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LEAD CENTER

The ABLE Act: A Tool for Financial Stability and Employment Outcomes

April 27, 2017
3:00 – 4:30 PM EDT

The LEAD Center is led by National Disability Institute and is funded by the Office of Disability Employment Policy, U.S. Department of Labor, Grant No. #OD-23863-12-75-4-11

WELCOME

Michael Morris

Executive Director and
LEAD Center Public Policy Co-Chair
National Disability Institute



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The National Center on Leadership for the Employment and Economic Advancement of People with Disabilities (LEAD) is a collaborative of disability, workforce and economic empowerment organizations led by **National Disability Institute** with funding from the **U.S. Department of Labor's Office of Disability Employment Policy**, Grant No. #OD-23863-12-75-4-11.

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LEAD CENTER MISSION

- ▶ To advance sustainable individual and systems level change that results in improved, competitive integrated employment and economic self-sufficiency outcomes for individuals across the spectrum of disability.



WELCOME

Christopher Button, Ph.D.

Supervisor, Workforce Systems Policy

Office of Disability Employment Policy

U.S. Department of Labor



JOIN US NEXT WEEK FOR A NATIONAL DIALOGUE ON THIS TOPIC

- ▶ The ABLE Act: A Tool for Financial Stability and Employment
 - ▶ This national online dialogue aims to explore multiple ways that ABLE accounts can be used to advance employment and financial self-sufficiency for youth and adults with disabilities.
 - ▶ Participants can share their ideas from **May 1-12th**
 - ▶ Register here: <http://leadcenter.epolicyworks.org/>



PRESENTERS AND PANELIST

▶ Presenters

- ▶ Michael Morris J.D., Executive Director, National Disability Institute
- ▶ Christopher J. Rodriguez, Director, ABLE National Resource Center
- ▶ Luke W. Reynolds, Chief of Outreach & Program Development, FDIC

▶ Panelists

- ▶ Susan Tachau, Chief Executive Officer, Pennsylvania Assistive Technology Foundation
- ▶ Matthew Shapiro, Founder, 6 Wheels Consulting, LLC
- ▶ Stephanie Hoffer, Professor of Law, Moritz College of Law, The Ohio State University
- ▶ Daniel Elkus, ABLE Specialist, ABLE National Resource Center



AGENDA

- ▶ ABLE Basics
- ▶ ABLE, Financial Stability, and Employment
- ▶ FDIC Financial Literacy Presentation
- ▶ Panel Discussion
- ▶ Questions and Answers



THE ABLE ACT IS LAW

- ▶ The Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act
 - ▶ became law on December 19, 2014
 - ▶ creates a new option for some people with disabilities and their families to save for the future, while protecting eligibility for public benefits.

Presentation is based on what we know or presume now.



WHAT IS AN ABLE ACCOUNT?

- ▶ **ABLE accounts:**
 - ▶ Are established in the new Section 529A Qualified ABLE Programs
 - ▶ Are qualified savings accounts that receive preferred federal tax treatment
 - ▶ Enable eligible individuals to save for disability-related expenses
 - ▶ There are currently 20 ABLE programs enrolling qualified individuals (most of which are enrolling nationwide)
- ▶ **Assets in and distributions for qualified disability expenses will be disregarded or given special treatment in determining eligibility for most federal means-tested benefits**



WHAT ARE SOME IMPORTANT REQUIREMENTS OF ABLE ACCOUNTS?

- ▶ Each eligible individual may have only one ABLE account.
- ▶ “Designated beneficiary” is the account owner (although another person such as a parent or guardian may be allowed signature authority over the account).
- ▶ There is no longer a federal residency requirement related to establishing an ABLE account (unless otherwise established by a given program).
- ▶ Total annual contributions may not exceed the federal gift tax contribution, which is currently \$14,000 (this will periodically be adjusted for inflation).
- ▶ Multiple individuals may make contributions to an ABLE account.
- ▶ Aggregate contributions may not exceed the state limit for 529 savings accounts, typically set at over \$250,000.



WHO IS ELIGIBLE TO BE AN ABLE ACCOUNT BENEFICIARY?

- ▶ To be eligible, individuals must meet two requirements:
 - ▶ Age requirement: must be disabled before age 26
 - ▶ Severity of disability:
 - ▶ Have been determined to meet the disability requirements for Supplemental Security Income (SSI) or Social Security disability benefits (Title XVI or Title II of the Social Security Act) and are receiving those benefits,
 - OR
 - ▶ Submit a “disability certification” assuring that the individual holds documentation of a physician’s diagnosis and signature, and confirming that the individual meets the functional disability criteria in the ABLE Act (related to the severity of disability described in Title XVI or Title II of the Social Security Act).



WHAT MAY FUNDS FROM AN ABLE ACCOUNT BE USED FOR?

- ▶ Distributions from an ABLE account may be made for “qualified disability expenses”.
- ▶ “Qualified disability expenses” are expenses that relate to the designated beneficiary’s blindness or disability and are for the benefit of that designated beneficiary in maintaining or improving his or her health, independence, or quality of life.
- ▶ The term “qualified disability expenses” should be broadly construed to permit the inclusion of basic living expenses and should not be limited to expenses:
 - ▶ for items for which there is a medical necessity, or
 - ▶ which provide no benefits to others in addition to the benefit to the eligible individual.



QUALIFIED DISABILITY EXPENSES MAY INCLUDE THE FOLLOWING:

- ▶ Education
 - ▶ Housing
 - ▶ Transportation
 - ▶ Employment training and support
 - ▶ Assistive technology and personal support services
 - ▶ Health, prevention, and wellness
 - ▶ Financial management and administrative services
 - ▶ Legal fees
 - ▶ Expenses for oversight and monitoring
 - ▶ Basic Living Expenses (NPRM)
 - ▶ Funeral and burial expenses
 - ▶ Any other expenses approved by the Secretary of the Treasury under regulations consistent with the purpose of the program
- ▶ Distributions for non-qualified expenditures will be subject to tax consequences and may affect eligibility for federal means-tested benefits.



HOW DO ABLE ACCOUNT ASSETS IMPACT ELIGIBILITY FOR FEDERAL BENEFITS?

ABLE assets will be disregarded or receive favorable treatment when determining eligibility for most federal means-tested benefits:

- ▶ Supplemental Security Income (SSI): For SSI, only the first \$100,000 in ABLE account assets will be disregarded.
 - ▶ SSI payments (monthly cash benefit) will be suspended if the beneficiary's account balance exceeds \$100,000, but SSI benefits (eligibility) will not be terminated. Funds above \$100,000 will be treated as resources.
 - ▶ Housing expenses intended to receive the same treatment as all housing costs paid by outside sources. However, new SSA instructions (POMS) will treat housing expenses as resources only if distributed in one month and held until the following month. (more later)



IMPACT ON FEDERAL BENEFITS (CONT.)

- ▶ Medicaid: ABLE assets are disregarded in determining Medicaid eligibility
 - ▶ Medicaid benefits are NOT suspended if the ABLE account balance exceeds \$100,000. (That is only applicable to the SSI cash benefit.)
 - ▶ Medicaid Payback: Any assets remaining in the ABLE account when a beneficiary dies, subject to outstanding qualified disability expenses, can be used to reimburse a state for Medicaid payments made on behalf of the beneficiary after the creation of the ABLE account. (The state would have to file a claim for those funds)
 - ▶ For purposes of this section, the state is considered a creditor of the ABLE account, not a beneficiary.



NEW BRIEF ON THE ABLE ACT & EMPLOYMENT

**Brief on *The ABLE Act and Employment:
Maximizing the Effectiveness
of the Achieving a Better Life Experience (ABLE)
Act
as a Tool for Increasing Financial Stability
and Employment Outcomes of People with
Disabilities***

on www.leadcenter.org and through email list



ABLE NATIONAL RESOURCE CENTER

The ABLE National Resource Center (ANRC) is a collaborative whose supporters share the goal of accelerating the design and availability of ABLE accounts for the benefit of individuals with disabilities and their families. We bring together the investment, support and resources of the country's largest and most influential national disability organizations.

Christopher J. Rodriguez
Director
ABLE National Resource
Center
crodriguez@ndi-inc.org
www.ablenrc.org



UTILIZING ABLE TO INCREASE FINANCIAL STABILITY AND EMPLOYMENT OUTCOMES



ABLE FUNDS AND EMPLOYMENT RELATED EXPENSES

In addition to other disability related expenses, funds in an ABLE account can be used for employment related expenses to help an ABLE account owner secure and maintain employment.

- ▶ Job coaching or additional job coaching;
- ▶ Costs associated with certificates, accreditations, and/or job related trainings;
- ▶ Interview prep and resume development;
- ▶ Transportation to and from the beneficiary's place of employment; and
- ▶ Financial management education/assistance.



ABLE AND VOCATIONAL REHABILITATION



VOCATIONAL REHABILITATION

- ▶ Vocational Rehabilitation services (“VR Services”) are authorized under the Rehabilitation Act of 1973. Under the Rehabilitation Act, each state creates a vocational rehabilitation agency that delivers VR services to people with disabilities, for the purposes of gaining and maintaining employment.
- ▶ VR services can consist of any number of different services that help prepare people with disabilities for future gainful employment.
- ▶ VR is the primary source of public funding for supported employment services and job training services for people with disabilities. They are also one of the only sources of public funding that focuses solely on employment services.



VR: ABLE-RELATED RECOMMENDATIONS

- ▶ VR agencies should not take a person's ABLE account funds into account when determining the person's financial need for the purpose of program eligibility.
- ▶ State VR programs can consider providing assistance in linking people to assistance with setting up ABLE accounts as one of the services they offer to VR participants.
- ▶ VR funds placed in a person's ABLE account can both be used to cover employment services, ensuring that a greater number of people with disabilities receive employment supports.



ABLE AND MEDICAID FUNDED SERVICES



MEDICAID FUNDED SERVICES

- ▶ Medicaid pays for many disability-related support services, including supported employment services. The Centers for Medicare and Medicaid Services (CMS) also oversees Medicaid Buy-In programs, which are designed to support people who are working so that they can retain the support services they need from Medicaid.
- ▶ The ABLE Act is designed to *supplement*, rather than supplant, benefits and services provided from other sources. Therefore, it can cover gaps in services and supports and, for some people, enable them to maintain Medicaid coverage while possibly saving up for future expenses.



MEDICAID: ABLE-RELATED RECOMMENDATIONS

- ▶ Beneficiaries can consider using the ABLE accounts to pay for Medicaid Buy-In Program premiums, rather than limiting their earned income to stay below Medicaid's income limits, so that they continue to be eligible for their Medicaid-funded supported employment services while steadily improving their financial status.
- ▶ Medicaid case managers can provide assistance in linking people to support for setting up ABLE accounts. ABLE account savings contribute to successful employment outcomes and may reduce reliance on public benefits.
- ▶ People who benefit from Medicaid-funded HCBS can use ABLE accounts as emergency “bridge” funding for employment services.



ABLE AND SSI

- ▶ Social Security has rules regarding unearned income received by beneficiaries in the SSI program that may result in a reduction of monthly cash benefits in the month received.
- ▶ For ABLE account owners, unearned income deposited by family members and others into ABLE accounts will be disregarded. Interest, dividends, or an appreciation in value earned in the ABLE account is also disregarded.



SSA: ABLE-RELATED RECOMMENDATIONS

- ▶ Individuals can place certain resources, including earnings or gifts from family members, into an ABLE account. The SSI beneficiary remains eligible for SSI.
- ▶ Beneficiaries may be able to utilize the SSI PASS (Plan for Achieving Self-Support) program in conjunction with ABLE account savings to maintain supported employment services.



ABLE AND THE WORKFORCE SYSTEM

- ▶ The reauthorized workforce development system signed into law as the Workforce Innovation and Opportunity Act (WIOA) (Public Law 113–128) places renewed emphasis on offering strategies to serve individuals with barriers to employment, including youth and adults with disabilities.
- ▶ Financial assistance provided to states requires effective and meaningful participation of youth and adults with disabilities in all services and supports provided at American Job Centers (AJCs) and through one-stop partner agencies and organizations.



FINANCIAL LITERACY REQUIREMENTS

- ▶ WIOA requires financial literacy education be made available to participating youth and adults with disabilities to help meet their agreed upon employment goals.
- ▶ Helping “participants gain the knowledge, skills, and confidence to make informed financial decisions that enable them to attain greater financial health and stability,” can include learning about eligibility for the benefits of selection of an appropriate ABLE account.



WORKFORCE: ABLE-RELATED RECOMMENDATIONS

- ▶ State and local Workforce Development Board can explore partnerships with their state ABLE program to improve recruitment of eligible individuals and work together on helping individuals set financial goals to improve employment outcomes.
- ▶ American Job Centers can collaborate with a state ABLE program and banks to offer job seekers financial literacy education that includes information about the benefits of an ABLE account to help obtain or retain valued employment outcomes.



NEW OPPORTUNITIES FOR COLLABORATION

- ▶ American Job Centers Workforce Development Professional
- ▶ VR agency Counselors
- ▶ Community Work Incentive Coordinators
- ▶ Medicaid Support Coordinators
- ▶ State ABLE Program Managers
- ▶ Financial Institution Customer Representatives
- ▶ Disability Employment Service Providers
- ▶ Alternative Financing Programs



FORUMS TO DISCUSS ABLE

- ▶ State and Local Workforce Development Boards
- ▶ State Rehabilitation Councils
- ▶ State Independent Living Councils
- ▶ State ABLE Programs Advisory Councils
- ▶ State Developmental Disability Councils
- ▶ State Employment First Planning Councils



TEACHABLE MOMENTS

- ▶ Individual Education Plans
- ▶ Individual Transition Plans
- ▶ Individual Plans for Employment
- ▶ Individual Service/Support Plans
- ▶ Individual Benefits Plans
- ▶ Individual Financial Plans
- ▶ Individual Tax Returns and Refunds





Money Smart: A Tool to Foster Greater Economic Inclusion

Luke W. Reynolds
Chief, Outreach & Program Development,
Federal Deposit Insurance Corporation (FDIC)



The FDIC

- **An independent federal agency**
- **Major responsibilities include:**
 - ◆ **Insurance for deposits**
 - ◆ **Bank supervision**
 - ◆ **Consumer protection**
 - ◆ **Failed bank resolution**

FDIC Deposit Insurance

Insured by the FDIC:	Not Insured by the FDIC:
Checking Accounts	Stocks, Bonds, Municipal Bonds and Other Securities
NOW Accounts	Mutual Funds (money market mutual funds and stock, bond, or other security mutual funds)
Savings Accounts	Annuities
Certificates of Deposit	Insurance Products (such as automobile and life insurance)
Money Market Deposit Accounts	U.S. Treasury Bills, Bonds or Notes
	Safe Deposit Box Contents



FDIC's 2015 Banked and Unbanked Survey Results

- Among households headed by a working-age adult with a disability, **46%** were unbanked or underbanked (compared to **27%** of all households).
- Among households headed by a working age adult with a disability, the unbanked rate in 2015 was **17.6% vs. 7.0%** for all households.
- Why are individuals unbanked? A majority of unbanked households reported that they believed that **banks were not at all interested in serving households like theirs.**





Five Financial Education Principles





The Money Smart Program

- **Money Smart is FDIC's free financial education curriculum**
- **Products to teach to others:**
 - ◆ Money Smart for Young People – Pre-K - Grade 12
 - ◆ Money Smart for Young Adults – ages 12-20
 - ◆ Money Smart for Adults
 - ◆ Money Smart for Small Businesses (w/SBA)
 - ◆ Money Smart for Older Adults (w/CFPB)
- **Products to help you learn on your own:**
 - ◆ Computer Based Instruction (CBI)
 - ◆ Money Smart Podcast Network



Instructor-Led Curriculums

- **Each module is structured identically**
 - ◆ Comprehensive guide for instructors
 - ◆ Take-home booklet for participants
 - ◆ Overheads (PowerPoint and PDF format)
- **Flexible: teach modules in any order**
- **Large Print/Braille version**
- **WIOA crosswalk available**
- **An enhanced instructor-led Money Smart for Adults product is coming in 2018!**



Self-paced Resources

- **Computer-Based Instruction**
 - ◆ Supplement to instructor-led training
 - ◆ Stand-alone training/self-paced
 - ◆ Adult and Young Adult Tracks
 - ◆ Certificates of Completion
- **Money Smart Podcast Network (MP3)**
 - ◆ Grouped into four categories
 - ◆ Portable audio players or online



Money Smart News

- **View online or subscribe**
- **Provides:**
 - ◆ Updates on the Money Smart program
 - ◆ Success stories, such as:
 - [Best Practices for Teaching People with Visual Impairments](#)
 - [One Bank's Way of Promoting Financial Education Through Summer Employment](#)
- **Submissions are welcome**



Money Smart Alliance

- **Alliance members can assist by:**
 - ◆ Teaching the curriculum
 - ◆ Hosting classes
 - ◆ Facilitating program implementation
 - ◆ Promoting Money Smart
 - ◆ Funding local efforts
 - ◆ Evaluating Money Smart efforts
 - ◆ Increasing delivery and distribution networks.



FDIC's Role

- **Distribute the curriculum to potential instructors**
- **Provide technical assistance, possibly including linking sites interested in delivering financial education with potential instructors**
- **Publications**
- **We want to hear what questions educators have on the curriculum**



Implementation

- **Promising program elements:**
 - ◆ Timely and relevant content
 - ◆ Appropriate delivery (for audience & topic)
 - ◆ Accessibility
 - ◆ Cultural sensitivity
 - ◆ Evaluation component
 - ◆ Use of partnerships
 - ◆ Trained and competent providers
 - ◆ Sustainability



Connecting to Community Affairs



<https://www.fdic.gov/consumers/community/offices.html>



Closing

<https://www.fdic.gov/moneysmart>

For comments and questions email
communityaffairs@fdic.gov

PANEL DISCUSSION

▶ Guest Panelists

- ▶ Susan Tachau, Chief Executive Officer, Pennsylvania Assistive Technology Foundation
- ▶ Matthew Shapiro, Founder, 6 Wheels Consulting, LLC
- ▶ Stephanie Hoffer, Professor of Law, Moritz College of Law, The Ohio State University
- ▶ Daniel Elkus, ABLE Specialist, ABLE National Resource Center



DISCUSSION QUESTIONS



WHY DID YOU CHOOSE TO OPEN AN ABLE ACCOUNT?



**WHAT DO YOU THINK INDIVIDUALS
SHOULD TAKE INTO CONSIDERATION
WHEN CHOOSING ONE ABLE PROGRAM
OVER ANOTHER?**



**WHAT SPECIFIC NEEDS DO YOU THINK
ARE ADDRESSED BY HAVING AN ABLE
ACCOUNT THAT WILL HELP YOU MEET
YOUR EMPLOYMENT GOALS?**



**WHO DO YOU EXPECT TO BE THE MOST
FREQUENT CONTRIBUTOR TO YOUR
ACCOUNT?**



RESOURCES

- ▶ www.ablenrc.org
- ▶ 10 Things You Should Know About ABLE Accounts
 - ▶ <http://www.ablenrc.org/about/what-are-able-accounts>
- ▶ ABLE NRC Report
 - ▶ <http://www.ablenrc.org/sites/default/files/docs/resource/ABLE-Report-2017.pdf>
- ▶ State Program Comparison Tool
 - ▶ http://www.ablenrc.org/state_compare
- ▶ Contact crodriguez@ndi-inc.org



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