

**From the desk of
Peter S. Muffoletto, C.P.A.**

New ABLE Account Benefits

The Tax Cuts and Jobs Act (2017) made major changes to Achieving a Better Life Experience (ABLE) accounts.

Eligible individuals may now put more money into their ABLE account, and also roll money from their qualified tuition programs (529 plans) into their ABLE accounts.

Certain contributions made to ABLE accounts by low and moderate-income workers may now qualify for the Saver's Credit.

ABLE accounts are designed to help people with disabilities and their families save and pay for disability-related expenses.

Contributions are not deductible, but distributions, including earnings are tax-free to the designated beneficiary if used to pay qualified disability expenses.

These expenses can include housing, education, transportation, health, prevention and wellness, employment training and support, assistive technology and personal support services and other disability-related expenses.

Contributions totaling up to the annual gift-tax exclusion amount, currently \$15,000, may be made to an ABLE account each year for the benefit of an eligible person with a disability, known as a designated beneficiary.

Starting in 2018 if the beneficiary works, that beneficiary can also contribute part, or all, of their income to their ABLE account.

The additional contribution is limited to the poverty-line amount for a one-person household.

For 2018 this amount is \$12,140 in the continental U.S., \$13,960 in Hawaii and \$15,180 in Alaska.

The designated beneficiary is not however eligible to make this additional contribution if their employer contributes to a workplace retirement plan on their behalf.

Also starting in 2018 ABLE account beneficiaries can qualify for the Saver's Credit based on contributions they make to their ABLE accounts.

Up to \$2,000 of these contributions may qualify for this special credit designed to help low- and moderate-income workers. This credit can reduce the amount of tax a person owes or increase their refund.

Finally, some funds may now be rolled into an ABLE account from a designated beneficiary's own 529 plan, or from the 529 plan of certain family members.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

**Should you have questions relating to any tax or financial matters call at
(818) 346-2160,
or you can visit us on the web at
[www.petemcpa.com!](http://www.petemcpa.com)**

Providing individuals, small businesses, corporations, partnerships, professionals, and other business entities with the necessary guidance and answers for a complex world.

IMPORTANT NOTICE

The contents of this email and any attachments to it may contain privileged and confidential information from Muffoletto & Company.

This information is only for the viewing or use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of, or the taking of any action in reliance upon, the information contained in this e-mail, or any of the attachments to this e-mail, is strictly prohibited and that this e-mail and all of the attachments to this e-mail, if any, must be immediately returned to Muffoletto & Company or destroyed and, in either case, this e-mail and all attachments to this e-mail must be immediately deleted from your computer without making any copies hereof.

If you have received this e-mail in error, please notify Muffoletto & Company by e-mail immediately.

To ensure compliance with Treasury Department regulations, we wish to inform you that, unless expressly stated otherwise in this communication (including any attachments) any tax advice that may be contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

If you prefer not to remain on our email lists, please let us know. We will remove you as soon as you notify us.

You may do so by emailing us at
pete@petemcpa.com