



NATIONAL RESOURCE CENTER
ACHIEVING A BETTER LIFE EXPERIENCE ACT



Topics in SSI Series: ABLE Accounts and SSI

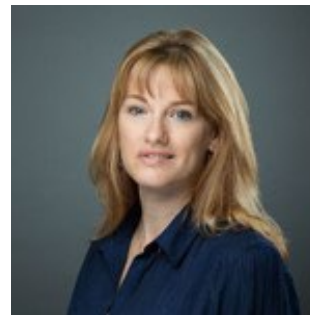
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Presenters

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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.

[ABLEnrc.org](https://www.ableenrc.org)



SUPPLEMENTAL SECURITY INCOME



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What is Supplemental Security Income?

- The Social Security Administration pays a monthly Supplemental Security Income (SSI) payment to children and adults, with limited income and resources, who are disabled, blind, or age 65 or older.
 - The Federal Benefit Rate is \$914 per month for an individual, \$1,371 for a couple.
 - Some states pay a state supplement payment.
- In many states, when SSI is received, SSA makes a Medicaid and the Supplemental Nutrition Assistance Benefits determination.



What is Countable Income for SSI?

- Earned Income: Money earned from work
- Unearned Income: Money received from friends or relatives (In-kind Support and Maintenance / ISM) or other sources such as unemployment benefits or VA payments
 - In-kind free or reduced cost for food or shelter (not SNAP or food distribution center items)
 - Deeming: Counting a portion of parent/spouse/sponsor income as being available to a SSI recipient
- Countable income may reduce or eliminate a SSI payment.

Decision Guide: [Understanding ABLE Accounts, Special Needs Trusts and Pooled Trusts](#)



What are Resources?

- Resources for SSI purposes are things you own such as:
 - Liquid resources such as cash, bank accounts, stocks and bonds
 - Non-liquid resources that cannot be converted to cash within 20 days. Examples are a vehicle or a home
- SSI resources limits:
 - Individual/Child - \$2,000
 - Couple/2 Parents in household - \$3,000
- Eligibility is determined the first of every month and applies through the entire month.



Examples of Resources Not Counted

- Household goods and personal affects
- Medical devices and adaptive equipment
- One home in which the beneficiary lives
- One vehicle used for transportation
- ABLE account savings up to and including \$100,000
- Some trusts

See [SI 01110.210](#)

Extra Costs of Living with a Disability

- Households containing an adult who has a disability require, on average, 28% more income (or an additional \$17,750 a year at the median household income) to obtain the same standard of living as a comparable household without a member with a disability.
- An ABLE account can help cover many of these extra expenses.

Research Brief: [*The Extra Costs of Living with a Disability in the U.S. – Resetting the Policy Table*](#)

Source: Morris, McGarity, Goodman & Zaidi (2022)



ABLE ACCOUNTS



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What is an ABLE Account?

A person with a disability that began before age 26* may open a 529A (ABLE) account in their own name.

An ABLE account makes it possible to:

- Save and invest money directly deposited into ABLE from family, friends, employment, benefits, income tax refunds and other sources;
- ABLE investment growth is not taxable and is not countable income;
- ABLE funds are used to pay for a wide range of qualified disability expenses; and
- Maintain eligibility for federally-funded, needs-based benefits.

****Starting January 1, 2026, ABLE age eligibility will increase to “before age 46.”***



Who is ABLE Eligible?

A tax-advantaged ABLE savings and/or investment account is owned by a person who has a Social Security number or tax filing I.D. and has a disability or blindness; that began *before age 26*, **AND** :

- Receives Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) benefits, **OR**
- Self-certifies that they have a written and signed [disability certification](#) from a doctor.

ABLE Decision Guide: [Am I ABLE Eligible?](#)



Who Can Open an ABLER Account?

- An ABLER account can be opened at any age (e.g. 20, 30, 50 years old) by or for a person who has a disability, as defined on slide 12.
- One ABLER account may be opened in this order by:
 - The individual (with capacity) who has a disability,
 - Individual selected by the eligible individual,
 - Agent under a power of attorney, conservator or legal guardian,
 - A spouse, parent, sibling or grandparent,
 - A representative payee (individual or organization).

ABLE Decision Guide: [Selecting and Opening an ABLER Account](#)



What is the SSA Policy on ABLER Accounts?

- Section 529A accounts fall under the jurisdiction of the Internal Revenue Service. Eligibility is shown on Slide 12. SSA does not determine eligibility for an ABLER account. A SSA applicant for benefits based on disability must meet non-medical technical rules before SSA determines medical eligibility. This may affect the disability onset date they establish for benefit payments.
- ABLER plans report ABLER account information to SSA and the IRS.
- SSA representative payee policy is the same for ABLER accounts and for all financial accounts for titling of account.
- [SSA, IRS and Federal Guidance on ABLER](#)



WHY SAVE IN AN ABLE ACCOUNT?



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Resource Limits

- ABLÉ savings up to and including \$100,000 are disregarded as a resource for Supplemental Security Income (SSI) benefits.
- A person can have any amount of ABLÉ savings and it will **NOT** affect:
 - Social Security and Disability Insurance (SSDI),
 - Housing Assistance through Housing and Urban Development programs (HUD),
 - Supplemental Nutrition and Assistance Program (SNAP),
 - Free Application for Federal Student Aid (FAFSA),
 - Medicare Parts A, B, C, or D, Medicare Savings Programs, and Extra Help, or
 - Any type of Medicaid benefit including Medicaid waiver services.

ABLE Decision Guide: [Understanding ABLÉ Account Savings and Public Benefits](#)



ABLE Account Tax Advantages

- Account balance can be invested through a one or more options offered by an ABLE program;
- Interest growth is tax-free and is not counted as income and is not taxable when used for Qualified Disability Expenses (QDEs);
- Contributions deposited directly into ABLE from family, friends, a Special Needs or Pooled Trust or a 529 College Savings Plan rollover, do not count as income by federally funded means-tested benefit programs.

ABLE Decision Guide: [Managing an ABLE Account](#)



Additional Reasons to Save in an ABLE Account

- May eliminate the need to “spend down”;
- ABLE deposits can reduce countable resources allowing for SSI and Medicaid eligibility;
- There is no look back for contributions made to an ABLE account for Medicaid eligibility;
- Provides a tool to save to purchase assets, provide for emergencies, or supplement other supports or services.

Meet ABLÉ Account Owner Pshon Barrett, Esq.



Pshon is a board member for the Mississippi Bar Lawyers and Judges Assistance Committee, Industries for the Blind and Council of the Blind, and a national board member for the American Association of Visually Impaired Attorneys.

As a person who is blind, Pshon understands the many extra costs related to living with a disability. She opened an ABLÉ Account to save for disability-related expenses such as the purchase of adaptive technology. She has an added perspective as an Assistant U.S. Attorney handling cases under the Americans with Disabilities Act.



Best Practices

Monitor all financial account balances monthly.

- The SSI program disregards the first \$100,000 in the ABLE account. If the ABLE balance exceeds \$100,000 by an amount that causes someone to exceed the SSI resource limit – whether alone or with other resources – the SSI payment is suspended until countable resource are below the allowable limit.
 - Medicaid continues uninterrupted, even if the SSI payment is suspended.
- If non-ABLE resources alone are over the resource limit, SSI payments are suspended. If 12 months elapse, then SSI payments terminate, and a new application is necessary.
 - Medicaid would also terminate.



Tax Filing

- An ABLE account owner is not required to file income taxes simply because they have an ABLE account;
- A person may want to file income taxes to capture missed stimulus payments, child tax credits, to claim Saver's Credit and Earned Income Tax Credit and to protect themselves from tax fraud.



CONTRIBUTIONS INTO AN ABLE ACCOUNT



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Who May Contribute to an ABLE Account?

Anyone can contribute up to \$17,000 to the ABLE account this calendar year.

- The ABLE Account Owner:
 - Earned income, unemployment insurance, stimulus payments, tax refunds
- Others:
 - Friends and Family
 - Special Needs / Pooled Trust
 - 529 college savings rollover

ABLE Decision Guide: [Ready and ABLE to Work and Save](#)



What is ABLE to Work?

An ABLE account owner who works and does not have contributions made to a retirement account may deposit up to an additional \$13,590 within ABLE, from their income (continental USA); up to \$16,990 (residents of Alaska); and \$15,630 (residents of Hawaii). See [ABLE to Work Act](#).

For the continental U.S. that could be: **\$17,000 plus \$13,590 = \$30,590**

ABLE Decision Guide: [ABLE Accounts and Working People with Disabilities](#)



ABLE and SSI Work Supports

- An ABLE account may be an optional source of funds for a [Plan For Achieving Self-Support \(PASS\)](#);
- ABLE account funds may be used to pay for [Impairment Related Work Supports \(IRWEs\)](#) and [Blind Work Expenses](#);



SSA Policy on ABLER Accounts (Slide 1 of 2)

- There is no change in how SSA and means tested benefit programs count any income “**due**” to the beneficiary when deposited into to an ABLER account.
- Income contributed by others into ABLER account is considered a completed “gift” and not counted by means tested benefit programs up to the calendar year limit.



SSA Policy on ABLER Accounts (Slide 2 of 2)

- A special needs allowance may be deposited into an account owner's ABLER account when the beneficiary is agreeable and if it is in their best interest.
- The rules concerning all types of financial accounts are contained in POMS. Direct deposit to an ABLER account is acceptable under [GN 02402.030](#).



What is Medicaid Payback?

- Upon the death of the ABLÉ account owner, Medicaid can choose to file a claim for Medicaid expenses paid since the ABLÉ account was opened;
- If the ABLÉ account owner did not receive Medicaid, there is no payback;
- If Medicaid Buy In premiums were paid, they are deducted before Medicaid payback;
- Before Medicaid payback, funds in the ABLÉ account can be used to repay any outstanding Qualified Disability Expenses, including funeral and burial costs;
- Some ABLÉ plans have waived Medicaid payback for their state's residents;

Any remaining balance is distributed to the successor designated beneficiary or if none, to the account owner's estate.



WHAT PURCHASES CAN BE MADE USING AN ABLE ACCOUNT?



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Qualified Disability Expenses (QDEs) (Slide 1 of 2)

- **ABLE funds may be used to pay for items or services that:**
 - Relate to the beneficiary's blindness or disability
 - Are for the benefit of that beneficiary
 - Relate to maintaining or improving his/her health, independence or quality of life
- **QDEs should be broadly understood and are not limited to:**
 - Expenses for which there is a medical necessity, or
 - Expenses that provide no benefits to others in addition to the benefit to the beneficiary



Qualified Disability Expenses (QDEs) (Slide 2 of 2)

- Education;
- Basic living expenses including food and shelter;
- Housing expenses;
- Transportation;
- Employment training and support;
- Assistive technology and Personal support services;
- Health services including prevention and wellness;
- Legal fees, expenses for oversight and monitoring, and financial management;
- Funeral and burial expenses

ABLE Decision Guide: [Determining Whether Something is a QDE](#)



QDEs Include Emergency Preparedness

- Personal protective equipment;
- Delivery charges for food, prescriptions, and groceries;
- Housing expenses for primary residence as well as expenses to stay in a hotel to shelter in place in a high-risk situation;
- Healthcare costs such as deductibles, copays or other charges or for private personal care or attendant services.

[Financial Resilience Resources for People with Disabilities](#)



Case Study

Maria is 68-years-old and has received SSI payments since she was a child. Although she is ABLE-eligible, she did not know where she would find funds to save in the account. She met with a case manager who reviewed the **ABLE Decision Guide [Finding the Funds to Save in an ABLE Account](#)** with her.



What is the SSA Policy on ABLER Account Distributions?

- Distributions from the ABLER account are never counted as income. This rule applies whether the expense is a QDE, a non-QDE, or if it is a housing or housing related.
- Distributions for food and/or shelter paid from an ABLER account are not counted as “in kind support and maintenance” by the Supplemental Security Income benefits program because the account is owned by the person with a disability.



What is the SSA Policy on ABLER Accounts?

- Distributions into an ABLER prepaid debit card is considered a QDE “unless SSA determines otherwise” [SI 01130.740\(G\)](#).
- Repayment of an overpayment of SSA/SSI benefits is considered a QDE.
- The purchase of assets with ABLER funds are subject to the usual SSI asset counting rules.
 - Example: a person is limited to one vehicle or one home they reside in. A second vehicle or home purchased with ABLER funds may be a QDE but would not be excluded as a resource and may mean ineligibility for SSI.



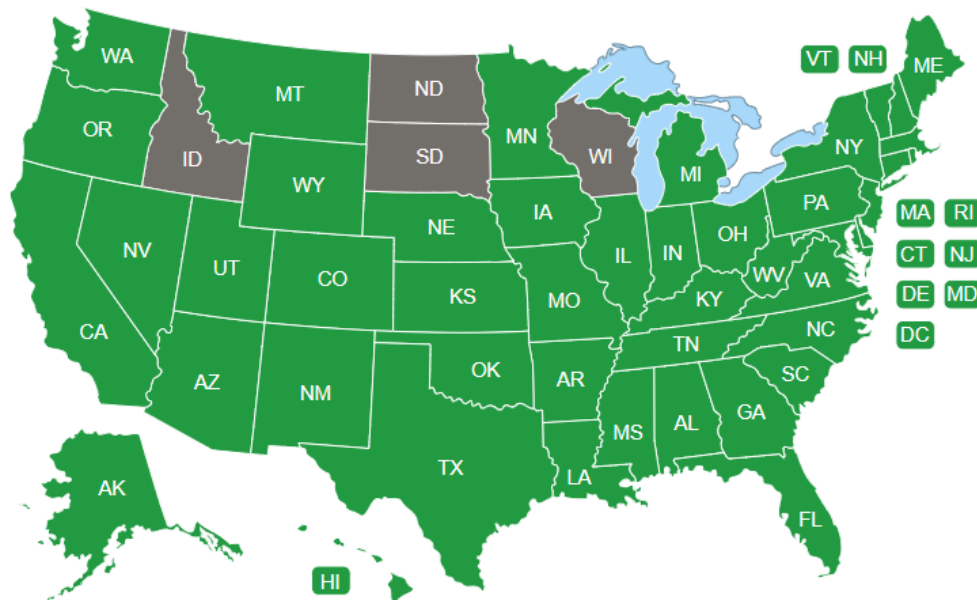
HOW DO I OPEN AN ABLE ACCOUNT?



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Map of State ABLÉ Programs

- There are over 45 state ABLÉ programs from which to choose.
- State balance limits range from \$235,000 - \$550,000.
- If you are ABLÉ eligible, you can open one ABLÉ account in any state that has an ABLÉ program that accepts outside residents.



How Do I Open an ABLER Account? (Continued)

- Most ABLER accounts are opened online; you can contact specific ABLER plans for alternatives if needed.
- Once the account is open, the account owner can choose to allow others to access various levels of information about the account and/or to take specified actions on the account.

ABLE Decision Guide: [Selecting and Opening an ABLER Account](#)



ABLE ACCOUNT STATISTICS



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Where do ABLE Accounts Stand Now?

Eight million people with disabilities are ABLE eligible.

December 2022 Quarterly ABLE Market Sizing Data from ISS Market Intelligence:

- 137,145 accounts opened;
- \$1.253 billion in assets under management in ABLE accounts;
- Average savings per ABLE account: \$9,136

ABLE Decision Guide: [Finding The Funds To Save In An ABLE Account](#)



ABLE RESOURCES



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ABLE Decision Guide Series



ABLE Decision Guides:

- [Am I ABLE Eligible?](#)
- [Selecting and Opening an ABLE Account](#)
- [Understanding ABLE Account Savings and Public Benefits](#)
- [Managing an ABLE Account](#)
- [Finding Funds to Save in an ABLE Account](#)
- [Determining Whether Something Is a Qualified Disability Expense](#)
- [ABLE Accounts and Working People with Disabilities](#)
- [Ready and ABLE to Work and Save](#)
- [Understanding ABLE Accounts, Special Needs Trusts and Pooled Trusts](#)

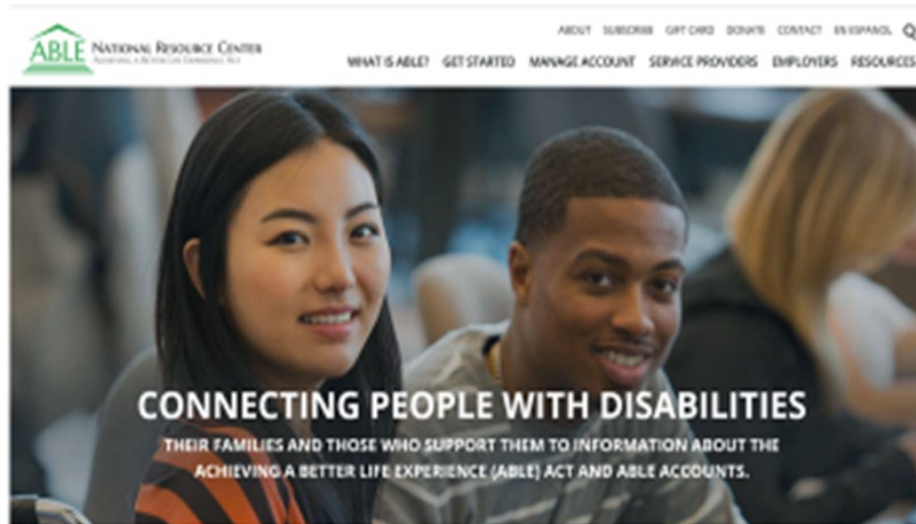
[ABLE Decision Guide Series](#)

- A series of step-by-step guides on key ABLE topics that provide multiple pathways to outcomes.
- Guides help increase ABLE understanding and assist in effective decision making.

ABLE National Resource Center

Visit ABLE NRC's website at www.ABLENrc.org for:

- [ABLE Decision Guides](#)
- [ABLE Program Comparison Tools](#)
- [ABLE FAQs](#)
- [ABLE Account Owners](#)
- [ABLE Family Members](#)
- [#ABLEtoSave Podcasts](#)
- [ABLE Webinars](#)
- [AchievABLE Newsletter](#)
- [ABLE Toolkits](#) (including the Service Provider Toolkit and Employer Toolkit)



Visit ABLE NRC for Federal Guidance

[Find Federal Guidance for the following agencies on the ABLEnrc.org website here.](#)

- Treasury/IRS
- Supplemental Security Income (SSI)
- Supplemental Nutrition Assistance Programs (SNAP)
- Housing and Urban Development (HUD), and
- Others



Help Spread the Word!

- Please share information about ABLÉ accounts with your employees, co-workers, partners, families and community groups!
- To receive up-to-date information on ABLÉ, please subscribe to our [AchievABLE](#) newsletter.
- Connect with us on social media: [Facebook](#) and [Twitter](#).
- For answers to all of your questions, visit our website: [ABLEnrc.org](#) and check out our [Frequently Asked Questions](#).



QUESTIONS AND ANSWERS



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THANK YOU!



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