

Disability Rights IOWA

Law Center for Protection and Advocacy™

Using ABLE Savings Accounts to Purchase Assistive Technology¹

QUESTION:

I have cerebral palsy. I am 22 years old. I receive Social Security Income (SSI) in the amount of \$735 per month. I live in Cedar Rapids, Iowa. I currently use a power wheelchair. The chair costs \$9000. I would eventually like to buy a power chair in which I can sit and stand but I am not allowed to have more than \$2000 in my savings account without losing my eligibility for SSI and Medicaid. My parents can only afford to set aside \$3000 per year. I have heard about ABLE savings accounts. How can I use an ABLE account to purchase the standing chair?

ANSWER: Yes, you and your parents can set aside up to \$14,000 each year to purchase a standing power chair without jeopardizing your SSI and Medicaid eligibility. Below is some basic information about ABLE accounts and how you can use them to purchase assistive technology.

What is ABLE?

In 2014, Congress passed the Stephen Beck Jr., Achieving a Better Life Experience Act or better known as the ABLE Act. ABLE accounts are tax-free savings accounts for qualified individuals with a disability to help save for disability related expenses without losing their Medicaid or SSI or other means-based programs

Who is eligible for ABLE?

An individual is eligible if:

- The individual was diagnosed with a disability before the age of 26; and
- One of the following is true:
 - You are eligible for SSI or SSDI because of a disability;
 - You experience blindness as determined by the Social Security Act; or
 - You have a similarly severe disability with a written diagnosis from a licensed physician.

In our example above, you are eligible for ABLE because you were diagnosed with cerebral palsy before the age of 26 and you are eligible for SSI.

How much can I contribute?

Anyone can add contributions to a person's ABLE account up to the amount of \$14,000 per year.

Do I have to live in Iowa to open an ABLE account?

Anyone in the United States can open an ABLE account. However, only taxpayers can receive the Iowa state tax deduction under the state of Iowa's ABLE saving plan.

States that offer ABLE accounts also have different options to choose from so you should research each state's ABLE programs to determine which one is right for you.

¹ Disability Rights Iowa is funded through a grant by the U.S. Department of Health and Human Services, Administration on Community Living, Protection and Advocacy for Assistive Technology Program under a subcontract with the University of Iowa to produce this fact sheet.

What are qualified disability expenses?

The expense is qualified if:

- you incurred the expense at a time you were considered an eligible individual;
- The expense relates to your blindness or disability; and
- The expense helps you maintain or improve your health, independence or quality of life.

A "qualified disability expense" means any expense related to the designated beneficiary as a result of living a life with disabilities. These may include education, housing, transportation, employment training and support, **assistive technology**, personal support services, health care expenses, financial management and administrative services and other expenses which help improve health, independence, and/or quality of life.

A power chair from our example above would be considered a qualified expense as it would help to improve quality of life.

What is the difference between a Special Needs Trust and an ABLE account?

- An ABLE account is easier to set up than a special needs trust as it can typically be set up online and can be handled by the beneficiary rather than a trustee.
- ABLE accounts have a limit of \$14,000 per year whereas a special need trust can handle larger sums of money such as an inheritance.
- ABLE accounts require that a participant have a qualified disability before age 26 and a special needs trust does not have that same stipulation.
- ABLE accounts require a Medicaid payback if the beneficiary were to die and a special needs trust does not have that same requirement on family-funded accounts.

As with all-important decisions, please do your research to determine the advantages and disadvantages of an ABLE account versus a special needs trust.

Where can I find more information?

You can contact your states WIPA (Work Incentive Planning and Assistance) program to find out more about ALBE as well as other possible work incentives that can be used to purchase assistance technology for someone receiving SSI (Supplemental Security Income) or SSDI (Social Security Disability Insurance) that is thinking about work or already working. You can also find out more about ABLE from the ABLE National Resource Center.

WIPA - <https://iowawipa.com/contact-us/>

ABLE National Resource Center - <http://www.ablenrc.org/>

The following agencies may also provide assistance with information regarding the purchase of assistive technology dependent upon your reason for needing it.

- Medicaid (if it is medically necessary) - <http://dhs.iowa.gov/iahealthlink>
- Iowa Vocational Rehabilitation (if it is needed for work) - <http://www.ivrs.iowa.gov/>
- Iowa Department for the Blind (if you are legally blind) - <https://blind.iowa.gov/>
- Easter Seals - <http://www.easterseals.com/ia/our-programs/assistive-technology-center/>
- Iowa Compass (information and referral) - <http://search.iowacompass.org/>

Our Mission: To defend and promote the human and legal rights of lowans with disabilities.

400 East Court Avenue, Suite 300
Des Moines, Iowa 50309

Telephone: 515-278-2502
FAX: 515-278-0539

Toll Free: 1-800-779-2502
Relay 711

Website: www.driowa.org
E-mail: info@driowa.org