



NATIONAL RESOURCE CENTER
ACHIEVING A BETTER LIFE EXPERIENCE ACT



ABLE Best Practices for Working Age Adults

Thursday, August 22, 2019

2:00 pm - 3:00 pm ET

The ABLE National Resource Center is funded through a grant from Prudential.

The ABLE National Resource Center

The **ABLE National Resource Center (ABLE NRC)** is the leading, comprehensive source of objective, independent information about federal- and state-related ABLE programs and activities, including guidance on tax-advantaged ABLE savings accounts.

Our mission is to educate, promote and support the positive impact ABLE can make on the lives of millions of Americans with disabilities and their families.

Our pioneering work in this area and subject matter expertise make us the foremost authority on topics related to the Achieving a Better Life Experience (ABLE) Act, ABLE accounts, state ABLE programs, ABLE-related policy developments and comprehensive integration of ABLE and financial capability strategies for people with disabilities into public service delivery systems.

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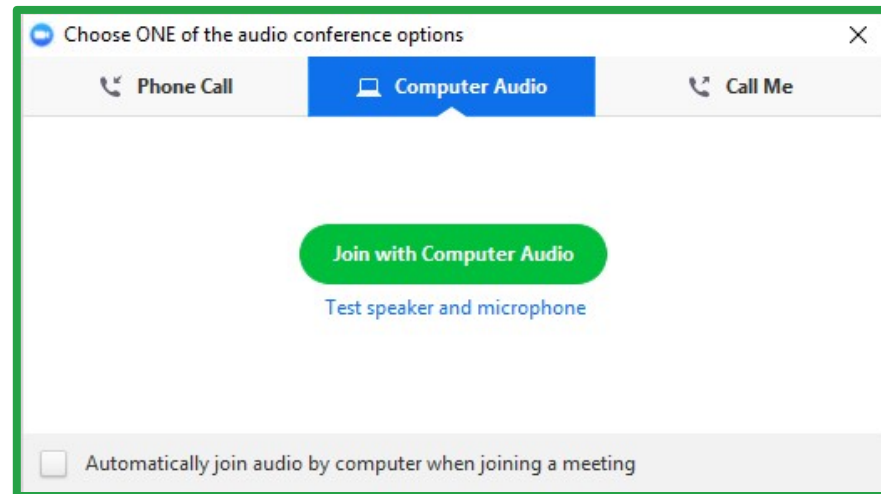
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
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Facilitator and Presenters

Facilitator

- Miranda Kennedy, Director, ABLE National Resource Center

Presenters

- Marlene Ulisky, Manager Financial Empowerment, National Disability Institute
- Laurie Schaller, Manager Financial Empowerment, National Disability Institute
- 2019 ABLE NRC Ambassadors / ABLE Account Owners
 - Hector Ramirez, Working Age ABLE Account Owner
 - Shane Wegner, Student and Working-Age ABLE Account Owner



Agenda

- What is #ABLEtoSave Month?
- Working Age Individuals with Disabilities and Poverty
- ABLE Account Contributions and Key Decisions for Success
- Introducing ABLE to your Employer
- Integrating ABLE into your Employment Related service plan
- Best practices, next steps and resources



What is #ABLEtoSave Month?



#ABLEtoSave Month

- #ABLEtoSave month is a nationwide awareness campaign taking place in the month of August. It provides information about Achieving a Better Life Experience (ABLE) accounts, so that individuals with a disability and their families become knowledgeable and comfortable enough to enroll in the program of their choice.
- The campaign will use a set of diverse tools to maximize our nationwide reach.
- Weekly webinars will provide ABLE information and resources to audiences which include eligible individuals -- both those receiving benefits and those not receiving benefits -- family members and advocates, service providers and employers.
 - August 29: Celebrating All the Ways You Are ABLE: Announcing Winners from the #ABLEtoSave Video Contest and Next Steps! ([REGISTER](#))



A Perspective: Working Age Individuals with Disabilities and Poverty



Data on Working Age People with Disabilities

Americans with disabilities make up an estimated 20 percent of the U.S. population (40-57 million people). Many people with disabilities live at or near the poverty level.

- One in five families have a family member with a disability, of those...
- 35% or 22 million working-age adults have disabilities (ages 16-64).
- Working age adults with disabilities are twice as likely to live in poverty than those without disabilities (28 percent vs. 13 percent).
- A major cause of poverty among disability beneficiaries is the low rates of employment within the population.

If you are working or wanting to work: Why Save in an ABLER Account?



Why Save in an ABLER Account? *(Slide 1 of 2)*

- If you live at or near the Federal Poverty level, working and saving in an ABLER account can transform your life.
- Millions of individuals with disabilities and their families depend on a variety of public benefits for income, health care, food and housing assistance. There is a resource limit for most means-tested benefits.
- Eligible individuals may establish ABLER savings accounts that will largely not affect their eligibility for federally-funded, means-tested benefits.



Why Save in an ABLER Account? *(Slide 2 of 2)*

- The funds in an ABLER account can supplement and are not meant to replace benefits provided by private insurance, Medicaid, Supplemental Security Income, food stamps, housing assistance, Vocational Rehabilitation, financial aid, employment and other sources.
- There are ABLER account tax advantages.
- Your savings can grow and you can begin to accrue assets.
- Your future may be more secure.



First Step: Learn the Facts *(Slide 1 of 2)*

- An ABLE account will allow you to save over the \$2,000 resource limit and still keep means-tested benefits like SSI and Medicaid.
- An ABLE account does not affect benefits paid under entitlement programs such as Social Security Disability Insurance Benefits.
- Individuals who do not receive a public benefit may also qualify to open an ABLE account.
- There are resources to help you to choose to work and to maintain monthly benefit payments and/or health insurance while you either supplement your benefits or transition off benefits.



First Step: Learn the Facts *(Slide 2 of 2)*

- A Community Work Incentives Coordinator (CWIC) analyzes all public benefits and provides free benefits counseling services to individuals who receive disability-based benefits from Social Security.
 - To find a certified counselor, visit choosework.ssa.gov/findhelp and use the “Find Help” tool to locate a provider.
- Increased savings in an ABLÉ account combined with working and using work incentives and tax credits (State and Federal), is one of the best tax-advantaged ways to accrue assets and provide for a better future.
- ABLÉ account savings can be used for qualified disability expenses, some of which are employment-related expenses.



Qualified Disability Expenses (QDE) Related to Employment *(Slide 1 of 2)*

QDEs fall into 11 broad categories and are not restricted to employment-related expenses.

The following QDEs are examples of employment-related expenses that can help an ABLE account owner secure and maintain employment:

- Costs associated with certificates, accreditations and/or job-related trainings
- Education, continuing education and college and certificate programs
- Interview preparation and resume development
- Employment training and support
- Job coaching
- Transportation
- Assistive technology



Qualified Disability Expenses (QDE) Related to Employment *(Slide 2 of 2)*

When you have expenses related to working, always research no-cost funding sources before using ABLE funds.

In particular, if you need assistive technology (AT), investigate how the following organizations, work incentives or programs can help you to save more money from earnings or to preserve ABLE savings longer:

- Social Security Administration work incentives such as impairment-related work expenses, the Plan to Achieve Self-Support, Property Essential for self support (if you are self employed), and Student Earned Income Exclusion
- The AT Loan Program: <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2019/01/alternative-financing-programs.pdf>
- Vocational Rehabilitation funding.

ABLE Account Contributions and Key Decisions for Success



Strategies to Increase ABLE Savings

An employed ABLE account owner can increase their ABLE savings by employing a variety of strategies:

- Using Social Security Work Incentives;
- Saving additional earnings from employment under the ABLE to Work Act;
- Using the Saver's Credit;
- Using the Earned Income Tax Credit;
- Educating third parties, such as an employer or service provider, about ABLE and allowable contributions to an ABLE account.



Income Contributions to an ABLE Account (First Party)

Earnings (earned income) may be contributed to an ABLE account by:

- A qualified individual who does not receive a public benefit, or
- A beneficiary who receives Supplemental Security Income or Disability Insurance Benefits from Social Security.

Unearned income may also be contributed to an ABLE account.

- Examples may include: alimony, child support, pensions and annuities, Veterans Administration payments, unemployment compensation, etc.

There is no change in the way means-tested benefit programs count earned or unearned income contributed to an ABLE account.



Social Security Work Incentives Can Help

- Social Security work incentives are programs which allow a working beneficiary to supplement their benefits or to transition off benefits while maintaining their monthly payments and/or health insurance (Medicare/Medicaid).
- Using work incentives provides a beneficiary with the opportunity to save additional money in their ABLE account. Examples of work incentives which may help include a trial work period, impairment related work expenses, plan to achieve self support, or student earned income exclusion among others. All work incentives can be found in the Social Security Red Book.
- A Community Work Incentives Coordinator (CWIC) can provide benefits counseling and help you to learn how to use the incentives. To find a CWIC, visit choosework.ssa.gov/findhelp and use the “Find Help” tool to locate a provider.



Income Contributions to an ABLE Account (Third Party)

- Third party contributions into the ABLE account do not count as income to a beneficiary receiving means tested benefits.
 - Examples of third parties may include: family, friends, employer, a special needs or pooled trust (which is not counted as a resource), or an estate
 - Examples may also include a 529 or 529A rollovers
- The total annual contribution limit for this year is \$15,000. An employed ABLE account owner may contribute more.
- The total lifetime contributions may not exceed the state limit for 529 college savings account. State programs aggregate contributions range from \$100,000 to \$529,000.



Meet ABLE NRC Ambassador Hector Ramirez

Hector Ramirez, a CalABLE account owner, is saving his* ABLE funds to maintain a safety net while working to be self-sufficient. Ze* has already achieved one goal – the purchase of a home!

Strategies used to fund his ABLE account:

- Employment earnings
- SSA/SSI back payments
- Circle of support and Gift of Independence

“By the time I turned 44, I had moved over 40 different times...I have lived in a nice big house and in a closet...and in a car on the streets. The main reason I wanted to open an ABLE account is so that I could finally have a place to call home.” – Hector

**Ze and Hir are the most popular forms of gender-free pronouns in the online LGBTQ community.*



ABLE to Work Contributions *(Slide 1 of 2)*

The “ABLE Work” provision was passed as part of the “Tax Cuts and Jobs Act of 2017” and allows *ABLE account holders who work and earn income* to contribute above the \$15,000 annual contribution limit.

- The beneficiary is not eligible to make the additional contributions if their employer contributed to a workplace retirement plan on their behalf that year.

Examples are:

- 401(a) defined contribution plan or 403(a) annuity contract
- 403(b) annuity contract
- 457(b) eligible deferred compensation plan



ABLE to Work Contributions *(Slide 2 of 2)*

- The ABLE account owner may contribute an additional amount from whichever is less:
 - Their gross income for that taxable year, or
 - The amount equal to the federal poverty level for the 48 contiguous states for a one-person household for the year prior to when the contributions are made.
 - 48 contiguous states: \$12,140
 - Alaska: \$15,180
 - Hawaii: \$13,960
- Earnings that are the result of employment are still counted in terms of earned income or substantial gainful activity (SGA) and taken into consideration when determining eligibility for certain public benefits.



Tax Benefits

ABLE accounts have tax advantages:

- The account grows tax free.
 - You pay no income taxes on any growth in the value of your investments or savings
 - You pay no income taxes on any interest earned
- Some states offer state income tax or other benefits for contributions to an ABLE account but the benefits may be limited to contributions to the plan in the contributor's home state. Wisconsin is an exception.
- If you work you may qualify for a Federal "Earned Income Tax Credit" (EITC) and a State EITC if your state has one.
- If you work and save earned income in your ABLE account, you may qualify for the "Saver's Credit."



ABLE Account Owner Shane Wegner



Shane Wegner, a Tennessee ABLE Account holder, lives in Minnesota. He opened his account in TN before they closed it to out of state residents and he chose TN because at the time it offered the lowest fees and a choice of investments. As an existing account holder he was allowed to maintain his account there.

Strategy Shane uses to fund his ABLE account:

- Employment earnings

Goal:

- Retirement

"I use my able account as a tax savings vehicle in as much as it offers a ROTH-like quality beyond a regular ROTH IRA. I contribute to the account and have no plans to withdraw from the account until I retire."



Saver's Credit *(Slide 1 of 2)*

- The formal name is the “Retirement Savings Contributions Credit.” It is a tax credit which allows qualified taxpayers who make contributions to certain retirement accounts a tax credit which can be deducted from the taxes they owe.
- The new tax law extends the credit to **ABLE account owners** who contribute to their own ABLE account and who meet eligibility criteria for the Saver's credit:
 - Age 18 or older
 - Not a full-time student
 - Not claimed as a dependent on another person's return
 - AGI is not more than:
 - \$31,500 if filing status is single, married filing separately, or qualified widow; or
 - \$63,000 if married filing jointly.



Saver's Credit *(Slide 2 of 2)*

- The amount of the credit is 50%, 20% or 10% of contributions to a retirement plan, IRA, or to an ABLE account and it depends upon your adjusted gross income (AGI). The percent of your contribution you are allowed to take is reduced as your AGI increases.
- The maximum credit is \$2,000 (\$4,000 if filing jointly).
- 529 and 529A rollover contributions into an ABLE account do not qualify.
- Eligible contributions may be reduced by any recent distribution received from your ABLE account.
- It is a nonrefundable credit, which means you must owe taxes to use the credit, and the maximum value would reduce the taxes you owe down to zero.
- **If the Saver's Credit results in a tax refund, you can save the refund in your ABLE Account!**



Earned Income Tax Credit (EITC)

- The EITC is a tax credit for low to moderate income workers who are:
 - Age 25 to 64 without children, or
 - Age 18 to 64 with one or more children.
- If you have earnings from work, file, and qualify for the EITC, you can receive up to:
 - \$6,431 - Tax Year 2018
 - \$6,318 - Tax Year 2017
 - \$6,269 - Tax Year 2016
- You can file for it even if you didn't earn enough to have to file taxes.
- Your state may have enacted their own version of the Federal EITC.
- You can file for the credit even if the tax year has passed, up to three years back.
- **An EITC refund can be deposited into your ABLE Account.**



Introducing Your Employer to ABLÉ

How can Employers Benefit from ABLE?

- Funds in ABLE accounts can be used to support an employees' ability to work and increase their productivity.
- Moreover, funds can support employees around their own disability and/or mitigate the time and financial stress they may experience caring for a loved one with a disability.
- Your employer can elevate their reputation as a disability-friendly employer taking the lead in corporate social responsibility and employee support related to ABLE implementation and elevate the need to increase the financial capability of individuals with disabilities.



Introducing Your Employer to ABLE

If you are working and 1) not receiving any type of benefit, or 2) you are working and you are receiving means-tested or any other type of benefit, there is an important role that your employer can play with regards to your ABLE account.

Action to Take:

1. Share the information on the next few slides with your employer.
2. Sign up for our AchievABLE Newsletter, and
3. Invite your employer to join you on our ABLE NRC October NDEAM (National Disability Employment Awareness Month) webinars.

Note: These actions can help your colleagues with disabilities and/or those who have family members with disabilities as well!



How Would an Employer Integrate ABLE?

On ABLE NRC's upcoming October NDEAM webinars we will be sharing information, strategies and resources for Employers on how to:

- Access informational resources and NDI-led educational webinars on the benefits of ABLE accounts and strategies for better financial decision-making;
- Assessing the financial well-being of your employees with disabilities and those who have family members who experience disability;
- Incorporate access to generic and disability-specific financial education and related, targeted support strategies for your workforce population impacted by disability;
- Include tax advantaged ABLE Accounts and related benefits into your HR Benefits with possible match funding for eligible employees and their families.



Introducing Your Service Provider to ABLE



Introducing ABLE into Service Plans that support employment

If you are receiving means-tested benefits and working with a service provider towards an employment goal (e.g. Vocational Rehabilitation, American Job Center, Employment Network, Independent Living Center, etc.), ask to include ABLE in your service plan.

What is a service plan that supports employment?

A plan outlining an individual's vocational goal and the supports, activities and resources needed to achieve vocational goals. This plan is in writing and agreed upon by the individual, their circle of support and the service providers who will be supporting them towards achieving that goal.

What role can ABLE play in my service plan supporting my employment?

An ABLE account can be used to augment services and supports already available or fund those that are not available that count as QDEs. Examples: Pay for additional job coaching, counseling, assistive technology that is not covered, transportation, work uniforms and tools, etc...)



Why should Service Providers integrate ABLÉ?

How Can It Be Done?

Finding and sharing resources has always been challenging. The ABLÉ National Resource Center has made it easy to find and share financial capability resources, tools and trainings.

Sharing information about ABLÉ accounts, and integrating ABLÉ accounts into discussions and service plan development, can heighten the services provided, increase the visibility of service providers, demonstrate commitment to supporting financial independence, and strengthen partnerships. ABLÉ accounts can serve as an anchor for this activity.

Ultimately, service providers can help those being served access and benefit from a tool – the ABLÉ account - that will support success in work and life.



Best Practices, Next Steps and Resources



Best Practices

- Whether you receive public benefits or not, employment will enhance your financial stability. An ABLE account in addition to employment can further increase your financial well-being.
- Along with working, if you are eligible for them, you can combine using one or more Social Security work incentives with other supports such as the Saver's Credit and Earned Income Tax Credit (EITC) to increase your savings potential.
- Investigate all potential no cost funding sources for any employment-related items or services so that you can preserve – and if you are using an investment option, potentially grow - ABLE funds for as long as possible.



Next Steps

- Open an ABLE account early and learn the rules of the program!
- If you are working or planning to work, learn all you can about your benefits, work incentives, and IRS programs and tax credits which can maximize your potential savings.
- Develop a plan for saving in an ABLE account regularly. **Creating a Zero Balanced Budget Plan:** nationaldisabilityinstitute.org/classes/creating-a-zero-balance-budget-plan
- Know that you can work at whichever level you choose and maintain your benefits or transition off benefits. Talk to a Benefits Counselor.
- Your situation, needs and goals are unique. Make wise decisions and maintain good records and receipts.
- *Gathering information and resources is key!*



For More ABLE Account Owners Stories and Goals: Check out our 2019 ABLE NRC Ambassadors and 2018 Alumni



Link to 2019 ABLE NRC Ambassador Stories:

<https://www.ablenrc.org/able-ambassadors/2019/>

Link to 2018 ABLE NRC Ambassador Alumni Stories: <https://www.ablenrc.org/able-ambassadors/2018/>



Resources *(Slide 1 of 2)*

- ABLE National Resource Center: <http://ablenrc.org/>
- ABLE and Tax Benefits: <https://www.ablenrc.org/able-and-tax-benefits/>
- ABLE and the Student Earned Income Exclusion Work Support for Transition Age Youth: <https://www.ablenrc.org/able-and-the-student-earned-income-exclusion-work-support-for-transition-age-youth/>
- Qualified Disability Expense Fundamentals Webinar: <https://www.ablenrc.org/qualified-disability-expense-fundamentals/>
- ABLE Case Summary Series: <https://www.ablenrc.org/the-able-case-summary-series/>
- Find a Certified Benefits Counselor called a “Community Work Incentives Coordinator” (CWIC) by visiting: <https://choosework.ssa.gov/findhelp/result?option=directSearch>
- SSI Youth Toolkit: <http://ssiyouthtoolkit.org/>



Resources *(Slide 2 of 2)*

- The AT Loan Program: <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2019/01/alternative-financing-programs.pdf>
- Social Security Administration Red Book – A Guide to Work Incentives: <https://www.ssa.gov/redbook/>
- Federal Earned Income Tax Credit: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>
- States with Earned Income Tax Credit: <https://www.cbpp.org/research/state-budget-and-tax/states-can-adopt-or-expand-earned-income-tax-credits-to-build-a>
- Savers Credit: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>
- Tax Highlights for Persons with Disabilities (2019) – Publication 907: <https://www.irs.gov/pub/irs-pdf/p907.pdf>



Help Spread the Word!

- Help spread the word! Please share information about ABLE accounts with friends, family and community groups!
- To receive up-to-date information on ABLE, please subscribe to our [AchievABLE](#) newsletter.
- Connect with us on social media: [Facebook](#) and [Twitter](#).
- Participate in all of the #ABLEtoSave webinars and all of the [ABLE National Resource Center webinars](#) to stay informed.
- For answers to all of your questions, visit our Website: ablenrc.org



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