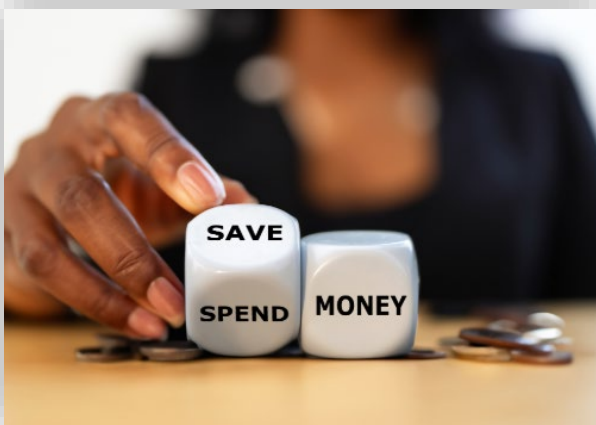


Monthly tips and resources for young adults, their families, and supporters who are exploring options for life after high school in Indiana.

## ABLE to Save and Spend

Issue No. 44, April 10, 2024



Now that you are a young adult, let's talk about the good stuff. Let's talk money!

Earning money and saving it can give you more choices in life. Your parents and siblings may have a checking and savings account. They may also have investments that help them save for things like a bigger house, a car, vacations, or retirement when they get older. You now have that ability to save too, thanks to something known as an ABLE account, special savings accounts set up by states for people with disabilities.

A while back, we shared "The ABLE Bakers Dozen" with you. It was a quick list of things to know about ABLE accounts. The nice thing about them is that while

you're saving money, you can also maintain your access to benefits like Medicaid or Supplemental Security Income (SSI). That can be very challenging if you're just using a regular bank or credit union account to save your money. If you're a new reader or in case you missed that issue of What's Next?, [read "ABLE Accounts: Saving and Supports."](#)

In this issue, we'll share a few ABLE updates and then explore some of the practical ways you can use an ABLE account. We'll keep it simple and share some resources at the end where your family and supporters can find more in-depth information.

### What Is ABLE? A Quick Review

You may already know that we have the ability to use ABLE accounts thanks to Congress and the Achieving a Better Life Experience (ABLE) Act. That law, passed in 2013, solved a problem. People with disabilities who are receiving public benefits like Medicaid and SSI are only able to keep less than \$2,000 in their accounts every month. If your account exceeds that, you can lose your health care coverage, your services and supports (like a personal care aide or a behavioral therapist), and your monthly income (SSI) from Social Security. **The ABLE solution allows you to save and grow your money up to \$100,000 while maintaining your benefits.**

Who can contribute to your ABLE account? You can, especially if you're working! If you have a family member or caregiver acting as your "Rep Payee" for your Social Security income or benefit payments, they can help you save money you don't use every month by depositing it to your ABLE account. And as

long as you're under the annual contribution limit (keep reading), other family members or friends can contribute too—think graduation or birthday gifts. Just be sure your contributions don't cause your total ABLE balance to go above the \$100,000 we mentioned above.

## What's New?

In 2024, you or your family members or supporters can contribute up to \$18,000 to an ABLE account. That amount is tied to the "gift tax exemption," which usually increases every year.

If you are working, and you're not receiving retirement plan contributions from your employer, you also may be able to save even more money every year. In 2024, that amount is an additional \$14,580. That means that you might be able to contribute \$32,580 this year!

## Ways to Use Your ABLE Account

We mentioned savings, above. Here are just a few other examples:

1. Social Security plans to deposit an extra \$500 in your Rep Payee funds account as back payment. Your Rep Payee can contribute that money to your ABLE account, so you don't exceed the \$2,000 monthly threshold (see above).
2. Good for you! You have \$84,000 saved in your ABLE account. You're going to use some of that money as a downpayment for a nice condominium.
3. You're moving to a new apartment, so you plan to use your ABLE funds each month to pay your rent and utilities.
4. You want to upgrade your laptop, monitor, and software to take advantage of new assistive technologies. ABLE account to the rescue!
5. You want to take a course on creative writing at your community college. You'll use your ABLE account for tuition and to hire a tutor who can help you stay on track during the course.
6. Transportation is limited in your area, so you're using your ABLE to pay for regular Uber/Lyft trips to the grocery store and to pay for gas when coworkers give you a lift to your job.
7. Your sister's wedding is out of state and the family will all be there. To celebrate with them, you'll use some of your ABLE funds to pay expenses for a direct support professional who can help you at the airport and assist with your usual personal care needs.

## Resources

- [Step 3: How Can Funds Be Used?](#) Able National Resource Center
- [Five Practical Uses for an ABLE Account](#) Special Needs Answers
- [INvestABLE Indiana](#)
- [Payee and ABLE Accounts](#) Social Security Administration

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*What's Next?* is a project of the Center on Community Living and Careers.

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