



NATIONAL RESOURCE CENTER
ACHIEVING A BETTER LIFE EXPERIENCE ACT



ABLE Accounts: A Primer for Service Provider Customers

Information based on guidance and numbers for the year 2020

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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 plans 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 makes us the foremost authority on topics related to the Achieving a Better Life Experience (ABLE) Act, ABLE accounts, state ABLE plans, ABLE-related policy developments and comprehensive integration of ABLE and financial capability strategies for people with disabilities into public service delivery systems.

ablenrc.org



What Is an ABLER Account? (slide 1 of 2)

- An ABLER account is a Section 529A savings and investment account owned by a person who has a physical/mental disability or blindness with an onset before age 26 and who also:
 - Receives Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) benefits,

OR

 - Does not receive SSI or SSDI benefits, but has a written and signed disability certification from a licensed physician (a doctor of medicine or of osteopathy, doctor of dental surgery or dental medicine, doctor of podiatric medicine, doctor of optometry or a chiropractor) that indicates a physical/mental disability or blindness that results in “marked and severe functional limitations” which has lasted or can be expected to last for 12 months or more or result in death.



What Is an ABLE Account? (slide 2 of 2)

- ABLE savings up to \$100,000 will **NOT** affect Supplemental Security Income (SSI) benefits.
- A person can have any amount of ABLE savings and it will **NOT** affect:
 - Free Application for Federal Student Aid (FAFSA)
 - Housing Assistance through Housing and Urban Development programs (HUD)
 - Supplemental Nutrition and Assistance Program (SNAP)
 - Social Security and Disability Insurance (SSDI), or
 - Medicare, or
 - Any type of Medicaid benefit including Medicaid waiver services.



Who Can Open an ABLER Account? (Slide 1 of 2)

- An ABLER account can be opened at any age (e.g. 20, 30, 50 years old) by or for a person who has a disability, as defined on slide 4.
 - One ABLER account may be opened in this order by:
 - The individual who has a disability,
 - Individual selected by the eligible individual,
 - Agent under a power of attorney, conservator or legal guardian,
 - A spouse, parent, sibling or grandparent,
 - A representative payee (individual or organization).
- *The representative payee is subject to all applicable SSA policy rules.
Additional guidance is forthcoming from SSA.

Who Can Open an ABLE Account? (slide 2 of 2)

- All ABLE accounts are opened online.
- The average amount of time it takes to complete the registration form to open an ABLE account online is less than 10 minutes.
 - ABLE plans require that a person read the State ABLE disclosure document prior to opening an account. This takes additional time beyond the “10 minutes” and will provide important information about making savings choices in an ABLE program in addition to preparing to complete the online form.
- Once the account is open, the account owner can grant others permission (revocable) to access various levels of information about the account and/or to take specified actions on the account.



Why Save in an ABLER Account? (slide 1 of 4)

- There is a resource limit of \$2,000 for most means-tested benefits, but saving in an ABLER account allows the account owner to exceed this limit and maintain eligibility for SSI, Medicaid and other public benefits.
 - ABLER savings of up to \$100,000 are not counted as a resource and will not impact SSI eligibility or monthly payments.
 - A person can have ABLER savings of any amount (including above \$100,000) and it will not affect any type of Medicaid eligibility.
 - ABLER investment earnings are not taxable.



Why Save in an ABLER Account? (slide 2 of 4)

- The funds in an ABLER account do not replace benefits provided by private insurance, FAFSA, HUD, Medicaid, Medicare, Social Security Disability Insurance, the beneficiary's employment, SSA work supports, vocational rehabilitation, employment training and other sources.
- ABLER savings can be used to supplement funding from those other sources, and it is a "best practice" to look to use those other sources and funds prior to using ABLER funds.

Why Save in an ABLÉ Account? (slide 3 of 4)

- There are ABLÉ account tax advantages:
 - The account balance (principle and income) can be invested through a variety of options offered by an ABLÉ program. Interest growth is tax-free.
 - Contributions into ABLÉ from family, friends, a special needs or pooled trust or a 529 college savings plan rollover, do not count as income by federally-funded, means-tested benefit programs.
 - The account owner, family, friends and others can contribute up to \$15,000 per calendar year.



Why Save in an ABLER Account? (slide 4 of 4)

- There are ABLER account tax advantages, continued:
 - An ABLER account owner who works and does not participate in an employer-sponsored retirement account may save up to an additional \$12,760 within ABLER, from their earnings. For residents of Alaska, that amount is \$15,950; residents of Hawaii, \$14,680.
 - The additional contributions may be earned or unearned income.
 - State ABLER plans allow, over time, savings of up to \$235,000 to \$529,000.

Countable Income:

- An ABLE account is a protected savings account.
- Examples of income saved from the following sources are still counted as income *by means-tested benefit programs* even when deposited directly into an ABLE account:
 - Earned income and pension,
 - Child support and maintenance,
 - Unearned income such as alimony, employment compensation, workers compensation, retirement benefits, 403b and 401k distributions and veterans benefits.
- SSDI benefits are not “means-tested” benefits.



ABLE Qualified Disability Expenses (QDEs)

- Education
- Food
- Housing including utilities, rent, modification, purchase, property taxes
- Transportation
- Employment training and support
- Assistive technology
- Personal support services
- Health care expenses
- Legal fees and financial management
- Funeral and burial expenses



Examples of Using ABLE savings for COVID-19 QDEs

- Personal protective equipment.
- Delivery charges for food, prescriptions and groceries.
- Housing expenses for primary residence, as well as expenses to stay in a hotel to shelter in place in a high-risk situation.
- Health care costs such as deductibles, copays or other charges, or for private personal care or attendant services.

COVID-19 Specific Financial Information for People with Disabilities:

<https://www.nationaldisabilityinstitute.org/financial-resilience-center/>

When to Open an ABLÉ Account: (slide 1 of 2)

When

- A child is born with a significant disability;
- Developing an Individual Education Plan (IEP) for a youth / transition plan;
- Someone says “We need to spend down;”
- The \$2,000 resource limit is holding someone back from being able to save;



When to Open an ABLER Account: (slide 2 of 2)

When a person

- is working;
- is falling between the cracks and is not qualifying for services;
- has family who would like to help out;
- needs their Medicaid;
- receives an inheritance or insurance settlement;
- has a savings or spending goal;
- has a disability and wants to save for retirement.

Best Practices for an ABLE Account

- SSI recipients: continue to use SSI first to pay for housing and food;
- Identify and focus on the ABLE account owner's savings goal;
- Prepare a Spending Plan for all monthly expenses;
 - What income will pay for each spending plan item?
 - What money can be saved for the future ABLE QDE goal?



How Can ABLE NRC Support You as an Individual or Family Member of an ABLE Eligible Individual?

- Comprehensive ABLE website at ablenrc.org
- Educational materials, including free online webinars, best practices and ABLE account owner stories;
- Training and technical assistance activities;
- Side-by-side comparisons of the various ABLE plans;
- ABLE Frequently Asked Questions at: ablenrc.org/frequently-asked-questions/.



Roadmap to ABLE Enrollment:

ablenrc.org/get-started/

Roadmap to Independence:

ablenrc.org/manage-account/

Roadmap to ABLE

For detailed information and videos on each roadmap step, visit ablenrc.org/road-map-enrollment or ablenrc.org/road-map-independence.

Roadmap to Enrollment

📍 START HERE

- 1. What Is ABLE?**
Achieving a Better Life Experience (ABLE) accounts are protected savings accounts for qualified individuals with disabilities and are available nationwide.
- 2. Who Is Eligible?**
An ABLE account owner must have had a significant disability onset prior to age 26. An account can be opened at any age.

- 3. How Can Funds Be Used?**
Funds in ABLE accounts can be used for a wide array of qualified disability expenses such as education, transportation job training, housing and more.

- 4. How Do I Open An Account?**
ABLE accounts are opened through the state ABLE program website. It takes about 10 minutes to open an account.
- 5. How Do I Manage My Account?**
ABLE accounts are savings accounts that offer choices for investing. You can make changes to your investments twice a year.

Roadmap to Independence

📍 MANAGE ACCOUNT

- 6. Setting My Financial Goals**
ABLE accounts allow you to set financial goals based on your disability-related needs.
- 7. Building a Circle of Support**
Let family, friends and your employer know they can contribute directly to your ABLE account.
- 8. Making Smart Financial Decisions**
Making smart financial decisions isn't always easy. Learn how to with an ABLE account.
- 9. Monitoring My ABLE Account**
Learn how to keep an eye on your ABLE account and track your qualified disability expenses.
- 10. Celebrating Being ABLE**
Celebrate and share your ABLE experiences with others!

For more information on the ABLE Act and ABLE accounts, visit ablenrc.org.

ABLE Program Comparison Tools

The ABLE National Resource Center website includes tools to help people compare ABLE Plans:

- Three-State Comparison Tool: ablenrc.org/compare-states/
- ABLE Program Features Tool: ablenrc.org/state-plan-search/
 - The “results page” of this tool allows you to download files for all states or for select states to assist you
- Map of USA Tool: ablenrc.org/select-a-state-program/



ABLE National Resource Center 2020 Ambassadors:

ablenrc.org/able-ambassadors/2020/



2020 ABLER NRC Ambassadors



For More ABLE Account Owners Stories and Goals: 2019 and 2018 ABLE NRC Ambassador Alumni Stories

Link to 2019 ABLE NRC Stories:

ablenrc.org/able-ambassadors/2019/



Link to 2018 ABLE NRC Stories:

ablenrc.org/able-ambassadors/2018/



Other ABLÉ Tools to Help You

- [Choosing the Right ABLÉ Program](#)
- ABLÉ Program [Spotlight webinars](#) on specific state programs and multi-state collaborations
- [ABLÉ Account, Special Needs and Pooled Trust Comparison Chart](#)
- [ABLÉ and Tax Benefits](#)
- Other tools are in development – go to our website and check back often!

Connect to Resources: Federal Guidance

- [Treasury/IRS Final Regulations 10/1/2020](#)
- [Supplemental Security Income \(SSI\)](#)
- [Centers for Medicare and Medicaid Services \(CMS\)](#)
- [Supplemental Nutrition Assistance Program \(SNAP\)](#)
- [Housing and Urban Development \(HUD\)](#)



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](#).
- For answers to all of your questions, visit our website: [ablenrc.org](#) and check out our Frequently Asked Questions page at: [ablenrc.org/frequently-asked-questions/](#).