

# Introduction to ABLE Accounts

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# Why Is Able Important?

## Chris Blake's Story

- I heard about a training course at UConn called LEND, and enrolled because it was the next logical step in my journey of learning how to become a well versed and more rounded advocate. I was told that self advocates and parents in the course would be paid a stipend at the end of each semester.
- At the end of the first semester, I received more money than I expected. I knew that this money would affect my benefits, like Social Security and Medicaid.
- I knew about ABLE accounts but did not completely understand how they worked.

# Chris Blake's Story

- As I started to research and ask around, I spoke to several people that had already set up ABLE accounts. However, their information and advice was usually just a broad overview and I did not understand how they actually chose their accounts. The whole process was confusing and difficult.
- As I researched further, I realized that not every state offered an ABLE account, and the ones that did differed greatly.
- It took me about three months of research to find a state with an ABLE account that matched my needs. I found it confusing, frustrating, and time consuming. I learned the ABLE accounts were developed by accountants, attorneys, and policy makers. This led to a confusing and complicated process for anyone who does not understand banking, investments, and the different kinds of accounts offered through ABLE.

# Chris Blake's Story

- None of the material was really written for people like me—with limited reading ability and limited experience in the banking world.
- So when I had a chance to choose a project for my SARTAC fellowship, this seemed important.
- ABLE can really help people with disabilities and family members earn money and keep their benefits.
- And it can allow other family members to contribute to their support through an ABLE account tax free.
- I hope the training, the booklet and the table explaining the basics of the accounts is helpful to other people with disabilities and family members.

# What is an ABLE Account?

## Achieving a Better Life Experience

- ABLE accounts give people with disabilities or their families the ability to have tax free savings accounts that will not affect their eligibility to get or stay on government assistance like Medicaid, Social Security and other benefits.
- The ABLE Account lets you make your own decisions about how to spend your money.

# The Benefits of an ABLE account

- A person with a disability can set up an account with his or her own money instead of having to depend on a parent or other family member or the courts to set up a trust.
- A person with disabilities can manage their own funds in their ABLE account, making it easier to get and use their money.
- ABLE accounts are tax free and are not subject to gift tax restrictions as long as the funds are used for qualified disability expenses.
- They are easy to set up.

# Eligibility

- You must have a permanent disability that significantly limits you.
- When you open the account you will have to describe your disability.
- Your disability must have happened before the age of 26.

# Limits of an ABLA Account

- ABLA accounts are only for people who developed their disability before turning 26 years old.
- You can only put \$15,000 per year into your ABLA account, unless you are working. If you are working you can put an additional \$12,240 a year into the account.
- You can only have up to \$100,000 without affecting your SSI eligibility.

# Qualified Disability Expenses

- Money in your account can be used to pay for Qualified Disability Expenses. An expense is “qualified” if:
- (1) This cost happened at a time when you were considered an Eligible Individual
- (2) The expense relates to your disability; and
- (3) The expense helps you to maintain or improve your health, independence, or quality of life.
- Qualified Disability Expenses can cover many, many things. A list of possible expenses is in the workbook.

# There are no limits to how you can spend money from your able account

You can use the funds in this account for anything related to:

- Education
- Health and wellness
- Housing
- Transportation
- Legal fees
- Financial management
- Employment training and support
- Assistive technology
- Personal support services
- Oversight and monitoring
- Funeral and burial expenses

# REMEMBER!

- KEEP RECEIPTS OF THINGS YOU PURCHASED THROUGH YOUR ABLE ACCOUNT FUNDS!
- The government will review your expenses once a year.

# IMPORTANT:

## Using funds from your ABLÉ Account

- Any money transferred from your ABLÉ account to your personal bank account **now counts as a cash asset**. Don't take money out of your ABLÉ account unless you have something specific you are going to buy or spend it on.
- This can affect eligibility for other programs, so be sure to spend those funds quickly.
- If you are no longer going to spend those funds, transfer them back immediately to your ABLÉ account. Do not let large amounts of cash sit in your personal checking account.
- To transfer the funds back to your ABLÉ account, go online and transfer the funds back.

ABLE Accounts give people with disabilities more freedom to make choices that will help them with disability expenses!

**For More Information or to receive training about ABLE contact:**

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