



TICKET TO  
**WORK**

**WISE**  
Work Incentives Seminar Event

# Achieving Financial Independence with Ticket to Work and an ABLE Account

Date: Wednesday, March 21, 2018

Time: 3 – 4:30 p.m. ET

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# Agenda

Welcome and Introductions

**Moderators:** Nancy Boutot, NDI Consulting

**Presenters:** Christopher J. Rodriguez, National Disability Institute  
Marlene Ulisky, NDI Consulting



# Topics

- Achieving the American Dream and Financial Independence
- ABLE Accounts
  - Requirements/Eligibility
  - Impact on Federal Benefits
  - 2018 Changes
  - Setting up an ABLE Account
- Social Security's Ticket to Work Program
- Tying It All Together
- Questions and Answers

# What is the American Dream?



## Achieving the American Dream



For millions of Americans, the American Dream is

- Owning a home
- Having friends
- Going on vacation
- Having reliable transportation
- Getting an education
- Starting or owning a business
- Supporting children
- Saving income from work to retire with a positive quality of life to enjoy the things you value most

## Achieving the American Dream *(continued)*

Before the ABLE Act, there were limited ways to save money without the risk of losing means-tested payments.

With an ABLE account you have the ability to improve your financial stability and gain:

- An improved economic future
- Improved physical and mental health as a result of reduced financial stress
- Better choices of where to live
- Greater levels of social, civic, and economic participation

# ABLE Accounts



## What is ABLE?

The Stephen Beck Jr. Achieving a Better Life Experience (ABLE) Act became law on December 19, 2014.

- Created a new option for **certain people with disabilities** and their families to save money for the future in a **tax-exempt account**
- That money may be used for **qualified disability expenses** while still **keeping their eligibility for federal public expenses**

To learn more about the programs available in 32 states and the District of Columbia, visit: [www.ablenrc.org/state-review](http://www.ablenrc.org/state-review).

# Who Is Eligible for an ABLE Account?

To be eligible, individuals must meet 2 requirements:

## 1. Age requirement:

- Had an onset of disability prior to 26<sup>th</sup> birthday

## 2. Severity of disability:

- Determined to **meet the disability requirements** for Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI)  
*or*
- Obtained a **disability certification**, including a physician's diagnosis, that the individual meets certain severity of disability criteria

## What Is a Disability Certification?

A disability certification is a physician's note stating that your disability creates "marked and severe functional limitations" or blindness.

- You obtain the note before opening your ABLE account and keep it in your own files.
- You certify under penalty of perjury that you obtained it prior to opening your account.

If you already receive SSI or SSDI and meet the other criteria, you do not need a separate disability certification.



## ABLE Basics

- Each eligible person may only have **1** ABLE account.
- The designated beneficiary is the account owner.
  - Another person such as a parent, a guardian, or a person with power of attorney may be allowed signature authority over the account.
- There is **no longer a federal residency requirement** related to establishing an ABLE account, unless otherwise established by a given program.

## ABLE Basics *(continued)*

- Total annual contributions may not exceed the federal gift tax contribution, which is currently \$15,000.
  - This may periodically adjust for inflation.
- Anyone, including the beneficiary, their family, friends, and others may make contributions to an ABLE account.
  - Contributions can include Social Security disability benefits, earnings from work, or gifts from family, friends, and others.
- Total lifetime contributions may not exceed the state limit for 529 college savings accounts.

## Using ABLE Account Funds

Distributions from an ABLE account may be made for **qualified disability expenses**.

### Qualified disability expenses:

- Relate to the designated beneficiary's blindness or disability
- Are for the benefit of that designated beneficiary
- Must relate to maintaining or improving his or her health, independence, or quality of life

## Using ABLE Account Funds *(continued)*

The term qualified disability expenses should be broadly understood to permit the inclusion of basic living expenses and should not be limited to:

- Expenses for items for which there is a medical necessity, or
- Expenses that provide no benefits to others in addition to the benefit to the eligible individual

## Qualified Expenses Related to Employment

Funds in an ABLE account can be used for **employment-related expenses** to help an ABLE account owner secure and maintain employment, including:

- Job coaching
- Costs associated with certificates, accreditations and/or job-related trainings
- Interview preparation and resume development
- Employment training and support
- Transportation to and from your place of employment

# Qualified Disability Expenses

Examples of qualified disability expenses may include:

- Assistive technology and personal support services
- Education
- Expenses for oversight and monitoring
- Financial management and administrative services
- Health, prevention, and wellness
- Housing/disability-related housing modifications
- Personal support services
- Transportation

## Additional Examples of Qualified Disability Expenses

- Basic living expenses
- Funeral and burial expenses
- Legal fees
- Any other expenses approved by the Secretary of the Treasury under regulations consistent with the purpose of the program

**Remember:** It's important not to misuse ABLE funds for non-qualified expenses. This will help avoid possible penalties, including ineligibility for federal means-tested benefits.

# ABLE Accounts and Federal Benefits





## How Does ABLE Affect Your SSI?



- The first \$100,000 in an ABLE account will be disregarded.
- SSI payments will be *suspended* if the beneficiary's account balance exceeds \$100,000, but eligibility for SSI will not be terminated.
- Funds above \$100,000 will be treated as a resource and counted along with other resources.
- Housing expenses receive the same treatment as all housing costs paid by outside sources.
  - Social Security instructions treat housing expenses as resources only if distributed in one month and held until the following month.

## How Does ABLE Affect Medicaid Eligibility?



- ABLE assets are disregarded in determining **Medicaid eligibility**.
- ABLE assets supplement, rather than replace, benefits and services.
  - They may cover gaps in services and supports, enabling some people to maintain Medicaid coverage while saving for future expenses.
- If you receive SSI, Medicaid benefits are not suspended if your ABLE account balance exceeds \$100,000 (that is only applicable to the SSI monthly benefit).

# What Happens to ABLE Funds Upon the Death of a Beneficiary?



## Medicaid:

- If there are funds in an ABLE account when a beneficiary dies, the funds can be used to reimburse a state for Medicaid payments made on behalf of the beneficiary, after the creation of the ABLE account.
- The state has to file a claim for those funds but isn't required to do so.
- In this instance, the state is considered a creditor, not a beneficiary, of the ABLE account.

## How Does ABLE Affect SNAP Eligibility?

U.S. Department of Agriculture:

- ABLE funds do not affect Supplemental Nutrition Assistance Program (SNAP) benefits.

For more information, visit: [www.fns.usda.gov/snap/treatment-able-accounts-determining-snap-eligibility](http://www.fns.usda.gov/snap/treatment-able-accounts-determining-snap-eligibility).



# Tax Treatment of ABLE Accounts

- Contributions are made with post-tax dollars
- ABLE account earnings
  - Grow tax-free
  - Are tax-exempt
- Some states have tax deductions for contributions made by in-state residents:
  - Iowa, Maryland, Michigan, Missouri, Montana, Nebraska, Ohio, Oregon, Pennsylvania, South Carolina, Virginia, Wisconsin (out-of-state), and Utah (credit)
- For more information, visit: [www.ablenrc.org](http://www.ablenrc.org).

# How Do ABLE Accounts Differ from Special Needs Trusts?

An ABLE account and a Special Needs Trust (SNT) are both excluded from eligibility determinations for SSI and Medicaid. *You can have both an ABLE account and a SNT.*

Differences:

- No limitation on contributions to SNTs or number of SNTs
  - ABLE accounts - 1 account, \$15,000 per year
  - \$100,000 total threshold for suspension of SSI
- ABLE accounts grow tax-free
  - Income from SNTs is taxable
- Start up costs for ABLE accounts are minimal
  - Start-up costs for SNTs may be over \$1,000 in legal fees

## What Money Can I Save in My ABLE Account?

- Gifts from family or friends
- Earned Income Tax Credit refunds
- Social Security Disability Insurance benefits
- Distributions from a Special Needs Trust or pooled trust
- Savings from employment
- Bonuses from an employer
- Contributions from an employer

# Changes to ABLE in 2018





## ABLE to Work Act

- The “**ABLE to Work Act**” allows ABLE account holders who work and earn income to contribute above the \$15,000 annual contribution limit.
- They may contribute an additional amount from whichever is less:
  - Their gross income for that taxable year
  - or*
  - The amount equal to the federal poverty level for the 48 contiguous states for a one-person household as determined for the calendar year *preceding* the year contributions are made

## ABLE to Work Act *(continued)*

- Beneficiary may not be participating in their employer-based retirement fund
- Earnings that are the result of employment are still counted in terms of substantial gainful activity (SGA) or earned income and taken into consideration when determining eligibility for certain public benefits
- Guidance from the U.S. Department of Treasury is expected

## Other Significant 2018 Changes

- Annual contribution limit increase to **\$15,000** for 2018
- **The ABLE Financial Planning Act** allows funds in a 529 college savings account to be rolled over into a 529A account (ABLE account).
  - The funds are subject to the annual contribution limit.
- Account owners who contribute their own money into their ABLE account may be eligible for the Retirement Savings Contributions Tax Credit (“**Saver’s Credit**”).

## Choosing an ABLE Program

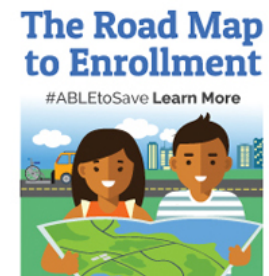
Use the comparison tool to find the program that meets your needs:  
[www.ablenrc.org/state\\_compare](http://www.ablenrc.org/state_compare).

Find answers to questions such as:

- Does your state have an ABLE program? If so, is there a tax deduction?
- Are there annual or monthly fees?
- What is the initial minimum contribution?
- Are there subsequent minimum contributions to the account?
- Is there a debit card available?
- What are the investment options?

## How Do I Set up an ABLE Account?

- Visit [www.ablenrc.org](http://www.ablenrc.org)
- Find informational videos, ask the experts, or view “Friday Fast Facts” on the Road Map to Enrollment at: [www.ablenrc.org/road-map-enrollment](http://www.ablenrc.org/road-map-enrollment)
- Find the State Program Administrator to enroll: [www.ablenrc.org/state-review](http://www.ablenrc.org/state-review)



## ABLE National Resource Center

- The ABLE National Resource Center (ANRC) is a collaborative whose supporters share the goal of **accelerating the design and availability** of ABLE accounts for the **benefit of individuals with disabilities and their families**.
- The ANRC brings together the investment, support and resources of the country's largest and most influential national disability organizations.

Chris Rodriguez  
Director  
[crodriguez@ndi-inc.org](mailto:crodriguez@ndi-inc.org)

# The Ticket to Work Program



# What is the Ticket to Work Program?

The Ticket to Work (Ticket) program:

- Is Social Security's national employment program
- Supports career development for people with disabilities who want to work
- Is for Social Security disability beneficiaries ages 18 through 64
- Is free and voluntary





# Why Should You Choose Work?

Work can have many benefits, including:

- Increased income
- Greater independence
- A place to meet new people
- A chance to learn new skills
- Financial independence
- A better future



## Starting the Journey: Ticket to Work Can Help

Only you can decide if work is the right choice for you. It's a big decision that requires:

- Understanding how working may affect your Social Security disability benefits and other benefits
- Support finding and keeping a job



## Taking the Next Step

- Gathering information and resources is key to planning your journey toward employment.
- Ticket to Work and Work Incentives can help make your journey a smooth one.



## Tying It All Together:

**ABLE, Employment,  
Social Security's Ticket to Work Program,  
and YOU!**



## Start Your Journey

There is no single strategy for achieving the American dream, but the first steps for many include getting a job, working, and saving money to achieve goals.



## Tying It All Together!

Ticket to Work and Work Incentives combined with ABLE can help make your journey into the future a smooth one!

Take the first step now:

- Gather information and resources on the **Ticket program** and **ABLE accounts** to plan your journey to employment and financial independence.





## Resources

## Find Help Tool

Visit [choosework.ssa.gov/findhelp](https://choosework.ssa.gov/findhelp) to search for the right service provider for you.

Search by:

- ZIP code
- Services offered
- Disability type
- Languages spoken
- Provider type

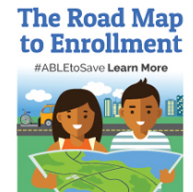




## Resources:

### ABLE National Resource Center

- Upcoming and archived webinars: [www.ablenrc.org/webinars](http://www.ablenrc.org/webinars)
- Road Map to Enrollment: [ablenrc.org/road-map-enrollment](http://ablenrc.org/road-map-enrollment)
- Join the ABLE NRC Mailing List: <http://bit.ly/2CogYzu>



### National Disability Institute Webinars

- [www.realeconomicimpact.org/resources/webinar-archive](http://www.realeconomicimpact.org/resources/webinar-archive)

## Get Started!

### Call the Ticket to Work Help Line:

- 866-968-7842
- 866-833-2967 (TTY)

Visit: [choosework.ssa.gov](http://choosework.ssa.gov)



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**Date: Wednesday, April 25, 2018**

**Time: 3-4:30 p.m. ET**

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# Questions?



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