



**ABLE ACCOUNTS THROUGH
DC's ABLE TO SAVE PROGRAM
& EMPLOYER ENGAGEMENT INITIATIVE
October 24, 2019**

Topics for Today



Provide an overview of:

- the ABLE Act and the DC ABLE TO SAVE program (<https://savewithable.com/dc/home.html>)
- Employer Engagement initiative

Meeting Notice:

- Next Project ACTION! meetings– November 9, 2019 and December 14, 2019, 10 am-12 pm, Kennedy Institute, 801 Buchanan Street, NE

Why is ABLE Important?

- Currently there is a \$2,000 limit to the amount an individual with a disability can save before losing vital benefits (e.g., Supplemental Security Income (SSI), SNAP, Medicaid, etc.).
- The ongoing resource test is \$2,000 in assets for single SSI recipients and \$3,000 for an SSI couple.
- Some resources are excluded from the SSI asset test.

SSI Resources - Exclusions



- The home the individual lives in and the land its on, regardless of value.
- Household goods and personal effects.
- One vehicle, regardless of value, if used to meet the transportation needs of the SSI recipient or a family member.
- Property Essential for Self-Support – This rule helps individuals who own property used for a trade or business, which can be excluded
- Plan to Achieve Self-Support (PASS) protected resources
- Special Needs Trusts
- Pooled Trusts

SSI Resources – More Exclusions



- Life insurance without a cash surrender value
 - Or with a cash surrender value of \$1,500 or less
- Burial funds up to \$1,500 for an individual and \$3,000 for a couple
- **Retroactive SSI or Social Security benefit payments are excludable for nine months after receipt**
- **Income Tax Refunds (including the Earned Income Tax Credit) excluded for 12 months from the date received.**
- Federally-funded Individual Development Accounts
- **ABLE Account (up to \$100,000)**

The ABLE Act is Law



- The Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act
 - became law on December 19, 2014
 - creates a new option for some people with disabilities and their families to save for the future, while protecting eligibility for public benefits.

Why the Need for ABLE Accounts?



Millions of individuals with disabilities and their families are living in poverty or in low to moderate income status. They can't save for the future. Most depend on a variety of public benefits for income, health care, food and housing assistance.

For The First Time in Public Policy:

- The ABLE Act, which passed with historic bi-partisan support in December of 2014, recognizes the extra and significant costs of living with a disability.
- Eligible individuals and their families may establish ABLE savings accounts that will largely not affect their eligibility for federally-funded, means-tested benefits.

Why the Need for ABLE Accounts? *(continued)*

- The funds in an ABLE account do not replace benefits provided by private insurance, Medicaid, Supplemental Security Income, the beneficiary's employment, SSA work supports, Vocational Rehabilitation, financial aid, employment training and other sources.
- ABLE savings can be used to supplement funding from those sources.

What is ABLE?

- ▶ Qualified savings accounts that receive preferred federal and state tax treatment
- ▶ Enable eligible individuals and their families to save for **qualified disability related expenses** without losing their benefits
- ▶ Currently 42 states have launched ABLE programs, most of which are national programs that can enroll people from other states
- ▶ To get updated information, go to the ABLE National Resource Center at www.ablenrc.org.

Who is Eligible?

Age of Onset

- ▶ Those with an onset of disability before the age of 26 – and –

Severity of Disability

- ▶ Meet disability requirements for SSI or SSDI
-- or --
- ▶ Have a “disability certification” signed by a physician
 - Keep on file (does not need to be submitted)

How do ABLE account assets impact eligibility for federal benefits?



ABLE assets will be disregarded or receive favorable treatment when determining eligibility for most federal means-tested benefits:

- Supplemental Security Income (SSI): For SSI, only the first \$100,000 in ABLE account assets will be disregarded.
- SSI payments (monthly cash benefit) will be **suspended** if the beneficiary's account balance exceeds \$100,000, **but SSI benefits (eligibility) will not be terminated**. Funds above \$100,000 will be treated as resources.

Other Impacts on Federal Benefits



- **Medicaid: ABLÉ assets are disregarded in determining Medicaid eligibility**
 - **Medicaid benefits are NOT suspended if the ABLÉ account balance exceeds \$100,000. (That is only applicable to the SSI cash benefit.)**
- New SSA instructions (POMS**) treat housing expenses as resources only if distributed in one month and held until the following month.
- **ABLE account funds are not taken into account when determining the person's financial need for the purpose of program eligibility for VR services.**

(**POMS=Program Operations Manual System)

Plan Details

- ▶ One ABLE account per individual
- ▶ Beneficiary is the account owner
 - Authorized Legal Representatives (ALR)
 - Parent
 - Legal Guardian/Conservator
 - Power of Attorney (POA)
 - People who will need POA to be an ALR
 - Sibling
 - Spouse
 - Representative Payee

Account Limits and Funds

- ▶ \$15,000 limit on annual contributions, with an exception for people who are employed
- ▶ Anyone can contribute
- ▶ Limit on total assets in DC is \$500,000 (varies by state)
- ▶ \$100,000 limit before SSI benefits are affected
- ▶ Minimum contribution in DC is \$25 to open an account
- ▶ There is a quarterly account maintenance fee of \$11.25-\$15.00
- ▶ Debit/purchasing card is available for using the funds
- ▶ Growth is tax free as long as it is used for a qualified expense

Qualified Disability Expenses



Expenses that help improve health, independence, and/or quality of life:

- Education
- Housing ***
- Basic Living Expenses
- Transportation
- Employment Training & Support
- Assistive Technology
- Personal Support Services
- Health, Prevention & Wellness
- Financial Management
- Legal Fees
- Funeral & Burial
- Any other expenses approved by the Secretary of the Treasury under regulations consistent with the purpose of the program

Distributions for non-qualified expenditures will be subject to tax consequences and may affect eligibility for federal means tested benefits.

ABLE Funds and Employment-related Expenses

Disability-related expenses can include funds in an ABLE account used for **employment-related expenses to help an ABLE account owner secure and maintain employment.**

- Job coaching or additional job coaching;
- Costs associated with certification, accreditations, and/or job related trainings;
- Interview prep and resume development;
- Transportation to and from the beneficiary's place of employment;
- Clothing or equipment; and
- Financial management, education/assistance.

Housing Expenses

- ▶ Housing expenses should be spent within the same month as withdrawn; otherwise those funds could reduce SSI benefits for the next month
- ▶ Money for all other qualified expenses can be withdrawn from an ABLE account and held for multiple months without affecting benefits

Death of an Account Owner

- ❑ Family provides death certificate
- ❑ Qualified withdrawals can be used:
 - To pay for outstanding Qualified Disability Expenses
 - To cover funeral and burial expenses
- ❑ The remaining funds are transferred to the estate of the beneficiary
- ❑ Medicaid may try to reclaim some of the funds

OPPORTUNITIES TO DISCUSS ABLE ACCOUNTS



- At Intake
- During Individual Education or Transition Planning Meetings
- During the development of Individual Support Plans or Individual Plans for Employment
- When developing Individual Benefits Plans or Financial/Spending/Retirement Plans
- At Tax Time, filling out Tax Returns and/or Making Plans for Refunds
- At Major Life Events – Getting a Job, Retiring, Losing a Parent, Getting Married, etc.

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.

www.ablenrc.org

Road Map to ABLE



Roadmap to ABLE

#ABLEtoSave



For more information on the ABLE Act and ABLE accounts, visit www.ablenrc.org. Managed by National Disability Institute.

1667 K Street NW, Suite 480 | Washington D.C., 20006
PHONE: (202) 296.2040 | FAX: (202) 296.2047 | WWW.ABLENRC.ORG

The Road Map to Enrollment

1. What Is ABLE?
2. Who Is Eligible?
3. How Can Funds Be Used?
4. How Do I Manage My Account?
5. How Do I Enroll?

Road Map to Independence

1. Setting My Financial Goals
2. Building a Circle of Support
3. Making Smart Financial Decisions
4. Monitoring My ABLE Account
5. Celebrating My Financial Independence

Note: Resources also available in Spanish

Positive Changes to ABLE



- **The ABLE to WORK Act** (signed into law in December 2017) allows ABLE account owners who work and do not have an employer- sponsored retirement account to save up to \$12,140 (in 2019) in additional savings from their earnings.

The additional ABLE contribution is up to the lesser of:

- the federal poverty line for a one-person household (\$12,140 in 2019), or
 - the account owner's compensation for the taxable year.
- **ABLE AGE ADJUSTMENT ACT**, would raise the age of disability onset to 46 – currently gaining bi-partisan support in Congress

ABLE Knowledge Challenge

1. To be eligible to open an ABLE account, you must be a recipient of Social Security benefits. True or False?
2. Qualified disability expenses under the ABLE Act are the same as those under a special needs trust? True or False?
3. Name the public program that can seek reimbursement for funds when an ABLE account owner dies.
4. The maximum amount of funds that can be put into an individual ABLE account annually is \$15,000. True or False?
5. An individual is not allowed to have both an ABLE account and a special needs trust? True or False?
6. A lien can be placed on an ABLE account, if an ABLE account owner finds themselves in financial debt. True or False?
7. An individual with a disability and/or parents can open an ABLE account at the physical branch of a bank? True or False?

The ABLE Act and Employment: Maximizing the Effectiveness of Achieving a Better Life experience (ABLE) Act as a Tool for Increasing Financial Stability and Employment Outcomes of People with Disabilities

<http://www.leadcenter.org/resources/report-brief/able-act-and-employment-strategies-maximizing-effectiveness-achieving-better-life-experience-able-act-tool-financial-stability-and-employment-outcomes-people-disabilities>

Questions about ABLE Accounts?

Employer Engagement



- DDS is supporting the creation of a network of employers, service providers, and District agency partners to increase employment opportunities for adults and youth with disabilities.
- This initiative will support partnerships with employers and facilitate the recruitment and hiring process for individuals with disabilities through coordination and collaboration.
- We are seeking agencies that want to be part of this network

The Role of DSPs in Customized Employment



- ☐ DSP involvement in developing Discovery/Positive Personal Profiles (PPPs)
- ☐ Involvement of job seekers and their support network in building out their PPPs
- ☐ Involvement of DSPs and job seekers, with the person's support network, in identifying possible jobs, informational interview opportunities, job shadowing opportunities, volunteer opportunities, etc.