	Example of When Account/Trust May Be Needed	Who May Establish the Account/Trust	Beneficiary Requirements	May a Beneficiary Have More than One Account/Trust	May an Account / Trust Have More than One Beneficiary
ABLE Account ("Achieving a Better Life Experience")	Person with a disability wants to open an exempt account for his/her current and/or future needs.	Any "person" including the Designated Beneficiary.	Must be disabled prior to age 26 pursuant to the Social Security Administration's definition or can self-certify a disability.	No.	No.
Third-Party Special Needs Trust (aka Wholly Discretionary or Master Trust)	Parents desire a trust to receive and manage their assets at their death because they have a child with a disability.	Anyone other than the Beneficiary.	No specific requirements.	Yes.	Yes.
First-Party Special Needs Trust (aka "d4A" or Medicaid payback trust)	Person receives a back payment from Social Security, and needs to transfer the proceeds to remain eligible for benefits.	Parent, grandparent, guardian of the beneficiary, a court, or the beneficiary (pursuant to SNT Fairness Act).	Must be disabled pursuant to the Social Security Administration's definition and trust established when beneficiary is 64 or younger.	Yes.	No.
Pooled Medicaid Payback Trust (aka "d4C" or Pooled Trust)	Person with a disability inherits life insurance proceeds from grandma, and needs to transfer the proceeds to remain eligible for benefits.	Beneficiary, parent, grandparent, guardian of the beneficiary, or a court.	Must be disabled pursuant to the Social Security Administration's definition.	Yes.	No.

	Limitations on Minimum or Maximum Age of Beneficiary	Maximum Annual Contribution	Are Contributions Tax Deductible	Can the Account/Trust Accept Assets Other than Cash	Maximum Value
ABLE Account (“Achieving a Better Life Experience”)	None, but must be able to prove that disability began prior to age 26.	Amount equal to annual gift tax exclusion (currently \$14,000). Unlike the gift tax exclusion, the contribution limit is per recipient not per donor.	Ohio residents can deduct up to \$2,000 per account with unlimited carry forward.	No. Only cash is accepted by an ABLE Account, although you may have a rollover from another ABLE Account.	The total amount of contributions is limited by state 529 rules (currently \$426,000 in OH). If total value is greater than \$100,000, then beneficiary will lose SSI eligibility but may retain Medicaid eligibility.
Third-Party Special Needs Trust	None.	None.	No, but the annual gift tax exclusion may apply.	Yes, subject to the Trust Agreement and the Trustee’s willingness to accept.	None.
First-Party Special Needs Trust (aka “d4A” or Medicaid payback trust)	Beneficiary must be under 65 years old when trust is established, and contributions cannot be made after 65.	None.	No, but the annual gift tax exclusion may apply.	Yes, subject to the Trust Agreement and the Trustee’s willingness to accept.	None.
Pooled Medicaid Payback Trust (aka “d4C” or Pooled Trust)	None.	None.	No, but the annual gift tax exclusion may apply.	Maybe; depends on the asset and the terms of the Trust. Cash is generally best for this type of Trust.	None.

	Limitations on Distributions	What if There is an Improper Distribution?	Is Income Earned by Account/Trust Taxed	Is Medicaid Reimbursed at the Death of the Beneficiary	I Want to Open an Account / Trust. How Do I Proceed?
ABLE Account (“Achieving a Better Life Experience”)	Qualified disability expenses.	The distribution will be subject to a 10% tax, plus there will be additional inclusion in the Beneficiary's gross income based on a ratio of contributions to earnings.	Account grows tax-free. Distributions that do not exceed the qualified disability expenses of the designated beneficiary will not be includible in gross income.	Yes.	Visit the Ohio Treasurer of State’s website at www.stableaccount.com (for Ohio ABLE)
Third-Party Special Needs Trust	Trustee has sole authority to make distributions; distribution that violates Medicaid/SSI rules could impact Beneficiary's eligibility for benefits.	Could impact Beneficiary's eligibility for benefits.	Yes.	No.	Visit your special needs estate planning attorney.
First-Party Special Needs Trust (aka “d4A” or Medicaid payback trust)	Trustee has sole authority to make distributions; distribution that violates Medicaid/SSI rules could impact Beneficiary's eligibility for benefits.	Could impact Beneficiary's eligibility for benefits.	Yes.	Yes.	Visit your special needs estate planning attorney.
Pooled Medicaid Payback Trust (aka “d4C” or Pooled Trust)	Trustee has sole authority to make distributions; distribution that violates Medicaid/SSI rules could impact Beneficiary's eligibility for benefits.	Could impact Beneficiary's eligibility for benefits.	Yes.	Yes, to the extent the trust assets are not retained by the nonprofit.	Visit your special needs estate planning attorney or call the pooled trust administrator.