

Kansas Legal Services

A non-profit law firm and community education organization helping low and moderate income people in Kansas



www.kansaslegalservices.org

Savings Program for Kansans Living with Disabilities

This April the National Disability Institute kicked off **Financial Capability Month**. This campaign highlighted tools designed to ensure people with disabilities have more opportunities to achieve financial stability and independence. The Kansas State Treasurer's office is proud to offer one of those tools.

ABLE savings accounts were created by the Federal Government and are administered by the states as a savings vehicle designed to financially empower individuals living with a disability.

ABLE accounts offer qualified individuals a way to save up to \$100,000, in their name, and still remain eligible for many Federal means-tested benefits programs such as Supplemental Security Income (SSI).

What is an ABLE account?

An ABLE account is a tax-advantaged savings account that qualified individuals with disabilities may open. Contributions to ABLE accounts are made on an after-tax basis. Earnings from ABLE funds grow tax-deferred and are tax-free if used for qualified disability expenses.

Contributions into the account may be made by anyone. Funds in the account may be used for "Qualified Disability Expenses" which include: Education, Housing, Transportation, Employment training and support, Assistive technology and related services, Health, Prevention and wellness, Financial management and administrative services, Legal fees, Expenses for ABLE account oversight and monitoring, Funeral and burial, and Basic living expenses.

Why the need for ABLE accounts?

Individuals with disabilities can only have \$2,000 in assets at any given time in order to remain eligible for many federal means-tested benefits programs, such as Supplemental Security Income (SSI). Under ABLE, eligible individuals and families may establish ABLE savings accounts that will not affect their eligibility for SSI (up to \$100,000), Medicaid and other public benefits.

ABLE accounts provide a mechanism to essentially increase this \$2,000 asset limitation so that individuals with disabilities and their families can save money for their future and to improve their quality of life.

Who is eligible to open an ABLE account?

There are two requirements to be eligible for an ABLE account: an age requirement and a severity of disability determination. The onset of symptoms of the person's disability must have occurred before age 26. Additionally, the disabled individual must have "marked and severe functional limitations" (Social Security definition of disability).

An individual whose disability occurred prior to age 26 and is already receiving SSI and/or SSDI is automatically eligible to establish an ABLE account.

Those who are not recipients of SSI and/or SSDI but still meet the age of onset disability requirement will be eligible to open an ABLE account upon obtaining a disability certification from their physician.

Are there limits to how much money can be saved in an ABLE account?

The annual contribution limit for an ABLE account is \$15,000. The annual limit is the sum of any contributions by the beneficiary, family and/or friends. The aggregate account limit for the Kansas ABLE plan is currently \$402,000.

If an account reaches \$402,000 contributions into the ABLE account will no longer be accepted however, funds allocated to investments or interest-bearing accounts may continue to grow beyond the \$402,000 maximum account limit.

Open a Kansas ABLE account today by visiting KS.SaveWithABLE.com or calling **888-609-8919** Monday through Friday, 8:00 a.m. to 5:00 p.m. CST.

For additional questions call 785-296-6251 or email ABLE@Treasurer.KS.Gov

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