

# ABLE ME Program

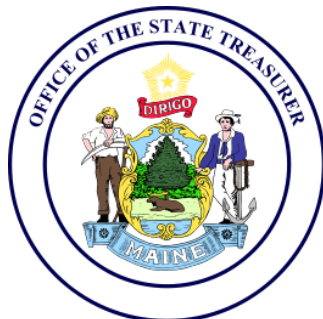


## Informational Booklet

### Maine's Section 529A Program for Eligible Individuals with Disabilities

Established and Maintained by the Maine State Treasurer

Administered by Bangor Savings Bank



**Bangor**  
Savings Bank

**You matter more.®**

Member FDIC

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## IMPORTANT LEGAL INFORMATION

THE ABLE ME PROGRAM (“PROGRAM” OR “ABLE ME”) IS ONLY AVAILABLE TO RESIDENTS OF THE STATE OF MAINE.

NO INTEREST IS BEING PAID ON DEPOSITS MADE TO ACCOUNTS AT THE PRESENT TIME. THERE IS NO MONTHLY SERVICE CHARGE FOR MAINE ABLE BENEFIT CHECKING® ACCOUNTS. MAINE ABLE BENEFIT CHECKING® ACCOUNTS ARE SUBJECT TO BANGOR SAVINGS BANK’S COMMON FEE SCHEDULE FOR CERTAIN BANKING SERVICES. THE USE OF BANKING SERVICES SUBJECT TO COMMON FEES WILL CAUSE THE BALANCE OF YOUR ACCOUNT TO BE LESS THAN THE AMOUNT DEPOSITED. *PLEASE REFER TO THE IMPORTANT INFORMATION ABOUT YOUR ACCOUNT BOOKLET FOR MORE INFORMATION.*

THE STANDARD MAXIMUM FDIC DEPOSIT INSURANCE AMOUNT IS CURRENTLY \$250,000 PER INDIVIDUAL DEPOSITOR.

NEITHER THE OFFICE OF THE MAINE STATE TREASURER (“MAINE STATE TREASURER”) NOR BANGOR SAVINGS BANK NOR THEIR AGENTS ARE AUTHORIZED TO PROVIDE LEGAL, FINANCIAL, TAX, OR BENEFITS ADVICE OR TO MAKE ANY REPRESENTATIONS REGARDING THE SUITABILITY OF THE PROGRAM AS A SAVINGS VEHICLE FOR INDIVIDUALS WITH DISABILITIES. YOU SHOULD CONSULT QUALIFIED ADVISOR(S) FOR MORE INFORMATION.

THE INFORMATION IN THIS ABLE ME PROGRAM INFORMATIONAL BOOKLET (“INFORMATIONAL BOOKLET”) IS BELIEVED TO BE ACCURATE AS OF THE DATE PRINTED ON THE COVER PAGE BUT IS SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER DELIVERY OF THIS INFORMATIONAL BOOKLET NOR THE TRANSACTION OF BUSINESS IN THE ACCOUNT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE PROGRAM SINCE THE DATE OF THIS DOCUMENT.

OPENING AN ABLE ACCOUNT IS AN IMPORTANT DECISION. PLEASE CAREFULLY READ THIS INFORMATIONAL BOOKLET IN ITS ENTIRETY AND KEEP IT AND ALL UPDATES FOR FUTURE REFERENCE. THE INFORMATION PROVIDED IN THIS INFORMATIONAL BOOKLET IS NOT FINANCIAL, LEGAL, BENEFITS, OR TAX ADVICE AND IS NOT INTENDED TO BE EXHAUSTIVE. IF YOU HAVE QUESTIONS YOU SHOULD CONSULT WITH QUALIFIED ADVISOR(S) BEFORE OPENING AN ACCOUNT.

WHEN AN ELIGIBLE INDIVIDUAL OPENS A MAINE ABLE CHECKING® ACCOUNT, THE BENEFICIARY’S LEGAL AND ECONOMIC INTEREST IS IN THE CHECKING ACCOUNT. ALL RIGHTS AND OBLIGATIONS OF SUCH BENEFICIARY WILL BE THE SAME RIGHTS AND OBLIGATIONS THAT (I) OTHER CUSTOMERS OF BANGOR SAVINGS BANK HAVE AS A RESULT OF OPENING FDIC-INSURED CHECKING ACCOUNTS WITH THE BANK, AND (II) ARISE FROM THE ABLE ACT AND RELATED FEDERAL AND STATE REGULATIONS AND GUIDANCE. NO ADDITIONAL RIGHTS OR OBLIGATIONS WILL BE CREATED BY VIRTUE OF PARTICIPATION IN THE ABLE ME PROGRAM. NO SECURITY IS BEING OFFERED BY THE MAINE STATE TREASURER OR BANGOR SAVINGS BANK.

THE PROGRAM IS INTENDED TO BE USED ONLY TO SAVE FOR QUALIFIED DISABILITY EXPENSES. THE PROGRAM AND ANY INFORMATION CONTAINED IN THIS INFORMATIONAL BOOKLET ARE NOT INTENDED TO BE USED, NOR SHOULD IT BE USED, BY ANY INDIVIDUAL FOR THE PURPOSE OF EVADING FEDERAL OR STATE TAXES OR TAX PENALTIES. TAXPAYERS MAY WISH TO SEEK TAX ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THEIR OWN PARTICULAR CIRCUMSTANCES.

**NEITHER THE MAINE STATE TREASURER, BANGOR SAVINGS BANK, NOR THEIR AGENTS, DIRECTORS, EMPLOYEES, OR REPRESENTATIVES WILL HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ACTIONS OF THE BENEFICIARY OR ANY AUTHORIZED REPRESENTATIVE.**

LINKS TO THIRD PARTY WEBSITES SUCH AS THE SOCIAL SECURITY ADMINISTRATION AND THE INTERNAL REVENUE SERVICE ARE PROVIDED FOR INFORMATIONAL PURPOSES. **NEITHER THE MAINE STATE TREASURER NOR BANGOR SAVINGS BANK MAKE ANY REPRESENTATION AS TO THE ACCURACY OF THE INFORMATION CONTAINED ON ANY THIRD PARTY WEBSITES. WEBSITE CONTENT AND WEBSITE ADDRESSES ARE SUBJECT TO CHANGE AND BROKEN LINKS.**

## WHAT IS THE ABLE ME PROGRAM?

The ABLE ME Program is established and maintained by the Maine State Treasurer in accordance with Applicable Law and administered by Bangor Savings Bank. The ABLE ME Program (also referred to in this Informational Booklet as the “Program” or “ABLE ME”) is designed to help eligible individuals with disabilities save for certain qualified disability expenses on a tax-advantaged basis without jeopardizing eligibility for federal means-tested benefits, such as Supplemental Security Income and Medicaid. The ABLE ME Program is intended to operate as a qualified ABLE program, pursuant to Internal Revenue Code (also referred to in this Informational Booklet as the “IRC”) Section 529A, that was adopted as part of The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, as amended. This federal law authorizes states and state instrumentalities, such as the Maine State Treasurer, to establish and maintain qualified ABLE programs.

The Key Terms section lists important words and phrases used throughout this Informational Booklet. Words and phrases defined in the Key Terms section will have the same meaning whenever the word or phrase is used in this Informational Booklet.

The Key Features Summary section is a brief overview of important parts of the ABLE ME Program that are common to all qualified ABLE programs and parts that are unique to ABLE ME.

An understanding of the Key Terms, Summary Program Features, and other sections of this Informational Booklet are designed to help you understand important rights and obligations you have under ABLE ME, as well as how you may use your Account, including how to deposit and withdraw funds from the Program checking account, how owning and using an Account may affect federal benefits you may receive (such as Supplemental Security Income or Medicaid), and your potential tax liability.

This Informational Booklet may not be relied upon as financial, legal, benefits, or tax advice and cannot include everything there is to know about qualified ABLE programs or the ABLE ME Program. The law and regulation of qualified ABLE programs is complex and subject to change without notice. **This Informational Booklet is for information purposes only. In the event of any conflicts between the description of the Program contained herein and any requirement of Applicable Law, such requirement of Applicable Law will prevail over the terms of this Informational Booklet.**

If you have questions, you should consult with qualified advisor(s) before opening a Maine ABLE Benefit Checking® Account or transacting business in the Account.

## KEY TERMS

This section explains the meanings of key terms used in this Informational Booklet. Understanding the meaning of the key terms should help you understand your rights and obligations under ABLE ME. When you come across a word that is capitalized within the Informational Booklet, look for its meaning in the alphabetical list below.

**ABLE Act:** The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, as amended from time to time.

**ABLE ME Participation Agreement:** One of the documents you sign to open an Account.

**Account:** See Maine ABLE Benefit Checking® Account.

**Applicable Law:** Applicable Law includes the ABLE Act, the Final ABLE Tax Regulations and all other federal and state laws, regulations, court decisions, and regulatory guidance that apply to ABLE ME, Accounts, Beneficiaries, and Depositors, now and in the future.

**Authorized Representative:** A Person other than the Beneficiary who establishes or exercises signature authority over an Account in cases where the designated Beneficiary is unable to or would like an additional signatory. An Authorized Representative may be anyone selected by the Beneficiary who is of the age of majority in their state of legal residence. If the Beneficiary is unable to manage their own Account, an Account may be opened by one of the Persons listed below in the following order of priority (the “Ordering Rules”):

- An agent under a power of attorney,
- A conservator or legal guardian,
- A spouse, parent, sibling, or grandparent of the Beneficiary, in this order
- A representative payee appointed for the Beneficiary by the Social Security Administration (SSA).

An Authorized Representative has a right to transact business in the Account in accordance with the terms of the ABLE Act and Program rules and policies without the consent or further authorization of the Beneficiary. The Authorized Representative will be required to agree to the terms of this Informational Booklet and the ABLE ME Participation Agreement. Authorized Representatives will be required to certify, under penalties of perjury, that they are authorized to establish the Account for the benefit of the Beneficiary, and if the Authorized Representative is not selected by the Beneficiary, that there is no other willing and able persons with a higher priority to do so.

**Benefits Eligibility:** An individual may open an ABLE Account based on blindness or disability under Title II or XVI of the Social Security Act subject to the requirements of the ABLE Act.

**Beneficiary:** The individual with a disability who is the owner of the Account and for whose benefit Deposits to and Withdrawals from the Account are made. A Beneficiary must qualify as an Eligible Individual under Applicable Law before opening an Account (or having an Account opened on their behalf).

**Certification Eligibility:** An individual may open an Account by making a disability certification subject to the requirements of the ABLE Act.

**Deposit:** Money placed in an Account to save for the Beneficiary's Qualified Disability Expenses. Deposits may be made by the Beneficiary, friends, family members, and other Persons.

**Deposit/Balance Limits:** There are three types of Deposit/Balance Limits that apply to an Account:

- **Annual Deposit Limit:** The limit on annual deposits to an Account under Applicable Law. The Annual Deposit Limit is currently \$18,000 per Account from all sources. Currently, the limit is indexed for inflation and increases periodically.
- **Additional Deposit Limit:** The additional amount that may be deposited under Applicable Law by an Employed Beneficiary. This amount may vary depending on the amount of an Employed Beneficiary's compensation.
- **Maximum Balance Limit:** \$500,000 per Beneficiary.

All the Deposit/Balance Limits are subject to change from time to time.

**Depositor:** A Person who makes a Deposit in an Account.

**Disability Certification:** A certification to establish a certain level of an individual's physical or mental impairment that meets the requirements of Applicable Law.

**Earnings:** The interest earned, if any, on the amounts deposited in the Account.

**Eligible Individual:** An individual who is (1) receiving benefits based on blindness or disability under Title II or XVI of the Social Security Act (or whose entitlement to such benefits under title XVI has been suspended solely due to excess income or resources), or 2) makes a Disability Certification meeting specified requirements. In all cases, the blindness or disability must have occurred before the date on which the individual attained age 26. Effective January 1, 2026, recent federal legislation increases this age threshold for ABLE program eligibility from 26 to 46 years of age. Effective January 1, 2026, all references in the Informational Booklet are qualified by reference to the higher eligibility age threshold.

**Employed Beneficiary:** A Beneficiary who is an employee (or is self-employed) for whom no contribution is made for the taxable year to certain tax-advantaged plans or annuity contract.

**FDIC:** The Federal Deposit Insurance Corporation provides insurance up to specified limits.

**Final ABLE Tax Regulations:** The final regulations provided by the U.S. Treasury Department and Internal Revenue Service that provide guidance regarding programs, such as ABLE ME, established and maintained under the ABLE Act.

**Maine ABLE Benefit Checking® Account or Account:** An FDIC-insured checking account in ABLE ME established with Bangor Savings Bank for the benefit of the Beneficiary for the purpose of paying the Beneficiary's Qualified Disability Expenses.

**Member of the Family:** A Beneficiary's sibling, whether by blood or adoption, including a brother, sister, stepbrother, stepsister, half-brother, and half-sister.

**Person:** Under federal tax law, a Person is an individual, a trust, estate, partnership, association, company, or corporation. Subject to the Deposit/Balance Limits, any Person may make a Deposit to an Account.

**Principal:** The amount of money deposited in the Account by a Beneficiary or other Persons.

**Qualified ABLE Program:** A program, such as ABLE ME, designed to help Eligible Individuals save for Qualified Disability Expenses on a tax-advantaged basis without jeopardizing eligibility for federal means-tested benefits, including Supplemental Security Income and Medicaid.

**Qualified Disability Expenses:** Expenses incurred at a time when the Beneficiary is an Eligible Individual that relate to the blindness or disability of the Beneficiary, and are for the benefit of the Beneficiary in maintaining or improving their health, independence, or quality of life. Such expenses include, but are not limited to, expenses related to the Beneficiary's education; housing; transportation; employment training and support; assistive technology and related services; personal support services; health; prevention and wellness; financial management and administrative services; legal fees; expenses for oversight and monitoring; funeral and burial expenses; and other expenses that may be identified from time to time by the IRS.

**SSA:** The Social Security Administration administers SSI and SSDI benefits. In its role, SSA applies standards derived from Applicable Law and its Program Operations Manual System for the treatment of ABLE accounts.

**SSI:** Supplemental Security Income is a federal program that provides financial help to disabled adults and children who have limited income and assets.

**SSDI:** Social Security Disability Insurance is a federal program that pays benefits to you and certain family members if you are "insured." This means that you worked long enough – and recently enough - and paid Social Security taxes on your earnings.



**Withdrawals:** There are three types of Withdrawals that apply to an Account:

- **Non-Qualified Withdrawal:** A withdrawal from an Account that is not used for Qualified Disability Expenses and is not a Rollover.
- **Qualified Withdrawal:** Any withdrawal used to pay for Qualified Disability Expenses during a time when the Beneficiary is an Eligible Individual.
- **Rollover:** Transferring money from ABLE ME to another state's Qualified ABLE Program for the Beneficiary or an Eligible Individual and a Member of the Family in accordance with Applicable Law.

*NON-QUALIFIED WITHDRAWALS MAY CREATE TAX LIABILITY FOR THE BENEFICIARY, AND IN SOME CASES MAY JEOPARDIZE A BENEFICIARY'S FEDERAL MEANS-TESTED OR STATE BENEFITS.*

## **KEY FEATURES SUMMARY**

The ABLE ME Program is established and maintained by the Maine State Treasurer and administered by Bangor Savings Bank under Applicable Law. In a brief question and answer format this section provides a high level overview of key parts of ABLE ME common to all qualified ABLE programs, and key parts that are unique to the ABLE ME Program. Reading this Key Features Summary together with the rest of this Informational Booklet should help you understand important rights and obligations you have as a Beneficiary. The Key Features are explained in more detail in the rest of this Informational Booklet. You can look up the meaning of important words and phrases used throughout the Informational Booklet in the Key Terms section. See the sections referenced below in the table for more information on each topic.

References in this Informational Booklet made to actions that may be taken by a Beneficiary also apply to any Authorized Representative on the Account. In the event of a conflict between this Key Features Summary and the more detailed information, the more detailed information will control. In the event of a conflict between this Informational Booklet and Applicable Law, Applicable Law will control. If you need help, please visit [bangor.com/MaineABLE](http://bangor.com/MaineABLE), contact us at [bangorsupport@bangor.com](mailto:bangorsupport@bangor.com), or call us at 1.877.Bangor1 (1.877.226.4671)

***Please note that neither Bangor Savings Bank nor the Maine State Treasurer's office can offer financial, legal, benefits, or tax advice. If you have questions you should consult with qualified advisor(s) before opening an Account, making deposits, withdrawing money, or otherwise transacting business in the Account.***

<b>Question</b>	<b>Answer</b>
<b>Who may open an Account?</b>	<p>Only Eligible Individuals or their Authorized Representatives who meet certain requirements may open an Account. Only an Eligible Individual may be a Beneficiary of an Account.</p> <p><i>See the Eligible Individuals May Open An Account section.</i></p>
<b>May someone else open an Account or conduct business in the Account for me?</b>	<p>The Beneficiary may authorize anyone they select to become an Authorized Representative for an Account who may also make Deposits, Withdrawals, and transact other business in the Account in accordance with the terms of the ABL Act and Program rules and policies without the consent or further authorization of the Beneficiary. The Beneficiary may replace the Authorized Representative at any time.</p> <p>If the Beneficiary is unable to establish and make Deposits, Withdrawals, and transact other business in the Account, one of the persons listed under Key Terms in the Authorized Representative definition may open an Account or transact on behalf of the Beneficiary.</p> <p>In the absence of any designation of a successor by the Beneficiary, the existing Authorized Representative may designate one of the persons listed under Key Terms in the Authorized Representative definition as a successor. The Ordering Rules will apply to the designation of a successor by an Authorized Representative.</p> <p>An Authorized Representative may only act for the benefit of the Beneficiary and may not have (or acquire) a beneficial interest (a right or expectancy) in the Account during the lifetime of the Beneficiary.</p> <p><b><i>NEITHER THE MAINE STATE TREASURER, BANGOR SAVINGS BANK, NOR THEIR AGENTS, DIRECTORS, EMPLOYEES, OR REPRESENTATIVES WILL HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ACTIONS OF EITHER THE BENEFICIARY OR THE AUTHORIZED REPRESENTATIVE.</i></b></p> <p><i>See the Eligible Individuals May Open An Account section.</i></p>

<b>Question</b>	<b>Answer</b>
<b>Who may deposit money in an Account?</b>	<p>Any Person that has the Account Number can deposit money in an Account subject to the Deposit/Balance Limits.</p> <p><i>See the Who may deposit money in an Account? and the Deposit/Balance Limits sections.</i></p>
<b>How much money may I deposit in an Account?</b>	<p>\$18,000 may be deposited per year for Qualified Disability Expenses. Additional Deposits subject to certain limits may be made by individuals who are employed or self-employed. Eligible Individuals may save up to the Maximum Balance Limit, currently \$500,000. All the Deposit/Balance Limits are subject to change.</p> <p><i>See the Deposit/Balance Limits section.</i></p>
<b>What is the Additional Deposit Limit and who does it apply to?</b>	<p>The Additional Deposit Limit is an amount allowed to be deposited by the Beneficiary in excess of the Annual Deposit Limit of \$18,000 if employed and not contributing to specific retirement, annuity, or deferred income account. Note: Earned Income contributed is not disregarded as income, and will still be included as a countable resource.</p> <p><i>See Deposits for Qualified Disability Expenses, Additional Deposit Limit, and Summary of Government Benefits Considerations sections.</i></p>
<b>What are key features of the Maine ABLÉ Benefit Checking® Account?</b>	<p>The Account is a checking account with Bangor Savings Bank that helps Eligible Individuals with disabilities save for Qualified Disability Expenses without jeopardizing eligibility for federal means-tested benefits or Maine public assistance programs.</p> <p>Account Features include:</p> <ul style="list-style-type: none"> <li>• \$25 minimum to open</li> <li>• No monthly service charge</li> <li>• No minimum daily balance</li> <li>• Bangor Debit Mastercard® enabled with tap and chip card technology</li> <li>• Free online banking with Bangor Online</li> </ul> <p><b>The standard maximum FDIC deposit insurance amount is currently \$250,000 per individual depositor.</b>  <i>See Important Information About Your Account Booklet for additional details.</i></p> <p><i>See the Maine ABLÉ Benefit Checking® Account section.</i></p>

<b>Question</b>	<b>Answer</b>
<p><b>How does a Maine ABLE Benefit Checking<sup>®</sup> Account affect eligibility for federal means-tested benefits?</b></p>	<p>ABLE ME enables Eligible Individuals to save money while preserving eligibility for federal means-tested benefits.</p> <p>Under the ABLE Act, a balance of up to \$100,000 in a Maine ABLE Benefit Checking<sup>®</sup> Account is disregarded for purposes of determining eligibility to receive benefits under the Supplemental Security Income program.</p> <p>Under the ABLE Act, balances in and distributions from a Maine ABLE Benefit Checking<sup>®</sup> Account will be disregarded for purposes of determining eligibility to receive benefits under Medicaid.</p> <p><i>See the Summary of Government Benefits Considerations section.</i></p>
<p><b>How does a Maine ABLE Benefit Checking<sup>®</sup> Account affect eligibility for means-tested public assistance programs governed by Maine law?</b></p>	<p>Under Maine state law, balances in and distributions from a Maine ABLE Benefit Checking<sup>®</sup> Account are disregarded when determining the Beneficiary's eligibility for any means-tested public assistance program.</p> <p><i>See the Summary of Government Benefits Considerations section.</i></p>
<p><b>What are principal risks of having a Maine ABLE Benefit Checking<sup>®</sup> Account?</b></p>	<p>Opening and maintaining an Account involves certain risks that you should consider, including, but not limited to:</p> <p>The risk of Program changes, including changes in fees;</p> <p>The risk of state or federal tax law changes, or changes to IRS, Social Security Administration, or other federal agency interpretative guidance that may affect your rights or obligations.</p> <p>The risk that if you do not comply with all Applicable Law and guidance related to your Account you may adversely affect your eligibility for federal or state benefits or that you may create tax liability.</p> <p><i>See the Key Risks of Owning A Maine ABLE Benefit Checking Account section.</i></p>
<p><b>What are the Maine ABLE Benefit Checking<sup>®</sup> Account Fees?</b></p>	<p>There is no monthly service charge for Accounts. Accounts are subject to Bangor Savings Bank's Common Fee Schedule. <i>Please refer to the Important Information About Your Account Booklet for more information.</i></p> <p><i>See the Fees and Expenses section.</i></p>

<b>Question</b>	<b>Answer</b>
<p><b>What are the principal federal tax benefits of a Maine ABLÉ Benefit Checking® Account?</b></p>	<p>A Saver's Credit is available for a qualifying Beneficiary.</p> <p>Family members, friends, and others may deposit up to \$18,000 per year to an Account without incurring gift tax liability. Currently, the limit is indexed for inflation and increases periodically.</p> <p><i>See the Summary of Federal and Maine Tax Considerations section.</i></p>
<p><b>What are some key things to consider prior to withdrawing money from a Maine ABLÉ Benefit Checking® Account?</b></p>	<p>Money in the Account may be used to pay for the Beneficiary's Qualified Disability Expenses.</p> <p>If Withdrawals are not used for Qualified Disability Expenses (<i>See Non-Qualified Withdrawals</i> in the <i>Key Terms</i> section) the withdrawal will be subject to federal income tax on any earnings.</p> <p>Non-Qualified Withdrawals may also be subject to an additional ten-percent (10%) federal tax on any earnings unless the Withdrawal is made on or after the death of the Beneficiary to the estate of the Beneficiary, to an heir or legatee of the Beneficiary, or to a creditor described in the Final ABLÉ Tax Regulations.</p> <p>No interest is being paid on Deposits made to Accounts at the present time, so there are no earnings subject to federal income tax. However, Non-Qualified Withdrawals may have adverse benefits consequences. <i>See the Summary of Government Benefits Considerations section.</i></p> <p>The earnings portion of Non-Qualified Withdrawals may also be subject to state or local taxes.</p> <p><i>See the Withdrawing Money from Your Account section.</i></p>

<b>Question</b>	<b>Answer</b>
<p><b>What are some key things to consider prior to transferring money in a Maine ABLÉ Benefit Checking® Account to another ABLÉ program or an Eligible Individual?</b></p>	<p>A Rollover to another Beneficiary who is an Eligible Individual and a Member of the Family of the current Beneficiary may take place at any time without federal income tax consequences.</p> <p>A transfer of money in an Account to a person who is not a Member of the Family will be subject to federal income tax on any earnings on the Account. The transfer may also be subject to an additional ten-percent (10%) federal tax on earnings unless the transfer is made on or after the death of the Beneficiary to the estate of the Beneficiary, to an heir or legatee of the Beneficiary, or to a creditor described in the Final ABLÉ Tax Regulations.</p> <p><i>See the Summary of Federal and Maine Tax Considerations section.</i></p>
<p><b>Who may open an Account?</b></p>	<p>Only Eligible Individuals or their Authorized Representatives who meet certain requirements may open an Account. Only an Eligible Individual may be a Beneficiary of an Account.</p> <p><i>See the Eligible Individuals May Open An Account section.</i></p>

<b>Question</b>	<b>Answer</b>
<p><b>May someone else open an Account or conduct business in the Account for me?</b></p>	<p>The Beneficiary may authorize anyone they select to become an Authorized Representative for an Account who may also make Deposits, Withdrawals, and transact other business in the Account in accordance with the terms of the ABLÉ Act and Program rules and policies without the consent or further authorization of the Beneficiary. The Beneficiary may replace the Authorized Representative at any time.</p> <p>If the Beneficiary is unable to establish and make Deposits, Withdrawals, and transact other business in the Account, one of the persons listed under Key Terms in the Authorized Representative definition may open an Account or transact on behalf of the Beneficiary.</p> <p>In the absence of any designation of a successor by the Beneficiary, the existing Authorized Representative may designate one of the persons listed under Key Terms in the Authorized Representative definition as a successor. The Ordering Rules will apply to the designation of a successor by an Authorized Representative.</p> <p>An Authorized Representative may only act for the benefit of the Beneficiary and may not have (or acquire) a beneficial interest (a right or expectancy) in the Account during the lifetime of the Beneficiary.</p> <p><b>NEITHER THE MAINE STATE TREASURER, BANGOR SAVINGS BANK, NOR THEIR AGENTS, DIRECTORS, EMPLOYEES, OR REPRESENTATIVES WILL HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ACTIONS OF EITHER THE BENEFICIARY OR THE AUTHORIZED REPRESENTATIVE.</b></p> <p><i>See the Eligible Individuals May Open An Account section.</i></p>
<p><b>Who may deposit money in an Account?</b></p>	<p>Any Person that has the Account Number can deposit money in an Account subject to the Deposit/Balance Limits.</p> <p><i>See the Who may deposit money in an Account? and the Deposit/Balance Limits sections.</i></p>

<b>Question</b>	<b>Answer</b>
<b>How much money may I deposit in an Account?</b>	<p>\$18,000 may be deposited per year for Qualified Disability Expenses. Additional Deposits subject to certain limits may be made by individuals who are employed or self-employed. Eligible Individuals may save up to the Maximum Balance Limit, currently \$500,000. All the Deposit/Balance Limits are subject to change.</p> <p><i>See the Deposit/Balance Limits section.</i></p>
<b>What is the Additional Deposit Limit and who does it apply to?</b>	<p>The Additional Deposit Limit is an amount allowed to be deposited by the Beneficiary in excess of the Annual Deposit Limit of \$18,000 if employed and not contributing to specific retirement, annuity, or deferred income account. Note: Earned Income contributed is not disregarded as income, and will still be included as a countable resource.</p> <p><i>See Deposits for Qualified Disability Expenses, Additional Deposit Limit, and Summary of Government Benefits Considerations sections.</i></p>
<b>What are key features of the Maine ABLE Benefit Checking® Account?</b>	<p>The Account is a checking account with Bangor Savings Bank that helps Eligible Individuals with disabilities save for Qualified Disability Expenses without jeopardizing eligibility for federal means-tested benefits or Maine public assistance programs.</p> <p>Account Features include:</p> <ul style="list-style-type: none"> <li>• \$25 minimum to open</li> <li>• No monthly service charge</li> <li>• No minimum daily balance</li> <li>• Bangor Debit Mastercard® enabled with tap and chip card technology</li> <li>• Free online banking with Bangor Online</li> </ul> <p><b>The standard maximum FDIC deposit insurance amount is currently \$250,000 per individual depositor.</b> <i>See Important Information About Your Account Booklet for additional details.</i></p> <p><i>See the Maine ABLE Benefit Checking® Account section.</i></p>



<b>Question</b>	<b>Answer</b>
<p><b>How does a Maine ABLE Benefit Checking<sup>®</sup> Account affect eligibility for federal means-tested benefits?</b></p>	<p>ABLE ME enables Eligible Individuals to save money while preserving eligibility for federal means-tested benefits.</p> <p>Under the ABLE Act, a balance of up to \$100,000 in a Maine ABLE Benefit Checking<sup>®</sup> Account is disregarded for purposes of determining eligibility to receive benefits under the Supplemental Security Income program.</p> <p>Under the ABLE Act, balances in and distributions from a Maine ABLE Benefit Checking<sup>®</sup> Account will be disregarded for purposes of determining eligibility to receive benefits under Medicaid.</p> <p><i>See the Summary of Government Benefits Considerations section.</i></p>
<p><b>How does a Maine ABLE Benefit Checking<sup>®</sup> Account affect eligibility for means-tested public assistance programs governed by Maine law?</b></p>	<p>Under Maine state law, balances in and distributions from a Maine ABLE Benefit Checking<sup>®</sup> Account are disregarded when determining the Beneficiary's eligibility for any means-tested public assistance program.</p> <p><i>See the Summary of Government Benefits Considerations section.</i></p>
<p><b>What are principal risks of having a Maine ABLE Benefit Checking<sup>®</sup> Account?</b></p>	<p>Opening and maintaining an Account involves certain risks that you should consider, including, but not limited to:</p> <p>The risk of Program changes, including changes in fees;</p> <p>The risk of state or federal tax law changes, or changes to IRS, Social Security Administration, or other federal agency interpretative guidance that may affect your rights or obligations.</p> <p>The risk that if you do not comply with all Applicable Law and guidance related to your Account you may adversely affect your eligibility for federal or state benefits or that you may create tax liability.</p> <p><i>See the Key Risks of Owning A Maine ABLE Benefit Checking Account section.</i></p>
<p><b>What are the Maine ABLE Benefit Checking<sup>®</sup> Account Fees?</b></p>	<p>There is no monthly service charge for Accounts. Accounts are subject to Bangor Savings Bank's Common Fee Schedule. <i>Please refer to the Important Information About Your Account Booklet for more information.</i></p> <p><i>See the Fees and Expenses section.</i></p>

<b>Question</b>	<b>Answer</b>
<p><b>What are the principal federal tax benefits of a Maine ABLÉ Benefit Checking® Account?</b></p>	<p>A Saver’s Credit is available for a qualifying Beneficiary.</p> <p>Family members, friends, and others may deposit up to \$18,000 per year to an Account without incurring gift tax liability.</p> <p><i>See the Summary of Federal and Maine Tax Considerations section.</i></p>
<p><b>What are some key things to consider prior to withdrawing money from a Maine ABLÉ Benefit Checking® Account?</b></p>	<p>Money in the Account may be used to pay for the Beneficiary’s Qualified Disability Expenses.</p> <p>If Withdrawals are not used for Qualified Disability Expenses (<i>See Non-Qualified Withdrawals</i> in the <i>Key Terms</i> section) the withdrawal will be subject to federal income tax on any earnings.</p> <p>Non-Qualified Withdrawals may also be subject to an additional ten-percent (10%) federal tax on any earnings unless the Withdrawal is made on or after the death of the Beneficiary to the estate of the Beneficiary, to an heir or legatee of the Beneficiary, or to a creditor described in the Final ABLÉ Tax Regulations.</p> <p>No interest is being paid on Deposits made to Accounts at the present time, so there are no earnings subject to federal income tax. However, Non-Qualified Withdrawals may have adverse benefits consequences. <i>See the Summary of Government Benefits Considerations section.</i></p> <p>The earnings portion of Non-Qualified Withdrawals may also be subject to state or local taxes.</p> <p><i>See the Withdrawing Money from Your Account section.</i></p>

<b>Question</b>	<b>Answer</b>
<p><b>What are some key things to consider prior to transferring money in a Maine ABE Benefit Checking® Account to another ABE program or an Eligible Individual?</b></p>	<p>A Rollover to another Beneficiary who is an Eligible Individual and a Member of the Family of the current Beneficiary may take place at any time without federal income tax consequences.</p> <p>A transfer of money in an Account to a person who is not a Member of the Family will be subject to federal income tax on any earnings on the Account. The transfer may also be subject to an additional ten-percent (10%) federal tax on earnings unless the transfer is made on or after the death of the Beneficiary to the estate of the Beneficiary, to an heir or legatee of the Beneficiary, or to a creditor described in the Final ABE Tax Regulations.</p> <p><i>See the Summary of Federal and Maine Tax Considerations section.</i></p>

## **THE MAINE ABE BENEFIT CHECKING® ACCOUNT**

The Maine ABE Benefit Checking® Account is a checking account with Bangor Savings Bank that helps Eligible Individuals with disabilities save for Qualified Disability Expenses on a tax-advantaged basis without jeopardizing eligibility for federal means-tested benefits or Maine public assistance programs.

Maine ABE Benefit Checking® Account Features include:

- \$25 minimum to open
- No monthly service charge
- No minimum daily balance
- Bangor Debit Mastercard® enabled with tap and chip card technology
- Free online banking with Bangor Online

**The standard maximum FDIC deposit insurance amount is currently \$250,000 per individual depositor.**

*Please refer to the Important Information About Your Account Booklet for information including but not limited to (to the extent applicable): circumstances under which your Account may be closed in the Bank’s discretion, definitions that are used in the terms and conditions, rules governing transactions in the Account, honoring checks, substitute checks, post-dated checks, customer instructions, liability limits, stop payments, cancelled checks and access to copies of original documents and checks upon request, overdraft and returned items, processing credits and debits, electronic funds transfer,*

*reporting unauthorized transfers, limitations on transfers, confidentiality, error resolution, electronic banking, electronic communication, and the Bank's customer privacy program.*

## **FEES AND EXPENSES**

There is no monthly service charge for Accounts. Accounts are subject to Bangor Savings Bank's Common Fee Schedule. *Please refer to the Important Information About Your Account Booklet for more information.*

## **ELIGIBLE INDIVIDUALS**

***Only Eligible Individuals may be a Maine ABLÉ Benefit Checking® Account Beneficiary.*** Eligible Individuals who reside in the state of Maine with a valid Social Security Number or U.S. taxpayer identification number can open an Account and become an ABLÉ ME Beneficiary. Non-US Citizens must be Permanent Residents with a U.S. taxpayer identification number and government approved documents such as an Alien Registration Card or unexpired passport.

An Eligible Individual is an individual who is (1) receiving benefits based on blindness or disability under Title II or XVI of the Social Security Act (or whose entitlement to such benefits under title XVI has been suspended solely due to excess income or resources) ("**Benefits Eligibility**"), or 2) makes a disability certification meeting specified requirements ("**Certification Eligibility**"). In all cases, the blindness or disability must have occurred before the individual's 26<sup>th</sup> birthday. Eligible Individuals may not have more than one Qualified ABLÉ Program account in existence at the same time. *See the "One Account Rule" in this section for more information.*

***Two paths to eligibility for a Maine ABLÉ Benefit Checking® Account.*** Under Applicable Law, only Eligible Individuals may open an Account. An individual may open on an Account based on Benefits Eligibility or Certification Eligibility. Whether an individual is an Eligible Individual is determined for each taxable year, and that determination applies for the entire year.

The Final ABLÉ Tax Regulations provide that all Qualified ABLÉ Programs, such as ABLÉ ME, must specify the documentation that an individual must provide, both at the time an ABLÉ account is established and thereafter, in order to ensure that the Beneficiary of the ABLÉ Account is, and continues to be, an Eligible Individual. ABLÉ ME will require the certifications for the applicable eligibility types as follows:

**Benefits Eligibility.** If an individual desires to open an ABLÉ Account based on blindness or disability under Title II or XVI of the Social Security Act, the individual must make the following certifications under penalties of perjury that:

- the person establishing the Account is the individual who will be the Beneficiary of the Account or is the Authorized Representative;
- the Beneficiary has received a benefit verification letter from the SSA and agrees to retain and provide the letter (or a genuine copy of the letter or other evidence) to the Maine State Treasurer, Bangor Savings Bank, the IRS, or the U.S. Treasury Department upon request;
- the Beneficiary, at the time of opening an Account, is still eligible to receive benefits from the SSA (or is a person whose entitlement to such benefits has been suspended due solely to excess income or resources);
- the Beneficiary's disability occurred before the individual's 26<sup>th</sup> birthday; and
- the applicable diagnostic code from those listed on Form 5498–QA (or in the instructions to such form) identifying the type of the individual's impairment has been provided and is accurate.

For more information about benefits based on blindness or disability under Title II or XVI of the Social Security Act, please see <https://www.ssa.gov/disability/professionals/bluebook/general-info.htm> or contact your local Social Security Field Office.

**Certification Eligibility.** If an individual desires to open an Account based on a certification to ABLE ME that the individual meets the requirements of the ABLE Act and the Program, the individual or the Authorized Representative must make the following certifications under penalties of perjury that:

- the person establishing the Account is the individual who will be the Beneficiary of the Account or is the Authorized Representative;
- the Beneficiary has a medically determinable physical or mental impairment, that results in marked and severe functional limitations, and that (i) can be expected to result in death or (ii) has lasted (or can be expected to last) for a continuous period of not less than twelve (12) months; or
- the Beneficiary is blind (within the meaning of the Social Security Act); or
- the individual has a condition listed in the "List of Compassionate Allowances Conditions" maintained by the SSA (at [www.ssa.gov/compassionateallowances/](http://www.ssa.gov/compassionateallowances/)); and
- the Beneficiary's blindness or disability occurred before the individual's 26<sup>th</sup> birthday; and
- the Beneficiary has a copy of their diagnosis relating to the relevant impairment(s), signed by a physician meeting the criteria of Social Security Act Section 1861(r)(1). The individual agrees to retain and provide a copy of the diagnosis, accompanied by the name and address of the diagnosing physician, the date of the written diagnosis, and related information to the Maine State

Treasurer, Bangor Savings Bank, the IRS, or the U.S. Treasury Department upon request; and

- the applicable diagnostic code from those listed on Form 5498–QA (or in the instructions to such form) identifying the type of the individual’s impairment has been provided and is accurate.

ABLE ME reserves the right to request copies of the documents relevant to those certifications (e.g., a benefit verification letter from the SSA or a written diagnosis relating to the disability from a licensed physician as defined under the Social Security Act). If the required benefits verification letter from the SSA or written diagnosis relating to the disability from a licensed physician as defined under the Social Security Act or other relevant information is not supplied within a time frame that the Program, in its sole discretion, deems reasonable, ABLE ME reserves the right to take appropriate action including, without limitation, the right to suspend transactions (including the debit card) to and from the Account until the requested information is provided.

**Opening your Maine ABLE Benefit Checking® Account.** This Informational Booklet, the ABLE ME Participation Agreement, Account Agreement, the Debit Mastercard® Consumer Agreement (if applicable), the Common Fee Schedule, Important Information About Your Account Booklet, and Applicable Law govern the terms of your Account. During the Account opening process you will be required to accept all terms and conditions contained in the documents listed in the previous sentence and provide the Program with certain information about the Beneficiary such as name, date of birth, address, Social Security Number, and the Beneficiary’s basis of eligibility and Disability Type Code. The Beneficiary or the Authorized Representative may be required to submit additional information and documentation to open the Account. The Account will not be opened until the information and/or documentation required is provided. *See the “Fees and Expenses” section for a summary of fees and expenses charged in connection with an Account. AT THE PRESENT TIME, ABLE ME IS UNABLE TO ACCEPT DIRECT OR INDIRECT ROLLOVERS WITH EARNINGS FROM ANOTHER STATE’S 529A QUALIFIED ABLE PROGRAM OR AN IRC SECTION 529 QUALIFIED TUITION PROGRAM (“529 ACCOUNT”). See Summary of Federal and Maine Tax Considerations for more information on direct and indirect rollovers.*

**Responsibility to notify ABLE ME of changes in eligibility.** By maintaining or transacting business in an Account, the Beneficiary (or the Authorized Representative, as applicable) is making a continuing certification that the Beneficiary is an Eligible Individual. It is the Beneficiary’s, or the Authorized Representative’s, responsibility to notify ABLE ME in writing if the Beneficiary ceases to be an Eligible Individual. It is also the Beneficiary’s or the Authorized Representative’s responsibility to notify ABLE ME in writing if the Beneficiary subsequently re-qualifies as an Eligible Individual.

**Changes in Eligible Individual status during the lifetime of the Account.** There may be circumstances in which a Beneficiary ceases to be an Eligible Individual but then later regains their status as an Eligible Individual. An example would be if the disease that caused the disability goes into remission but later reemerges. The Final ABLE Tax

Regulations provide that, for any year during which a Beneficiary no longer satisfies the definition of an Eligible Individual, the Beneficiary's Account remains an ABLÉ account, to which all of the non-tax provisions of the ABLÉ Act continue to apply. The Maine ABLÉ Benefit Checking<sup>®</sup> Account does not have to terminate, and there is no deemed withdrawal of the Account balance for tax purposes. However, under the Final ABLÉ Tax Regulations, beginning on the first day of the taxable year following the taxable year in which the Beneficiary ceased to be an Eligible Individual, no Deposit to the Account may be accepted. If the Beneficiary subsequently becomes an Eligible Individual again, with proper notification and certifications to ABLÉ ME, additional Deposits may be accepted subject to applicable Deposit Limits. In addition, any withdrawal made from the Account even for Qualified Disability Expenses will be considered a Non-Qualified Withdrawal. A Non-Qualified Withdrawal is (i) subject to federal income tax on the earnings and (ii) may also be subject to an additional ten percent (10%) federal tax on earnings unless the withdrawal is made on or after the death of the Beneficiary to the estate of the Beneficiary, to an heir or legatee of the Beneficiary, or to a creditor described in the Final ABLÉ Tax Regulations.

***Eligibility Requirements are subject to federal law and may change.*** Eligibility requirements are based on a good faith interpretation of federal law and regulations and are subject to change at any time. *NEITHER THE MAINE STATE TREASURER, BANGOR SAVINGS BANK, NOR THEIR AUTHORIZED AGENTS, DIRECTORS, EMPLOYEES, OR REPRESENTATIVES WILL HAVE ANY RESPONSIBILITY OR LIABILITY FOR AN INDIVIDUAL'S FAILURE (OR THEIR AUTHORIZED REPRESENTATIVE'S FAILURE) TO ESTABLISH ELIGIBILITY TO OPEN AN ACCOUNT OR MAINTAIN ELIGIBILITY TO CONTINUE TO MAKE DEPOSITS, WITHDRAWALS, OR OTHER TRANSACTIONS IN ABLÉ ME.*

***One Account Rule.*** The Final ABLÉ Tax Regulations provide that no Beneficiary may have more than one Qualified ABLÉ Program account in existence at the same time (the "**One Account Rule**"). Before an Account may be opened, the person establishing the Account will be required to verify, under penalties of perjury, that such person neither knows nor has reason to know that the Eligible Individual already has an existing ABLÉ account (other than an ABLÉ account that will terminate with the rollover or program-to-program transfer of its assets into the new ABLÉ account). A prior ABLÉ account that has been closed does not prohibit the subsequent creation of another ABLÉ account for the same Beneficiary.

***Compliance with the One Account Rule.*** The Final ABLÉ Tax Regulations provide that, if an additional account is established for the Eligible Individual, the additional account also is an ABLÉ account if either all Deposits made to the additional account are returned to the contributor(s) under the same rules applicable to the return of Deposits in excess of the Deposit Limits, or the additional account is transferred into the Beneficiary's pre-existing ABLÉ account with any Deposits in excess the Deposit Limits being returned to the contributor(s).

If neither of these conditions is satisfied on or before the due date (including extensions) of the Eligible Individual's federal income tax return for the year in which the additional account was established, the additional account will cease to be an ABLE account immediately after that federal income tax return due date.

***Failure to Comply with the One Account Rule.*** An ABLE account has both tax and nontax benefits. Section 103 of the ABLE Act generally exempts ABLE accounts from being counted as a resource in determining the Beneficiary's eligibility for, or the amount of, federal means-tested benefits. If more than one ABLE account is opened by an Eligible Individual, the subsequent accounts will not be treated as Qualified ABLE Program accounts under the ABLE Act and will not be eligible for the benefits of such accounts. For example, monies deposited to a second or subsequent ABLE account will not be disregarded for determining eligibility under federal means-tested programs, such as Supplemental Security Income, and could result in the imposition of federal taxes upon withdrawal or transfer. *See Summary of Federal and Maine Tax Considerations and Summary of Government Benefits Considerations section for more information.*

***Change in Beneficiary.*** A change in the Beneficiary may only be made during the lifetime of the existing Beneficiary and only to a person who is both an Eligible Individual and a Member of the Family of the current Beneficiary.

## **DEPOSITS FOR QUALIFIED DISABILITY EXPENSES**

***Who may deposit money to your Account.*** You may make Deposits to your Account subject to the Deposit/Balance Limits. In addition, any other Person, upon presentation of a valid Account Number, may make a Deposit to an Account. Under current Federal tax law, a Person is an individual, a trust, estate, partnership, association, company, or corporation.

As Beneficiary, you are the owner of the Maine ABLE Benefit Checking<sup>®</sup> Account, not any Authorized Representative. Any deposits to an Account by Persons other than the Beneficiary become the Beneficiary's property once deposited and accepted by the Program. Deposits by Persons other than the Beneficiary may also have gift tax consequences. *See Summary of Federal and Maine Tax Considerations for more information.*

***How to deposit money in your Maine ABLE Benefit Checking<sup>®</sup> Account.*** Once you have opened an Account, you may Deposit money and save for Qualified Disability Expenses by: depositing at a branch or ATM, by mail, by electronic transfer, or by mobile deposit. There are no minimum Deposit limits. *Please refer to the Important Information About Your Account Booklet and Bangor Online Banking Agreement for detailed terms and conditions.*



**Deposit/Balance Limits.** There are three types of Deposit/Balance Limits that apply to an Account:

- **Annual Deposit Limit.** The Annual Deposit Limit is the limit on annual deposits to an Account under Applicable Law. The Annual Deposit Limit is currently \$18,000 per year as of the date of this Informational Booklet. The limit is applied per Account from all sources. For example, if the Beneficiary deposits \$15,000 to the Account in a calendar year and the Beneficiary's parent deposits an additional \$3,000, the Annual Deposit Limit will have been reached and no additional Deposits may be made into the Account until the following year.
- **Additional Deposit Limit.** Certain eligible ABLE Beneficiaries are permitted to make Deposits up to the Additional Deposit Limit. In order to be eligible under Applicable Law to make deposits up to the Additional Deposit Limit, a Beneficiary must be an employee (including an "employee" within the meaning of IRC section 401(c) which includes a definition of self-employed individual) with respect to whom: (i) no contribution is made for the taxable year to a defined contribution plan (within the meaning of section 414(i)) with respect to which the requirements of section 401(a) or 403(a) are met, (ii) no contribution is made for the taxable year to an annuity contract described in section 403(b), and (iii) no contribution is made for the taxable year to an eligible deferred compensation plan described in section 457(b). Deposits in excess of the Annual Deposit Limit up to the Additional Deposit Limit may only be made by the Beneficiary. The Program may require that the Beneficiary or Authorized Representative certify, under penalties of perjury, that the Beneficiary is employed and the additional Deposits are not in excess of the Additional Deposit Limit.
  - **Calculating Your Additional Deposit Limit.** For Deposits made before January 1, 2026, an eligible Beneficiary may annually deposit an additional amount to an Account that may not exceed the lesser of (1) the Beneficiary's compensation as defined by section 219(f)(1) of the Internal Revenue Code for the taxable year, or (2) an amount equal to the Federal Poverty Level for a one-person household as determined for the preceding taxable year. The Federal Poverty Level for the contiguous 48 states is updated annually.
- **Maximum Balance Limit.** The Maximum Balance Limit is \$500,000 per Beneficiary. Additional Deposits may not be made to your Account if your Account balance is equal to or greater than the Maximum Balance Limit. Accounts that have reached the Maximum Balance Limit may continue to accrue earnings if applicable. Once your Account balance falls below the Maximum Balance Limit, Deposits may resume, subject to the other Deposit Limits.

All Deposit/Balance Limits are subject to change from time to time.

**Attempted Deposits Over the Deposit Limits.** ABLE ME will not knowingly accept attempted Deposits that would cause your Account to exceed the Deposit Limits ("**Excess Deposits**"). However, it is the responsibility of the Beneficiary or the Authorized Representative to ensure you do not make Excess Deposits. *NEITHER*

*THE MAINE STATE TREASURER, NOR THE PROGRAM, BANGOR SAVINGS BANK, NOR THEIR RESPECTIVE AFFILIATES, EMPLOYEES, NOR THEIR AGENTS WILL BE RESPONSIBLE FOR ANY ADVERSE TAX OR MEANS-TESTED BENEFIT CONSEQUENCES OR OTHER LOSS, DAMAGE, OR EXPENSE INCURRED IN CONNECTION WITH REJECTED DEPOSITS, EXCESS DEPOSITS, OR THE RETURN OF EXCESS DEPOSITS.*

**Compliance with Deposit/Balance Limits is your responsibility.** The Beneficiary or Authorized Representative is responsible for Excess Deposits inadvertently applied to an Account and not returned to the contributor on or before the due date (including extensions) of the Beneficiary's income tax return for the year in which the Excess Deposits were made. Under current federal tax law, such a failure to return the Excess Deposits in the required time frame will result in the imposition on the Beneficiary of a six-percent (6%) excise tax on the amount of Excess Deposits. It is the responsibility of the Beneficiary or Authorized Representative: (i) to determine compliance with the Deposit/Balance Limits, (ii) to request the return of any Excess Deposits, (iii) to maintain records necessary to respond to any questions from the IRS related to Deposits, and (iv) for all applicable federal and state tax and means-tested benefits consequences related to Excess Deposits.

**Year-end Deposits.** Deposits must be received prior to midnight on December 31st of each year in order to be included in your Account as of year-end.

**Redeposit of Withdrawals.** If previously withdrawn funds are recontributed to an Account, the redeposit will be treated as a new and separate deposit, even if the initial withdrawal was made by mistake or because of a refund to the Bangor Debit Mastercard®. Withdrawals not used for Qualified Disability Expenses will subject the Beneficiary to tax consequences and may have adverse effects on the Beneficiary's eligibility for means-tested benefits.

Example: On June 1, a deposit of \$1,000 is made to an Account. On June 15, \$1,000 is withdrawn from the Account. On June 20, the Beneficiary or Authorized Representative determines that the withdrawal was a mistake. The withdrawal cannot be undone. However, the Beneficiary or Authorized Representative may deposit \$1,000 to the Account as a new deposit. In this example, the second \$1,000 deposit is a new, separate deposit and will count toward the Annual Deposit Limit. If no other deposits are made during that calendar year, the total deposit amount for the calendar year will be \$2,000. If no other withdrawals are made during that calendar year, and the \$1,000 withdrawal is not used for Qualified Disability Expenses, the Beneficiary will be subject to tax consequences and there may be adverse effects on the Beneficiary's eligibility for means-tested benefits.

## WITHDRAWING MONEY FROM YOUR ACCOUNT

### ***Who can withdraw money from your Maine ABLÉ Benefit Checking® Account?***

Only you (or your Authorized Representative) may initiate a withdrawal from your Account. Non-Qualified Withdrawals may have an adverse effect on your means-tested benefits or subject you to taxation. See *Summary of Government Benefits Considerations and Summary of Federal and Maine Tax Considerations* sections for more information.

***How to withdraw money from your Maine ABLÉ Benefit Checking® Account.*** You or your Authorized Representative can withdraw money from your Account by using your Bangor Savings Bank Debit Mastercard®, by check, by online banking through Bangor Online BillPay, or by ACH transfer. *Please refer to the Important Information About Your Account Booklet for detailed information.*

**Qualified Withdrawals.** Qualified Withdrawals from an Account are free from federal and state income tax. A Qualified Withdrawal is a withdrawal used to pay the Qualified Disability Expenses of the Beneficiary. See *the Summary of Federal and Maine Tax Considerations* section for a description of Qualified Disability Expenses.

**Non-Qualified Withdrawals.** Earnings on Non-Qualified Withdrawals are subject to federal and state tax. See *Summary of Federal and Maine Tax Considerations* for more information about how the earnings portion of a Non-Qualified Withdrawal is calculated and the other tax consequences of a Non-Qualified Withdrawal, and the application of the ten-percent (10%) additional federal tax on the earnings of certain Non-Qualified Withdrawals. No interest is being paid on Deposits made to Accounts at the present time, so there are no earnings subject to federal income tax. Non-Qualified Withdrawals may also have adverse impact on benefit eligibility and benefit amounts. See *the Summary of Government Benefits Considerations* for more information.

**Rollovers.** A Beneficiary (or Authorized Representative) may direct a Rollover once per rolling twelve (12) months from their Account to an account in another ABLÉ program for the same Beneficiary or for another Beneficiary who is an Eligible Individual and a Member of the Family. Alternatively, the Beneficiary (or Authorized Representative) may make a withdrawal from the Account, take possession of the withdrawn funds, and re-deposit the withdrawn balance within sixty (60) days into an account in another ABLÉ program for the same Beneficiary or another Beneficiary who is an Eligible Individual and a Member of the Family. At the present time, ABLÉ ME is unable to accept direct or indirect Rollovers with Earnings from another state's 529A Qualified ABLÉ Program or an IRC Section 529 Qualified Tuition Program ("529 account"). See *the Summary of Federal and Maine Tax Considerations* section for more information on Rollovers.

**Taxpayer's Responsibility.** The Beneficiary or Authorized Representative is solely responsible for determining if a withdrawal is a Qualified Withdrawal or a Non-Qualified Withdrawal and for applicable federal and state tax and benefits consequences. Therefore, because money in the Account may be withdrawn free from federal income

tax on earnings only if it is used to pay Qualified Disability Expenses, a Beneficiary should retain documentation of all Qualified Disability Expenses for their records. Also, while the Program will report any earnings portion of any withdrawal to tax authorities, it is solely the Beneficiary's responsibility to calculate and report any resulting tax liability. It is also the responsibility of the Beneficiary or Authorized Representative to maintain records (including without limitation records of expenses paid for with cash withdrawals) necessary to respond to any questions from the IRS related to withdrawals.

## **MAINTAINING YOUR MAINE ABLE BENEFIT CHECKING® ACCOUNT**

Please email [bangorsupport@bangor.com](mailto:bangorsupport@bangor.com) or call 1.877.Bangor1 (1.877.226.4671) for assistance. Please note you are responsible for keeping your Account and personal information current, including any changes in your status as an Eligible Individual, your Basis of Eligibility Code, Disability Type Code, ABLE to Work status, or your email and physical address and phone number. *NEITHER THE PROGRAM, NOR THE MAINE STATE TREASURER, NOR BANGOR SAVINGS BANK, NOR THEIR EMPLOYEES OR AGENTS WILL BE RESPONSIBLE FOR ANY LOSSES YOU SUFFER RESULTING FROM YOUR FAILURE TO KEEP YOUR ACCOUNT AND PERSONAL INFORMATION CURRENT.*

**No Pledging of Account Assets.** Neither the Beneficiary nor the Authorized Representative may use any part of the Account or other interest in the Program as security for a loan.

**No Sale or Exchange.** No interest in an Account may be sold or exchanged.

**Bankruptcy and Related Matters.** Federal law expressly excludes certain funds from an individual debtor's bankruptcy estate (which funds, therefore, will not be available for withdrawal to such individual's creditors) if the funds are deposited by the debtor to an Account. The bankruptcy protection for ABLE Accounts is limited, however. The funds deposited will be protected if the Beneficiary is the individual debtor's child, stepchild, grandchild, or step grandchild for the taxable year in which the funds were placed in the Account, and only to the extent that such funds (i) are not pledged or promised to any entity in connection with any extension of credit; and (ii) are not Excess Deposits, subject to the following limits: (A) contributions made to an Account more than 720 days before a federal bankruptcy filing are completely protected; (B) contributions made to an Account during the period beginning 365 days through 720 days before a federal bankruptcy filing are protected up to \$6,825; and (C) contributions made to an Account less than 365 days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

**Program Termination.** Nothing contained in this Program Description shall constitute an agreement or representation by the Program or anyone else that the Program will continue in existence. At any time, the Maine State Treasurer may cause the Program

Description to be amended to terminate the Program, or suspend or terminate the Program by giving written notice of such action to the Beneficiary, so long as, after the action, the assets in your Account are still held for your exclusive benefit subject to Applicable Law.

## **KEY RISKS OF OWNING A MAINE ABLE BENEFIT CHECKING® ACCOUNT**

*THIS INFORMATIONAL BOOKLET CANNOT AND DOES NOT LIST EVERY POSSIBLE FACTOR THAT MAY AFFECT A BENEFICIARY'S ACCOUNT. ADDITIONAL RISKS NOT DISCUSSED IN THIS INFORMATIONAL BOOKLET MAY ARISE AND A BENEFICIARY, OR AN AUTHORIZED REPRESENTATIVE ACTING ON THE BENEFICIARY'S BEHALF, MUST BE WILLING AND ABLE TO ACCEPT THOSE RISKS. OTHER ABLE PROGRAMS ARE AVAILABLE, AS ARE INVESTMENT ALTERNATIVES. THE INVESTMENTS, FEES, EXPENSES, CERTAIN ELIGIBILITY REQUIREMENTS, TAX, AND OTHER CONSEQUENCES AND FEATURES OF THESE ALTERNATIVES MAY DIFFER FROM FEATURES AVAILABLE IN THE PROGRAM. ANYONE CONSIDERING OPENING AN ACCOUNT SHOULD CONSIDER THESE ALTERNATIVES PRIOR TO OPENING AN ACCOUNT AND SHOULD CONSULT WITH QUALIFIED ADVISOR(S).*

**No Interest Paid On Deposits.** No interest is being paid on Deposits made to the Accounts at the present time. There is no Monthly Service Charge for Maine ABLE Benefit Checking® Accounts. Maine ABLE Benefit Checking® Accounts are subject to Bangor Savings Bank's Common Fee Schedule for certain banking services. *Please refer to the Important Information About Your Account Booklet for more information.* The use of banking services subject to Common Fees will cause the balance of your Account to be less than the Amount deposited.

**No other insurance or guarantees.** The balances in the Account are insured to the extent allowed by the FDIC. No other insurance is provided. An Account is not guaranteed or insured by any federal, state, or private entity, including without limitation (i) the State of Maine, the Maine State Treasurer, or their respective officials or employees; (ii) Bangor Savings Bank or its board, respective officers or employees; or agents, or (iii) any other party public or private.

**Potential impact on Supplemental Security Income.** Qualified ABLE program balances over \$100,000 and certain withdrawals from an ABLE account, such as ABLE ME, could affect the Beneficiary's eligibility for SSI. Suspension of eligibility for SSI may also lead to ineligibility of the SSI recipient for Medicaid. For example, withdrawals from an Account retained beyond the month received and then spent on non-Qualified Disability Expenses, will be considered a countable resource of the SSI recipient as of the first of the month in which he or she spent the funds. If a Beneficiary (or their Authorized Representative) has any questions about the potential impact of their

Account on the Beneficiary's continuing eligibility for SSI or Medicaid, the Beneficiary (or their Authorized Representative) should contact the local SSA office.

**Potential impact on other state benefits.** While balances in and withdrawals from the Account will be disregarded for purposes of determining eligibility to receive benefits provided by the State of Maine, other states may treat your Account balances and withdrawals differently. ABLE program balances and withdrawals from an ABLE account, such as the Account, could affect your eligibility for other states' benefit programs. Please consult your local benefits office or benefits advisor for more information.

**Impact of loss of Eligible Individual status.** If you are no longer considered to be an Eligible Individual, expenses incurred at a time when you are not an Eligible Individual will not be considered Qualified Disability Expenses. The earnings portion of withdrawals from the Account for expenses that are not considered Qualified Disability Expenses will be includable as ordinary income for tax purposes and subject to an additional ten-percent (10%) federal tax unless an exception applies.

**Medicaid recapture.** Upon the death of the Beneficiary, IRC Section 529A permits a state to file a claim for the amount of the total medical assistance paid for the Beneficiary under the state's Medicaid plan after the establishment of the Account (or any ABLE account from which amounts were rolled or transferred to the Account). The amount of the claim is to be paid only after the payment of all outstanding payments due for the Qualified Disability Expenses of the Beneficiary and is to be reduced by the amount of all premiums paid by or on behalf of the Beneficiary to a Medicaid Buy-In program under that state's Medicaid plan. Procedures for filing claims may vary from state to state and applicable statutes of limitation may delay the final distribution of proceeds of the Account to the Beneficiary's estate. Authorized Representatives, executors, and personal representatives of estates may want to consider obtaining advice of counsel on the applicability of, and any available exceptions to, Medicaid recapture under applicable state law and regulation. Unless otherwise required by federal law, the State of Maine, or any agency or instrumentality of the State of Maine, may not seek payment for MaineCare benefits provided to a Beneficiary from an Account, or its proceeds, that is established under a qualified ABLE program (including ABLE ME) that complies with the requirements of the ABLE Act.

**Applicable Law and Changes to Applicable Law.** Money in the Account will be subject to Applicable Law and the terms and conditions of the Informational Booklet and the Important Information About Your Account Booklet. These provisions may limit your ability to deposit, withdraw, or transfer these funds. Under no circumstances may any interest in an Account be sold, exchanged, or used as security or collateral for a loan. Applicable Law, including interpretations of Applicable Law and related regulatory guidance is subject to change at any time. Changes to laws and regulations may adversely affect the federal and state-means-tested benefits associated with the ownership and operation of an Account as well as the federal tax treatment of ABLE accounts, including your Account in ABLE ME. The effect of some changes may be retroactive.

You should understand that changes in the law or regulations governing the treatment of Accounts in the Program for purposes of federal means-tested benefits or potential federal and/or state tax consequences described in this Informational Booklet may necessitate material changes to the Program. Furthermore, the Program has been established pursuant to federal and state laws and any regulations, guidelines, and procedures approved by the Maine State Treasurer. Changes to any such laws, regulations, guidelines, and procedures may also affect the operation of the Program and your Account as described in this Informational Booklet.

**Closure of your Account.** Under certain circumstances described in the Important Information About Your Account Booklet, your Account may be closed at the Bank's discretion. For example, if a Beneficiary or Authorized Representative commits fraud. *See the Important Information About Your Account Booklet* for more information.

**Possible changes or termination of the Program.** The Maine State Treasurer reserves the right to terminate or make changes to the Program at any time. Changes may include changes in the fees and expenses the Program charges for services provided by Bangor Savings Bank.

**Qualified Disability Expenses may exceed the balance in the Account.** Even if you make Deposits up to the Deposit Limits, the balance may not be sufficient to cover the Qualified Disability Expenses incurred by the Beneficiary annually or during the life of the Account.

**Non-Qualified Withdrawals.** *NON-QUALIFIED WITHDRAWALS MAY HAVE ADVERSE BENEFITS CONSEQUENCES.* *See the Summary of Government Benefits Considerations section for more information.*

## **SUMMARY OF GOVERNMENT BENEFITS CONSIDERATIONS**

Under the ABLE Act, funds in an ABLE account are generally disregarded for purposes of determining eligibility to receive means-tested federal government assistance or benefits. This includes contributions, earnings, and withdrawals for Qualified Disability Expenses. Further, contributions to an ABLE account, including funds deposited by a third party, are generally not considered income to the designated Beneficiary. However, a designated Beneficiary's income is not generally excluded from eligibility determinations simply because it is deposited to an ABLE account (e.g., a Beneficiary's wages). The statements made in this Informational Booklet about federal and Maine means-tested benefits are based on publicly available sources and subject to change without notice, and are not to be relied upon as benefits advice. In the event of a conflict between statements made in this Informational Booklet and publicly available guidance the guidance will control.

**Supplemental Security Income ("SSI").** The SSA has issued guidance on how SSA will treat ABLE accounts for purposes of determining benefit eligibility under SSI. This guidance is derived from publicly available sources and is not intended to be

exhaustive, and is subject to change by the SSA at any time. In the event of a conflict between the information presented in this Booklet and publicly available guidance from the SSA, the guidance will control. For more information on how SSA treats ABLE accounts please see “SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts” in the Program Operations Manual (“POMS”) available at <https://secure.ssa.gov/apps10/poms.nSf/lnx/0501130740>. *PRIOR TO OPENING A MAINE ABLE BENEFIT CHECKING® ACCOUNT, INDIVIDUALS SHOULD ALSO CONSULT WITH QUALIFIED ADVISORS FOR ADDITIONAL INFORMATION ON THE POSSIBLE IMPACT OF HAVING AN ABLE ACCOUNT ON THE BENEFICIARY’S ELIGIBILITY FOR FEDERAL AND STATE BENEFITS.*

**Exclusions from income.** SSA will exclude from the income of the Beneficiary:

- Contributions to an Account. This includes Rollovers from a Member of the Family’s ABLE account or Qualified Tuition Program (“QTP”) to an SSI recipient’s ABLE Account. **Note, however, that SSA will not deduct contributions from the countable income of the person who makes the contribution.** The fact that a person uses their income to deposit to an Account does not mean that income is not countable for SSI purposes. For example, a Beneficiary can have contributions automatically deducted from their paycheck and deposited into their own Account. In this case, the income used to make the Account contribution would still be included in the Beneficiary’s gross wages;
- Any earnings an Account receives while the earnings remain in an Account; and
- Withdrawals (including withdrawals that include earnings) from the Account.

**Exclusions from countable resources.** SSA will exclude up to and including \$100,000 of the balance of funds in an Account from the resources of the Beneficiary.

SSA will also exclude from a Beneficiary’s countable resources a withdrawal for a Qualified Disability Expense other than housing if it is retained beyond the month received. This exclusion applies while:

- the Beneficiary maintains, makes contributions to, or receives withdrawals from the ABLE account;
- the withdrawal is unspent;
- the withdrawal is identifiable; and
- the individual still intends to use the withdrawal for a non-housing related Qualified Disability Expense.

**Caution.** SSA will apply normal SSI resource counting rules and exclusions to assets or other items purchased with funds from an ABLE account. Beneficiaries and Authorized Representatives should note that unless withdrawals from an Account are used in accordance with SSA’s exclusion rules the withdrawals could have a material adverse effect on the Beneficiary’s continued eligibility for SSI and Medicaid. For example, if the withdrawal for the Qualified Disability Expense is retained beyond the month received and then spent on a non-Qualified Disability Expense, the withdrawal from the Account



will be considered a countable resource of the SSI recipient as of the first of the month in which he or she spent the funds.

If a Beneficiary (or their Authorized Representative) has any questions about the potential impact of a withdrawal on the Beneficiary's continuing eligibility for SSI or Medicaid, the Beneficiary (or their Authorized Representative) should contact the local SSA office before making a withdrawal from an Account.

**Example.** Eric takes a withdrawal of \$500 from his ABLE account in June to pay for a health-related Qualified Disability Expense. His health-related expense is not due until September, so Eric deposits the withdrawal into his checking account in June. The withdrawal is not income in June. Eric maintains his ABLE account at all relevant times, and the withdrawal is both unspent and identifiable until Eric pays for a Qualified Disability Expense in September. According to the POMS, SSA will exclude the \$500 from Eric's countable resources.

**Caution.** It should be noted that in the example above that if Eric changes his intent to use the \$500 withdrawal for a Qualified Disability Expense in July, according to the POMS the \$500 withdrawal would be treated as a countable resource in August.

**Housing-related Qualified Disability Expenses and non-Qualified Disability Expenses.** SSA will count as a resource a withdrawal for a housing-related Qualified Disability Expense or for an expense that is not a Qualified Disability Expense if the withdrawal is retained into the month following the month of receipt. If the withdrawal is spent within the month of receipt it has no effect on eligibility. According to the POMS, SSA will apply normal SSI resource counting rules and exclusions to items purchased with funds from an ABLE account.

**Example.** Amy takes a withdrawal of \$500 from her ABLE account in May to pay a housing expense for June. She deposits the \$500 into her checking account in May, withdraws \$500 in cash on June 3 and pays her landlord. Under the POMS, this withdrawal is a housing-related Qualified Disability Expense and part of her checking account balance as of the first of June, which makes it a countable resource by SSA for the month of June.

**ABLE account balances over \$100,000 not excluded.** SSA will count the amount by which an ABLE account balance exceeds \$100,000 as a countable resource of the Beneficiary.

**Suspension of SSI where balance of ABLE account exceeds \$100,000 by certain amount.** According to the POMS, a special rule applies when the balance of an SSI recipient's ABLE account exceeds \$100,000 by an amount that causes the recipient to exceed the SSI resource limit--whether alone or in combination with other resources. When this happens, the recipient is put into a special SSI suspension period where:

- SSA suspends the recipient's SSI benefits without time limit (as long as they remain otherwise eligible);
- the recipient is SSI eligible for medical assistance (Medicaid); and
- the individual's eligibility does not terminate after twelve (12) continuous months of suspension.

SSA will reinstate the recipient's regular SSI eligibility for any month in which the individual's ABLE account balance no longer causes the recipient to exceed the resource limit and he or she is otherwise eligible.

**Caution.** The special suspension rule only applies where the balance of the SSI recipient's ABLE account exceeds \$100,000 by an amount that causes the recipient to exceed the SSI resource limit – whether alone or with other resources. The special rule does not apply where resources other than the ABLE account alone would cause the SSI recipient to exceed the resource limit. In that case, SSA could suspend the SSI recipient's eligibility for Medicaid and terminate their eligibility for SSI if the suspension continues for twelve (12) months.

**SSA Program Reporting.** IRC Section 529A requires the Program to provide the SSA with reporting on Accounts. Based on guidance from the SSA, the Program will provide monthly electronic reports to the SSA including, without limitation, the following information for each Account: the name of the Beneficiary; Social Security or taxpayer identification number of the Beneficiary; date of birth of the Beneficiary; name of the person who has signature authority (if different from the Beneficiary); unique account number assigned to the Account; Account opened date; Account closed date; Account balance as of the first moment of the month (that is, the balance as of 12:00 a.m. local time on the first of the month); date of each withdrawal in the reporting period; and amount of each withdrawal in the reporting period. It is anticipated SSA will match the Social Security number furnished by the Program against their records and incorporate the ABLE Account information into their records.

### ***Other Federal and Maine Means-Tested Benefit Programs***

**Medicaid.** Under Section 529A, following the death of the Beneficiary, any state may file a claim against the Beneficiary's estate or the Account itself for the amount of the total medical assistance paid for the Beneficiary under the state's Medicaid plan after the establishment of the Account (or any ABLE account from which amounts were rolled or transferred to the Account). The amount paid in satisfaction of such a claim is not a taxable withdrawal from the Account and according to guidance issued in connection with the Final ABLE Tax Regulations such payments are not required to be reported on Form 1099-QA. Further, the amount is to be paid only after the payment of all outstanding payments due for the Qualified Disability Expenses of the Beneficiary and is to be reduced by the amount of all premiums paid by or on behalf of the Beneficiary to a Medicaid Buy-In program under that state's Medicaid plan. Procedures for filing claims may vary from state to state and applicable statutes of limitation may delay the final distribution of proceeds of the Account.

Under applicable Maine law, unless otherwise required by the United States Social Security Act, 42 United States Code, Section 1396p(b), the State of Maine, or any agency or instrumentality of the State of Maine, may not seek payment for MaineCare benefits provided to a designated Beneficiary from an account, or its proceeds, that is established under a qualified ABLÉ program that complies with the requirements of the ABLÉ Act.

The Beneficiary, Authorized Representative, executors, and administrators should consider seeking legal counsel on the applicability of, and any available exceptions to, Medicaid recapture under applicable state law and regulation. See the section below on *Guidance from the Centers for Medicare & Medicaid Services* for a summary of how ABLÉ account funds may be treated for purposes of determining Medicaid eligibility. Please consult with your state's Medicaid office with any questions you may have.

***Guidance from the Centers for Medicare & Medicaid Services (“CMS”).*** CMS issued guidance in 2017 on how it interprets the application of the ABLÉ Act to state Medicaid programs (the “CMS Guidance”). References in this Informational Booklet to the CMS Guidance are not intended to be exhaustive, and the Guidance is subject to change by the CMS at any time. In the event of a conflict between the information presented in this Booklet and publicly available guidance from CMS, the guidance will control. Prior to opening an Account, individuals should also consult with qualified advisors for additional information on the possible impact of having an ABLÉ account on a beneficiary's eligibility and benefits under Medicaid.

***Treatment of Funds in an ABLÉ Account.*** State Medicaid agencies must disregard all funds in an ABLÉ account in determining the resource eligibility of Medicaid applicants and beneficiaries who are subject to a resource test, and the earnings on the Account should be excluded from income of Medicaid recipients.

***Contributions to ABLÉ Accounts.*** Third party contributions to an ABLÉ account should be disregarded in determining Medicaid eligibility, including distributions from a Special Needs Trust (“SNT”) or a pooled trust that is deposited into the ABLÉ account of the SNT or pooled trust beneficiary.

***Contributions by the Beneficiary.*** If an ABLÉ account beneficiary transfers some of their own (otherwise countable resources for determining eligibility) resources to their ABLÉ account, the effect would be a corresponding reduction in total countable resources. By contrast, if a beneficiary of an ABLÉ account transfers some of their income in the month received to their ABLÉ account, the effect would not be a reduction in countable income. Therefore, income deposited to an ABLÉ account by the beneficiary is not disregarded from income, unless the state utilizes its authority regarding less restrictive methodologies employed in determining an individual's income and resource eligibility for medical assistance, if available.

***Withdrawals from ABLÉ Accounts.*** Like *funds in* and *contributions* to ABLÉ accounts, *withdrawals* from ABLÉ accounts are not included in the beneficiary's taxable income or

counted as income in eligibility determinations for Medicaid as long as they are used for Qualified Disability Expenses.

For a beneficiary, whose financial eligibility is determined using SSI-based methodologies (as opposed to Modified Adjusted Gross Income (“MAGI”)-based methodologies), a withdrawal from an ABLE account may be countable as a resource if (1) it is retained beyond the month in which the withdrawal is made, and (2) it is used for a non-Qualified Disability Expense in that or a subsequent month. ABLÉ account withdrawals used for expenses other than Qualified Disability Expenses will be counted in the month the expenditure is made.

For example, if an SSI-based beneficiary receives an ABLÉ account withdrawal in August, but does not spend the withdrawal until December (and uses the withdrawal for a Qualified Disability Expense in that month), the amount of the withdrawal is not counted in any month. If the beneficiary uses the withdrawal in December for a non-Qualified Disability Expense, the withdrawal would be counted as a resource in the month of December.

For a beneficiary, whose financial eligibility is determined using MAGI-based income methodologies, the income portion of the non-Qualified Withdrawal subject to taxation will be included in the individual’s MAGI-based income.

***Post-Eligibility Treatment of Income.*** Under applicable Medicaid regulations, the requirement that affected individuals apply most of their total available income to the cost of long-term services and supports before federal financial participation for medical assistance is available is referred to as post-eligibility treatment of income (“PETI”). For purposes of PETI, states should disregard from an individual’s total income any withdrawals for Qualified Disability Expenses. To the extent that a withdrawal for a non-Qualified Disability Expense is counted as income in determining the individual’s eligibility for other Medicaid benefits such a withdrawal would also be counted for purposes of PETI.

***Supplemental Nutrition Assistance Program (“SNAP”).*** In April 2016, the U. S. Department of Agriculture released a statement reporting that funds in ABLÉ accounts should be excluded as both income and resources in determining SNAP eligibility.

***U.S. Department of Housing and Urban Development (“HUD”).*** In April 2019, the U.S. Department of Housing and Urban Development released a notice that HUD program administrators and public housing directors will disregard amounts in an individual's ABLÉ account when determining eligibility and continued occupancy.

***Responsibility to Maintain Records.*** It is the beneficiary’s responsibility for maintaining sufficient records regarding their status as an Eligible Individual and regarding any withdrawal to substantiate to SSA or other agency that a withdrawal is for a Qualified Disability Expense (including without limitation adequate records of

expenses paid for with cash withdrawals) or that a beneficiary is entitled to receive federal or state means-tested benefits.

**Maine Means-Tested Benefit Programs.** Under applicable Maine law, funds held in an account established under a qualified ABLE program that complies with the requirements of the ABLE Act or distributed for the purposes of paying Qualified Disability Expenses must be disregarded when determining the beneficiary's eligibility for any means-tested public assistance program.

## SUMMARY OF FEDERAL AND MAINE TAX CONSIDERATIONS

***THIS SUMMARY DOES NOT PROVIDE TAX ADVICE AND IS NOT EXHAUSTIVE. THIS INFORMATIONAL BOOKLET WAS WRITTEN TO HELP YOU UNDERSTAND IMPORTANT RIGHTS AND OBLIGATIONS YOU HAVE UNDER THE PROGRAM. ANY INFORMATION CONTAINED IN THIS INFORMATIONAL BOOKLET IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY PERSON AS ADVICE. ABLE ME, THE MAINE STATE TREASURER, AND BANGOR SAVINGS BANK AND THEIR RESPECTIVE OFFICERS, EMPLOYEES, AND AGENTS ARE NOT AUTHORIZED TO PROVIDE FINANCIAL, LEGAL, BENEFITS, OR TAX ADVICE, AND NOTHING IN THIS INFORMATIONAL BOOKLET OR IN ANY OTHER WRITTEN MATERIALS SHOULD BE CONSIDERED ADVICE OR A RECOMMENDATION TO TAKE ACTION. PROSPECTIVE AND EXISTING BENEFICIARIES AND/OR THEIR AUTHORIZED REPRESENTATIVES SHOULD CONSULT QUALIFIED ADVISOR(S) FOR INQUIRIES SPECIFIC TO THEIR CIRCUMSTANCES.***

The following discussion summarizes certain aspects of federal and state income, gift, estate and generation-skipping transfer tax ("GST") consequences relating to Accounts and deposits to, earnings of, and withdrawals from the Accounts. The summary is not (i) exhaustive, (ii) is not intended as individual tax advice, and (iii) does not address the potential effects on Beneficiaries of the tax laws of any state other than Maine. In addition, there can be no assurance that the IRS or Maine Revenue Services will accept the statements made herein or, if challenged, that such statements would be sustained in court.

***Tax considerations are subject to change.*** This summary of tax considerations is based on the relevant provisions of the IRC, Maine state tax law, U.S. Treasury regulations and related guidance issued as of the date of this Informational Booklet. The Treasury Regulations do not, however, provide guidance on all aspects of the Program. Therefore, there can be no assurance that the federal tax consequences described herein for Beneficiaries are applicable. It is possible that Congress, the Treasury Department, the IRS, Maine Revenue Services and other taxing authorities or the courts may take actions in the future that will adversely affect the tax law consequences described and that such adverse effects may be retroactive.

The applicable tax rules are complex, certain rules are at present uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. The IRC and regulations thereunder, and judicial and administrative interpretations thereof, are subject to change, retroactively and/or prospectively. The Maine State Treasurer has the authority to take steps deemed necessary or appropriate to conform Accounts to the requirements of Section 529A of the IRC or other applicable federal law. When feasible and appropriate, the Maine State Treasurer, through their designated Program Administrator, intends to provide reasonable notice to Beneficiaries or their Authorized Representatives regarding any material Program changes through updates to this Informational Booklet, and where appropriate other Program materials.

## **Federal Tax Considerations**

**Qualified ABL Program.** The Program is designed to be a qualified ABL program under IRC Section 529A. For more guidance from the IRS on the tax treatment of ABL programs please visit <https://www.irs.gov/publications/p907>.

**Eligible Individual.** In order to open an Account and to receive the tax benefits afforded a Beneficiary you must be an Eligible Individual. If the Beneficiary ceases to be an Eligible Individual, beginning on the first day of the Beneficiary's first taxable year for which the Beneficiary does not satisfy the definition of an Eligible Individual, additional Deposits to the Account will not be accepted by the Program provided the Program has notice of such ineligibility. Additionally, during the time the Beneficiary is not an Eligible Individual, none of the Beneficiary's expenses will be considered Qualified Disability Expenses. If the Beneficiary subsequently re-qualifies as an Eligible Individual, Deposits to the Account again may be accepted subject to the applicable Program policies and Deposit/Balance Limits, and expenses incurred that meet the definition of a Qualified Disability Expense will again be considered Qualified Disability Expenses. The Beneficiary or Authorized Representative is responsible for making the required certifications relating to the Beneficiary's eligibility under the ABL Act and reporting to the Program when the Beneficiary is no longer eligible.

**One Account Rule.** The Final ABL Tax Regulations provide that except with respect to Rollovers, no Beneficiary may have more than one ABL account in existence at the same time. A prior ABL account that has been closed does not prohibit the subsequent creation of another ABL account for the same Beneficiary. The Final ABL Tax Regulations provide that, in the event any ABL account is opened for a Beneficiary with an ABL account already in existence, only the first such account created for that Beneficiary qualifies as an ABL account.

If more than one ABL account is opened by a Beneficiary, the subsequent ABL account(s) will not be treated as ABL accounts under the ABL Act and will not be eligible for the benefits of ABL accounts. For example, monies contributed to a second or subsequent ABL account will not be disregarded for determining eligibility under

federal means-tested programs, such as SSI, and could result in the imposition of federal taxes and penalties.

However, the preceding paragraph will not apply if:

- All of the Deposits to the additional account are returned in accordance with the rules that apply to the return of Excess Deposits under the Final ABLE Tax Regulations; or
- All amounts in the additional account are transferred to the Beneficiary's preexisting ABLE account and any Excess Deposits are returned in accordance with the rules that apply to the return of Excess Deposits under Final ABLE Tax Regulations.

**Annual Deposit Limit.** The Program's Annual Deposit Limit is currently \$18,000 per year per Beneficiary from all sources.

***Additional Deposit Limit for Employed Eligible Beneficiaries.***

**Eligibility.** Certain eligible ABLE Beneficiaries are permitted to make Deposits to an Account in excess of the Annual Deposit Limit up to a specified amount (the "**Additional Deposit Limit**"). In order to be eligible under IRC Section 529A to make additional Deposits up to the Additional Deposit Limit, an Beneficiary must be an employee (including an "employee" within the meaning of IRC Section 401(c) which includes a definition of self-employed individual) with respect to whom: (i) no contribution is made for the taxable year to a defined contribution plan (within the meaning of section 414(i)) with respect to which the requirements of section 401(a) or 403(a) are met, (ii) no contribution is made for the taxable year to an annuity contract described in section 403(b), and (iii) no contribution is made for the taxable year to an eligible deferred compensation plan described in section 457(b). Deposits in excess of the Annual Deposit Limit up to the Additional Deposit Limit may only be made by the Beneficiary. Although a Beneficiary's Deposits subject to the Additional Deposit Limit do not have to be made from compensation income, any Deposit of the Beneficiary's compensation income made directly by the Beneficiary's employer is a Deposit made by the Beneficiary.

**Calculating Your Permitted Additional Deposit Limit.** Under the Additional Deposit Limit, for Deposits made before January 1, 2026, an eligible Beneficiary may annually deposit an additional amount to an Account up to the lesser of (1) the Beneficiary's compensation (as defined by section 219(f)(1)) includible in the Beneficiary's gross income for the taxable year, or (2) an amount equal to the Federal Poverty Level for a one-person household as determined for the preceding taxable year. The Federal Poverty Level for the contiguous 48 states and the District of Columbia for 2022 was \$13,590 and for 2023 is \$14,580. Traditionally, the level increases from year to year.

**Excess Deposits.** Subject to there being sufficient funds in your Account to do so, amounts deposited above the Additional Deposit Limit will be returned to you if you

notify the Program in writing no later than March 1 of the calendar year after the year you made the Deposit. If you fail to timely notify the Program of the excess Deposit you may be subject to a six-percent (6%) excise tax on the amount of Excess Deposits. A Beneficiary (or an Authorized Representative) is solely responsible under federal regulations for notifying the Program about Excess Deposits and for maintaining adequate records to ensure that the Beneficiary is (1) eligible to make additional Deposits under the Additional Deposit Limit and (2) that the additional Deposits do not exceed the Additional Deposit Limit.

If the Excess Deposits are returned on or before the due date (including extensions) for filing the Beneficiary's income tax return for the year in which the excess Deposit was made, any net income distributed is includible in the gross income of the Contributor(s) in the taxable year in which the Excess Deposits were made. If the Excess Deposits are not returned on time, the Beneficiary will be subject to a six-percent (6%) excise tax on the Excess Deposits and earnings that are not returned by the ABLE program to the Contributors by the due date (including extensions) of the Beneficiary's income tax return. The 6% excise tax will be due even if you are not otherwise required to file a federal income tax return.

**Withdrawals.** The treatment of a withdrawal from an Account will vary depending on whether the withdrawal is a Qualified Withdrawal, Rollover, or a Non-Qualified Withdrawal. Whether a withdrawal complies with Applicable Law and can be classified as a Qualified Withdrawal or Rollover is a matter between the Beneficiary and the IRS. The Program assumes no responsibility for monitoring the Beneficiary's compliance with applicable tax rules.

**Qualified Withdrawals.** If a Qualified Withdrawal is made from an Account, no portion of the withdrawal, including earnings, is includable in the gross income of the Beneficiary. A Qualified Withdrawal is a withdrawal that is solely used to pay the Beneficiary's Qualified Disability Expenses.

- **Qualified Disability Expenses** include any expenses incurred at a time when the Beneficiary is an Eligible Individual that relate to the blindness or disability of the Beneficiary, and are for the benefit of the Beneficiary in maintaining or improving their health, independence, or quality of life. Such expenses include, but are not limited to, expenses for education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses that may be identified from time to time in future guidance published by the IRS.
- **Qualified Disability Expenses are broadly construed.** The Treasury Department and the IRS have noted that Qualified Disability Expenses include basic living expenses and are not limited to items for which there is a medical necessity or which solely benefit the Beneficiary. For example, expenses for common items such as smart phones could be considered Qualified Disability



Expenses if they are an effective and safe communication or navigation aid for a child with autism. In connection with the Final ABLE Tax Regulations, it was noted that the Treasury Department and the IRS continue to view the definition of Qualified Disability Expenses as expansive. Whether a particular expense is a Qualified Disability Expense depends on each Beneficiary's unique circumstances and whether the expense is for maintaining or improving the health, independence, or quality of life of the Beneficiary.

- **Matching Withdrawals to Qualified Disability Expenses.** For federal income tax purposes, income will be includible in gross income only where the amount withdrawn from ABLE ME exceeds Qualified Disability Expenses for the Beneficiary's taxable year. The Beneficiary may treat as having been paid during the preceding taxable year Qualified Disability Expenses paid on or before the 60th day immediately following the end of the Beneficiary's preceding taxable year.
- **No interest** is being paid on Deposits made to the Accounts at the present time, so there are no earnings subject to federal income tax. However, Non-Qualified Withdrawals may have adverse benefits consequences. *See Summary of Government Benefits Considerations section for more information.*

**Rollovers.** No portion of a Rollover is includable in the gross income of the Beneficiary or subject to the additional ten percent (10%) federal tax. At the present time, ABLE ME is unable to accept direct or indirect Rollovers with Earnings from another state's 529A Qualified ABLE Program or an IRC Section 529 Qualified Tuition Program ("529 account"). However, direct and indirect Rollovers from a Maine ABLE Benefit Checking® Account into another state's Qualified ABLE Program will be permitted.

- **Direct Rollovers out of ABLE ME (also known as program-to-program transfers).** Two types of direct Rollovers are permitted: (1) the direct transfer of the entire balance of your ABLE Account into an ABLE account owned by you in another state's Qualified ABLE Program, and (2) the direct transfer of part or all of the balance of your ABLE Account into an ABLE account in another state's Qualified ABLE Program opened for another Eligible Individual who is a Member of the Family.
- **Indirect Rollovers out of ABLE ME.** An Indirect Rollover out of ABLE ME is a withdrawal of (1) the entire balance of your ABLE Account, followed within sixty (60) days of that withdrawal by a contribution of those funds to an account owned by you in another Qualified ABLE program (provided you have not made a similar transfer to any ABLE program within the previous twelve (12) months), or (2) all or a portion of the balance of your ABLE account followed within sixty (60) days of that withdrawal by a contribution of those funds to an ABLE account in another state's Qualified ABLE Program opened for another Eligible Individual who is a Member of the Family.

**Application of tax rules to Rollovers from an ABLE account.** A Rollover from an ABLE account is not includible in the gross income of the Beneficiary. A transfer of funds that does not meet the conditions stated above for Rollovers will constitute a Non-

Qualified Withdrawal subject to federal tax and an additional ten percent (10%) tax. Both the federal income tax and the additional 10% federal tax are on earnings. No interest is being paid on Deposits made to Accounts at the present time, so there are no earnings subject to federal income tax. However, a transfer to a person who is not a Member of the Family may subject the Beneficiary to federal GST and gift tax. Please also keep in mind that Non-Qualified Withdrawals may negatively impact benefit eligibility and amounts.

**Important note about Rollovers.** In the case of a Rollover, the ABLE account from which amounts were transferred must be closed as of the 60th day after the amount was distributed from the ABLE account in order for the account that received the Rollover to be treated as an ABLE account. If the account that receives the transfer is not treated as an ABLE account, the account will not be eligible for the benefits of ABLE accounts. For example, the account will not be disregarded for determining eligibility under federal means-tested programs, such as SSI, and could result in the imposition of federal taxes and penalties.

**Non-Qualified Withdrawals subject any earnings to tax.** A Non-Qualified Withdrawal is a withdrawal from an Account that is not a Qualified Withdrawal or Rollover. To the extent that a withdrawal from an Account is a Non-Qualified Withdrawal, the portion of the Non-Qualified Withdrawal attributable to earnings on the Account will be ordinary income to the recipient of the withdrawal for the year in which the withdrawal is made. No part of the earnings portion will be treated as capital gain. Under current law, the federal tax rates on ordinary income are generally greater than the tax rates on capital gain. Deposits to your Account are not deductible from federal gross income, however deposits to your Account do not result in taxable income to the Beneficiary.

Additionally, to the extent that a withdrawal is a Non-Qualified Withdrawal, the federal income tax liability of the recipient will be increased by an amount equal to ten percent (10%) of any earnings portion of the withdrawal, subject to certain exceptions set forth below. No interest is being paid on Deposits made to Accounts at the present time, so there are no earnings subject to federal income tax.

**Exceptions to additional 10% tax.** The additional 10% federal tax does not apply to:

- Withdrawals made on or after the death of the Beneficiary paid to the estate of a Beneficiary or to an heir or legatee of the Beneficiary.
- Returns of Excess Deposits and Deposits to additional purported ABLE accounts made by the due date (including extensions) of the Beneficiary's tax return for the year in which the relevant Deposits were made.
- Withdrawals made after the death of the Beneficiary in payment of outstanding obligations due for Qualified Disability Expenses of the Beneficiary (including the funeral and burial expenses of the Beneficiary) are not includible in the gross income of the Beneficiary or their estate. Included among those obligations is the post-death payment of any part of a claim filed against the deceased Beneficiary or their estate or the Account by a state under a state Medicaid plan.

You should consult your own tax advisor regarding the application of any of the above exceptions.

**Note.** The Program will not withhold taxes or penalties due on a Non-Qualified Withdrawal. The taxpayer is responsible for reporting taxes and penalties due on the taxpayer's federal tax return.

**Change of Beneficiary.** A change in the Beneficiary of an Account is not treated as a withdrawal if the new Beneficiary is an Eligible Individual and a Member of the Family of the former Beneficiary. However, if the new Beneficiary is not an Eligible Individual and a Member of the Family of the former Beneficiary, the change is treated as a Non-Qualified Withdrawal by the former Beneficiary and may have federal GST or gift tax consequences.

**Earnings.** When there are earnings in an Account, each withdrawal from an Account consists of two parts. One part is a return of the principal in the Account. The other part is a withdrawal of a portion of the earnings in the Account. If withdrawals from your Account do not exceed your Qualified Disability Expenses for that year, no amount is includible in your gross income. For any year in which there is a withdrawal from an Account, the Program Administrator will provide an IRS Form 1099-QA. This form will set forth the total amount of the withdrawal and identify any earnings and principal portion of any withdrawal. No interest is being paid on Deposits made to Accounts at the present time, so there are no earnings subject to federal income tax.

**GST and Gift tax.** For federal GST and gift tax purposes, Deposits to an Account by the Beneficiary are not considered to be completed gifts because an individual cannot make a transfer of property to himself or herself, and a transfer of property is a fundamental requirement for a completed gift. However, Deposits to the Account by persons other than the Beneficiary are considered a completed gift from the contributor to the Beneficiary and are eligible for the annual gift tax exclusion. Deposits that qualify for the annual gift tax exclusion are generally also excludible for purposes of the federal GST. A donor's total Deposits to an Account for the Beneficiary in any given year (together with any other gifts made by the donor to the Beneficiary in the year) will not be considered taxable gifts and will generally be excludible for purposes of the GST if the gifts do not in total exceed the annual exclusion for the year. Currently, the annual exclusion is \$18,000 per donee (i.e., the person receiving the gift). This means that in each calendar year you may deposit up to \$18,000 to an Account without the Deposit being considered a taxable gift, provided you make no other gifts to the Beneficiary in the same year. The annual exclusion is indexed for inflation and therefore is expected to increase over time.

**Change of Beneficiary.** Neither federal GST or gift tax apply to a change of Beneficiary if the new Beneficiary is both an Eligible Individual and a Member of the Family of the Beneficiary.

**Estate tax.** The Final Treasury Regulations provide that, upon the death of the Beneficiary, all amounts remaining in the ABLE account are includible in the Beneficiary's gross estate for purposes of the estate tax.

For more guidance from the IRS on the tax treatment of ABLE programs please visit [www.irs.gov/uac/about-publication-907](http://www.irs.gov/uac/about-publication-907).

**Saver's Credit.** Effective for Deposits made on or after January 1, 2018, and before January 1, 2026, you may be able to claim a Saver's Credit. Adjusted Gross Income limits apply and the Beneficiary of the ABLE account must be age 18 or older, not a full-time student, and not claimed as a dependent on another person's return. For more information about the Saver's Credit, please visit [irs.gov](http://irs.gov).

### **Maine Tax Considerations**

Maine tax considerations in connection with the ABLE ME Program apply only to Maine taxpayers. Taxpayers are encouraged to seek tax advice from an independent tax advisor regarding the application of Maine tax provisions to their particular circumstances. From an income tax perspective, Maine's treatment substantively conforms with federal treatment for qualifying deposits, withdrawals, and rollovers. Maine does not provide for a comparable Saver's Credit for Maine income tax purposes. Maine's treatment also substantively conforms with federal treatment for Estate tax purposes.

## **PROGRAM PRIVACY POLICY**

Please review the Bangor Savings Bank Privacy Notice contained in the Important Information About Your Account Booklet which is incorporated by reference and made part of this Informational Booklet.

## **ANNUAL FINANCIAL STATEMENTS FOR ABLE ME**

The Maine State Treasurer shall have prepared annual financial statements for ABLE ME audited by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State. Any such audited financial statements will be available upon request.

## **CONTACT INFORMATION FOR ABLE ME**

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