

Opening IL ABLE Accounts for Those You Serve

Service Provider Essentials





- Presenter will use the term “entity” to refer to agencies and disability service providers.
- This material is provided for general and educational purposes only, and is not intended to provide legal, tax, or investment advice. This material is not an offer to sell or a solicitation of an offer to buy any securities. Information subject to change. For more information, visit www.illinoisable.com.

Who Will Benefit from this Webinar?



Non-profit and for-profit entity staff that handle money of people served:

1. Power of attorney for adult with legal capacity
2. Guardian of minor or adult without legal capacity
3. SSA representative payee for adult with or without legal capacity

- Grasp of IL ABLE Account basics
- Understanding of what it means for your entity to open and manage an IL ABLE Account as Authorized Individual (AI)
- Overview of the “Account Type” your entity must choose when opening an IL ABLE Account
- Overview of your entity’s place in the “Order of Priority” and certifying as the entity Authorized Individual
- Understanding of how your entity can be an Interested Party



IL ABLE

Account Basics



What is an IL ABLE Account?



Achieving a Better Life Experience =

ABLE

- Tax-advantaged account that people with disabilities can own to save and invest money for expenses related to living with a disability.
- A financial savings product that protects federal benefits such as SSI, SSDI, and Medicaid.
- A tool in disability financial planning that can stand alone or complement a special needs trust.

Advantages of IL ABLE Accounts



- Build savings while preserving benefits: SSI, SSDI, Medicaid, HUD and others
 - SSI benefits preserved up to \$100,000 in ABLE Account balance
 - No Medicaid asset cap
- Don't have to spend down to avoid asset caps – save for meaningful expenditures
- Account Owners who work may be able to contribute earnings beyond the Annual Contribution Limit.
- Family, friends, others can contribute to the IL ABLE Accounts – Illinois taxpayers can receive a state income tax deduction - up to \$10,000 if filing as individual/\$20,000 if filing jointly

“...to assure equality of opportunity, full participation, independent living, and economic self-sufficiency” for and by people with disabilities

Americans with Disabilities Act of 1990

Features of IL ABLE Account Ownership



- Eligible person with the disability is always the Account Owner and beneficiary
- \$18,000 per year Account contribution maximum from all sources (more if Account Owner works)
- Account balance can be up to \$500,000 (\$100,000 if maintaining SSI benefits).
- No limits on withdrawals for Qualified Disability Expenses (QDEs)
- Earnings and withdrawals are tax-free to Account Owner if funds are used for QDEs
- Alternative or add-on to a special needs trust

Features of IL ABLE Account Ownership

- 7 Investment Options: 6 Target Risk Options and 1 Checking Account Option – (not available to entities)
- IL ABLE Accounts are available to U.S. residents living in any state.
- One Account allowed per individual nationwide
- IL ABLE Accounts must be opened through IL ABLE. They cannot be opened at a bank or other entity.



Account Owner Eligibility Requirements



- Individual's disability began before 26th birthday (increasing to before age 46 in 2026)

AND one of the following is true:

- Entitled to SSI (Supplemental Security Income) or SSDI (Social Security Disability Insurance because of a disability
- Has a condition on the SSA Compassionate Allowances list
- Is blind or has a medically determinable physical or mental impairment that results in marked and severe functional limitations that is expected to last longer than 12 months and has a written diagnosis from a physician on file.



Letter from a physician or diagnosis documentation should not be submitted with the Enrollment. Keep documents on file in case they are requested. By acting on the Account, AO or AI recertifies annually that AO continues to meet eligibility requirements.

What are Qualified Disability Expenses (QDEs)?

- QDEs are expenses that help to maintain or improve health, quality of life, and independence of the Account Owner.
- QDEs should be construed broadly to include basic living expenses such as groceries and rent.
- QDEs are not limited to expenses that are medically necessary or that provide no benefit to others in addition to the Account Owner.



Qualified Disability Expenses

The QDE list is not exhaustive

- Education
- Housing
- Transportation
- Employment training and job coaching
- Assistive technology
- Personal support services
- Healthcare, prevention and wellness
- Financial management and administrative services
- Legal fees
- Oversight and monitoring
- Funeral and burial expenses

...and more



Keep records and receipts for QDEs in case of IRS audit



Account Contributions Can Come From Almost Any Source



- Account Owner's or Authorized Individual's paycheck – Payroll Direct Deposit
- Money gifts (family, friends, third parties)
- Small inheritances
- Insurance settlements
- Tax refunds
- Distributions from a special needs trust
- Fundraisers
- Ugift ® - visit Ugiftable.com
- SSA benefits – direct deposit or excess benefits*



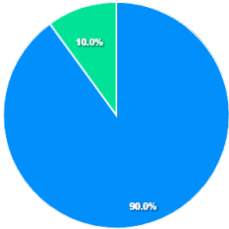
SSA benefits may only be contributed to an ABLE Account if the entity that is rep payee is also the signatory on the Account

Six Target Risk Investment Options

Six High-Quality, Low-Cost Investment Options

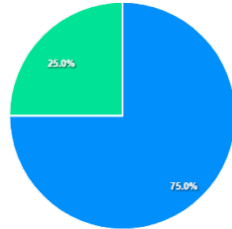
Aggressive

Asset-Based Fee: .33%



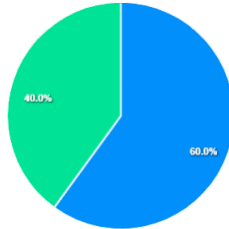
Moderately Aggressive

Asset-Based Fee: .32%



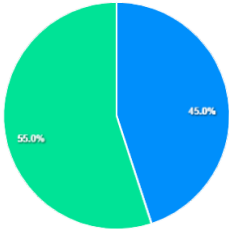
Growth

Asset-Based Fee: .32%



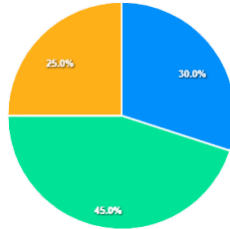
Moderate

Asset-Based Fee: .32%



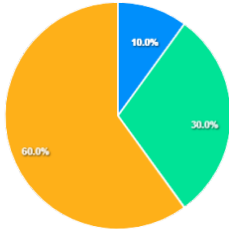
Moderately Conservative

Asset-Based Fee: .31%



Conservative

Asset-Based Fee: .30%



● Stocks
 ● Cash
 ● Bonds



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BLACKROCK



Vanguard®



You are allowed to change your existing Investment Options two times each year



Entities that open Accounts as rep payees may not select the Checking Account Option

- Real-time debit card (no need to pre-load)
- Unlimited check writing
- No overdraft fees
- FDIC-insured
- Access to over 40,000 fee-free ATMs



IL ABLE Accounts cannot be opened or transacted upon at 5/3 banking locations.

- Annual Account Maintenance Fee (assessed quarterly)
 - \$58.00 for paper delivery of confirmations and statements (\$14.50/quarter)
 - \$33.00 for e-delivery of confirmation and statement notifications (\$8.25/quarter)

- Annual asset-based fees on Target Risk Investment Options selected (assessed quarterly)
 - 0.30% to 0.33%

- Checking Account Option fee (reminder: Option not available to entity rep payees)
 - \$2.00/month – Waived for statement e-delivery or >\$250.00 average monthly balance
 - Book of checks can be purchased for \$6.00

What happens when an Account Owner passes away?



Depends on the Account Owner's specific circumstances.

1. First, Account funds can be used to pay outstanding Qualified Disability Expenses and funeral and burial expenses.
2. Medicaid can make a claim if funds from the IL ABLE Account go into the estate of the deceased Account Owner. Recovery depends on what type of Medicaid benefits they received after they opened their IL ABLE Account. In Illinois, laws have been passed that limit Medicaid recovery and that are in process of being implemented.
3. Finally, if the Account Owner named a Successor Beneficiary to the Account while living, remaining funds will be transferred to that beneficiary.



Entities Opening and Managing IL ABLE Accounts as Authorized Individual





Common Reasons Entities Want to Open Accounts for those they Serve

- **To help individuals save for things they want or need.**
- **To help individuals prevent the need to unnecessarily spend down unused SSI benefits.**
- **To assist individuals with legal capacity who want to co-manage their IL ABLE Accounts.**



If Your Entity Serves in One or More of These Roles:



1. Power of Attorney – An ABLE-eligible adult who has legal capacity grants your entity power of attorney to open and manage the Account for the adult.
2. Guardian – Your entity serves as guardian of an ABLE-eligible minor or adult.
3. SSA Representative Payee – Your entity serves as SSA rep payee for an ABLE-eligible individual who does not have legal capacity.

Note: Your entity might serve one or more of the above roles.

What Does It Mean For An Entity to Serve as Authorized Individual?



- As Authorized Individual(AI) your entity takes on legal authority to open and manage an IL ABLE Account on behalf of an Account Owner.
- Your entity must always manage the Account solely for the benefit of the Account Owner.
- As Authorized Individual, your entity does not benefit from the IL ABLE Account.



Steps Entities Must Take to Open and Manage Accounts for Those They Serve



Step 1: Entity Officer Completes & Submits AESF to IL ABLE



1. Completes and notarizes Authorized Entity Signatory Form (AESF);
2. Provide only one, continually monitored organizational email address on Form;
3. Assign authorized signatories of the entity;
4. Send completed Form to IL ABLE before entity begins opening Accounts.

AUTHORIZED ENTITY SIGNATORY FORM

INSTRUCTIONS:

- This Authorized Entity Signatory Form (also referred to herein as “Form”) allows a company or other organization (“Entity”), which intends to serve as the Authorized Individual for one or more Eligible Individuals, to designate a representative or representatives with signature authority to act on behalf of the Entity with respect to IL ABLE Accounts (“Authorized Entity Signatories”).
- This Form must be completed, signed, and notarized by a duly elected or appointed officer, the Executive Director of the Entity, or a representative of the Entity with comparable duties and authority to the Executive Director (“Authorized Officer or Representative.”) The Authorized Officer or Representative must have the authority to make binding commitments on behalf of the Entity.

Image of the Enrollment Form Account Type Section

1. Account Type

Check one:

- ~~I am opening the Account for myself~~ Entities may not use this Account Type
- I am opening the Account as the person or representative of an entity with authority to open the Account for an eligible minor. (By checking this box, you are required to complete **Section 3** of this form.)
- I am opening the Account as the person or representative of an entity with authority to open the Account for an eligible adult who has Legal Capacity as defined in the Plan Disclosure Booklet. (By checking this box, you are required to complete **Section 3** of this form, check box #1 next to “Power of Attorney” in **Section 3**, and submit a power of attorney. A **Power of Attorney Form** is available at illinoisable.com.)
- I am opening the Account as the person or representative of an entity with authority to open the Account for an eligible adult who does not have Legal Capacity as defined in the Plan Disclosure Booklet. (By checking this box, you are required to complete **Section 3** of this form.)

Step 2: Authorized Signatory completes the Enrollment Form



Box 1 = Entities may not check this box.

Box 2 = Check this box if your entity serves as guardian of a minor.

Box 3 = Check this box if your entity is agent under a POA for an ABLE-eligible adult who has legal capacity.

Box 4 = Check this box if your entity serves as guardian for an ABLE-eligible adult or as SSA rep payee for adult without capacity.

Order of Priority “The Hierarchy”

➤ Self

1. **Agent under Power of Attorney**
2. **Legal Guardian**
3. ~~Spouse~~
4. ~~Parent~~
5. ~~Sibling~~
6. ~~Grandparent~~
7. **SSA Representative Payee**

Entity Authorized Individual must:

1. Identify as a member of the hierarchy (see left)
2. Must certify under penalties of perjury as to:
 - Which member of the hierarchy it is
 - That no other individual or entity that is willing and able to act as Authorized Individual ranks higher on the order of priority list of possible Authorized Individuals.

Image of Certification Section on Enrollment Form



I hereby certify under penalties of perjury that I am: *(Select all that apply)*

1. Power of Attorney 2. Conservator OR Legal Guardian 3. Spouse 4. Parent
5. Sibling 6. Grandparent 7. SSA-appointed Representative Payee

INITIALS

Entities must check the relevant box. Entities may only check box numbers 1, 2 or 7. Only an Authorized Entity Signatory listed on the Authorized Entity Signatory Form may, and must, initial the certification. Initials must be added and may be typed or written in.

I hereby certify under penalties of perjury that I am the above-selected Authorized Individual type and that any legal documentation provided by me is true and correct. (See the Plan Disclosure Booklet and the cover page, if present, to determine what documentation, if any, the Plan requires to confirm the Authorized Individual's relationship to the Account Owner and authority to manage the Account on behalf of the Account Owner).

If I am opening the Account for an eligible minor or an eligible adult who does not have Legal Capacity, I certify under penalties of perjury that no other person or entity that is willing and able to act as Authorized Individual ranks higher on the above list of possible Authorized Individuals.

If I am opening the Account for an eligible adult who has Legal Capacity, I certify under penalties of perjury that I am the person or representative of the entity selected by the Eligible Individual to establish the Account on their behalf.

I further certify under penalties of perjury that I will notify IL ABLE Plan if my authority expires or is removed.

Read through certifications carefully before initialing/signing the Enrollment Form and if you have any questions, consult with your organization's legal team.

IMPORTANT NOTE FOR REP PAYEES



SSA rep payee must always retain control of benefits:

- If entity rep payee wants to put benefits into the IL ABLE Account, the entity must be the AI on the Account.
- If someone else is AI on the Account, including the Account Owner, the entity rep payee may not contribute benefits to the IL ABLE Account.
- In some cases, an adult who has legal capacity has been determined by the SSA to lack capacity to manage his/her benefits so that a rep payee was appointed. In this case, the rep payee must have a POA from the adult prior to opening and managing the IL ABLE Account with the adult.

What happens if the rep payee no longer serves as rep payee? Notify IL ABLE.

How Your Entity Can Serve as an Interested Party



What is an Interested Party?

- Individual or entity given permission by the Account Owner or Authorized Individual to access information about the IL ABLE Account. An Interested Party CANNOT transact on an Account.

Reasons your entity might want to be named as an Interested Party:

- An Interested Party can call Customer Service to get information about the IL Account.
- An Interested Party can receive duplicate Account statements.

Steps to take to become an Interested Party:

1. Your entity submits an AESF to the Plan. Kept on file
2. The Account Owner or Authorized Individual submits an “Account Information Change Form” to the Plan naming the entity as an Interested Party.

Next Steps for Entities to Open Accounts

1. Read the Plan Disclosure Booklet available at illinoisable.com.
2. Email a request to able@illinoistreasurer.gov for these documents:
 - Authorized Entity Signatory Form
 - Entity Enrollment Instructions
 - Entity Sample Enrollment Form
3. Follow all instructions and mail completed documents to IL ABLE.*

***IMPORTANT:** Entities can only enroll eligible individuals using the paper Enrollment Form at this time.

For Assistance, Call Customer Service: 888-609-8683 (Monday-Friday, 8am – 5pm CT)





The collage features several IL ABLE resources:

- WHAT TYPE OF INVESTOR ARE YOU?** A brochure with a blue header and a list of questions to help determine investment options.
- WHAT QUALIFIED DISABILITY** A section with numbered questions (1-4) and bullet points defining eligibility criteria.
- ACHIEVE A BETTER LIFE EXPERIENCE WITH AN IL ABLE ACCOUNT** A central image of three people (two women and one man in a wheelchair) in front of a city skyline.
- IL ABLE ACCOUNTS and SPECIAL NEEDS TRUSTS: A GENERAL COMPARISON** A table comparing different trust structures.
- accessABLE** Newsletter logo at the bottom, with the text "News & Updates from the Illinois State Treasurer's ABLE Program".

Party Trust	Special Needs Trust	Pooled Trust
Generally, a trust created by a grantor for the benefit of a person with a disability.	Generally, a trust created by a grantor for the benefit of a person with a disability.	Generally, a trust created by a grantor for the benefit of a person with a disability.
Can be used for any purpose.	Can be used for any purpose.	Can be used for any purpose.
Can be used for any purpose.	Can be used for any purpose.	Can be used for any purpose.
Can be used for any purpose.	Can be used for any purpose.	Can be used for any purpose.

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- Sign up: [accessABLE](http://accessABLE.com) News & Updates Newsletter: at illinoisable.com
- Request a webinar/presentation for your staff or families/guardians. Email able@illinoistreasurer.gov

Does Your Entity Have Incorrectly Opened Accounts?



1. Conduct internal research to find and identify any Accounts associated with your entity:
 - Entity email address of an employee or former employee
 - Staff member who supports someone you serve with an open IL ABLE Account
2. Send email to Stephanie Kanter at skanter@illinoistreasurer.gov to schedule an informational call with IL ABLE.



Q & A

Thank You!

Illinoisable.com

The Illinois Achieving a Better Life Experience (“IL ABLE”) plan is sponsored by the State of Illinois and administered by the Office of the Illinois State Treasurer (“Treasurer”). IL ABLE is designed to be a qualified ABLE plan offered as part of the National ABLE Alliance. Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping, and administrative services for the IL ABLE plan.

Accounts in the IL ABLE plan are not guaranteed or insured by the State of Illinois, the Treasurer, the Trust, IL ABLE, the Program Manager, or any other entity (except as provided in the Plan Disclosure Booklet solely with respect to the FDIC-insured Checking Account Option) An Account Owner could lose money by investing in the IL ABLE plan. The Checking Account Option offers FDIC insurance up to \$250,000, subject to certain restrictions. Interests in IL ABLE are municipal securities and the value of the account will vary with market conditions and the performance of the investment options you choose.

An investor should consider investment objectives, as well as the risks, charges, and expenses associated with an investment in the IL ABLE plan before investing. This and other important information is contained in the Plan Disclosure Booklet, which can be obtained at <http://illinoisable.com> or by calling (888) 609-8683. You should carefully read the Plan Disclosure Booklet before investing. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences. Participation in the IL ABLE plan does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover future expenses or that an Account Owner is eligible to participate in the IL ABLE plan.

Before investing in any ABLE plan, you should consider whether the state in which you reside and/or pay taxes offers an ABLE plan with favorable state tax incentives or other benefits that are only available through investment in that state’s ABLE plan. You also should consult your financial, tax, or other adviser to learn more about how state-based benefits, or any limitations, would apply to your specific circumstances.

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Information subject to change.

Investments are not FDIC-Insured (except for the Checking Account Option). No Bank, State, or Federal Guarantee. May Lose Value.