

Module 9: Getting ABLE Ready



Welcome! Module 9, **Getting ABLE Ready**, introduces the concept of saving over a lifetime. ABLE accounts make it possible for a person who has a disability to have a savings account that does not largely affect eligibility for public benefits like Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Medicaid, Supplemental Nutrition Assistance Program (SNAP), Housing and Urban Development (HUD) assistance, the Low Income Home Energy Assistance Program (LIHEAP), financial aid or employment training services. This module covers steps to prepare and manage an ABLE account.

Objectives

- Inform people with disabilities about ABLE accounts.
- Encourage opening of ABLE accounts and regular savings.
- Prepare to open an ABLE account.
- Review ways to build a circle of support.
- Share best practices for managing an ABLE account.
- Learn the difference between FDIC insured accounts and investment options offered by ABLE accounts.

Value of This Module

Myth: People who receive disability benefits are not allowed to save money or receive it as a gift.

Reality: With an ABLE account, some people with disabilities can save money without affecting their benefits. Family and friends can deposit money directly into an ABLE account and not affect the account owner's eligibility for public benefits. ABLE savings can be used to pay for qualified disability expenses (QDE) that improve the health, independence and quality of life of the ABLE account owner.

MODULE 9: GETTING ABLE READY

FACILITATOR PREPARATION



Facilitator Preparation

Prior to this workshop, the facilitator should review the following:

- ablenrc.org
- ablenrc.org/state-review/illinois
- savewithable.com/il/home.html
- ablenrc.org/able-and-the-student-earned-income-exclusion-work-support-for-transition-age-youth
- irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit
- trackbill.com/bill/illinois-senate-bill-1387-state-treasurer-able-account/1686531/
- americasaves.org

Complete all activities in Module 9. Please note: Items marked with an (*) indicate this is an annual figure that could change each year, as announced by the Social Security Administration (SSA).

Gather

- Laptop and LCD projector
- Sign-in sheet
- Easel pad and easel
- Markers
- PowerPoint presentation (*Make copies if you would like to distribute to attendees.*)
- Agenda (*Make copies if you would like to distribute to attendees.*)
- Activities (*Make copies of activity handouts.*)
- Homework assignment (*Make copies.*)
- Evaluation (*Make copies.*)

Note: Don't forget large print copies, in size 20 font, if requested.

MODULE 9: GETTING ABLE READY

PRE- AND POST-TEST EVALUATION



Location of session: _____

Date of session: _____










Trainers: _____, _____

Participant type (please check one):
 Person with a developmental disability
 Parent
 Other, please specify _____

Participant name (optional): _____

Please complete this section BEFORE the beginning of this training session.










1. How much do you know about the following topics?

	I don't know anything about this.	I know a little about this.	I know a lot about this.
a. What is an ABLE account.			
b. How to open an ABLE account?			
c. How you can save more by working.			












The remainder of the form will be completed at the end of this training.

2. How much do you know about the following topics?

	I don't know anything about this.	I know a little about this.	I know a lot about this.
a. What is an ABLE account?			
b. How to open an ABLE account.			
c. How you can save more by working.			

3. Please tell us how you felt about the following parts of the training.

	It was OK	It was really good	It was great
a. The information that I learned			
b. The way the training was organized			
c. The activities			

What is one thing you learned today?

Based on what you learned today, what is one thing that you are going to do to take more control of your money? _____

I would recommend this training to others. ___ yes ___ no ___ maybe

Thank you for your feedback!

MODULE 9: GETTING ABLE READY

AGENDA



Introduction	10 Minutes
Overview, Purpose and Expected Outcomes.....	10 Minutes
PowerPoint Presentation: Overview of ABLE Accounts	30 Minutes
BREAK	15 Minutes
Activities.....	30 Minutes
ABLE to Work Act.....	5 Minutes
Illinois ABLE Plan Features	10 Minutes
Homework Review.....	10 Minutes
Making Connections in Your Community	15 Minutes
• Guest Speaker – Illinois ABLE	
Homework Assignment and Wrap-Up.....	10 Minutes
Evaluation and Closing	5 Minutes

REMINDER: Please distribute part one of the Module 9 evaluation now during the introduction. Be sure to have the participants complete the second half of the evaluation at the end of the session.

MODULE 9: GETTING ABLE READY

SCRIPT FOR TRAINER



Introduction (10 Minutes)

Script for Trainer (corresponding PowerPoint Presentation attached)

My name is _____. Welcome to **Getting ABLE Ready**, Module 9 of our Financial Wellness Training.

To start us on the right path, let us review some of the information we learned in prior trainings.

- Module 1: Money
- Module 2: FDIC Safe Account Template
- Module 6: Work Supports for SSI and SSDI beneficiaries

This session will continue to build knowledge about the importance of work, producing income, savings and asset building. Our focus will be on saving over a lifetime.

Qualified individuals who have a significant disability can save using an ABLE account without impacting eligibility for public benefits.

Today, we are going to discuss ABLE savings / investment accounts. Remember when we discussed that saving money is one key strategy to building your financial wellness? Let's talk about ABLE accounts and how they can help you save money for qualified disability expenses.

Overview, Purpose and Expected Outcomes (10 Minutes)

Script for Trainer (Continue corresponding PowerPoint Presentation Module 9.)

Many benefit programs look at a person's income and savings when deciding whether to help a person or household. Many people who have a disability are eligible to open an ABLE account where the savings are not counted towards benefit savings limits. Some programs call the limits "asset limits," while other programs call them "resource limits." With an ABLE account, a person can learn more about money, how to save regularly and how to purchase items that improve their quality of life.

PowerPoint Presentation – Overview of ABLE Accounts (30 Minutes)

Script for Trainer (Continued corresponding PowerPoint Presentation Module 9.)

What is an ABLE account?

ABLE accounts were created as a result of the passage of the Stephen Beck Jr., Achieving a Better Life Experience (ABLE) Act of 2014. ABLE accounts are tax-advantaged savings accounts for individuals with disabilities.

An ABLE account is a way for some people with a disability to save money without changing their eligibility for most federal, means-tested benefits. This includes benefits like SSI, SSDI, SNAP, HUD, LIHEAP, Medicaid and Medicare.

Please note:

1. When applying for college, Free Application for Federal Student Aid (FAFSA) indicates that ABLE savings is not a countable resource: “Investments do not include the home you live in, the value of life insurance, ABLE accounts, retirement plans (401[k] plans, pension funds, annuities, non-education IRAs, Keogh plans, etc.) or cash, savings and checking accounts already reported in questions 40 and 88.” Visit [FAFSA® Application | Federal Student Aid](#)
2. Vocational Rehabilitation (VR) determines eligibility based on household income, not resources. Therefore, ABLE savings does not affect a person’s eligibility for VR services.

The person who has the qualifying disability is the ABLE account owner. The ABLE account owner, family, friends and a Special Needs or Pooled Trust can contribute money into a person’s ABLE account. A 529 College Savings Account may also be rolled over into the ABLE account and family members may choose to contribute some of their 529A funds. The Illinois ABLE program allows Illinois taxpayers, who contribute to an Illinois ABLE account, a state income tax deduction of up to \$10,000 if filing as an individual, or up to \$20,000 if married filing jointly. Consult with a tax advisor to discuss specific situations. Please read SSA’s ABLE Spotlight Notice, noting the ABLE contribution limit for 2022 has increased to \$16,000:

ssa.gov/ssi/spotlights/spot-able.html.

Why the need for an ABLE account?

Millions of individuals with disabilities and their families depend on a wide variety of public benefits for income, healthcare, food and housing assistance. In order to get most of these benefits, a person cannot have more than \$2,000 in savings, some retirement funds and liquid assets. To remain eligible for public benefits, an individual must remain poor.

Often, a person with a disability has additional expenses because of their disability. It is important that a person with a disability be able to save so they can purchase the things they need to live a better life.

The ABLE Act recognizes the extra and significant costs of living with a disability. Costs can include renovations to make a home or a vehicle more accessible, transportation services, personal assistance services, counseling, assistive technology and healthcare not covered by insurance, Medicaid or Medicare.

Savings in an ABLE account can be used to supplement, but not replace, benefits provided through private insurance, HUD, Medicaid, Medicare, SNAP (Food Stamps), SSI, SSDI, employment training, education aid or VR services.

Over time, as ABLE account owners, family, friends, Special Needs and Pooled Trusts contribute money directly into an ABLE account, savings balances will grow. The first \$100,000 in an ABLE account is not counted as a resource for SSI beneficiaries. Amounts over \$100,000 in an ABLE account, when combined with other resources, may result in suspension of SSI benefits, if the amount is over the SSI resource limit of \$2,000 for an individual or \$3,000 for a couple. SSI resource limits may be different for children under age 18 living with parents. Any associated Medicaid benefits are not suspended regardless of how much is saved in the ABLE account. There are no ABLE savings limits for SSDI, HUD, Medicare, Medicaid and/or SNAP benefits. Please read [Understanding Supplemental Security Income SSI Resources](#) for further clarification.

Am I eligible for an ABLE account?

An ABLE account owner must have a disability, with the disability onset occurring prior to age of 26. Individuals who meet any of the below requirements are potentially eligible.

- Receive SSI and/or SSDI now and before age 26;
- Blind before age 26;
- Have a Disability Certification from a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, and, for some purposes, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor, stating onset of disability was prior to age 26. Individuals should tell their doctor if they had/have an Individualized Education Plan (IEP) or disability-related medical care prior to age 26. That will help the doctor decide to complete a disability certification: <https://www.ablenrc.org/wp-content/uploads/2020/10/spt-able-disability-certification.pdf>

Who can open an ABLE account?

The ABLE account may be opened by a person selected by the eligible individual; or if an eligible individual is unable to open his or her own ABLE account, an ABLE account may be opened on behalf of the eligible individual by the eligible individual's agent under a power of attorney or, if none, by a conservator or legal guardian, spouse, parent, sibling, grandparent of the eligible individual, or a representative payee appointed for the eligible individual by the Social Security Administration (SSA), in that order.

One account is allowed per person. The ABLE account owner can be any age when the account is opened, as long as they meet the age of disability onset requirement. The sooner an account is opened, the more money can be saved and the longer it can grow tax-free.

“The State of Illinois allows a guardian of a minor, a personal guardian and an estate guardian to open, maintain and transfer funds to an ABLE account. This applies to not only the ward, but also to the ward's dependent children and is applicable with or without a court order.” (Visit trackbill.com/bill/illinois-senate-bill-1387-state-treasurer-able-account/1686531.)

What money can be saved in an ABLE account?

Up to \$16,000* can be saved in an ABLE account, from all sources combined, within a calendar year. A person who works and does not have contributions made to a retirement plan can save up to an additional \$12,880* from their employment earnings within their ABLE account in 2022.

- A person who receives SSI needs to use their SSI to pay for housing and food* After paying those bills, extra SSI may be saved in an ABLE account.
- SSDI may be saved in an ABLE account.
- Retroactive SSI and /or SSDI and underpayments of benefits can be saved in an ABLE account.
- Family and friends may make direct contributions into an ABLE account. These contributions do not count as income.
- Gifts from family or friends for birthdays and holidays can be directly deposited into an ABLE account.
- Child support may be saved in an ABLE account, but child support is countable income that reduces SSI.
- Up to \$16,000* in a 529 college savings account can be directly rolled over into an ABLE account from the designated beneficiary's 529 account or from an eligible family member's account. Additional 529 college savings of up to \$16,000* can be rolled over into the ABLE account the next calendar year(s).
- 529A ABL savings of up to \$16,000* per calendar year can be directly rolled over to an eligible family member's 529A account.
- A Special Needs Trusts or Pooled Trusts can deposit up to \$16,000* into an ABLE account each calendar year. This is not countable income.

- An inheritance up to \$16,000* can be deposited into an ABLE account. For an SSI beneficiary, an inheritance is countable income the month received. The person will not receive SSI that month or Medicaid associated with it. The deposit is considered a conversion of one type of resource to another that same month, when deposited, the same month as received. The deposit is a protected resource the month deposited into the ABLE account.
- Earned income, child support, retirement benefits, pension, alimony, veteran's benefits and annuity payments may be deposited into an ABLE account. They are still countable income, and may reduce public benefits such as SSI, SNAP and HUD. For SSDI, they are evaluated in terms of substantial gainful activity.
- Income tax refunds may be deposited into an ABLE account.

A Representative Payee may choose to place the beneficiary's funds in an account established under the Achieving a Better Life Experience (ABLE) Act of 2014, better known as an ABLE account. https://www.ssa.gov/payee/able_accounts.htm

An ABLE account can only hold savings and investments. A Special Needs or Pooled Trust can hold a life insurance policy, mutual funds, stocks and/or real estate. An important benefit of depositing money from a Special Needs or Pooled Trust into ABLE is the ABLE funds can be spent on housing expenses. Please see the ABLE, Special Needs and Pooled Trust Comparison Chart: ablenrc.org/able-account-special-needs-and-pooled-trust-comparison-chart.

What can I spend my ABLE savings on?

An ABLE account owner can spend ABLE savings on Qualified Disability Expenses (QDEs). QDEs are any expenses related to the ABLE account owner's disability that assists them in increasing and/or maintaining their health, independence and/or quality of life.

- Assistive technology: Standing wheelchair, smart home technology and glasses
- Disability-specific outings: Camp, conferences, travel and vacations
- Education: Private school, college and tutoring
- Employment and training: Job coach, assistant, certificates and licenses
- Financial management: Administrative services and legal fees
- Food and grocery delivery
- Housing: Rent, dorm, home purchase, utilities and property taxes
- Transportation: Bus, taxi, train and vehicle purchase / repair
- Medical needs: Items not covered by health insurance or elective surgery

At this time, QDEs do not cover alcohol, illegal substances or gambling.

Please remember that people who receive SSI must spend the SSI on housing and food. If someone wants to purchase an item that is not a QDE, they can use money not saved within their ABLE account to make that purchase.

Best Practice: Keep all receipts for QDE purchases within a calendar year in a folder. Keep that folder for at least three years. You will need the receipts in case of an IRS audit and a Representative Payee may need receipts for annual reports to SSA.

How do I open an ABLE account?

Most ABLE accounts are opened online. To open an account, you must complete an enrollment form or complete and mail a paper form to the program manager. Please contact the state plan to see what options are available for opening an ABLE account. Opening an account usually takes less than 10 minutes online.

To open an account as the qualifying person with the disability, you need the following:

1. Full legal name
2. Date of birth
3. Address
4. Social Security Number or Tax Filer Identification Number
5. Proof of qualifying disability (receipt of SSI and or SSDI or Disability Certification)
Note: The ABLE program may ask for a copy. Keep this on file should the IRS ever request a copy.

A parent of a child under age 18, legal guardian or someone with a power of attorney would need the information of the qualifying person with a disability to open an account for them. In addition to entering the person's information, they may also need their information as well, if relevant.

1. Status
2. Full legal name
3. Date of Birth
4. Address
5. Social Security Number, or Tax Filer Identification Number

Investment Options

You will need to make choices on how you want your money saved. Choices may include an FDIC savings account option, a checking account option and/or investment options:

- When you open an ABLE account, money saved within a debit card/checking account option usually does not earn interest. There are fees that will reduce your savings unless you contribute more money to your ABLE account. Most ABLE checking and debit card accounts are insured up to \$250,000 by the FDIC. This means that, other than fees, the money saved in an ABLE account is safe.
- All ABLE accounts offer options to save all or part of your savings in an investment account. These accounts have fees, too, but they can help the person earn money on their savings. These accounts are not insured and have different levels of risk. Accounts that have more stocks can potentially grow faster, but have greater risk. The investment accounts that have less risk are considered conservative as the ABLE savings is invested in fewer stocks and more bonds and cash accounts. Visit il.savewithable.com/ilabletpl/fund/pricePerformance.cs.

ABLE Account Tax Advantages

There are three possible tax advantages for a resident of Illinois, who selects the Illinois ABLE plan.

1. The Illinois ABLE program allows taxpayers, who contribute to any Illinois ABLE account, a state income tax deduction of up to \$10,000 if filing as an individual; \$20,000 if married, filing jointly. This means that a person who deposits money into an Illinois ABLE account, who would otherwise owe state income taxes, may deduct up to \$10,000 for their ABLE deposits for the calendar year. This can help the person save on state income taxes, perhaps making it possible for them to contribute more to an ABLE account the next calendar year, too. Visit savewithable.com/il/home.html.
2. Interest earned on ABLE savings is not counted as earned income for tax or benefit purposes. The ABLE account owner can earn money saved within their ABLE account, and they do not have to pay income taxes or claim interest earned on the savings as income.
3. An ABLE account owner who works and deposits some of their earned income into ABLE may qualify for the Saver's Credit. The Saver's Credit is a special credit designed to help low- to moderate-income workers. The credit can reduce the amount of tax a person owes by up to \$2,000. Visit irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit.

Action: Tell your tax preparer you have an ABLE account. Let your tax preparer know how much of your earned income you deposited into your ABLE account. The 5498-QA form you receive from your state program at tax time will show you annual contributions. Remember, you can also ask your tax preparer to deposit all or part of your income tax refund into your ABLE account. Your tax preparer will enter your savings amount on form 1040 or an 8880 if the refund will be split between two deposit accounts. Visit irs.gov/pub/irs-pdf/f8880.pdf.

Activities (30 minutes)

Activity #1

Ask the following: “If you could save and purchase something in three months, one year or five years, what would you want to purchase?”

Purchase/Savings Goals:

- 3 months
- 1 year
- 5 years

(Trainer asks the group and makes a list on the easel pad.)

Activity #2

Note: If Module 1 was completed, students may have a spending plan. You can use that for this activity and discussion.

You can use this spending plan for monthly income and expenses to determine how much you can save within an ABLE account. How much money is left over at the end of the month for savings?

My Income

My Expenses

Fixed Expenses

Wages \$ _____

Public Assistance _____

Child Support/Alimony _____

Interest/Dividends \$ _____

Social Security \$ 841*

Other \$ _____

Other _____

Rent/Mortgage \$ 280*

Property taxes/ Insurance \$ _____

Trash Collection _____

Cable _____

Car payment _____

Car insurance _____

Other loan payments _____

Health Insurance _____

Day care _____

Flexible Expenses

Savings _____

Gas/Oil _____

Electricity \$ 100

Water \$ _____

Telephone/Cell Phone \$ 61

Food \$ 300

Transportation/Gas	\$ _____
Car Maintenance	_____
Education	_____
Personal expenses	_____
Charity/Donations	_____
Other	_____

Total Income	\$ <u>841*</u>	Total Expenses	\$ <u>741</u>
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This sample spending plan shows that after paying monthly expenses, this person has \$100 left over at the end of the month that they could save within an ABLÉ account. If your spending plan has extra money at the end of each month, and you are ABLÉ eligible, you can save your extra money in your ABLÉ account, too. A person who is not ABLÉ eligible may want to save in a HUD Family Self-Sufficiency Program (FSS) account if eligible, a First-Time Home Buyer Savings Account or a Plan to Achieve Self Support (PASS). If the person does not receive SSI, or need Medicaid, they can also save in a regular checking, savings or retirement account.

What if there is no money to save? Can the person ...

- Participate in education or training that will prepare them for a job?
- Start a job in their community?
- Request that their Special Needs or Pooled Trust deposit up to \$16,000* into ~~to~~ ABLÉ account in a calendar year?
- Build a Circle of Support?

An ABLÉ account owner can accept up to \$16,000* of contributions (or deposits) into their ABLÉ account in any calendar year. In order to maximize contributions, and better meet goals, consider building a Circle of Support.

What is a Circle of Support?

A Circle of Support is a group of people you know well and trust, who want to support you in meeting your financial goals to help you build a better financial future. Your Circle of Support could include family members, close friends and others including your Special Needs or Pooled Trust trustee, your Representative Payee, group home advocate, support coordinator or waiver coordinator. They all have the ability to contribute funds into your ABLE account or may have time to help you manage your ABLE savings.

How do I help my Circle of Support understand the value of an ABLE account?

After identifying your Circle of Support, it is important to let people within your circle know about your savings goals and how excited you are to be an ABLE account owner. When talking with your Circle of Support members, feel free to share resources from the ABLE National Resource Center to help them understand how ABLE accounts can help increase health, independence and quality of life. There are many webinars posted at ablenrc.org/resources/webinars.

How can I keep my Circle of Support motivated to help me meet my financial goals?

Make sure you keep in contact with your Circle of Support. Let them know your progress and when you reach your savings goal. You may want to share a photo of the items for which you are saving or have actually purchased with your ABLE account and keep your receipts in an envelope.

Lastly, remember to thank your Circle of Support for all their help.

Activity #3

Who will you ask to join your Circle of Support?

Take note of who you want to be in your ABLE Circle of Support.

- Family
- Friends
- Support Staff
- Representative Payee

ABLE to Work Act (5 Minutes)

Since 2018, ABLE account owners who work and do not have contributions made to a retirement account can contribute part, or all, of their income into their ABLE account in addition to the \$16,000*.

This additional contribution is limited to the poverty-line amount for the previous year for a one-person household. For 2022, this amount is \$12,880*. Visit aspe.hhs.gov/poverty-guidelines.

This means that Illinois residents can contribute up to \$28,880* into their ABLE account in 2022.*

Illinois ABLE Plan Features (10 Minutes)

The savings option with the debit card/checking option is FDIC insured.

An ABLE account can be opened the following ways:

- Visit savewithable.com/il/home.
- Call the ABLE program at (888) 609-8683.

Over time, an ABLE account owner can save up to \$500,000 in their ABLE account.

Minimum contribution: \$25

Program highlights:

- A person can easily pay for QDEs from their Illinois ABLE account by using a prepaid debit card. This means the ABLE account owner can spend up to the amount saved within the ABLE account.
- Illinois residents who contribute funds into a person's Illinois ABLE account may qualify for a state income tax deduction of up to \$10,000, or \$20,000 when married filing jointly.
- Illinois state Medicaid is not permitted to recover certain benefits from an IL ABLE account, unless required by federal law.
- Illinois ABLE offers six investment options. Choosing investments is an important decision. Illinois ABLE provides all the performance and investment details you need to make your choice. You can see how people's savings has grown over time at il.savewithable.com/ilabletpl/fund/quarterEndPerformance.cs.

Fees:

1. Quarterly account maintenance fee: \$15.00 for paper statement delivery (\$60 annually) is reduced to \$11.25 quarterly (\$45 annually) for electronic statements.
2. Monthly fee for the debit card: \$2.00, waived for those who maintain an average daily balance of \$250 or more, or if enrolled in the electronic statement delivery.
3. Separate account maintenance fee for the checking option, waived if you choose electronic delivery or maintain an average monthly balance of \$250 or more.

Investment fees and performance can be seen directly on the Illinois ABLE plan website under Investment Options. The website posts the fees for each investment option.

Homework Review (10 Minutes)

Now that you have a better idea of what a QDE is, please review your savings goals from **Activity 1**. Are some of these items QDEs? Mark **yes** for a QDE and **no** for something that is not. For the QDEs, enter ABLE. For the things that are not a QDE, share what money could be used to make that purchase. Remember, you can ask someone in your Circle of Support to help you with this activity.

Sample Goals	QDE: Yes or No	ABLE or Other Income Source
3 months: movie	No	Earned income or SSI/SSDI
1 year: adaptive bicycle	Yes	ABLE
5 years: vehicle	Yes	ABLE

Your Goals	QDE: Yes or No	ABLE or Other Income Source
3 months:		
1 year:		
5 years:		

Making Connections in Your Community: Guest Speaker from Illinois ABLE (15 minutes)

Trainer will introduce a representative from the Illinois ABLE program to share information about savings within an ABLE account.

Speaker will have 15 minutes and follow the proposed outline:

1. Who is ABLE eligible?
2. How do you open an Illinois ABLE account?
3. How can friends and family directly deposit money into ABLE?

Allow 5 minutes for questions.

Homework Assignment and Wrap-Up (10 Minutes)

Trainer reviews ABLE basics.

1. Who is ABLE eligible?
2. Who can help you open an ABLE account?
3. Who have you invited to be part of your Circle of Support?
4. Who has opened an ABLE account?

Evaluation and Closing (5 minutes)

Trainer should thank the participants for participating in today's training and congratulate them on first steps toward improving their financial wellness.

REMINDER: Be sure to have the participants complete the second half of the evaluation and collect.