

To learn more about these and other programs, contact Indiana Family to Family. We will assist you as you navigate health care systems and services, especially those available to individuals with additional health, education, and mental health needs.

844-323-4636
inf2f.org

ABLE Accounts

What is the ABLE Act?

ABLE (A.B.L.E.) is an acronym for Achieving a Better Life Experience. The ABLE Act was passed in December 2014, and it allows people with disabilities and their families to set up a tax-free savings account that can be used to pay for expenses related to the person's disability. Funds in the account are generally not counted for the purposes of federally means-tested programs, such as Social Security (SSI and SSDI) and Medicaid.

Who is Eligible for an ABLE Account?

An individual who becomes disabled before age 26 and receives SSI or SSDI, is blind as determined by the Social Security Act, or is otherwise deemed "severely disabled" as documented by a physician, is eligible to open an ABLE Account, also known as a 529 A. An ABLE account may be opened by the person with a disability or a family member/guardian of a person with a disability, as long as the participant meets the criteria for eligibility. An account may be opened for anyone of any age. An individual may have only one ABLE account in his or her name. Anyone can contribute to the account. Ugift via <https://www.ugiftable.com/> is a service that allows others to contribute to a loved one's ABLE account.

How Can I Open an ABLE Account?

Several states have established ABLE accounts, and some states (including Indiana) allow non-residents to participate in their ABLE program. Beginning taxable year 2024, a state tax credit of 20% (up to \$500) will be available to any Indiana taxpayer who contributes to an Indiana ABLE account. Non-residents should consider tax and other implications of investing in out-of-state plans. Indiana offers the *INvestABLE* plan. Consumers can open an account by going to the website: <https://savewithable.com/in/home.html> or by calling (888) 609-3457. No more than the annual gift-tax exemption (currently \$18,000) may be contributed to an individual's ABLE account yearly.

What are the Advantages of an ABLE Account?

An ABLE account allows families to save for costs related to everyday needs, special and common activities, and for "quality of life" expenses. Other than basic living expenses, expenditures related to education, health and wellness, housing, transportation, legal fees, financial management, employment, assistive technology, personal support, and funeral and burial expenses also qualify. Withdrawals from an ABLE account for qualified disability expenses, as well as any money earned through the account, are tax-free. Individuals eligible for Social Security and Medicaid benefits are still able to receive these benefits. For accounts that reach \$100,000, SSI benefits may be affected.

Programs and systems change often. It is important to ensure that you are using the most current information. This fact sheet was updated August 2024. Please check <https://www.inf2f.org/fact-sheets.html> for the most recent edition.

This fact sheet was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling \$89,140 with 87% percent financed with non-governmental sources. The contents are those of INF2F and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit [HRSA.gov](https://www.hrsa.gov).