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CELEBRATING 10 YEARS



ABLE | NATIONAL
RESOURCE
CENTER

CELEBRATING 10 YEARS

2026 ABLE Tax Time Tips

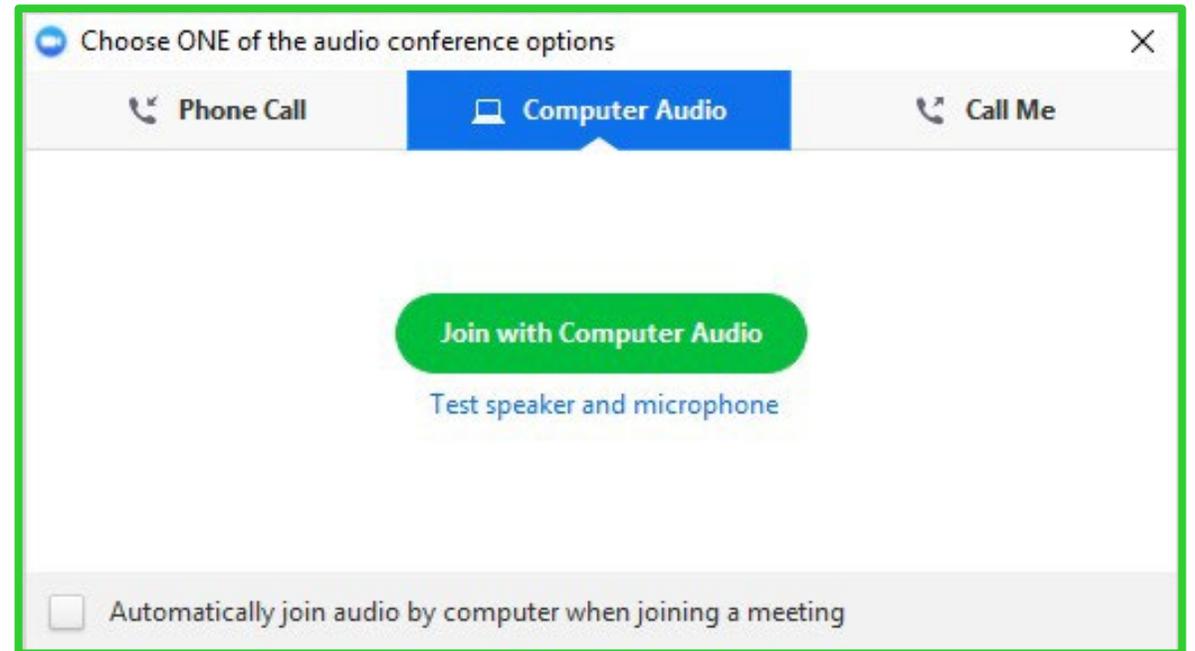
February 12, 2026, 1 pm, ET

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ABLE National Resource Center

The [ABLE National Resource Center](#) (ABLE NRC) provides all the ABLE information you need in one place. ABLE NRC shares reliable, objective information about ABLE plans, including plan comparisons, best practices and strategies to increase savings for now and into the future.

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.

Presenters

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Webinar Highlights

Receive Key ABLE and Tax Updates for 2026.

Learn Why Filing Taxes Matters.

Access Resources and Discover Free Ways to
File 2025 Taxes.

Combine Tax Strategies and Best Practices to
Maximize Your ABLE Account Savings in 2026
and Beyond.

ABLE Matters

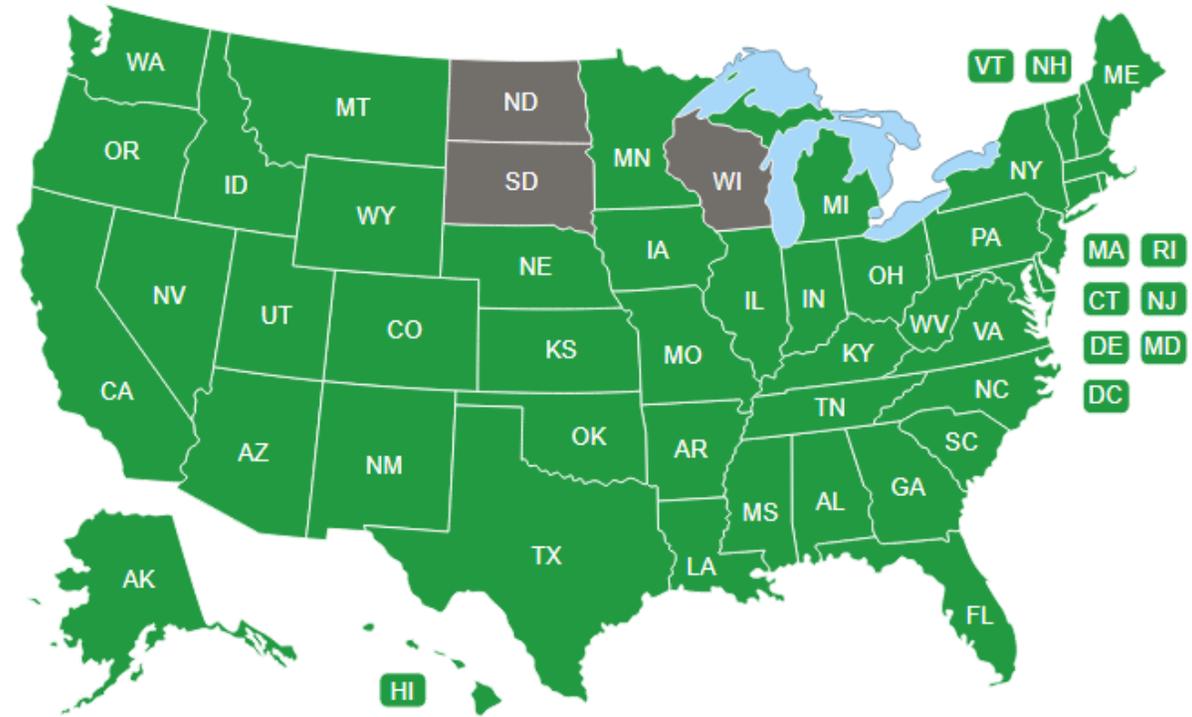
- ABLE (Achieving a Better Life Experience) accounts are designed exclusively for people with disabilities and provides the opportunity to save and invest money without paying taxes on investment earnings.
- Account owners who receive needs-based benefits can save more than the savings limit (usually \$2,000) and still get benefits they need now or in the future.
- ABLE savings can be spent on a variety of things that help the person stay healthy, independent and have a good life.
- ABLE is a tool to secure and invest in your financial future.

ABLE 2026 Updates

- Age of onset of disability expands from before age 26 to before age 46.
- Annual contribution limit increases to \$20,000 and up to \$35,650 for eligible employed ABLE account owners.
- The three provisions set to expire on 12/31/25 were made permanent. This includes ABLE to Work, Saver's Credit and 529 rollover opportunities.
- Some state ABLE plans are making enhancements including offering state tax credits or deductions.

ABLE Plans Available

- There are 51 plans from which to choose including D.C. and Guam.
- If you are ABLE eligible, you can open **one** ABLE account. Many plans accept out of state residents.
- An ABLE Program [Comparison Tool](#) and [Interactive State Map](#) is available on the ABLE NRC's website.



Tip: Research your own state's plan first for incentives, deductions or state tax credits.

Who Should File Income Taxes?

- A person who works should file income taxes regardless of their earned income amount.
- Earned income may be documented on a W2 or a 1099 form.

Tax Filing is Crucial

- Filing a tax return is the only way to claim a tax credit or receive a tax refund for taxes already paid.
- Receive future economic impact (stimulus) payments faster.
- Use a tax refund to pay any back taxes and/or SSA overpayments that you might owe. This may improve your credit to qualify for more affordable credit when needed.
- Tax filing reduces the risk of identity theft should someone else use your information to file a fraudulent return.
- Filing builds work history for SSA retirement benefits, Social Security Disability Insurance (SSDI) and premium-free Part A Medicare.

Medicaid Waiver or Qualified Foster Care Programs

- A person who receives SSI and/or SSDI or early retirement who is paid as a caregiver through a [Medicaid Waiver Program or Qualified Foster Care program may need to file income taxes](#) to receive EITC and Child Tax Credit.
- The earnings **must** be reported to the Social Security Administration and may impact SSI, SSDI or early-retirement benefits.



[Access IRS Updates](#)



2026 Tax Law



2025 Tax Year Filing Dates

- Tax e-filing season began January 26th, 2026! The IRS is accepting and processing 2025 returns.
- 2025 Income tax filing due by April 15th, 2026, extension to file their 2025 tax is October 15th, 2026.
- In general, to claim a refund, you must file an amended return within 3 years after the date you filed the original return or 2 years after the date you paid the tax, whichever is later. You may want to file to claim tax credits and deductions and to record earned income from employment or self-employment.

Remember, if you change your federal return, it may affect your state tax liability.



Tip: People may file income taxes for 2025, 2024, 2023 and 2022 before 4/15/26.



Standard Deduction 2025

The standard deduction for taxpayers who do not itemize deductions on Schedule A (Form 1040) has increased. The standard deduction amounts for 2025 are:

- \$31,500 – Married Filing Jointly or Qualifying Surviving Spouse
- \$23,625 – Head of Household
- \$15,750 – Single or Married Filing Separately



Taxpayers who are 65 and older or are Blind

For 2025, the **additional** standard deduction amounts for taxpayers who are 65 and older or **blind** are:

- \$2,000 for Single or Head of Household (increase of \$50)
- \$1,600 for married taxpayers or Qualifying Surviving Spouse (increase of \$50)



Earned Income Tax Credit

For 2025, the maximum credit increased to:

- \$8,046 with three or more children
- \$7,152 with two children
- \$4,328 with one child
- \$649 with no children

Please note: A PWD may be claimed as a dependent indefinitely and the credit is credited or paid to the income tax filer subject to employment income.



Dependents

For 2025, the standard deduction amount for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$1,350, or (2) the sum of \$450 and the individual's earned income.

Kiddie Tax

To be subject to the kiddie tax, the individual must have unearned income of at least \$2,700 in 2025. For example, interest, dividends, or capital gains.



Limitation on deduction for state and local, etc. taxes (SALT)

- Provides a temporary increase to the state and local tax (SALT) deduction limitation. The applicable limitation amount (half the applicable limitation amount in the case of a married individual filing a separate return) in any taxable year beginning in calendar year 2025 is **\$40,000**. The applicable limitation is adjusted for tax years beginning after 2025.



Moving to Faster, Safer Tax Refunds

- The federal government is modernizing how tax refunds are paid.
- Paper tax refund checks began to phase out Sept. 30, 2025, as allowed by law.
- This change follows an executive order signed March 25, 2025.
- Filing tax returns will not change - only how refunds are delivered.
- Electronic payments are safer and more reliable than paper checks.



What Taxpayers Can Expect and How to Prepare

- Direct Deposit is the fastest and safest way to receive your refund.
- Most electronic refunds are issued in under 21 days.
- Paper checks can take six (6) weeks or longer to arrive.

To prepare now:

- Enter the bank's routing and account numbers when the return is filed.
- Taxpayers can open a bank or credit union account if needed.
- Some mobile apps or prepaid cards may also work.



Tip: Resources are available at [FDIC.gov/GetBanked](https://www.fdic.gov/GetBanked) and [MyCreditUnion.gov](https://www.MyCreditUnion.gov).



Vehicle Purchase Deduction

A deduction is allowed for up to \$10,000 of interest on a qualified, new vehicle loan purchased after 12-31-2024. The allowable deduction is reduced if the taxpayer's MAGI exceeds \$100,000 (\$200,000 if MFJ). The deduction is allowed for non-itemizers.



Retirement Savings Contribution Credit (Saver's Credit)

The IRS Form 8880, *Credit for Qualified Retirement Savings Contributions* is for those who made contributions to an eligible employer-sponsored retirement plan, IRA, federal Thrift Savings Plan, or **ABLE** account. The credit is calculated as a percentage of contributions depending on the taxpayer's adjusted gross income, with a maximum credit of \$1,000 for single filers and \$2,000 for married taxpayers filing a joint return.



Child and Dependent Care Credit

Who is eligible to claim the credit?

You may be eligible to claim the Child and Dependent Care Credit if:

- You paid expenses for the care of a qualifying individual to enable you (and your spouse, if filing a joint return) to work or actively look for work.
- You (or your spouse if filing a joint return) lived in the United States for more than half of the year. However, special rules apply to military personnel stationed outside of the United States.



Tip: Visit the IRS site, [Child and Dependent Care Credit](#), to find out if you are eligible.



Qualified Overtime Compensation (No tax on overtime)

Allows a deduction of up to \$12,500 (\$25,000 in the case of a joint return) of qualified overtime income received for the taxable year. Only the overtime amount which exceeds the regular rate of pay is eligible for the deduction.

- **Effective 2025 – 2028**

Note: Qualified overtime as measured by the Fair Labor Standards Act refers to pay received for hours worked exceeding 40 per week and includes **only** the required premium above a taxpayer's regular rate of pay for those hours—specifically the “half” in “time and a half.”



Overtime Misconceptions

OVERTIME PAY: CLEARING THE CONFUSION AROUND "NO TAX ON OVERTIME"

WHAT ACTUALLY CHANGED:

- ✓ Under the One Big Beautiful Bill Act, employees can now claim a federal income tax deduction on a portion of their overtime pay
- 🕒 The deduction applies only to the overtime premium (*the 'extra half' in time-and-a-half*)
- 💰 Deduction limits: \$12,500 for single filers, \$25,000 for joint filers

WHAT IT'S NOT:

- ✗ It does not make overtime wages fully tax-free
- ✗ Payroll taxes (Social Security & Medicare) still apply on all earnings, including OT
- ✗ This is a temporary relief, not a permanent exemption

Gather Documentation

- [Forms W-2](#) from your employer(s)
- Forms 1099 from banks, issuing agencies and other payers including: [unemployment compensation, dividends, pension, annuity or retirement plan distributions](#) and/or SSDI income;
- [Form 1099-K, 1099-MISC](#), W-2 or other income statement if you worked in the [gig economy](#);
- [Form 1099-INT](#) if you were paid [interest](#);
- [Total of tips](#) earned, [SSA guidance on tips](#)
- [Student loan interest](#) earned
- [Form 5866](#) for new vehicle purchased in 2025

ABLE Tax Documents

Tax Filing Forms

[IRS Form 1099qa](#) (ABLE distributions)

[IRS Form 5498qa](#) (ABLE contributions)

[Instructions for 1099QA & 5498QA](#)

Copies are mailed to ABLE account owners and reported to IRS by the ABLE Program Manager.

Access Free Tax Preparation Assistance

To locate the nearest sites:

- Volunteer Income Tax Assistance
 - (VITA) Locator or call 1(800)906-9887.
- Tax Counseling for the Elderly (TCE)
 - AARP Site Locator Tool or call 1(888)227-7669.

IRS Free File

Access [E-file: Do your taxes for free](#) to explore free guided tax software and free file fillable forms.

Tax Preparation for Veterans & Members of Armed Forces

- Members of the U.S. Armed Forces and qualified Veterans, with and without a disability, may use MilTax, a free service offered by the Department of Defense through Military OneSource. MilTax offers free tax software and one-on-one help from military tax experts.
- You may file a federal and up to three state tax returns at no cost.
- For more information, go to:
[MilTax: Free Tax Filing Software & Support | Military OneSource](#) or call 800-342-9647.



Tip: The IRS makes tax filing easier to understand for [military members and Veterans](#) with unique tax needs. There are certain [tax breaks](#) available to military members and dependents.

Tax Refunds

- [Visit Tax refund information](#) for income tax refund deposits into more than one account.
- Check with your ABLE plan to determine if your tax refund can be directly deposited into your ABLE account.

Tax Refunds – Needs Based Benefit Programs

- Federal and state income tax refunds do not count as income.
- **Federal tax refunds** do not count as a resource for a period of **12 months** after the month of receipt, for Supplement Security Income (SSI) or any federally-funded public benefit.
- **State tax refunds** are not countable income the month received, but if saved into the next month, the funds are a countable resource.



Tip: A person who relies on means-tested benefits either needs to spend down state tax income refunds or deposit them into a qualified [1st time home buyer program account](#), an SSA approved [PASS plan](#) or deposit the funds into an [ABLE account](#). Contact your ABLE plan to confirm that an income tax refund may be directly deposited into ABLE.



Prepare Now to Maximize Strategies to Boost Your Savings in 2026

Work to Your Fullest Ability and Use SSA Work Supports

Earned Income Tax Credit 2026

The maximum credit will increase to:

- \$8,231 with three or more children
- \$7,316 with two children
- \$4,427 with one child
- \$664 with no children

Trump Accounts under the Working Families Tax Cuts (Section 70204)

- Parents, guardians, or others can establish a Trump Account for an eligible child.
- Trump Accounts scheduled to be funded effective July 4, 2026.
- The federal government will make a one-time \$1,000 contribution for each eligible child's account.
- Authorized contributions from individuals and employers are allowed up to \$5,000 per year.

Trump Account Withdrawal and Use

- All funds may be rolled into an ABLE account at age 17 and does not count towards the ABLE annual contribution limit.

Credits for Employer Contributions

Small businesses with 50 or fewer employees can claim a tax credit of up to \$1,000 per employee for employer contributions, excluding certain deferrals or defined benefit plan contributions. This credit phases down over four (4) years and is further reduced for businesses with 51 to 100 employees.

Employer contributions to an ABLE account are treated as compensation and may affect benefits, while earned income deposited into an ABLE account remains countable as earned income for ABLE account owners.



Tip: Contact a [Benefits Counselor](#) to enhance your understanding of working and to learn what work supports can help you earn and save more!

ABLE and SSI / SSDI Overpayments

- A person who receives a notice of overpayment from Social Security Administration (SSA) may request a [waiver or a repayment plan with SSA](#).
- SSA cannot ask that a person use their ABLE account funds to repay SSA.



Tip and Best Practice: Confirm the overpayment with SSA. You may negotiate repayment, often as low as \$10 or 10% of your benefit. Using ABLE funds for repayment should be a last resort, preserving your savings and investment growth. Repayment of SSDI overpayments may lower taxable income. If repayments exceed benefits received, consult [IRS Publication 915](#) or a tax professional for possible deductions or credits.

Increase Your Savings

Use these account tips and strategies:

- Set a goal to maximize ABLE contributions for 2026
- Consider working to your fullest ability and use [SSA work supports](#)
- Compare tax implications of saving in a retirement account versus saving in your ABLE account
- Use free tax preparation services
- Compare ABLE fees and tax credits/deductions using ABLE NRC comparison tools
- Use income tax credits and deductions
- Set up a bank or ABLE account to prepare for electronic tax refunds
- Maximize savings with a Trump Account

Tax Credits / Deductions Savings Strategy

- [Earned Income Tax Credit \(EITC\)](#) (EITC qualification assistant)
- [Saver's Credit](#) Employment earnings deposited and saved in ABLE
- [Child and Dependent Care Credits](#)
- [Elderly and Disabled Tax Credits](#)
- [More IRS Information for People With Disabilities](#)
- [Interest Paid on New Vehicle Purchase Loan](#)

Tips for Efficient Tax Preparation

- **Ongoing** throughout the calendar year, keep ABLE receipts & track earned tips for the calendar year; keep the file for at least 6 tax seasons.
- **Before filing income taxes**, organize paperwork and establish a specific place for all incoming tax documents.
 - Organize ABLE account documents (Form 5498-QA ABLE account Contribution Information and Form 1099-QA Distributions from ABLE accounts)
 - If you need to file income taxes, share your ABLE forms above with your tax preparer. (A person does not need to file income taxes simply because they have an ABLE account)



Consult with a tax advisor for complex situations.



Resources



TAXPAYER SERVICES

STAKEHOLDER PARTNERSHIPS, EDUCATION & COMMUNICATION

Key Resources

[VITA Locator Tool](#)

[TCE/AARP Locator Tool](#)

[Where's My Refund](#) - Track your refund.

[IRS2Go](#) - Official smartphone app of the IRS.

[Tax Withholding Estimator](#) - Use to estimate your withholding amount.

[Payments](#) - It's never been easier to make a tax payment.

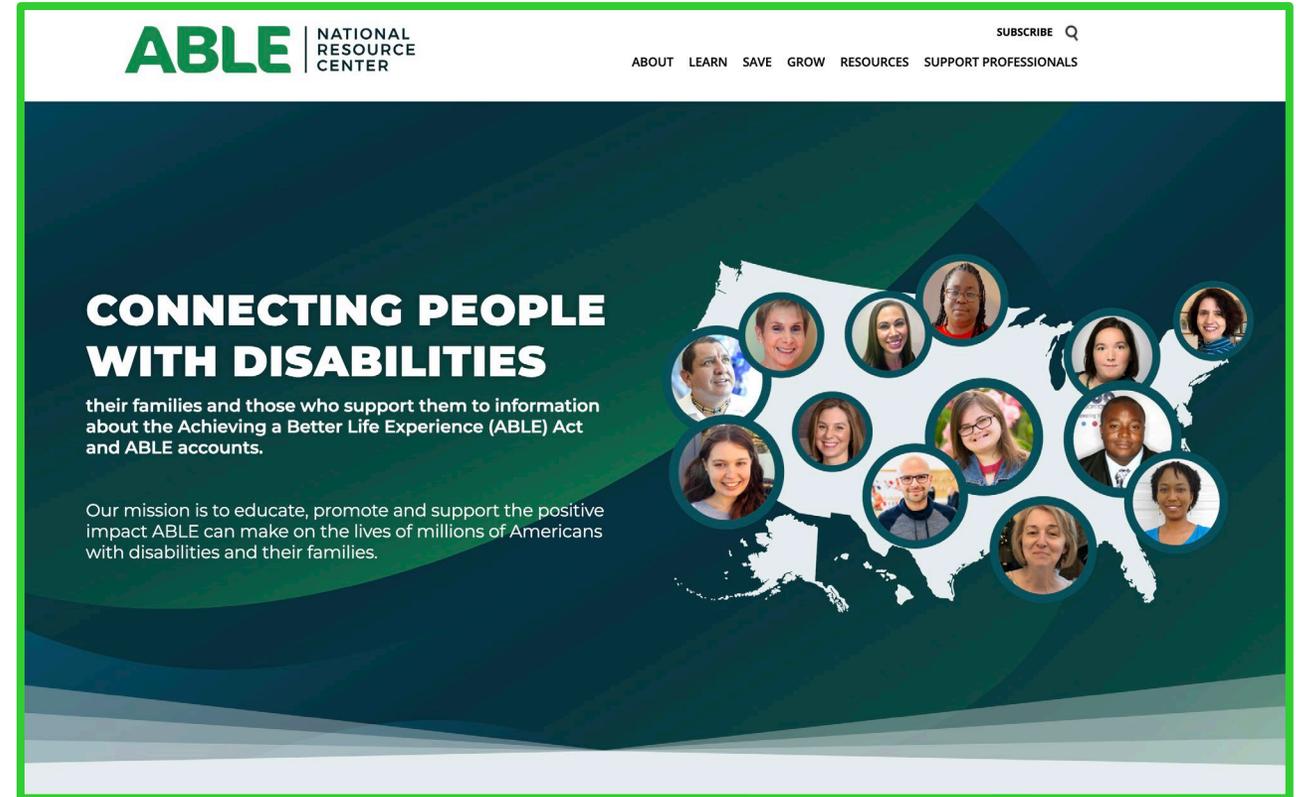
[More Information for People with Disabilities](#), Incl. Schedule R - Credit for the Elderly or the Disabled

[IRS Publication 907, Tax Highlights for Persons With Disabilities](#)

ABLE National Resource Center Website

Visit us at ablenrc.org for:

- [ABLE FAQs](#)
- [ABLE Decision Guides](#)
- [Home Ownership / Inheritance](#)
- [ABLE Programs by State](#)
- [ABLE Informational Flyer](#)
- [Meet our ABLE Ambassadors](#)
- [ABLE to Save Podcast](#)
- [ABLE Webinars](#)
- [AchievABLE Newsletters](#)
- [2026 Tax Facts for People with Disabilities](#)





ABLE NRC Toolkits

- [Employer Toolkit](#)
- [Home Ownership Guide](#)
- [Home Inheritance Guide](#)
- [Service Provider Toolkit](#)
- [Youth Transition Toolkit](#)
- [ABLE NRC Media Toolkit](#)
- [ABLE Veterans Toolkit](#)



NDI Resources

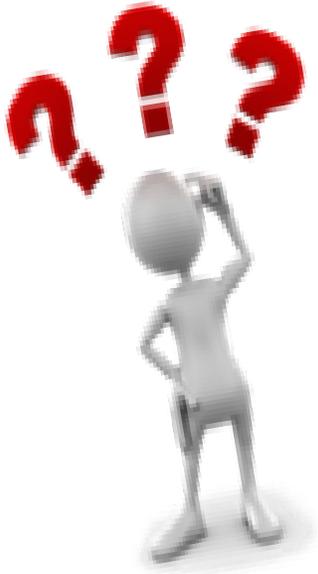
- [National Disability Institute \(NDI\)](#)
- [American Dream Employment Network \(ADEN\)](#)
- [NDI Financial Resilience Center](#)
- [NDI Accessible Transportation and Assistive Technology](#)
- [NDI Small Business Hub](#)



TAXPAYER SERVICES

STAKEHOLDER PARTNERSHIPS, EDUCATION & COMMUNICATION

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