




## FACTS ABOUT ILLINOIS *able*

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### What does ABLE mean?

ABLE stands for "Achieving a Better Life Experience" and refers to savings and investment accounts that eligible people with disabilities can own for the purpose of financing qualified expenses. ABLE account owners can save and invest their private funds without losing, or losing access to, federal means-tested benefits, such as SSI, SSDI and Medicaid.

### Who is eligible to own an Illinois ABLE account?

A person with a disability is eligible to own an ABLE account if 1) the disability was present before the age of 26, and 2) the person is entitled to receive SSI or SSDI benefits or has a similarly severe disability certified in writing by a licensed physician. A person with a disability can open an Illinois ABLE account or an Authorized Individual can open it on the person's behalf by providing authorizing documentation.

### Will I lose SSI, SSDI or Medicaid if I have an Illinois ABLE account?

No. You will not lose, or lose eligibility for, federal benefits including SSI, SSDI, Medicaid and HUD. If you are an SSI recipient, you can save up to \$100,000 in your IL ABLE account and still receive your monthly SSI benefits. At \$100,000 SSI benefits are temporarily suspended until the account balance falls below \$100,000, and benefits resume. Account owners will not have to reapply for SSI benefits. Even if the ABLE account exceeds \$100,000, beneficiaries will not lose Medicaid benefits.

### What are the financial benefits of owning and contributing to an Illinois ABLE account?

Earnings and withdrawals on Illinois ABLE accounts are tax-free if they are used for qualified disability-related expenses. Eligible Illinois taxpayers can contribute to any Illinois ABLE account and take a state tax income tax deduction – up to \$10,000 if filing as an individual or \$20,000 if filing jointly. Consult with a tax advisor to discuss your specific situation.

### What is a qualified disability-related expense?

A qualified disability expense is any expense related to the individual's disability. The U.S. Treasury has indicated that the list of qualified disability expenses is not exhaustive and includes the following: • Education • Housing • Transportation • Employment training and support • Assistive technology • Personal support services • Health, Prevention and Wellness • Financial Management • Administrative services • Legal fees • Expenses for oversight and Monitoring • Funeral and burial expenses.

### How much can I contribute to an Illinois ABLE account?

The annual contribution limit, in total, to an ABLE account is \$15,000. This amount includes all contributions from account owners, family members, friends and other third parties. Anyone can contribute to an Illinois ABLE account, as long as total contributions do not exceed the \$15,000 per year. If an account owner is working, he or she can contribute an additional amount based on what the IRS allows.

### **Can I work if I have an Illinois ABLE account?**

Working account owners who do not already participate in an employer-sponsored retirement plan can contribute an additional amount above the annual \$15,000 contribution limit, equal to gross wages for the year or the poverty limit, whichever is lower. An Illinois ABLE account gives account owners incentive to work because earnings can be contributed, with limitations, to the account without worry about exceeding the asset requirement of federal means-tested benefits programs.

### **What about Medicaid recovery, also known as the “Medicaid claw back”?**

Under Illinois state law, the Illinois state Medicaid agency is not permitted to recover certain benefits from an IL ABLE account upon the death of the account owner. However, federal law gives the Illinois state Medicaid agency authority to recover other kinds of benefits upon the death of an Illinois ABLE account owner after funeral, burial and outstanding disability expenses are paid. The specific account owners from whose estates state Medicaid agencies have the authority to seek recovery after death are those account owners who received Medicaid at the age of 55 or older, or who received coverage for certain Long-Term Services and Supports (LTSS) and were subject to Post Eligibility Treatment of Income rules (PETI). Check with your benefits specialist about your specific circumstances.

### **Can I rollover a 529 College Savings account into an ABLE account?**

Yes. A rollover from 529 College Savings into an ABLE account can be made for the same beneficiary or for a member of the family of the 529 College Savings account beneficiary. For more information, consult the Illinois ABLE Plan Disclosure Statement at [il.savewithable.com](http://il.savewithable.com).

### **Do I have to live in Illinois to open an Illinois ABLE account?**

No. Any qualified individual may open an Illinois ABLE account no matter what state he or she lives in. However, before enrolling in any other state's ABLE plan you should consider your state's plan first in case there are tax or other advantages to opening an account in your state. For example, Illinois taxpayers can contribute to any Illinois ABLE account and take a state tax income tax deduction – up to \$10,000 if filing as an individual or \$20,000 if filing jointly. Consult with a tax advisor to discuss your specific situation.

### **Can I have a Special Needs Trust (SNT) and an Illinois ABLE account?**

Yes. An account owner can have an Illinois ABLE account AND be the beneficiary of a Special Needs Trust.

### **Where do I go to open an Illinois ABLE account?**

Visit our ADA compliant website [il.savewithable.com](http://il.savewithable.com) or call Illinois ABLE at 888-609-8683. The Illinois ABLE Call Center is available 8am – 5pm, Monday through Friday CT and provides support for non-English speakers as well as deaf and hard-of-hearing callers.

### **For detailed information, please read the Plan Disclosure Documents available at [il.savewithable.com](http://il.savewithable.com).**

The Illinois ABLE Plan is a Member Plan of the National ABLE Alliance and is designed to qualify as a qualified ABLE program under the provisions of Section 529A of the Internal Revenue Code. The Illinois ABLE Plan is sponsored by the State of Illinois and administered by the Office of the Illinois State Treasurer. Ascensus College Savings Recordkeeping Services, LLC (“ACSR”) serves as Program Manager for Illinois ABLE. Ascensus Investment Advisors, LLC (“AIA”) serves as the Administrator of a trust (the “Trust”) established to provide for the investment and reinvestment of the assets of Member Plans that participate in the National ABLE Alliance. Accounts in Illinois ABLE are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, the National ABLE Alliance, ACSR, AIA, Illinois ABLE, or the Trust. The Checking Option offers Federal Deposit Insurance Corporation insurance up to \$250,000, subject to certain restrictions.

Illinois taxpayers may deduct up to \$10,000 for an individual, \$20,000 for married taxpayers filing jointly, per tax year on their Illinois state income tax return, for their total combined contributions to the Illinois ABLE Plan. The individual and jointly filed limits on deductions will apply to total contributions regardless of whether the contributions are made to a single account or to more than one account.

Before investing, investors should consider whether their home state offers any state tax or other benefits that are only available for investments in such state's qualified ABLE program and they should consult their legal, tax or financial advisor regarding their specific situation.

For more information about Illinois ABLE call 1-888-609-8683, or visit [il.savewithable.com](http://il.savewithable.com) to obtain Plan Disclosure Documents, which include investment objectives, risks, charges, expenses and other important information. Read and consider it carefully before investing.