



Michael W. Frerichs

ILLINOIS STATE TREASURER

JANUARY 2023 E-NEWSLETTER



Treasurer's Note

And Now, For Some Good News...

I have good news to share that will greatly benefit individuals with a disability.

Congress passed the ABLA Age Adjustment Act immediately before it adjourned for 2022. The Act raises the threshold of ABLA eligibility from 26 years of age to 46 years of age. This is a huge win for everyone, and it is long overdue.

In 2014, Congress passed the [Achieving a Better Life Experience Act](#), often referred to as ABLA. The legislation helped people with disabilities who depend on the Social Security Supplemental Income (SSI) to avoid the trap of chronic financial insecurity. Before ABLA, people with more than \$2,000 in assets would lose this means-tested federal benefit.

ABLA made it possible for eligible individuals to save up to \$100,000 before losing means-tested federal benefits, a more realistic figure by any estimation. Savings can be used for expenses such as housing, transportation, health care, and other expenses that improve health, independence, and quality of life. Earnings and withdrawals are tax-free when used for qualified expenses.

But the 2014 law came with a catch: Only those whose disability began before they turned 26 were eligible for ABLA. Individuals who incurred spinal cord or brain injuries, or who developed severe mental illness after age 26, were among the millions ineligible to pursue financial stability through ABLA.

Currently, 46 states and the District of Columbia administer ABLA programs. Nationwide, there are more than 126,000 accounts with assets totaling approximately \$1.1 billion and an average account balance of \$8,600. According to the National Disability Institute, about 6 million more people, including approximately 1 million veterans, now are eligible for ABLA. In Illinois, we estimate an additional 250,000 will be able to save their own money for their own future.

My office launched the [Illinois ABLA](#) plan in 2017, and Illinois leads the National ABLA Alliance, a bi-partisan consortium that includes Alaska, Arkansas, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Mississippi, Montana, Nevada, New Jersey, North Carolina, Pennsylvania, Rhode Island, and Washington, D.C. The alliance represents more than one-quarter of ABLA-eligible individuals.

We continue to build on that success. For example, the Illinois recently led a successful effort to lower the alliance's account fees by about 25 percent.

Although I encouraged an immediate effective date, the ABLA Age Adjustment Act goes into effect in 2026. I'm so proud to be part of its success. It shows what can happen when we work together and refuse to let setbacks distract from our vision and ultimate victory. Passing the ABLA Age Adjustment Act ensures greater financial security for millions of Americans.

It is a gift that will last a lifetime.

Sincerely,

Michael W. Frerichs

Illinois State Treasurer



Your Money

Cryptocurrency Basics

What is cryptocurrency?

Think of it as electronic money. A cryptocurrency is an encrypted data string that denotes a unit of currency. It is monitored and organized by a peer-to-peer computer network called blockchain, which also serves as a ledger of transactions when buying, selling or transferring.

Is cryptocurrency new?

Depends on your point of view. Bitcoin, the first digital currency, debuted 14 years ago. There are thousands of cryptocurrencies, which operate independently of a central bank.

Why is cryptocurrency in the news?

One reason is that the value of cryptocurrency dramatically plunged during 2022. According to this [CNBC article](#), the cryptocurrency market lost more than \$2 trillion last year. For example, the value of Bitcoin dropped by 63 percent from the beginning of 2022 through December 22.

Another reason: the recent arrest of Sam Bankman-Fried.

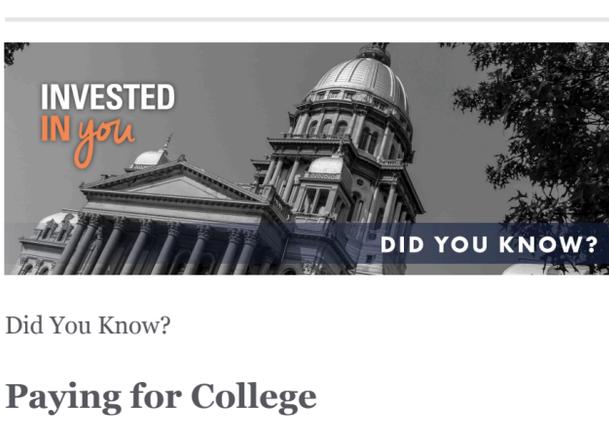
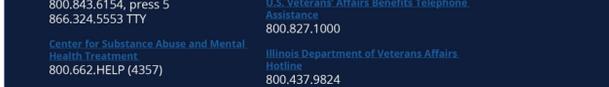
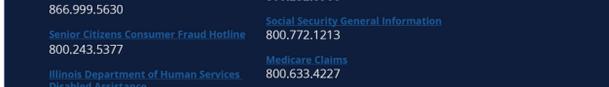
In 2019, Bankman-Fried created the company FTX, which operated a cryptocurrency exchange and cryptocurrency hedge fund. At its peak in July 2021, it had more than 1 million users and was the third-largest cryptocurrency exchange by volume.

In November 2022, FTX filed for bankruptcy. Earlier this month, Bankman-Fried pleaded not guilty to federal criminal charges that he misappropriated billions of dollars and defrauded his customers and investors in companies he controlled. Essentially, Bankman-Fried is alleged to have improperly commingled investments in FTX with a separate hedge fund.

FTX's collapse shook the industry. The 30-year-old is under house arrest on a \$250 million bond. He faces up to 115 years in prison, if convicted. He denies wrongdoing.

Does the Illinois State Treasurer's Office invest in crypto?

No. No state monies have been invested in cryptocurrency.



Unclaimed Property

Lost Bank Accounts

And Tax Time

Misplaced bank and investment accounts are common examples of unclaimed property.

January, February and March present an excellent opportunity to create a comprehensive list of existing accounts because banks, credit unions and investment companies will provide information needed to prepare tax returns.

Checking this list each year is a great way to ensure your accounts are not considered unclaimed and, as a result, surrendered to the state.

In Illinois, property typically is considered unclaimed if the owner has not touched it in three years. For example, a savings account without activity for three years could be considered unclaimed property.

A database of unclaimed property can be found [here](#).

Individuals, businesses and non-profits could have unclaimed property. Because unclaimed property is surrendered twice each year, the office encourages individuals to search the database twice each year.

Illinois State Treasurer Michael Frerichs' office will work to return unclaimed property, no matter how long it takes.

Did You Know?

Paying for College

Don't forget these tips when determining how you will pay for college:

Start saving early with [Bright Start](#).

Earn college credits in high school, if available.

Complete [FAFSA](#) as early as possible.

Consider community college for the basics.

Apply for scholarships, [state grants](#) and private grants.

Does your employer offer tuition assistance?

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