ABLE National Resource Center Podcast

A podcast series of the ABLE National Resource Center (ABLE NRC), managed by National Disability Institute (NDI)

TOPIC: Insights from Social Security Administration about ABLE Accounts

PROJECTED RELEASE DATE: During the August 2020 nationwide #ABLEtoSave campaign.

Thank you for agreeing to be a guest on the ABLE National Resource Center podcast series. The following will provide you with additional information to prepare for the podcast. If you have any questions, please direct them to Hope Price at hprice@ndi-inc.org.

**Transcript:**

Welcome to the ABLE to save podcast series brought to you by the ABLE national resource center managed by the National Disability Institute. Hear from leaders from the public and private sector as well as ABLE account holders and their families about how ABLE accounts can be an effective savings tool to help improve health, independence and quality of life for people with disabilities. And now here’s your host and the Director of the ABLE NRC, MK.

**MK:** As we begin todays podcast I’d like to acknowledge and thank our sponsors for this week TIAA and CalABLE. And now, I’d like to introduce our guest Betsy Blair who is a Social Insurance Specialist at the SSA.

Ms. Blair works at SSA headquarters as a policy analyst on the SSI income and resources team.  Prior to working at the agency, she was employed by State of Maryland and specialized in eligibility policy for income assistance programs such as Medicaid, SNAP, and TANF.  She holds a bachelor’s degree in psychology from St. Mary’s College of Maryland and earned a master’s degree in human resources management from the University of Maryland University College. Thank you for being here with us today Betsy.

**SSA:** Thank you for having me.

**MK:** So Betsy, my first question for you is, we’d like to know what SSA is doing to increase awareness and provide the most up to date and accurate information around ABLE accounts to local SSA offices and disability beneficiaries and their families who may be eligible?

**SSA:** We’re doing several things. Since the implementation of the ABLE Act, we have updated our policies and implemented employee training to ensure we accurately share information about ABLE accounts. We engage through social media and we use our various communications vehicles to educate people, both internally and externally. We remain active participants in the recurring ABLE implementation meetings convened by the National Council on Disability. The meetings include Federal, State, and local agencies along with external partners to share information and coordinate best practices for raising awareness about ABLE accounts. SSA has worked to inform the more than 17 million individuals living with disabilities, their families, and those who work with them about the ABLE program. We regularly provide information about ABLE accounts on our websites. We answer any questions that the public, advocates, or state administrators have. We support ABLE programs and the individuals who use them by publishing and updating materials for our employees and the public and will continue to ensure that our staff remains knowledgeable about ABLE programs.

**MK:** So, we know that anyone can contribute to an ABLE account and SSA policy allows for housing expenses to be paid from an ABLE account. We recently learned that SSA clarified their policy to include food as a qualified disability expense. SSI in particular is supposed to go towards paying for food and housing. We know that in many instances SSI is not enough to cover food and housing, especially in more expensive areas. So, if food or housing is paid for or augmented with funds from the ABLE account, will this count as “income” and reduce an SSI payment? And, what would be the best practice for someone on SSI using their ABLE account in this way?

**SSA:** Well, SSI policy allows several qualified disability and housing expenses, including food, rent, mortgage, and some utilities. Using funds from an ABLE account for these purposes will not count as income and does not reduce an SSI payment. It is important to use the housing funds during the month they are withdrawn, however, because they will become a countable resource if they are retained in the following month.

**MK:** Yes, that’s helpful to know. Thank you Betsy.

**SSA:** Sure.

**MK:** Our next question is that during this pandemic, a big concern of many individuals is their health. But another big concern is their financial situation. Millions of Americans receive a disability benefit from Social Security under the SSDI or SSI program and many have received or will receive an Economic Impact Payment from the government – will this *income* affect their benefits? Can this income be saved in an ABLE account? Can you share with us what SSA’s guidance around that is?

**SSA:** Economic Impact Payments under the CARES Act do not count as income and will not be considered a countable resource for 12 months. The payment may be saved in an ABLE account since it is a first party contribution that belongs to the beneficiary. Both first and third party contributions may be saved in an ABLE account We will exclude any unspent portion of the payment amount from the ABLE account for up to 12 months. Once the 12 months expire, the retained amount will remain excluded as long as the ABLE account balance is within the resource limit of $100,000 for SSI recipients and the annual IRS gift tax exclusion amount of $15,000 for 2020 is not exceeded. For SSDI recipients there is no limit.

**MK:** Betsy, can you tell us how are ABLE accounts supporting SSI and SSDI beneficiaries who are working? And I ask this question because we often hear from people (including those who operate SSA’s Ticket Work Employment Networks) who think that ABLE accounts are only meant to help people stay on their benefits while being able to save above the asset limit. Can you tell us how ABLE accounts can be used to support SSA beneficiaries in transitioning off disability benefits and into employment, if they choose to do so? And are people still able to maintain their ABLE account after they have exited SSA benefits?

**SSA:** Sure Miranda. ABLE account savings grow tax-free and may be used for qualified disability expenses including housing or items or services related to health. Examples of qualified disability expenses that may support employment include, but are not limited to:

* Transportation to and from employment
* Employment training and support
* Job coaching
* Interview preparation and resume development
* Costs associated with certificates and accreditation and
* Assistive technology

The account itself may be considered a work incentive, since it allows the individual to save for qualified disability expenses. ABLE account owners who work and earn income may contribute additional gross income into their ABLE account if they do not have an employer-sponsored retirement plan. In 2020, the amount the law permitted for employment-based contributions in most states was $12,490 if they did not have an employer-sponsored retirement plan. Residents of Alaska and Hawaii can contribute even more — up to $15,600 in Alaska or $14,380 in Hawaii. Contributions grow tax-free, and the total account limit over time is subject to the state limit for 529 savings accounts, which currently range between $235,000 and more than $529,000.

The person with a disability does not have to be entitled to any type of Social Security benefits to establish an ABLE account. If a person with an ABLE account earns enough that he or she is no longer eligible for SSDI or SSI, or was never eligible due to SGA, termination of those benefits would not affect the ABLE account as long as they meet the requirements of being blind or disabled by age 26, and they use the funds to pay for qualified disability or employment-related expenses.

**MK:** Betsy, can you tell us if someone’s SSI was temporarily suspended due to their unemployment compensation benefits, do they have to reapply for benefits when their unemployment compensation comes to a stop? And can SSA restart their monthly payments automatically if they had directly deposited into their ABLE account which can be used as a transactional type account?

**SSA:**  Well, SSI recipients do not have to reapply for benefits if they were temporarily suspended due to unemployment compensation as long as SSI payments were not stopped for 12 consecutive months. Recipients only need to report that the income has ended in order to resume benefits. However, if the recipient is ineligible for more than 12 consecutive months they must reapply.

**MK:** We have heard of seniors – and even middle-aged people - who are eligible for ABLE who are opening ABLE accounts to expand their eligibility for personal care services and to meet their retirement expenses. Can you explain more about how ABLE accounts can be used to help support people who are receiving SSA benefits in retirement?

**SSA:** Oh, I’d be happy to Miranda. Seniors as well as middle-aged people can open ABLE accounts—as long as the individual meets the ABLE account eligibility requirements of being blind or disabled by age 26. ABLE funds can then be used to pay for qualified disability expenses, such as: housing, transportation, personal support services, health, prevention and wellness, and even funeral and burial expenses, just to mention a few.

**MK:** Well thank you Betsy for joining us and we appreciate your time today as well as Social Security Administration’s work in this area. And offering you as an expert to speak with us today. We’d also like to thank our sponsor this week which is TIAA and CalABLE. And with that thank you and have a great day everyone. Thank you.