

www.illinoistreasurer.gov/individuals/ABLE

Overview

Section 529A of the Internal Revenue Code, passed by Congress in 2014, allows for states to establish tax-advantaged savings vehicles to assist persons with blindness or disability save for the future without putting their federal means-tested benefits at risk.

The Illinois State Treasurer is the administrator of Illinois' 529A program, called Illinois ABLE, which is a partnership with 13 other states to provide the most robust ABLE services at the lowest cost to beneficiaries. This multi-state partnership is called the National ABLE Alliance and represents roughly one quarter of the US disability population.

The program is flexible to users who wish to invest or simply to save their money free from putting their federal benefits in danger, with six simple-to-use investment options and one banking product.

Program Features

- > Six Easy-To-Use Investment Option
- > Banking Option with Free Debit Card
- > No Fees at 45,000 ATMs
- > Third Party Reviewed Website
- > No Overdraft Fees

Approved Expenses for ABLE Include

- > Education
- > Housing
- > Transportation
- > Employment training & support
- > Assistive technology
- > Personal support services
- > General health services
- > Prevention and wellness services
- > Financial management & administrative services
- > Legal fees
- > Expenses for oversight & monitoring
- > Funeral & burial expenses.

Common Questions

Who qualifies for ABLE funds?

Individual beneficiaries must be disabled (defined as being entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act, or have a "disability certification" filed with the Treasury Secretary) AND must have been disabled before age 26 in order to receive benefits under the program.

How much can I contribute to my account?

Up to \$14,000 per year. No further contributions may be made until the start of the next calendar year.

Do I have to prove that withdrawals are for qualified disability expenses?

Not at the time of the withdrawal. Annually, Illinois ABLE will report the total amount of your withdrawals to the IRS and the date and amount of each of your withdrawals to the Social Security Administration.

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ABLE Accounts

Basic Info

For many of families these accounts (now available in Illinois) can help them financially plan for the needs of their children as they age and avoid jeopardizing any government assistance like Social Security (SSI) or Social Security Disability (SSDI).

ABLE stands for Achieving a Better Life Experience. Nationally Easterseals helped craft the federal legislation and (with affiliates like us) helped advocate for its passage, enactment by then President Obama, and its implementation at the state level—Illinois has joined with several other states and has launched its program—details at the end of this series.

ABLE accounts are very similar to 529 Accounts to help parents and family members save for college expenses. The same IRS rule that makes these college accounts possible is what permits the ABLE Accounts.

Briefly, an **ABLE Account allows a family to create an account managed by the State Treasurer (just like the college savings accounts) for their child with disabilities.** Money saved in these accounts will not be counted against them when applying for / receiving federal benefits programs like SSI or SSDI.

ABLE Accounts are limited to individuals with an **age of disability onset before 26 years.** If one meets this criteria and is already receiving benefits under SSI or SSDI, he/she is automatically eligible to establish an ABLE Account. If not already receiving SSI or SSDI, a doctor will need to certify that the disability was acquired before age 26.

Annual Contributions can be made to an ABLE Account by parents, grandparents, other family members or friends. A maximum annual total of \$14,000 can be contributed but lesser amounts are fine. Accounts can grow to a maximum of \$100,000 before impacting one's eligibility for SSI or SSDI.

ABLE Accounts can be used to pay the following "Qualified Disability Expenses" for a person with a disability:

- Education
- Housing
- Transportation
- Employment training & support
- Assistive Technology
- Personal support services
- General health services
- Prevention and wellness services
- Financial management and administrative services
- Legal fees
- Expenses for oversight and monitoring
- Funeral & burial expenses

Without an ABLE Account, a person with a disability is limited to \$2,000 in assets— if you exceed this amount your SSI or SSDI could be suspended. Families were constantly trying to keep their child with a disability below this level but also meet their special needs—THIS WAS NEARLY IMPOSSIBLE. This limit also created a disincentive for those with disabilities to work.

ABLE programs are developed and managed at the state level so there is no need to use a financial planner or bank to create an ABLE Account.

An individual with a disability is limited to ONE ABLE Accounts—a family cannot create multiple accounts for a person with a disability.

Please **use and share** the following resources for more information on ABLE Accounts and / or to sign-up for an ABLE Account.

ABLE Account Resources:

- [Easterseals Central Illinois Advocacy page](#)
- [Illinois State Treasurer Website](#)
- [Illinois ABLE—one page factsheet](#)
- [ABLE National Resource Center](#)



a member of
The National ABLE Alliance

Illinois ABLE Myth Busters!

MYTH	MYTH BUSTER!
I will lose my SSI benefits if I have an ABLE account.	You can save up to \$100,000 in your IL ABLE account and still receive your monthly SSI benefits. At \$100,000 SSI are temporarily suspended until the account balance falls below \$100,000. You do NOT lose benefits eligibility!
If I have a special needs trust, I cannot have an ABLE account.	Not true! An Illinois ABLE account is a great supplement to a special needs trust.
I will lose Medicaid if I open an ABLE account.	No. Even if your Illinois ABLE balance climbs above \$100,000, you will keep your Medicaid benefits.
When I die, Medicaid will "claw back" funds from my ABLE account.	Illinois' state Medicaid agency is not permitted to recover certain benefits from your IL ABLE account upon your death. However, federal law requires Medicaid to recover some kinds of benefits after the death of an account owner <u>after</u> funeral, burial and outstanding disability expenses are paid. Check with your benefits specialist.
I have to be under age 26 in order to open an ABLE account.	You can open an Illinois ABLE account at any age. The symptoms of your disability must have been present before age 26. The diagnosis can be made after age 26.
A lawyer has to open my ABLE Account for me.	You do not need a lawyer to open your Illinois ABLE account. You can open it easily online at il.savewithable.com .
I must get permission to withdraw money from my ABLE Account.	You do not need permission. It's your money! Keep a file with statements and receipts in case you are required by the Internal Revenue Service to show them.
I can only open my ABLE account in my state.	No. You can open your ABLE account in any state that offers an ABLE program to out-of-state residents. However, it is a good idea to look at your state's option first.
I am the only one who can put money into my ABLE account.	Nope. Anyone - you, family, friends, even the public - can contribute a total of \$15,000 per year into your IL ABLE account to help you pay for your disability-related expenses. You can contribute even more if you work!
I'm not allowed to put my SSI/SSDI funds into my ABLE account	Incorrect. You can set up direct deposit from the Social Security Administration into your ABLE account.

Open Your ABLE Account at: il.savewithable.com

Questions? Call 888-609-8683