

To learn more about these and other programs, contact Family Voices Indiana. We will assist you as you navigate health care systems and services, especially those available to individuals with special health care needs.

844-323-4636
fvindiana.org

ABLE Accounts

What is the ABLE Act?

ABLE (A.B.L.E.) is an acronym for Achieving a Better Life Experience. The ABLE Act was passed in December 2014, and it allows people with disabilities and their families to set up a tax-free savings account that can be used to pay for expenses related to the person's disability. Funds in the account are generally not counted for the purposes of federally means-tested programs, such as Social Security (SSI and SSDI) and Medicaid.

Who is Eligible for an ABLE Account?

An individual who becomes disabled before age 26 and receives SSI or SSDI, or is otherwise deemed "severely disabled" as documented by a physician, is eligible to open an ABLE Account.

An ABLE account may be opened by the person with a disability, or a family member or guardian of a person with a disability, as long as the participant meets the criteria for eligibility. An account may be opened for anyone of any age. An individual may have only one ABLE account in his/her name. Anyone can contribute to the account.

How Can I Open an ABLE Account?

Several states have established ABLE accounts, and some states allow non-residents to participate in their ABLE program. Non-residents should consider tax and other implications of investing in out-of-state plans. In late July 2017, Indiana announced the state's new plan: *INvestABLE*. Consumers can open an account by going to the website: <https://savewithable.com/in/home.html> or by calling (888) 609-3457. Indiana allows non-residents to participate in the state's ABLE plan.

No more than the annual gift-tax exemption (currently \$15,000) may be contributed to an individual's ABLE account yearly.

What are the Advantages of an ABLE Account?

An ABLE account allows families to save for costs related to everyday needs, special and common activities, and for "qualify of life" expenses. Other than basic living expenses, expenditures related to education, health and wellness, housing, transportation, legal fees, financial management, employment, assistive technology, personal support, and funeral and burial expenses also qualify.

Withdrawals from an ABLE account for qualified disability expenses, as well as any monies earned through the account, are tax-free.

Individuals eligible for Social Security and Medicaid benefits are still able to receive these benefits. For accounts that reach \$100,000, SSI benefits may be affected.

Programs and systems change often. It is important to ensure that you are using the most current information. This fact sheet was updated September 2018. Please check http://fvindiana.org/fact_sheets for the most recent edition.

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