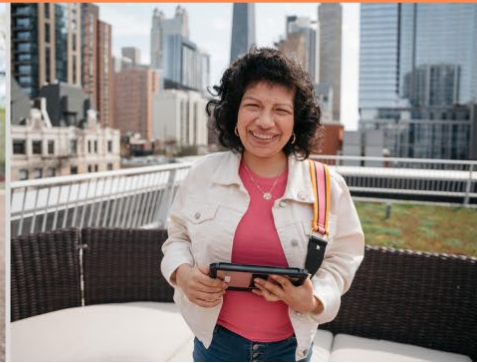




IL ABLE ACCOUNTS

What You Need to Know

for People with Disabilities, Their Families, and Supporters



Disclaimer

The Illinois ABLE Plan Disclosure Booklet contains more information about the Plan, including investment objectives, risks, fees and expenses. You should read it carefully before opening an Account. You can read the full disclosures and obtain the Plan Disclosure Booklet at the illinoisable.com website or by calling Customer Service.

The information provided in this webinar is not intended to provide legal, tax, benefits or investment advice. You should consult with your own financial, tax, legal or benefits advisor about your specific circumstances.

Information is subject to change.



Who Will Benefit from this Webinar?

- **ABLE-eligible adult who has Legal Capacity**
- **Parent or Family Member**
- **Person, agency, or organization that serves as power of attorney, guardian, or SSA rep payee**
- **Disability Advocates and Organizations**
- **Advocates, advisors, and supporters that share information and resources with people with disabilities and their families.**



What You'll Learn Today



- What Are ABLE Accounts
- IL ABLE Account Benefits and Essentials
- Eligible adults with Legal Capacity will understand their options to open and manage their Account
- Opening & Managing Accounts as the Authorized Individual
- Questions and Answers

“I love being an IL ABLE Account Owner. It makes me feel independent and teaches me how to handle my money wisely.

Tom, IL ABLE Account Owner



What are ABLE Accounts?



What are ABLE Accounts?



ABLE tax-advantaged accounts that people with disabilities own, in which they can save and invest money and protect their federal benefits (such as SSI and Medicaid). Funds can be used for a myriad of expenses.



Achieving a Better Life Experience

Common Reasons to Open an ABLE Account



- **To help individuals save beyond means-tested asset caps of federal public benefits programs.**
- **To help individuals avoid unnecessary spend downs of unused benefits.**
- **To help individuals save for things they need or want - now and in the future.**



IL ABLE Account Benefits



Benefits of an IL ABLE Account

- **Account size can be up to \$500,000**
 - **\$100,000 if maintaining SSI benefits or consideration for SSI eligibility**
- **Assets in an IL ABLE Account will not affect eligibility for other public benefits such as: Medicaid, SSDI, HUD, SNAP, FAFSA**
- **SSI and SSDI benefits can be directly deposited into the IL ABLE Account**



Benefits of an IL ABLE Account



- **\$19,000 per year Account contribution limit (more if Account Owner works)**
- **Anyone can contribute to an IL ABLE Account**
 - **Illinois taxpayers can receive a state income tax deduction - up to \$10,000 if filing as individual/\$20,000 if filing jointly**
- **Alternative or add-on to a special needs trust that can be used to pay for housing and utilities.**





Account Owners who earn income may be able to contribute additional funds beyond the \$19,000 Annual Contribution:

- ✓ **The lesser of gross earnings or the poverty guideline for the previous year (\$15,060 for 2025)**
- ✓ **Using Payroll Direct Deposit avoids the hassle of transferring \$\$ from a checking account each month**

Read the Plan Disclosure Booklet for more information.



IL ABLE

Account Essentials





- **Eligible person with the disability is always the Account Owner and beneficiary**
- **IL ABLE Accounts are available to a U.S. citizen or resident with an SSN or taxpayer ID living in any state/territory/US military base.**
- **One Account allowed per individual nationwide**
- **Opening an ABLE Account is self-determined and self-directed.**



What are Qualified Disability Expenses (QDEs)?

QDEs are expenses that help to maintain or improve health, quality of life, or 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**
- **No limits on the number of or the amount of withdrawals for QDEs**
- **Earnings and withdrawals are tax-free to Account Owner if funds are used for QDEs**

Examples of Qualified Disability Expenses

- 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!



Contributions Can Come from Virtually Any Source



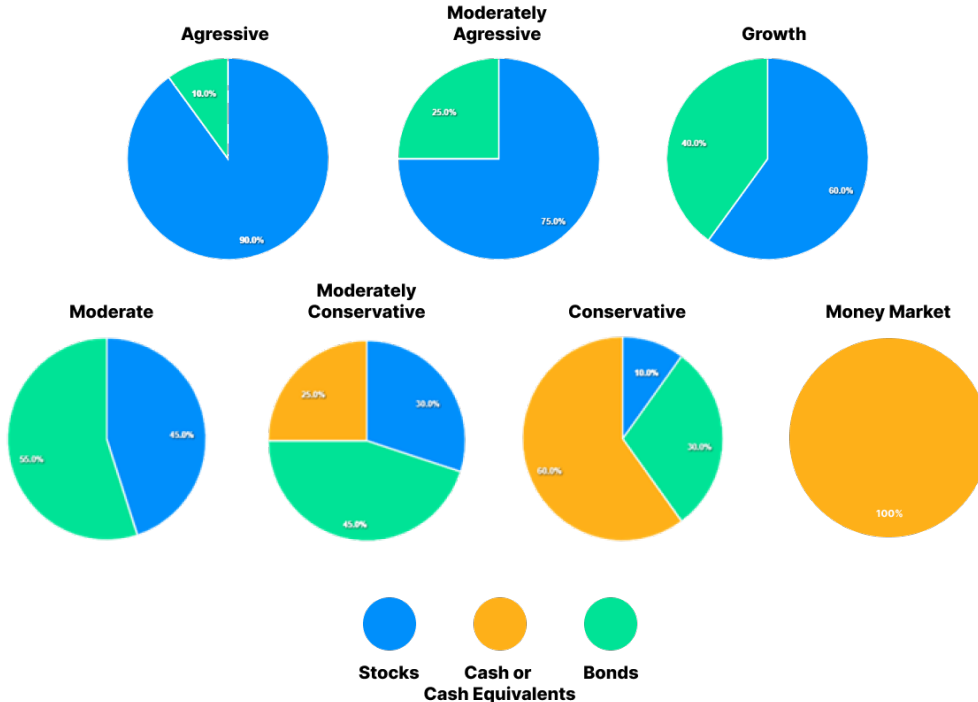
- **Money gifts from family and friends (Ugift ®)**
- **Small inheritances, Insurance settlements, Tax refunds**
- **Authorized Individual's or Account Owner's paycheck – Payroll Direct Deposit**
- **Distributions from a special needs trust – check with your attorney**
- **Roll over from a 529 College Savings Plan**
- **Roll over from another ABLE plan**
- **SSA benefits***



SSA benefits may only be contributed to an ABLE Account if the person or entity that is fiduciary for the SSA benefits also manages the ABLE Account.

Selecting from Eight Investment Options

Seven Asset Allocation Investment Options



Checking Account Option



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



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

- **\$31 annual fee for E-delivery of confirmation and statement notifications (\$7.75/quarter) Recommended! (paper delivery is \$56)**
- **Asset-based fees on the 7 Asset Allocation Investment Options = 0.30% to 0.36%**
- **Checking Account: \$0 monthly fee if E-delivery (recommended!) or maintain >\$250 monthly average. Otherwise, \$2.00 monthly checking account fee**

What happens when an Account Owner passes away?



- 1) Any outstanding Qualified Disability Expenses including funeral and burial expenses can be paid first.
- 2) 180 days after the death of the Account Owner, the person or entity with the legal authority to administer the Account Owner's estate can submit an IL ABLE Estate Distribution Form to release the Account assets and close the Account.
- 3) If there is a Successor Account Owner named on the Account, remaining funds will be transferred to that beneficiary.



IMPORTANT NOTE: A state Medicaid agency can still recover from the estate based on factors such as type of Medicaid benefits received, individual state Medicaid policy, and the Account Owners state of residence.

In Illinois, the state Medicaid agency (HFS) recently modified its estate recovery rules for Medicaid recipients who died on or after July 1, 2022. No recoveries are allowed against the first \$25,000 of estate value. For more information visit hfs.illinois.gov and talk with a legal professional.



Opening and Managing an IL ABLE Account



Establishing Account Owner Eligibility

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

AND one of the following is true

- Entitled to SSI or SSDI 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.

Scan to Take the Eligibility Quiz



Documentation of disability is not required to open an Account. Keep documents in your files in case they are requested.

Who Can Open an IL ABLE Account?



For an Eligible Individual Under Age 18

- **A Parent, Guardian or other Authorized Individual* can open and manage the Account on the Account Owner's behalf.**

***Legal Guardian, Spouse, Parent, Sibling, Grandparent, Social Security Rep Payee**



Take the Eligibility Quiz

Eligible Individual Age 18 or Older

With Legal Capacity

- An eligible adult with Legal Capacity can open and manage the Account for themselves.
- An eligible adult with Legal Capacity can grant power of attorney to a trusted person or entity to open as an Authorized Individual.

Without Legal Capacity

- An Authorized Individual with legal authority can open and manage an IL ABLE Account on behalf of an eligible adult without Legal Capacity



Take the Eligibility Quiz

Authorized Individual List Order of Priority

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

What does it mean to be an AI?

- An Authorized Individual is an individual or entity with authority to open/manage an IL ABLE Account and certifies under penalties of perjury to:
 - Which member of the list of possible Authorized Individuals they are
 - 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.



- **An Authorized Individual must always administer the Account for Account Owner’s benefit.**
- **Federal law prohibits Authorized Individuals from acquiring any beneficial interest in an IL ABLE Account during the Account Owner’s lifetime.**



Ready to Enroll? Resources for Getting Started



Opening an IL ABLE Account

- An IL ABLE Account can be opened with as little as \$25
- Two ways to open an Account:
 - Online: illinoisABLE.com (recommended)
 - Paper Enrollment Form: Download from illinoisable.com or call Customer Service to request one.



- IL ABLE Accounts must be opened with IL ABLE. They cannot be opened at a bank, with a financial advisor, or any other entity.
- IL ABLE Accounts can be opened by people from other states.
 - Always check your home state's ABLE program first.



IL ABLE Resources



- illinoisable.com
- **accessABLE News & Updates**
Newsletter: Sign-up at illinoisable.com to stay informed about IL ABLE program news, upcoming webinars, and events.
- **Brochures available for download or print online**

The collage features several key resources:

- Brochure: "WHAT TYPE OF INVESTOR ARE YOU?"** - A guide with four numbered sections: 1. ASK YOURSELF THESE QUESTIONS TO HELP... 2. WHAT QUALIFIED DISABILITY... 3. WHEN WILL THE... 4. WHAT... It includes a small image of a family.
- Brochure: "IL ABLE ACCOUNTS AND SPECIAL NEEDS TRUSTS: A GENERAL COMPARISON"** - A comparison table between Party Trust, Special Needs Trust, and Pooled Trust.
- Brochure: "ACHIEVE A BETTER LIFE EXPERIENCE WITH AN IL ABLE ACCOUNT"** - A central brochure with the IL ABLE logo and a photo of a family.
- Newsletter: "accessABLE News & Updates from the Illinois State Treasurer's ABLE Program"** - A dark blue footer with the accessABLE logo.

Party Trust	Special Needs Trust	Pooled Trust
Created by a third party	Generally, a trust created by a grantor or a trustee for a person with a disability	A person with a disability, or their representative or guardian
Can be created for anyone	Can only be created for a person with a disability	Can only be created for a person with a disability
Can be created for anyone	Can only be created for a person with a disability	Can only be created for a person with a disability
Can be created for anyone	Can only be created for a person with a disability	Can only be created for a person with a disability



**Ready to Enroll?
Get Started at illinoisable.com**

