



State Treasurer Roby Smith

Death of IAble Account Owners

One of the most common questions we receive is, “What happens to the money when the account owner dies?” We know this is a sensitive topic, and every person’s situation is unique, but knowledge is power. Here are four important facts you should know:

- #1** First and foremost, all outstanding qualified disability expenses are paid, including funeral and burial expenses. Withdrawal requests must be made within 90 days of the account owner’s death. IAble will work with the account owner’s family, authorized individual or estate to process the withdrawals.
- #2** Once those are paid, the funds can be rolled over into the account of a named [successor account owner](#), if one is named. For additional details, read the [Plan Disclosure Booklet](#).
- #3** Under Iowa law, the Iowa Department of Health and Human Services (the Iowa Medicaid agency) is not permitted to recover money in an IAble account after the death of an account owner unless required by federal law in certain, limited situations. A claim can only be filed against the account if the account owner was 55 or older; however, the payment of the claim may be postponed if it can be shown the account owner is survived by a spouse, a child under the age of 21 and/or a child with blindness or disabilities.
- #4** If there is no eligible successor account owner and the account is not subject to Medicaid Recapture, the funds will be paid out to the account owner’s estate at least 180 days after the account owner’s death.

What if there is no estate?

If there is no open estate and the assets are under \$50,000, IAble will provide an Estate Distribution Form that can be used in lieu of opening an estate. Under Iowa law, if the assets are over \$50,000, an estate will need to be opened.

If there is no estate or no one comes forward with the Estate Distribution Form, the assets will remain in the IAble account until three years have passed since the account owner’s death. At that time, the account will be turned over for safekeeping to the unclaimed property program in the state of the account owner’s last known address. These funds will be held until the rightful heirs come forward and will be distributed according to the laws of the unclaimed property program. In Iowa, the unclaimed property program is known as [Great Iowa Treasure Hunt](#).

Questions?

For more information, read the [Plan Disclosure Booklet](#) or [contact our savings specialists](#).