

A Primer on ABLE Accounts

Miranda Kennedy, Director, ABLE National Resource Center

Marlene Ulisky, Disability Benefits Expert, ABLE National Resource Center

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Housekeeping

- All on mute. Use Questions function for substantive questions and for technical concerns.
- Problems getting on the webinar? Send an e-mail to NCLER@acl.hhs.gov.
- Written materials and a recording will be available at NCLER.acl.gov. See also the chat box for this web address.

About NCLER

The National Center on Law and Elder Rights (NCLER) provides the legal services and aging and disability communities with the tools and resources they need to serve older adults with the greatest economic and social needs. A centralized, one-stop shop for legal assistance, NCLER provides Legal Training, Case Consultations, and Technical Assistance on Legal Systems Development. Justice in Aging administers the NCLER through a contract with the Administration for Community Living's Administration on Aging.

Agenda

- Introducing the ABLE National Resource Center
- ABLE Legislation and Financial Independence for People with Disabilities
- Perspective from an ABLE Account Owner
- ABLE Account Basics
- ABLE Resources

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 makes 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.

ABLE Legislation and Financial Independence for People with Disabilities

Disability Legislation & Financial Independence

- Americans with Disabilities Act (ADA) legislation transformed the lives of millions of individuals with disabilities and was signed 30 years ago.
- The ABLE Act builds on the ADA, recognizing the extra, significant costs families experience when a member has a disability.
- The ABLE Act recognizes that millions of individuals with disabilities and their families receive a variety of means-tested public benefits and depend on them for their needs. The ABLE Act excludes ABLE account savings and investments from being counted as a resource for determining eligibility for most means-tested federal benefits.

ABLE Legislation

- ABLE is one of most bipartisan bills in history.
- An ABLE account offers the opportunity for many people with disabilities to learn decision-making skills while saving regularly. This may enhance their money management skills while promoting greater independence, a sense of personal agency over their finances, and less reliance on public benefits.
- An ABLE account, a protected account to save earnings or other income, can be used to support education, employment, retirement savings, and more.

Perspective from an ABLE Account Owner

Meet Pshon Barrett, Esq.

ABLE Account Owner



- Pshon is a board member for the Mississippi Bar Lawyers and Judges Assistance Committee, Industries for the Blind and Council of the Blind, and a national board member for the American Association of Visually Impaired Attorneys.
- As a person who is blind, Pshon understands the many extra costs related to living with a disability. She opened an ABLE Account to save for disability-related expenses such as the purchase of adaptive technology. She has an added perspective as an Assistant U.S. Attorney handling cases under the Americans with Disabilities Act.

Read the Stories of Other ABLÉ Account Owners & Parents of ABLÉ Account Owner

2020 Ambassadors

- [Meet our 2020 ABLÉ NRC Ambassadors](#)



2018-2019 Ambassador Alumni

- [Meet our 2019 ABLÉ NRC Ambassadors](#) and [Meet our 2018 ABLÉ NRC Ambassadors](#)



ABLE Account Basics

Similarities Across ABLE Programs

- Eligibility Requirements
- Who Can Open an ABLE Account
- Tax Advantages
- Save or Invest or Both
- Contribution Limits
- Ways to use the account (Qualified Disability Expenses)
- Account Portability

ABLE Eligibility

- An ABLE 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 (MD or DO) 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.

Why Save in an ABLE Account?

- Any amount of ABLE savings will not affect Social Security Disability Insurance Benefits (SSDI).
- Any amount of ABLE savings will NOT affect:
 - Housing Assistance through Housing and Urban Development programs
 - Supplemental Nutrition and Assistance Program (SNAP)
 - Free Application for Federal Student Aid (FAFSA)
 - Medicare or any type of Medicaid benefit
- ABLE savings will supplement and not supplant benefits under other Federally funded programs.
- Up to \$100,000 will NOT affect Supplemental Security Income.

SSI Benefits and ABLE (1 of 2)

- Contributions from third parties deposited directly into the ABLE account are not counted as income.
- Distributions from the ABLE account for food or shelter does not reduce the SSI payment due to “in-kind support and maintenance.”

SSI Benefits and ABLE (2 of 2)

- Funds above \$100,000 are treated as a resource along with other non-ABLE resources. When the ABLE account balance exceeds \$100,000 by an amount which causes resources to be exceeded, the SSI payment is suspended but not terminated. Medicaid continues.
 - When the ABLE account balance over \$100,000 plus other resources falls back under the resource limit, SSA will reinstate benefits even after 12 months.
 - If non-ABLE resources alone are over the limit, the special suspension rule (after 12 months) does not apply.

ABLE Tax Advantages

- There are ABLE account tax advantages:
 - The account balance (principal and income) can be invested through a variety of options offered by an ABLE program. ABLE account earnings grow tax-free.
- For someone living at or near the federal poverty level, working and saving in an ABLE account can transform their life. The ABLE account can contribute to a more financially secure future! The ABLE Account owner may even qualify for Saver's and Earned Income Tax Credits.

Who Can Open an ABLE Account?

- An ABLE account may be opened at any age by or for a person who has a disability so long as disability began before age 26 and it meets the eligibility criteria.
- An ABLE account may be opened by:
 - The individual who has a disability
 - An agent who has power of attorney
 - A parent of a child under age 18 or legal guardian
- An individual who has signature authority on the account can help the ABLE account owner manage the ABLE account.

How is an Account Opened and Who Has Access?

- ABLE accounts are opened online through ABLE plan websites.
- The average amount of time it takes to complete the registration form to open an ABLE account online is less than 10 minutes.
 - ABLE programs require that a person read the State ABLE disclosure document prior to opening an account. This takes additional time.
- 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.

Who Can Contribute and How Much Can Be Contributed?

- Any “person” can deposit up to \$15,000 into an ABLE account each calendar year.
 - A 529 college savings account can be rolled over into the ABLE account as part of the \$15,000 annual limit.
 - Pooled or Special Needs Trusts may deposit up to \$15,000 into an ABLE account each calendar year.
- Contributions into the ABLE account by other than the account owner do not count as income by means-tested benefit programs.
- Some working individuals may contribute even more under “ABLE to Work” and by using Social Security employment supports.

How Much Can Be Contributed Under ABLE to Work Act?

- An ABLE account owner who works and does not participate in an employer-sponsored retirement account may save up to an additional \$12,490 within ABLE from their earnings.
 - For residents of Alaska, it is \$15,600; residents of Hawaii, \$14,380.
- Employer-sponsored retirement accounts are a: (1) 401(a) defined contribution plan or 403(a) annuity contract; (2) 403(b) annuity contract; or (3) 457(b) eligible deferred compensation plan.

SSA Representative Payees (RP)

- A RP receives SSA payments on behalf of a beneficiary who SSA determined to be incapable of managing their benefits.
 - After a RP uses benefits to provide for needs, they must save any remaining funds.
 - Social Security policy does not permit a RP to save unspent benefits in an ABLE account.
- If a beneficiary has a RP they may open an ABLE account and save personal funds in the account.
 - Examples include personal funds provided to them by the RP, employment earnings, or unearned income from other sources.

Qualified Disability Expenses (QDEs)

- QDEs are expenses that relate to the account owner's blindness or disability and are for the benefit of that person in maintaining or improving their health, independence, and quality of life.
- The Treasury Department and Internal Revenue Service (IRS) permit basic living expenses as a QDE. QDEs are not limited to:
 - Items for which there is a medical necessity or
 - Expenses which provide no benefits to others
- Neither the law nor IRS proposed regulations insert "disability-related" in front of its list of QDEs

Categories of Qualified Disability Expenses

- Education
- Transportation
- Employment training and support
- Assistive technology
- Personal support services
- Health prevention and wellness
- Basic Living Expenses (Food and Housing)
- Financial management and administrative services
- Legal fees
- Expenses for oversight and monitoring
- Funeral and burial expenses
- Other expenses which the IRS may identify in regulation or policy

ABLE Program Comparison Tools

- The ABLE National Resource Center website includes tools to help people compare ABLE Programs
- The [Three-State Comparison Tool](#)
 - Compare programs in different states
- The [ABLE Program Features Tool](#)
 - Search to find the best fit
 - The “results page” of this tool allows you to download files for all states or for select states to assist you
- The [U.S. Map Tool](#)
 - Select a state to start an ABLE account

Differences Among ABLE Programs

(1 of 2)

- State ABLE program limits vary from \$235,000 to \$529,000
- Some states provide residents or others with state tax credits or state tax deductions
- Most, but not all, state ABLE programs allow for out-of-state enrollment
- Medicaid payback provisions may vary

Differences Among ABLE Programs

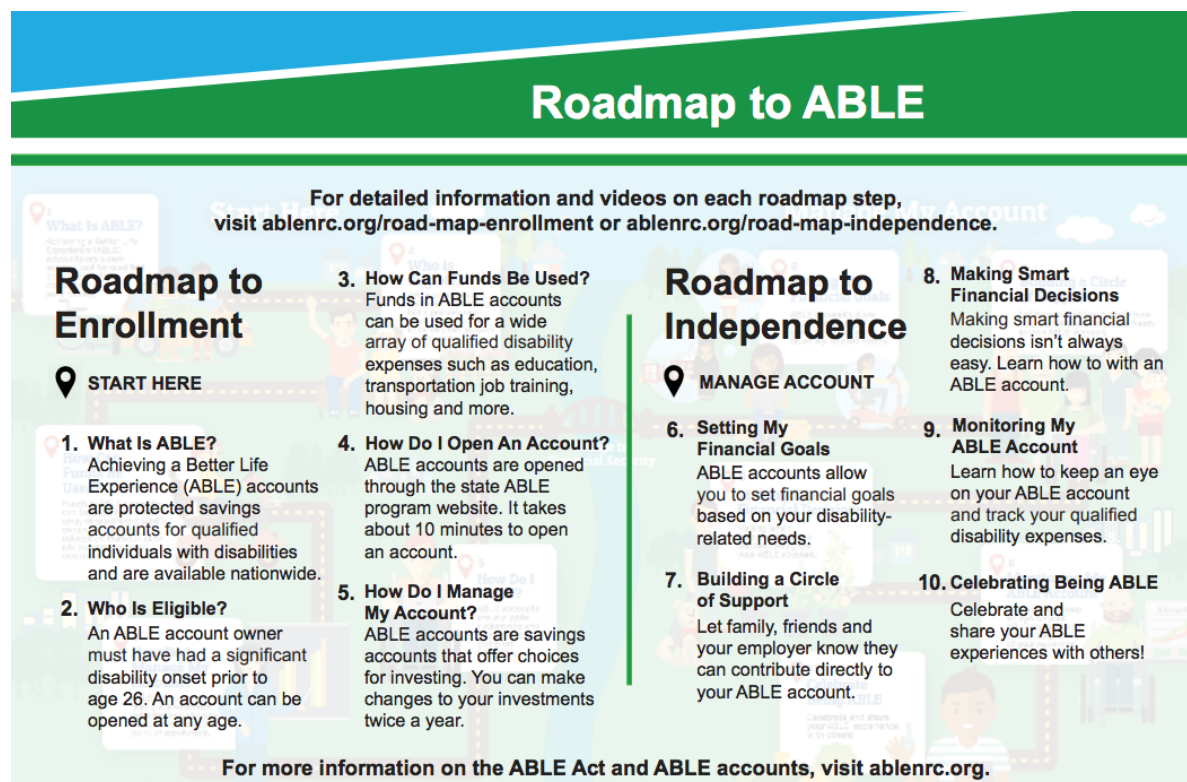
(2 of 2)

- Account fees, withhold rules, and other options may vary from program to program
- ABLE investment options vary and contain a diversified mix of stocks and bonds to fit various risk profiles, so individuals can choose the options that best fit their goals between conservative, moderate, or aggressive asset allocations.
- Most, but not all, ABLE programs also offer a Federal Deposit Insurance Company (FDIC) insured savings option.

Resources

ABLE NRC Roadmap Flier

- Roadmap to ABLE Enrollment: [getting started](#)
- Roadmap to Independence: [manage my account](#)

The flier is titled "Roadmap to ABLE" in white text on a green background. Below the title, it says "For detailed information and videos on each roadmap step, visit ablenrc.org/road-map-enrollment or ablenrc.org/road-map-independence." The flier is divided into two main sections: "Roadmap to Enrollment" and "Roadmap to Independence". The "Roadmap to Enrollment" section includes a "START HERE" icon and four numbered steps: 1. What Is ABLE?, 2. Who Is Eligible?, 3. How Can Funds Be Used?, and 4. How Do I Open An Account?. The "Roadmap to Independence" section includes a "MANAGE ACCOUNT" icon and six numbered steps: 6. Setting My Financial Goals, 7. Building a Circle of Support, 8. Making Smart Financial Decisions, 9. Monitoring My ABLE Account, and 10. Celebrating Being ABLE. The flier also features a small "What is ABLE?" section at the top left and a footer with the text "For more information on the ABLE Act and ABLE accounts, visit ablenrc.org." The background of the flier is light blue with a road graphic and various icons representing different aspects of life and disability.

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 Tools and Resources

- [Federal Guidance](#)
- [Choosing the Right ABLE Program](#)
- ABLE Program [Spotlight webinars](#) on specific state programs and multi-state collaborations
- [ABLE to Save Podcast Series](#)
- [ABLE Account, Special Needs and Pooled Trust Comparison Chart](#)
- [ABLE Toolkits online](#)
 - Employer Toolkit
 - *Coming Soon!* Service Provider Toolkit

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More Information

- To receive up-to-date information on ABLE, please subscribe to the ABLE NRC [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](#).

Financial Resilience Center

- Resources and assistance to help those with disabilities and chronic health conditions navigate financially through the COVID-19 crisis at the [Financial Resilience Center](#).

Questions?

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Case Consultations

Case consultation assistance is available for attorneys and professionals seeking more information to help older adults. Contact NCLER at ConsultNCLER@acl.hhs.gov.