



NATIONAL RESOURCE CENTER
ACHIEVING A BETTER LIFE EXPERIENCE ACT

ABLE Accounts: A Key to Financial Stability for People with Intellectual, Developmental and Other Disabilities

October 13, 2021 - Carolina Institute for Developmental Disabilities

ABLE National Resource Center

The [ABLE National Resource Center](https://www.ablenrc.org) (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.

ABLE NRC is funded through a grant from Prudential.

Welcome and Agenda

- Introducing Presenters
- Financial stability for people with disabilities
- ABLE legislation
- ABLE Basics: Eligibility, opening an account, contributing to the account, using the account
- Resources to learn more about ABLE

ABLE NRC Ambassador Presentation

- Today's presentation will provide introductory information about tax-advantaged ABLE savings accounts and key resources.
- You will be hearing from one of our nine ABLE NRC “Black, Indigenous and People of Color (BIPOC)” Ambassadors who are ABLE account owners and family members who provide important insight to ABLE NRC on their lived experience with ABLE programs and accounts. They serve as the public face of ABLE.

Disclaimer: ABLE NRC Ambassadors are not ABLE subject matter experts, public benefit specialists, or staff of ABLE NRC or National Disability Institute (NDI). Views and opinions expressed beyond the content of the presentation do not necessarily reflect the policy or position of ABLE NRC.

Presenters & Panelists

Cheryl Walfall-Flagg

Parent and Guardian of two ABLÉ Account Owners
2021 BIPOC ABLÉ Ambassador, ABLÉ National
Resource Center (ABLE NRC)
NC ABLÉ Advocate



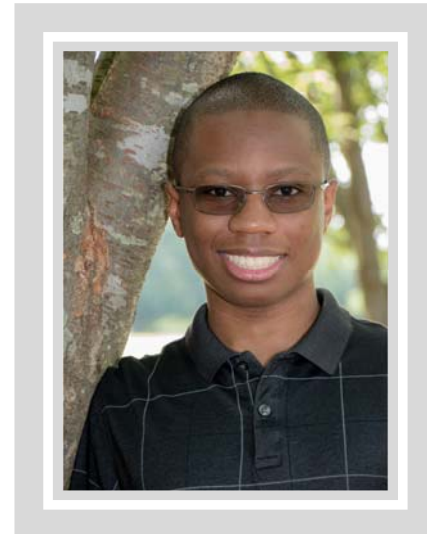
Brian Ingram

Manager of Financial Empowerment/Employment,
National Disability Institute & ABLÉ National Resource
Center (ABLE NRC)



Panelists

Sean Flagg,
NC ABLE Account Owner
2021 High School Graduate
Currently planning his next steps in terms
of college and after



Financial Stability for People With Disabilities

Old Paradigm:

- One must accept a life of poverty in exchange for public assistance.

New Paradigm:

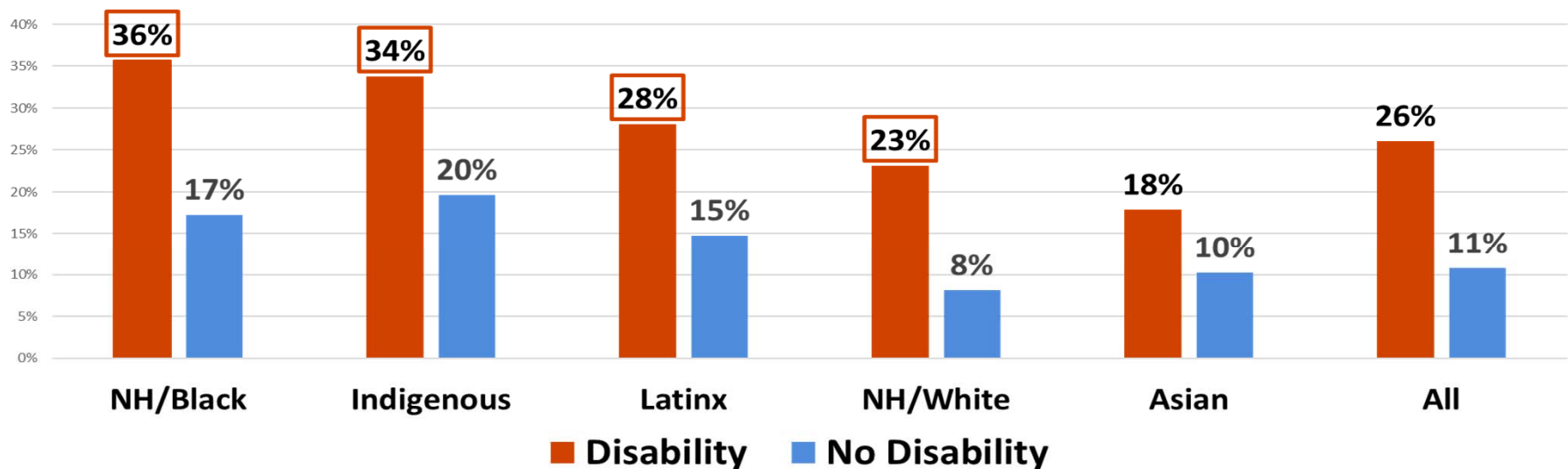
- The full promise of the Americans with Disabilities Act (ADA) – equality of opportunity, full participation, independent living and economic self-sufficiency
- Opportunity to earn income through employment
- Ability to use safe and affordable financial services
- Encouragement to save and build assets/resources/savings
- Right to exercise control over personal finances
- Right to develop money management skills, practice self-determination and design a person-centered service portfolio

Data on Working Age People with Disabilities

Americans with disabilities make up an estimated 20% 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 more than twice as likely to live in poverty than those without disabilities.
- A major cause of poverty among disability beneficiaries is the low rates of employment within the population.

Employment and ABLE savings can change the cycle of poverty for working-age people with disabilities who are Black, Indigenous, Latinx or White who have higher poverty rates



Source: NDI Analysis of U.S. Census Bureau. (2019). 2018 American Community Survey 1-year Public Use Microdata Sample

ABLE Legislation and Financial Independence

Millions of individuals with disabilities and their families receive and depend on a variety of public benefits for income, healthcare, food and housing assistance. There is a resource limit of \$2,000 for most means-tested benefits.

The ABLE Act, signed into law December 19, 2014, creates tax-advantaged savings accounts for eligible individuals with disabilities, allowing 8 million people with disabilities to save more than the \$2,000 resource limit.

What Is an ABLE Account? (slide 1 of 3)

An ABLE account is a Section 529A tax-advantaged savings and investment account owned by a person who has a Social Security number or tax filing I.D. and has a disability or blindness;

- **WITH** an onset of disability before age 26, **AND**
- Receives Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) benefits, **OR**
- Self-certifies that they have a written and signed [disability certification](#) from a qualifying physician.

What is an ABLE account? (slide 2 of 3)

ABLE Act allows states to create an “ABLE account” for eligible people with a disability that began before age 26 to:

- Save and invest money in a tax-exempt account
- Use the funds in the ABLE account for qualified disability expenses, and
- Maintain eligibility for federally funded public benefits.

What Is an ABLE Account? (slide 3 of 3)

- 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 ABLE Account?

- An ABLE 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 11.
- One ABLE account may be opened in this order by:
 - The individual (with capacity) 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.

Sean Flagg – NC ABLE account owner

Sean is ABLE eligible due to a qualifying diagnosis of autism.

He is not receiving and has not received social security or Medicaid benefits and therefore he is eligible to open an account by self-certification based on having written certification from a doctor.

“My future, friends, family, ABLE account, support and love.” – Sean 2018



How Do You Open an ABLE Account? (slide 1 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.

How Do You Open an ABLE Account? (slide 2 of 2)

- An ABLE account can be opened in any state so long as the individual meets the residence rule, if there is one.



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WHAT IS ABLE? GET STARTED MANAGE ACCOUNT SERVICE PROVIDERS EMPLOYERS RESOURCES

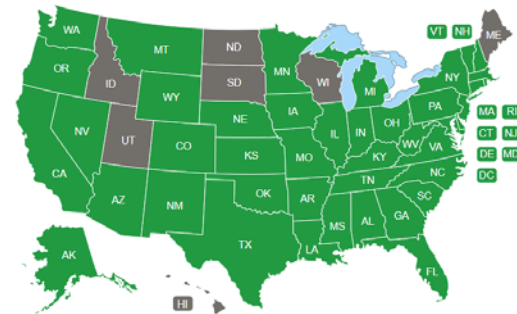
Choose the program that's right for you!

No matter where you reside, you can open an ABLE account in any state that accepts outside residents into their program. And we can help you find the right fit.

How to use the Map Tool:

1. Click on a state below to get their ABLE program details. **Grey indicates inactive programs.**
2. Click on the "Program Name" to be directed to that state's ABLE program to open your account.

The ABLE National Resource Center does not manage or issue ABLE accounts directly. We partner with state ABLE programs to ensure information contained in our tools and resources is updated regularly. We monitor these resources closely, but all information remains subject to change by individual state ABLE programs. For details about any state ABLE program, refer to the state's plan disclosure documents.



Who May Contribute to an ABLE Account?

- An annual total of \$15,000 from:
 - Friends and Family
 - Special Needs / Pooled Trust
 - 529 college savings rollover
- Able Account Owner:
 - Earned income, unemployment insurance, stimulus payments, tax refunds
 - Eliminates need to spend-down
 - An ABLE account owner who works and does not participate in a retirement plan may contribute up to an additional \$12,760 from their earnings within a calendar year

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

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

Why Save in an ABLE Account (side 2 of 4)

- The funds in an ABLE 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.
- ABLE 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 ABLE funds.

Why Save in an ABLER Account (slide 3 of 4)

- There are ABLER account tax advantages:
 - The account balance (principle and income) can be invested through a variety of options offered by an ABLER program. Interest growth is tax-free.
 - Contributions into ABLER 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 ABLE Account? (slide 4 of 4)

- There are ABLE account tax advantages, continued:
 - An ABLE account owner who works and does not participate in an employer-sponsored retirement account may save up to an additional \$12,760 within ABLE, 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 ABLE 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

- Education
- Housing
- Food
- Transportation
- Employment training and support
- Assistive technology and personal support services
- Health prevention and wellness
- Financial management and administrative services
- Legal fees
- Expenses for oversight and monitoring
- Funeral and burial expenses

Nathan Turner – ABLE account owner

Nathan is ABLE eligible due to a qualifying diagnosis of advanced cerebral palsy. He opened his ABLE account in July 2016 with his home state of Ohio's "STABLE plan".

"Money means freedom for minorities with disabilities. Able accounts are an essential tool for me to attain long-term financial stability, which had been exceedingly difficult prior to the creation of these accounts. I have successfully used my ABLE account to save several thousand dollars as a down payment for a home." - Nathan



Basic Living Expenses as Qualified Disability Expense (QDE)

- The Treasury Department and IRS permit basic living expenses, which 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



Qualified Disability Expenses (QDEs)

- Related to Employment

Education- and work-related QDEs can enhance career development, help to address barriers to securing employment, help an individual retain employment and support individuals to work to their fullest capability.

Examples of education or work-related Qualified Disability Expenses include:

- Job coaching or additional job coaching
- Job accommodations
- Home modifications
- Assistive technology
- Tools or uniforms
- Transportation including vehicle purchase
- Tuition, books and fees
- Laptop computer
- Fees for licenses or certifications
- Dormitory fees
- Costs associated with self-employment

Examples of Using ABLE savings for Work Supports and Accommodations?

- To pay for Impairment Related Work Expenses (IRWEs) during times when other supports are reduced.
- As an optional resource under a **Plan for Achieving Self-Support (PASS)** to fund expenses to achieve a work goal.
- As a down payment to purchase assistive technology. An affordable loan may be applied for through an Alternative Financing Program: nationaldisabilityinstitute.org/wp-content/uploads/2019/01/AlternativeFinancingProgramListing.pdf.

ABLE Savings: Expanding Upon Traditional Services

- Additional job coaching
- Private transportation to competitive worksite
- Additional counseling services
- Additional assistive technology to reduce social-isolation
- Respite services
- Supplement housing costs
- Funds to enhance PASS and other work supports

ABLE is a protected account for retirement savings.

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/>

Parent of ABLE Account Owner: Amy Tessler



Amy is the mother of Scott, 23, seen here working at his first Project SEARCH Internship at the Double Tree. He's currently working 20 hours a week for a school district washing vehicles in his second rotation with Project SEARCH. Scott was diagnosed on the autism spectrum when he was two years old. Amy set up an ABLE account to complement a Special Needs Trust (SNT) that will be the major financial support for Scott's future.

Scott pays his full share of housing expenses with his Supplemental Security Income (SSI) check, his **wages** and supplemental funds from his ABLE account. His SSI payment is based upon the full SSI rate because ABLE funds are not counted as income. This payment is reduced due to his wages, but he uses work incentives to keep more of his income (more details on that in future slides!). The funds from his ABLE account are not counted as income by SSI or means-tested programs.

Importantly, Scott uses his ABLE funds to pay for his transportation to and from his job. He uses Lyft and Uber. The debit card he has through his ABLE program is what he uses to pay for this employment related support.

"Scott will always need help managing money and paying his bills. It would not be prudent to give him access to a large amount of money, but having the ABLE account will allow him to gain some basic financial skills. In our situation, having both the SNT and an ABLE account is ideal for maximizing his benefits and helping him achieve some financial independence." - Amy

SSI and Special Needs Trusts and Pooled Trusts

- Money paid directly to a beneficiary from a trust reduces SSI benefits.
- Money paid directly from the trust to someone to provide the beneficiary with food or shelter reduces the SSI benefit up to one-third.
- Money paid from the trust directly to someone else to provide items other than food and shelter does not reduce SSI benefits (examples are medical care, educational expenses, telephone bills, entertainment, etc.).
- ABLE accounts are not “trusts” under SSA POMS [SI 01130.740](#).
- Money paid from the trust into an ABLE account is excluded as income and can be used to pay for food and housing.

ABLE Account, Special Needs Trust or Pooled Trust? Both?

- It is important to remember that when trying to decide between the ABLE account and the SNT, both savings vehicles are intended to work the same way: to improve the quality of life of individuals with disabilities by allowing savings without disqualifying them from eligibility for means-tested benefits.
- The individual's financial situation and circumstances will determine which option – or whether **both options** – are most beneficial. Compare the options: [ABLE Account, Special Needs Trust, Pooled Trust Comparison Chart](#).
- Listen to the podcast “[Perspective on ABLE Accounts and Trusts](#)”.

Dialogue With Circle of Support

- Having an ABLE account for saving and investing supports individuals as they identify goals towards setting financial goals, learning money management skills and working closely with their “Circle of Support” to demonstrate success.
- A “Circle of Support” is a group of people committed to helping you achieve a better future and meet your goals. The circle may be small or large and comprised of anyone you choose, know well and who can support you: residential staff, a family member such as a parent or sibling, a representative payee, friend, professional, clergy, employer or others.
- When building a circle, the most important thing is trust.

Medicaid Payback

- Upon the death of the ABLÉ account owner, Medicaid can choose to file a claim for Medicaid expenses paid since the ABLÉ account was opened;
- If the ABLÉ account owner did not receive Medicaid, there is no payback;
- If Medicaid Buy In premiums were paid, they are deducted before Medicaid payback;
- Before Medicaid payback, the ABLÉ account can be used to repay any outstanding Qualified Disability Expenses, including funeral and burial costs;
- Some ABLÉ plans have waived Medicaid payback for their state's residents;

Any remaining balance is distributed to the successor designated beneficiary or if none, to the account owner's estate.

ABLE Is Flexible

- ABLE account owners are a diverse group.
- ABLE Account owners have diverse savings goals for qualified disability expenses that include education, employment related expenses, saving for medical equipment, assistive technology, vehicles for transportation, tuition, a home, on-the-job supports, planning for their future independence, emergencies and retirement.
- An ABLE account has helped and can continue to help these account owners to meet their needs, their goals and their dreams.

Learning About ABLE from DD Case Manager

Jessica Sahlman's case manager, Erik Madsen, with the Connecticut Department of Developmental Services (DDS), introduced Jessica and her parents to the ABLE account.

One condition for eligibility to receive DDS services is that the person receives a Social Security benefit. When he's speaking with his clients about those benefits, Erik tells them, *"Setting up an ABLE account is a great way to not lose benefits, but still be able to put money aside to pay for wanted or needed items."*



Meet ABLE Account Owner Tim Elliott

A disabled veteran and Program Outreach Specialist 1 for New York's Office for People with Developmental Disabilities (OPWDD), Tim Elliott (51) is not only a fierce promoter of ABLE accounts for the population he serves, he is also an ABLE account owner.

"I've used my ABLE account to maintain my independence. I'm always spreading the word about ABLE to everyone I talk to. I'm currently saving up for a condo using my ABLE account and I happen to teach first-time home buyer trainings for families of individuals with developmental disabilities. The ABLE NRC website is part of my training, and I was doing that even before NY started ABLE accounts here. I help people sign up and show them how to use the account." - Tim



Tim Elliott

Resources for Selecting an ABLE Plan

- 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/](http://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 Decision Guide Series

- [Am I ABLE-Eligible And How Do I Open An Account?](#)
- [Finding the Funds to Save in an ABLE Account](#)
- [Determining Whether Something is a Qualified Disability Expense \(QDE\)](#)
- [Understanding ABLE Account Savings and Public Benefits](#)
- [ABLE Accounts and Working People with Disabilities](#)

Other ABLE Tools to Help You

- [Choosing the Right ABLE Program](#)
- ABLE Program [Spotlight webinars](#) on specific state programs and multi-state collaborations
- [ABLE Account, Special Needs and Pooled Trust Comparison Chart](#)
- [ABLE 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 \(HUD\)](#)

Service Provider Toolkit

- [ABLE Fact Sheet and Roadmap to ABLE](#)
- [Five things you need to know about ABLE accounts \(ASL video\)](#)
- [Five Things You Need to Know about ABLE Accounts](#)
- [What is ABLE for Service Providers](#)
- [Helping Your Customers Choose the Right ABLE Plan](#)
- [Sample Disability Certification for Eligibility to Open an ABLE \(529A\) Account](#)
- [A Primer to Educate Service Providers](#)
- [ABLE Accounts: A Primer for Service Provider Customers](#)
- [ABLE to Work Act Factsheet](#)
- [ABLE and the Student Earned Income Exclusion Work Support for Transition Age Youth Fact Sheet](#)
- [The ABLE Case Summary Series](#)
- [The ABLE account, Special Needs and Pooled Trust Comparison Chart](#)
- [The Y-TAC SSI Youth Toolkit](#)
- [ABLE Podcasts](#)

Employer Toolkit

- [ABLE Fact Sheet and Roadmap to ABLE](#)
- [Becoming ABLE Ready](#)
- [Choosing the Right ABLE Program](#)
- [Sample Letter to Employees](#)
- [Five Things You Need to Know About ABLE Accounts](#)
- [ABLE: 5 Things to Know \(video in American Sign Language\)](#)
- [Employer Flyer](#)
- [Employee Flyer](#)
- [What Is ABLE?](#)
- [Microtraining: 10 Things to Know About ABLE](#)
- [ABLE Banner Graphic](#)

ABLE NRC Black, Indigenous, and other People of Color (BIPOC) Outreach Ambassadors



More ABLÉ Account Owner Stories and Goals

[2020 ABLÉ Ambassadors](#)

[2019 ABLÉ Ambassadors](#)

[2018 ABLÉ Ambassadors](#)



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 the [AchievABLE](#) newsletter.
- Connect with us on social media: [Facebook](#) and [Twitter](#).
- For answers to all your questions, visit the website: [ablenrc.org](#) and check out our Frequently Asked Questions page at: [ablenrc.org/frequently-asked-questions/](#).

Thank you!



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Q&A Session – Let's Chat Together

During this portion of the webinar:

- We will raise the questions that surfaced during our chat
- You can also raise a question on the line (instructions will be provided)



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