

# Comparison Chart of Checking, Savings and ABLE Accounts



Having a safe place to keep your money is very important. A bank or credit union are safe options. Banks offer multiple types of financial services and products. This guide will compare a checking account, savings account and an ABLE account.

GUIDANCE	CHECKING ACCOUNT	SAVINGS ACCOUNT	ABLE ACCOUNT
<b>Comparison Criteria</b>	A CHECKING ACCOUNT IS A TRANSACTIONAL ACCOUNT USED TO PAY FOR YOUR EXPENSES.	A SAVINGS ACCOUNT IS AN ACCOUNT THAT ALLOWS YOU TO PUT MONEY IN TO SAVE.	AN ABLE ACCOUNT IS A TAX-ADVANTAGED SAVINGS ACCOUNT.
<b>Where To Open Account</b>	Bank or credit union	Bank or credit union	<u>Online</u> or may ask for paper application
<b>Who Can Open Account</b>	Person; if under age 18 with parent as co-signer	Person; if under age 18 with parent as co-signer	Person who has had a disability that began before age 26; if under age 18, with parent as legal representative
<b>Who Else Can Open Account</b>	Representative Payee or Guardian	Representative Payee or Guardian	Individual selected by the ABLE account owner, agent under a power of attorney, conservator or legal guardian, spouse, parent, sibling or grandparent or representative payee
<b>Use</b>	Deposit income to pay monthly bills and save	Savings, limited checks possible	Save, invest, pay for qualified disability expenses now or in future

<b>GUIDANCE</b>	<b>CHECKING ACCOUNT</b>	<b>SAVINGS ACCOUNT</b>	<b>ABLE ACCOUNT</b>
<b>Fee</b>	Often free, but may sometimes have fees	Often free, but may sometimes have fees	\$45 annual fee
<b>Deposit Limit</b>	In most cases no, but it is important to ask the bank you want to open an account with.	In most cases no, but it is important to ask the bank you want to open an account with.	Yes, up to \$16,000; up to an additional \$12,880 from employment earnings for working ABLE account owner who does not have contributions made to a retirement account during the calendar year
<b>Minimum Deposit To Open</b>	\$10 or more	\$10 or more	\$25
<b>Maximum Balance</b>	No	No	Yes, \$450,000
<b>Debit Card Fee</b>	Yes	No Debit Card	Prepaid debit card with \$2 monthly fee; may be waived with balance of \$250
<b>Deposit Ready For Use</b>	Often next day, though may take longer	Maybe next business day	Within 5 to 10 business days
<b>Non-Sufficient Funds Charge</b>	Yes	Yes	No
<b>Insured Up To \$250,000</b>	Yes Bank / FDIC Yes, Credit Union / NCUA	Yes	Yes, savings account is FDIC insured, but not investment options
<b>Upon Death Of Account Owner Medicaid May Request Payback</b>	Yes	Yes	No, Illinois state Medicaid is not permitted to recover certain benefits from an Illinois ABLE account, unless required by federal law.

GUIDANCE	CHECKING ACCOUNT	SAVINGS ACCOUNT	ABLE ACCOUNT
<b>Countable Resource For Ssi</b>	Yes	Yes	Up to \$100,000 is not counted
<b>Countable Resource For Fafsa, Hud, Snap, Medicaid Means-Tested Benefit Eligibility</b>	Yes	Yes	No
<b>Direct Deposits From People Are Countable Income</b>	Yes	Yes	No (child support is still countable unearned income)
<b>Trust Deposit Or 529 Rollover Possible</b>	No	No	Yes, up to \$16,000 when combined with all ABLE contributions for year
<b>Investment Earnings Are Taxable Income</b>	Yes, if an interest-bearing account	Yes, interest is taxable income	No, interest is not taxable income

**Information Resource:** [CFPB: Bank Accounts and Services](#), [ABLE National Resource Center](#)

## Definitions

**ABLE account:** is a savings account that offers investment options to grow and save money in account. ABLE investment earnings are not countable income when spent on qualified disability expenses.

**ABLE qualified disability expenses (QDEs):** education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other disability-related expenses that the ABLE account owner pays for with money saved in the ABLE account.

**Checking account:** a place, a bank or credit union account to put your money in and take out to pay for purchases or bills that are paid for with a check or with a debit card.

**Countable resource:** less than \$2,000 in cash resources (example may include money in a checking or savings account).

**Debit card:** allows a person to pay for a bill with the card with money saved in a checking account.

**Deposit:** put money into an account.

**FAFSA:** Free Application for Student Aid to go to college.

**529 Savings account:** savings account for school or college costs; interest is not taxable; contributions may reduce countable income taxes.

**HUD:** Housing and Urban Development: benefits to help pay rent or a mortgage.

**Insured up to \$250,000:** A bank or credit union has insurance that will replace up to \$250,000 should money be stolen from a bank or credit union account.

**Interest earnings:** saved money is used to purchase items that may increase or lose value; when money is invested and earns more money, the additional money is often countable income that is taxable.

**Investment:** to save money and plan to earn money while money is saved in the account; loss of money is possible, too.

**Medicaid:** pays for health care, housing, education and employment services for a person who has limited income and saved money or resources.

**Medicaid payback:** When a person dies, Medicaid may ask that any money the person saved be used to repay Medicaid for the costs of past services.

**Non-sufficient funds charge:** a cost for not having enough money in an account to pay a bill.

**Savings account:** an account that earns interest.

**SNAP:** Supplemental Nutrition Assistance Program; federal benefits program to purchase food.

**Trust:** could be a special needs or pooled trust that holds and controls money in an account to help cover a person's costs for some items; may be directly deposited into an ABLÉ account.

**Withdrawal:** take money out of an account.

