

*Monthly tips and resources featured in **What's Next?** are created for young adults, their families, and supporters who are exploring options for life after high school in Indiana.*

## **ABLE Accounts: Savings *and* Supports**

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People with disabilities have a new way to save money.

That's a big deal because traditionally, saving isn't easy to do when you need to keep benefits like health care and other services and supports. Medicaid, Medicaid waiver supports, and Supplemental Security Income (SSI) from Social Security are all intended for people who have limited incomes. If you earn or save more money than Social Security or Medicaid says you should have, you could lose your benefits.

So in the past, in order to remain eligible to receive benefits, people with disabilities had to be sure to keep the money in their checking and savings accounts under \$2,000 (for an individual). That's frustrating if you want to save money for the future—to buy a house or a car, for instance, upgrade your phone, pay a housecleaner every month, or go on vacation with friends.

### **The ABLE Baker's Dozen**

ABLE stands for Achieving a Better Life Experience, the name Congress gave to the Act that allows states to create their own ABLE Accounts.

*Continued, next page.*

We'll give you some basic information here (and try to clear up some confusion) and then follow up with some helpful resources at the end, so you can decide if an ABLÉ account is right for you.

- 1.** ABLÉ accounts are special savings accounts that you can use to **pay for a variety of disability-related expenses**. If it's something that improves your quality of life (e.g., a gym membership, a job coach, new assistive tech, a driver, monthly rent, new eyeglasses), you can use your ABLÉ money for it.
- 2.** ABLÉ accounts are **similar to 529 college savings** accounts. (In fact, they're sometimes referred to as 529A accounts.) You, your parents, or other family members and friends can contribute to an account, which builds over time.
- 3.** ABLÉ accounts are considered **"tax-advantaged"** in that you aren't taxed for money you withdraw from your account as long as it's used to pay for a qualified disability expense. (See number 1, above.)
- 4.** Many states, but not all, have ABLÉ accounts, and they all have different names. **Here in Indiana, ABLÉ is called INvestABLE**. It's called MiABLE in Michigan, CalABLE in California, and in Ohio, it's a STABLE account.
- 5.** State ABLÉ programs have **different rules and options**. With some you can choose a debit card option. You may be able to choose investment options through your ABLÉ account (and yes, as with all investments, there may be some risk as well as some benefit to that). And since account fees are higher in some states than in others, you may want to do some research to compare. (See "Resources" for a link that will help you compare and contrast options.)
- 6.** **You do not need to live in the state where you establish your ABLÉ account**. Many people do, but some opt to set up an ABLÉ account in another state, usually because of the features offered by that state. A few states do not offer an ABLÉ account, so their residents need to select an out-of-state account. And some states, like Florida, limit registration to in-state registrants only.

7. In most states, you **enroll for an ABLE account via an agency** set up to run the state's program. Usually that's done through an online application or by mail or fax, but *not* through a bank. Some states, though, partner with a bank to oversee or administer their ABLE programs.
8. You can **deposit up to \$15,000/year** into your ABLE account. Without an ABLE account (or some other approved means of saving your income), an individual receiving SSI would only be allowed to keep less than \$2,000 in a bank account before losing SSI.
9. **The funds you accumulate in your ABLE account will normally not affect your benefits, like Medicaid or SSI.** (But see below.) That means that you can keep your Medicaid health care coverage and still save money for a vacation or transportation expenses, for example. That's not something that people with disabilities could do very easily before ABLE.
10. If you receive SSI, you can **save up to \$100,000** in your ABLE account. If your account goes above that amount, however, Social Security will suspend your SSI until your account goes back below \$100,000. If you're just receiving Medicaid or SSDI, but not SSI, you can save even more into your account.
11. **Funds you can deposit** to your ABLE account: graduation or birthday gifts, stimulus checks from the government, back payments from Social Security, some of your paycheck, money from a 529 account that you want to roll over to your ABLE account.
12. Currently, **you must be disabled to have an ABLE account** and you must have acquired your disability or have been diagnosed before age 26. Some members of Congress would like to see that boosted to age 45, so the age of eligibility may change in the future.
13. **Some families are concerned that ABLE accounts are considered "payback" accounts.** That means if the beneficiary of the account dies, the state could take the money in the account to reimburse itself for any Medicaid expenses incurred while the beneficiary owned the account. Many states, **including Indiana**, have said that they will **not** seize funds from an account unless the federal government requires it.

## Resources

- **ABLE National Resource Center** <https://www.ablenrc.org/>
- **“Compare State Programs,”** <https://www.ablenrc.org/compare-states/> Allows you to select three state programs to do a side-by-side comparison.
- **“Definition of ABLE Terms,”** Social Security Administration. Scroll down to see “8. Qualified Disability Expenses.” <https://secure.ssa.gov/apps10/poms.nsf/lnx/0501130740>
- **“Five Practical Uses for an ABLE Account,”** <https://specialneedsanswers.com/five-practical-uses-for-an-able-account-16157>
- **INvestABLE** <https://savewithable.com/in/home.html>

### **Bonus tip:** Save the dates— July 21-23

You're invited to **Facing the Future Together**, Indiana's virtual 2021 transition conference for young adults, families, middle and high school teachers, and employment professionals.

Presentations will include insight, discussion, and information on benefits, **ABLE accounts**, customized employment, Pre-Employment Transition Services, and postsecondary education. [See more info and register now!](#)

Facing the Future  
**Together**



JULY 21-23

INDIANA'S VIRTUAL 2021  
TRANSITION CONFERENCE

**What's Next?** is a project of the Center on Community Living and Careers and the Indiana Department of Education.

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