

# ABLE United

## Navigating Your Benefits

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# Objectives

Achieving a Better Life Experience.

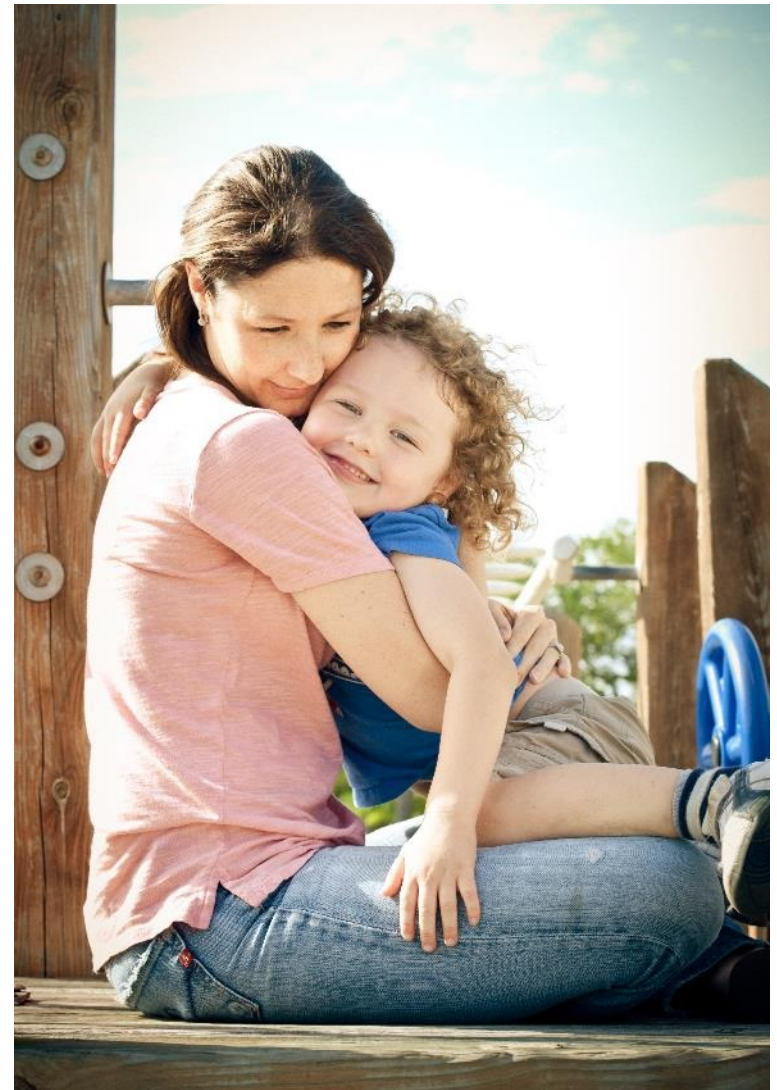
- Overview of ABLE Act
- ABLE United Specifics
- Distinctions Between SSA Disability Programs
- Supplemental Security Income Program Rules
- ABLE Monthly Reporting
- Questions



# What is ABLE?

## Achieving a Better Life Experience.

- The Stephen Beck, Jr. Achieving a Better Life Experience Act encourages individuals with disabilities to **save private funds** to support health, independence, and **quality of life**.
- Added a new section to the Internal Revenue Code, Section 529A.
- In July 2015, Florida created a not-for-profit and direct support organization of the Florida Prepaid College Board to administer Florida's ABLE Program.
- ABLE United launched July 1, 2016.



# ABLE United Overview

Tax-free savings to support disability expenses while maintaining benefits

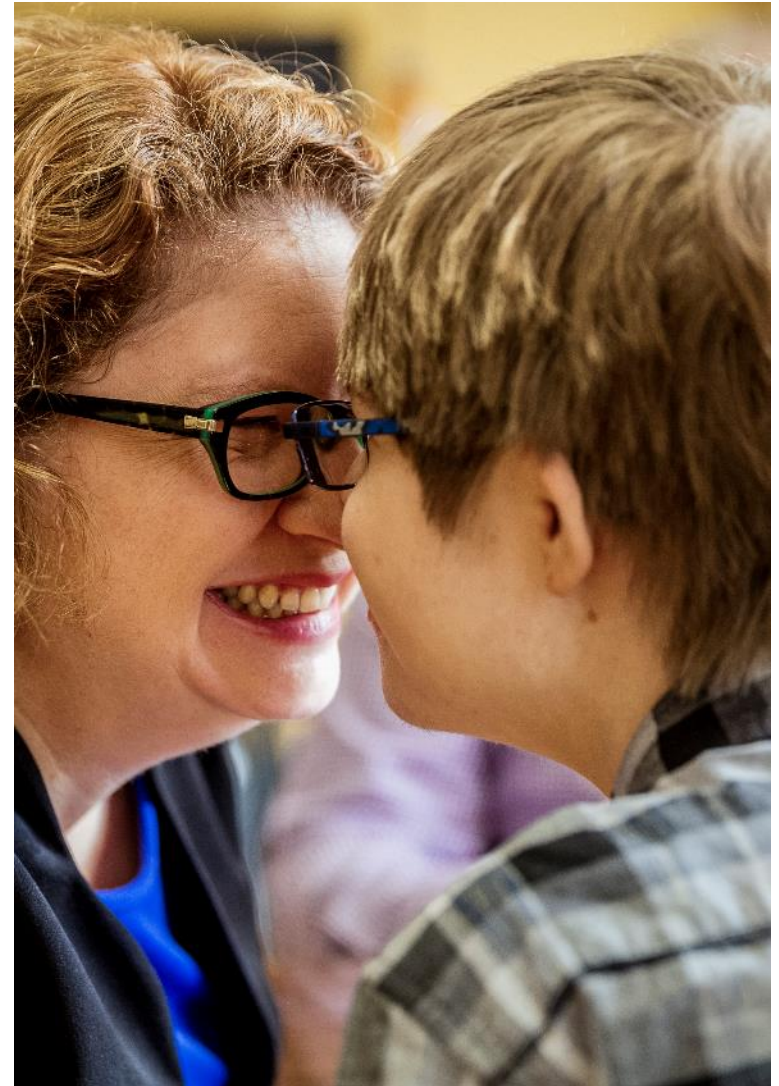
Must be a **Florida resident** at the time of application and have a **qualifying disability** with **onset prior to age 26**

**Enroll:** Open an account online in 15 minutes  
*No documents or approval process*

**Contribute:** Save up to \$14,000 per year  
*Anyone may contribute to the account*

**Grow:** Choose from 7 investment options  
*Predesigned and custom portfolios*

**Withdraw:** Withdraw at any time, for any reason  
*No tax if used for qualified expenses*





# Qualified Disability Expenses

Relates to disability and maintains/improves health, independence, or quality of life

Qualified disability expenses, which include “living expenses,” are not required to be medically necessary or to be limited for the sole benefit of the individual with a disability.



Health



Education



Housing



Transportation



Legal Fees



Financial Management



Employment Training and Support



Assistive Technology and Personal Support Services



Oversight and Monitoring



Funeral and Burial



Other Expenses Approved by the Treasury Regulations

# Social Security ABLE Presentation

# Disability Under Social Security

## **Title II (Earned Benefits)**

- *Monthly cash benefits for a disabled worker* (disability insurance benefits)
  - Are under a disability
  - Have filed an application for disabled worker's benefits
  - Have disability insured status
- *Monthly cash benefits for a disabled widow(er) or disabled surviving divorced spouse*
  - Age 50-59 who meet the other requirements for entitlement to widow(er)'s insurance benefits
  - Meet the definition of disability for disabled workers
- *Monthly cash benefits for a disabled child*
  - Child of a worker entitled to disabled worker's or retirement benefits or of an insured worker who died
  - Payable as early as age 18
  - Child must have become disabled before reaching age 22

# Disability Under Social Security

## **Title XVI (Supplemental Security Income or SSI)**

- Monthly cash benefits for needy, blind, or disabled individuals
- Includes aged and blind or disabled adults and children
- Means-tested benefit (limited income and resources)
- No insured status requirement
- Adult and Child disability standards



# Impact of ABLE Accounts

- **Title II Beneficiaries**

- ABLE accounts have no impact on eligibility or benefit amount.

- **Title XVI (SSI) Recipients**

- Since SSI is means-tested, ABLE accounts and account balances and distributions are considered in determining eligibility for SSI.

# Overview of SSI Program Rules

- When we exclude ABLE account balances, contributions and distributions
- When we count ABLE account balances and distributions
- Suspension when an ABLE account balance exceeds \$100,000
- Special Medicaid rules



# Exclusion of ABLE Accounts

## **For Most Federal Means-Tested Programs**

- ABLE account balances are excluded.
- Limitation is the maximum amount that can be contributed under a State plan.

## **For the SSI Program**

- ABLE account balances are excluded up to \$100,000.
- Amounts over \$100,000 count toward the \$2,000 SSI resource limit.
- If the balance of an ABLE account exceeds \$100,000 by an amount that causes the recipient to exceed the SSI resource limit--whether alone or with other resources, the recipient is ineligible for SSI and benefits will be suspended, but still eligible for Medicaid.

# Contributions to ABLE Accounts

- Contributions from any source to an ABLE account are not considered income to an SSI recipient.
- However:
  - An SSI recipient's earnings contributed to an ABLE account are still considered wages and counted (even if payroll deduction).
  - Gifts to an SSI recipient to be deposited into an ABLE account are considered as income.
  - Gifts made directly into an ABLE account are not income.

# Distributions From ABLE Accounts

Distributions from an ABLE account are not income to the designated beneficiary, regardless of whether the distributions are for:

- Qualified Disability Expenses (QDE)
  - Housing-related QDEs,
  - Non-Housing-related QDEs; or
- Non-qualified expenses.

# Distributions From ABLE Accounts

## **Retained Distribution for a Non-Housing Related QDE**

- We exclude from resources a distribution for a QDE other than housing if the beneficiary retains it beyond the month received.
- This exclusion applies while:
  - the designated beneficiary maintains, makes contributions to, or receives distributions from the ABLE account;
  - the distribution is unspent;
  - the distribution is identifiable; and
  - the individual still intends to use the distribution for a non-housing-related QDE.
- We have not established a timeframe for spending.



# Distributions From ABLE Accounts

## **Qualified Disability Expense (QDE) for Housing**

Although housing is a QDE under the statute, the statute also provides that QDEs for housing expenses are treated differently for SSI . Housing expenses for purposes of an ABLE account are the same as they are for other SSI program purposes and are defined in regulations.

### **QDEs for housing are payments for:**

- Mortgage (including property insurance);
- Real property taxes;
- Rent;
- Heating fuel;
- Gas;
- Electricity;
- Water;
- Sewer; and
- Garbage removal

# Distributions From ABLE Accounts

## Retained Distributions for Housing-Related QDEs or Expenses that are not QDEs

- We count a distribution for a housing-related QDE or for an expense that is not a QDE as a resource, if the beneficiary retains the distribution into the month following the month of receipt.
- We count previously excluded distributions (QDE) used for a non-qualified purpose or a housing related QDE as a resource at the earlier of:
  - the month spent; or
  - the month intent changed.

# Distributions From ABLE Accounts

## Examples

- **Non-Housing Related QDE**

Eric takes a distribution of \$500 from his ABLE account in June 2016 to pay for a health-related QDE. His bill is not due until September, so he deposits the distribution into his checking account. The distribution is not income in June. Eric maintains his ABLE account at all relevant times, and the distribution is both unspent and identifiable until he pays his health-related expense in September. We exclude the \$500 from Eric's countable resources in July, August, and September.

- **Housing-Related QDE**

Amy takes a distribution of \$500 from her ABLE account in May to pay her rent for June. She deposits the \$500 into her checking account in May, withdraws \$500 in cash on June 3, and pays her landlord. This distribution is a housing-related QDE and part of her checking account balance June 1, which makes it a countable resource for the month of June.

# Distributions From ABLE Accounts

## Examples

- **Previously Excluded Distribution used for a Non-QDE**

Sam takes a distribution of \$25,000 from his ABLE account to modify a specially equipped van in May. He pays a \$10,000 deposit. While waiting for delivery of the van, Sam takes a trip to a local casino in July where he loses \$1,000 of his ABLE distribution gambling. The \$1,000 he lost gambling is a countable resource in July. The other \$14,000 Sam retains can still be an excluded resource as long as it is identifiable and still intended for a QDE.

- **Excluded Distribution used for a Housing-related QDE**

In June, Jennifer takes a \$7,000 distribution from her ABLE account to pay her college tuition - a QDE. Her tuition payment is due in September. However, she has to make a \$750 advance rent payment to her landlord for her college apartment in August. She uses some of the distribution she took in June to make the rent payment – a housing-related QDE. The \$750 is a countable resource in August. We exclude the remaining \$6,250 of the retained distribution as long as it is identifiable and still intended for a QDE.

# Distributions From ABLE Accounts

## **Items Purchased with Funds from an ABLE Account**

- Normal SSI resource counting rules and exclusions apply to items purchased with funds from an ABLE account.
  - A home
  - An automobile
  - Household goods and personal effects
  - Items required because of an individual's physical or mental impairment
  - Burial contracts and spaces
  - Property used for self-support

# ABLE Monthly Reporting

## How will SSA use the data reported by the State?

- Reported data will be verified with the recipient
- Recipient will have due process procedures
- **SSI Recipients**
  - Compute resource balances
  - Determine periods of suspension
- **Title II beneficiaries**
  - SSA will not use reported data
- **Disability certification-eligible individuals**
  - SSA will not use reported data



# Public Information

- SSA is developing a public ABLE webpage
- SSA drafted Frequently Asked Questions, which will be posted to the webpage
- Our program rules are available on-line at [ssa.gov](http://ssa.gov) (Program Operations Manual System (POMS) SI 01130.740.)
- We will update these as necessary



Questions

# Connect With Us

Visit [ableunited.com](http://ableunited.com) for more information about ABLE United.

Learn more about ABLE United accounts, listen to other account holders, and review our Program Description and Participation Agreement.

## **Customer Service:**

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