

DON'T WAIT!

**Start today by
calling the Idaho
SILC.**

**Ask for ABLE
Technical
Assistance and
Information.**



SILC Technical Assistance

The Idaho SILC provides Technical Assistance, information and Financial Literacy training. Please contact us to learn more about ABLE today.

Contact us at:

Address: 120 S Cole Rd

Boise, Idaho 83709

Phone: 208-334-3800

Toll free: 1-800-487-4866

Email: jami.davis@silc.idaho.gov

Website: <https://silc.idaho.gov>

The information enclosed is not a substitute for benefit planning, legal or financial advice. Please consult with a qualified benefit planner, an attorney or qualified financial advisor should you have specific concerns related to opening an ABLE account.

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What is an ABLE Account?



ABLE Accounts are savings accounts for people with disabilities and their families. The passing of the Stephen Beck Jr., Achieving a Better Life Experience Act of 2014, or the ABLE Act, provides the opportunity to save money beyond typical resource limits.

Several thousand Idahoans with disabilities and their families depend on public benefits for health care, food, utility and housing assistance. ABLE accounts allow eligible Idahoans to save money to purchase qualified disability goods and services that will help them gain independence and choice without losing the assistance they need.



SILC
Idaho State Independent Living Council

120 S Cole Rd
Boise, ID 83709
208-334-3800
www.silc.idaho.gov

Brief Overview

ABLE Accounts are savings/investment accounts for people with disabilities and their families. ABLE accounts provide the opportunity to save money and keep needed benefits.

Highlights

- ◆ The beneficiary of the account owns the account.
- ◆ Income earned by the accounts will not be Federally taxed.
- ◆ Contributions to the account made by any person (the account owner, family and friends) will be made using post-taxed dollars and will not be tax deductible. Some states allow for state income tax deductions for contribution made to an ABLE account.
- ◆ Idaho does not offer a state income tax deduction.
- ◆ Money in an ABLE account does not count against the resource limits for SSI, Medicaid and other State and Federal benefits.



Finding the right state program — Additional things to think about...

Investment Opportunities

- ◆ What investment options does the state ABLE program offer?
- ◆ Will the options available meet your needs regarding growth, while limiting the risk you are willing to take with contributions to your ABLE account?
- ◆ Does the state program offer incentives or additional benefits (such as a match or a rewards program, or financial literacy information for account holders) to help you save, contribute to your account, grow the account, and manage your invested dollars? If so, what is it? Most important: Do you understand it?



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- ◆ You can only have one ABLE account per eligible individual.
- ◆ You do not go to or visit a bank to set one up. The majority of ABLE accounts are managed through website or “online portals.”
- ◆ Paper sign up is also available for some ABLE programs.



Am I eligible for an ABLE account?

- ◆ Only people with significant disabilities AND a documented onset of disability before turning the age of 26 are eligible to open an ABLE account.
- ◆ If you meet the age requirement AND are also receiving benefits under SSI or SSDI, then you are automatically eligible to establish an ABLE account.
- ◆ If you do not receive SSI or SSDI, but you do meet the age of onset disability requirement, you may still be able to open an ABLE account.
- ◆ If you meet Social Security's medical definition regarding significant functional limitations AND you receive a letter of certification from a licensed physician you can open an ABLE account.
- ◆ **You do not need to be 26 or younger to open an ABLE account.** You may be over the age of 26, but must have a disability onset date before your 26th birthday.



How will I know which state ABLE program is right for me?

Several states have opened ABLE programs that allow eligible individuals nationwide to open an ABLE account, regardless of where they live. When comparing State ABLE programs, you may want to consider the following questions to find the best one for you:

Opening an Account

- ◆ What proof will the ABLE program need from you in order to open an account?
- ◆ What proof will you need to show that your disbursements are qualified expenses?
- ◆ Is there a minimum contribution to open an ABLE account?
- ◆ Is there a fee to open an account? If so, how much is that fee?

Maintaining the Account and Fees

- ◆ Is there a required minimum contribution to your account? If so, what is the amount?
- ◆ Are the fees paid up front or are they reduced if you leave your money invested for several years?
- ◆ Are there restrictions on how often you can withdraw money from your account?

How is an ABLE account different than a special needs or pooled trust?

- ◆ An ABLE account may provide more choice and control for the beneficiary and their family.
- ◆ The cost of establishing an account will be less than Special Needs or Pooled Income Trusts.
- ◆ Some programs offer investment and saving options, allowing greater flexibility for growth.
- ◆ Determining which option is the best for you will depend upon your individual circumstances.
- ◆ For many families, the ABLE account will be in additional option, rather than a Trust program.



Are there limits to how much money can be put into an ABLE account?



Annual Contributions

- ◆ The total annual contributions by all individuals, including family and friends, for a single tax year is \$16,000 (amount will be adjusted for inflation).
- ◆ \$16,000 is the maximum amount a person may gift another person without reporting it to the IRS (gift tax exclusion).

Limitations for SSI and other public benefits

- ◆ The first \$100,000 in an ABLE account is exempt from the SSI \$2,000 individual resource limit.
- ◆ When an ABLE account balance exceeds \$100,000, the beneficiary's SSI cash benefit (and likely other public benefits) will be stopped until the account falls back below \$100,000.
- ◆ While the beneficiary's SSI cash benefit is suspended, there is no loss of Medicaid eligibility or services.

Medicaid Payback

- ◆ When an ABLE account owner passes away, the state Medicaid program may file a claim against the account to reclaim Medicaid related expenses.

Which expenses are allowed by ABLE accounts?

- ◆ A qualified disability expense is any expense related to an individual as a result of living a life with a disability.
- ◆ Any other expenses which help improve health, independence and quality of life.

Qualified Disability Expenses

Education	Housing
Transportation	Employment training and support
Assistive Technology (ramps, computer software, eye glasses and more)	Personal Assistant Services
Health care Expenses (not covered by insurance)	Basic Living expenses



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Do I have to wait for my state to establish a program before opening an account?

- ◆ **No!** You may sign up for an out of state program, if that state offers out of state enrollment.
- ◆ Idaho does **NOT** offer its own ABLE account at this time.
- ◆ For help on which states are offering programs and information about these programs, contact the Idaho State Independent Living Council (SILC) for ABLE information and technical assistance.

State Programs Accepting Enrollment Nationwide

Alabama	Alaska	Arkansas	California
Colorado	Connecticut	Delaware	District of Columbia
Hawaii	Illinois	Indiana	Iowa
Kansas	Maryland	Massachusetts	Michigan
Minnesota	Mississippi	Montana	Nebraska
Nevada	New Jersey	North Carolina	Ohio
Pennsylvania	Rhode Island	Virginia	

As of 1/12/2022