

# Rivkin & Rivkin

## ESTATE PLANNING

### Comparing Supplemental Needs Trusts and ABLE Accounts

The following chart compares the salient features of first-party supplemental needs trusts, pooled trusts, third-party supplemental needs trusts, and ABLE accounts:

	<b>First-Party “d(4)(A),” “OBRA,” or “Payback” SNT</b>	<b>Pooled SNT</b>	<b>Third-Party SNT</b>	<b>ABLE Account</b>
<b>Who May Create</b>	Individual with a disability, his or her parent, grandparent, or guardian, or the court	Individual with a disability, his or her parent, grandparent, or guardian, or the court	Anyone other than individual with a disability	Anyone, including individual with a disability
<b>Who May Fund</b>	Individual with a disability (subject to the seeding discussion below)	Anyone, but generally will be funded just by individual with a disability	Anyone other than individual with a disability	Anyone
<b>Timing of Funding</b>	Before individual with a disability reaches 65	Anytime, subject to period of ineligibility in some states if funded after age 65	Anytime	Anytime
<b>Beneficiary</b>	Any individual with a disability	Any individual with a disability	Any individual with a disability and, in some cases, others	Any individual with a disability who was blind or disabled before age 26

	<b>First-Party “d(4)(A),” “OBRA,” or “Payback” SNT</b>	<b>Pooled SNT</b>	<b>Third-Party SNT</b>	<b>ABLE Account</b>
<b>Number of Such Trusts/Accounts Permitted</b>	Unlimited	Unlimited	Unlimited	One
<b>Annual Contribution Limits</b>	None	None	None	The gift tax annual exclusion amount from all contributors (plus additional amount when funded with employment earnings of individual with a disability)
<b>Rollover Permissible from 529 College Savings Plan for Same Beneficiary or Family Member</b>	No	No	No	Yes, subject to annual contribution limits
<b>Illinois State Income Tax Deduction for Contributions</b>	No	No	No	Yes, if to an Illinois ABLE account
<b>Total Funding Limits</b>	None	None	None	Each state will have its own total funding limit, but only \$100,000 of account is exempt for SSI purposes

	<b>First-Party “d(4)(A),” “OBRA,” or “Payback” SNT</b>	<b>Pooled SNT</b>	<b>Third-Party SNT</b>	<b>ABLE Account</b>
<b>Income Taxable?</b>	Yes	Yes	Yes	No, if used for qualified disability expenses
<b>Third-Party Contributions Qualify for Gift Tax Annual Exclusion</b>	N/A generally	N/A generally	No	Yes
<b>Medicaid Reimbursement at Beneficiary’s Death</b>	Yes	Yes	No	Yes, in most cases
<b>Remainder Beneficiary after any Applicable Medicaid Reimbursement</b>	Any individual or organization specified by the trust grantor	Determined by Pooled Trust Master Agreement	Any individual or organization specified by the trust grantor	Beneficiary designated in account agreement

**Rivkin & Rivkin**  
ESTATE PLANNING

475 Half Day Road, Suite 100 • Lincolnshire, Illinois 60069  
PHONE: 847-793-2484 • FAX: 847-793-2485  
EMAIL: [info@rivkinlaw.com](mailto:info@rivkinlaw.com) • WEB: [www.rivkinlaw.com](http://www.rivkinlaw.com)