



State of Iowa Treasurer's Office
Lucas State Office Building
Des Moines, IA 50319

Questions and Answers from the April 2023 IAble Webinar

Key Terms

SSDI: Social Security Disability Insurance

SSI: Supplemental Security Income

IRS: Internal Revenue Service

SSA: Social Security Administration

Owning, Opening and Managing an IAble Account

Does the Eligible Individual have to know the Account is going to be set up if they don't have the legal capacity to open one themselves?

The Eligible Individual is always the Account Owner, and if possible, they should be aware of an ABLE Account opened on their behalf.

My son lives in a community home. The facility is his payee for his Social Security benefits. Can I give them access to the IAble account so they can put money in when his checking account gets close to \$2,000?

Yes. An Authorized Individual may allow a third-party organization to make contributions to an IAble account. This can be done via the [Additional Contribution Form](#) or by contacting our savings specialists at (888) 609-8910 or ia.clientservice@savewithable.com.

Can an IAble account be controlled by a legal conservator for the beneficiary?

If the [Eligible Individual](#) does not have the legal capacity to open their own Account, a conservator can certify under penalties of perjury that no other person with a higher priority is willing or able to open the IAble account. The Eligible Individual is always the beneficiary and Account Owner. Visit our [Eligibility page](#) for a complete list of who is able to open an Account.

Can a grandparent open an Account for child under 18 or can only parents open?

A grandparent can open an Account for a child under age 18 if they have the financial authority to do so and no other person with a higher priority is willing or able to open an Account. Visit our [Eligibility page](#) for a complete list of who is able to open an Account.

If the Account was opened prior to the child being 18 years old, what happens once they turn 18?

Prior to the Account Owner turning 18, the Authorized Individual and Account Owner will receive a notification explaining their options. If the Account Owner has legal capacity, they can either take control of the Account or designate an Authorized Individual to manage the Account on their behalf. If the Account Owner does not have legal capacity, the Account will be transferred to the Authorized Individual after the Authorized Individuals certifies no one with a higher priority is willing or able to manage the Account. Our savings experts are a fantastic resource for this process, and we encourage you to [contact us](#) for specific questions. Visit our [Eligibility page](#) for a complete list of who is able to open an Account.



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When opening an Account after being appointed as a legal guardian or conservator, is there a specific time frame after appointment that you have to open the Account?

There is no time frame as long as you can certify there is no one with higher priority willing and able to open an Account.

Are you able to designate a beneficiary for an Account?

The Account Owner is the designated beneficiary of the IAble account. A Successor Account Owner can be named to take over the Account upon the Account Owner's death. However, the individual must be a sibling of the Account Owner and also be an Eligible Individual.

We've recently been appointed conservatorship for an adult with a disability. The previous individual resigned and the current IAble account is unmanaged. How do we gain control?

Please reach out to the Plan for next steps at (888) 609-8910 or ia.clientservice@savewithable.com.

Does the Eligible Individual need to be an Iowa resident to open an IAble account?

No. Any Eligible Individual can open an IAble account. However, if you are not an Iowa taxpayer, consider any state tax or other benefits that may be available by investing in your home state's ABLE program.

Can a Representative Payee open the Account if the guardian agrees?

A Representative Payee can open an Account on behalf of an Eligible Individual if they certify under penalties of perjury no other person or entity with higher priority is willing or able to establish the Account. Visit our [Eligibility page](#) for a complete list of who is able to open an Account.

For organizations appointed as Representative Payees, what would you enter for the Authorized Individual's information such as birthdate, State ID number, etc.?

When using the [Enrollment Form \(PDF\)](#), provide the name of the entity in the First or Last Name boxes. Provide the entity's Taxpayer Identification Number. Leave the birth date and citizenship boxes blank. Include the telephone number, street and mailing address of the entity. Please reach out to the Plan for further questions at (888) 609-8910 or ia.clientservice@savewithable.com.

My understanding is we can currently open an Account for our minor daughter, but not ourselves until 2026, since my husband and I were 40 when declared disabled?

Correct. Currently, if the individual's disability was present before age 26 and they meet the other eligibility requirements, an Account can be opened. The ABLE Age Adjustment Act, which becomes effective January 1, 2026, increases the age of eligibility from 26 to 46.

How do you add additional authorized persons to the Account?

To add a secondary Authorized Individual, or to change the existing Authorized Individual on an Account, contact the Plan at (888) 609-8910 or ia.clientservice@savewithable.com. Use the [Account Information Change Form \(PDF\)](#) to update the name and contact information for an existing Authorized Individual.



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How do you close the Account?

The Account can be closed at any time. Please reach out to the Plan for next steps at (888) 609-8910 or ia.clientservice@savewithable.com.

Contributing to an IAble Account

How do I contribute to my IAble account?

[Contributions](#) to an IAble account can be made via check, wire transfer, payroll direct deposit, Ugift and recurring contributions.

Does the maximum of \$17,000 per year run by the calendar year?

Yes. The Annual Contribution Limit runs by calendar year.

The ability to transfer 529 education savings plan funds to an ABLE account expires (sunsets) in 2025.

Can you explain this further? What is the likelihood this will exist beyond 2025?

Under current federal law, 529 education savings plan rollovers will only be permitted until January 1, 2026. Without changes to this law, this feature will sunset. Since this will take federal legislation, we encourage you to reach out to your U.S. Congressman and U.S. Senators to extend this feature.

When rolling over money from a 529 account, is there a penalty for non-educational expenses? Are there any Iowa tax issues?

It is considered a qualified rollover when rolled from a 529 education savings account to an ABLE account. We recommend reaching out to your tax or legal professional for questions specific to your situation.

If an Account Owner has \$5,000 in earned income, can I they transfer \$22,000 from a 529 account to an IAble account, or are they limited to the \$17,000 Annual Contribution Limit?

Rollovers from a 529 plan are subject to the \$17,000 Annual Contribution Limit. If \$17,000 were rolled into the Account in one calendar year, the remaining \$5,000 from the 529 account would need to wait until the next year. If an Account Owner is working, they can only contribute above the Annual Contribution Limit the funds they have earned directly into their IAble account– not gifts or rollovers. We encourage working Account Owners to contact the Plan to set up ABLE to Work and learn more about contributing additional funds.

Can my daughter, who receives SSI benefits, contribute her own money into the Account I set up for her?

Yes. As the Account Owner, she may contribute money into her Account.

Can a person outside of Iowa contribute?

Yes. Anyone can contribute to an IAble account with permission from the Account Owner, regardless of their state of residency.



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Our organization was under the impression that due to us being the Representative Payee, SSDI/SSI benefits could not be put into an IAble account. If they did NOT have a Representative Payee, they could put SSDI/SSI funds into the Account.

We encourage you to reach out to your organization as this could be a policy of theirs. IAble does not have that restriction, and any Account Owner can have their SSDI and SSI funds contributed into their Account. The Representative Payee can be an Authorized Individual on the IAble Account if the Representative Payee can certify that no one with a higher priority is willing or able to open and manage the Account on behalf of the Eligible Individual. If there is someone with higher priority, the Representative Payee should work with the Authorized Individual on which funds they want invested in IAble.

What about rollovers from a Coverdell ESA? Rollovers are allowed to 529 Accounts, and an ABLE Account is part of the IRS 529 guidance.

A specific provision in Section 529 provides for tax free rollovers from a Coverdale to a 529 Plan; that same provision is not in Section 529A (Able). Please consult with a tax professional for additional information.

What about entity contributions, such as DHS waiver money or grants?

IAble accounts do not look at the source of the funds, but there may be other factors for the Account Owner to consider. ABLE is a tool to increase assets/resources, but it does not impact or shield earnings. In this instance, we would recommend reaching out to the Department of Health and Human Services and your tax or legal professional.

Can money from an IRA be contributed to an IAble account? How do I prevent it from being counted as an asset?

There is no legislation that authorizes rollovers from IRAs to ABLE accounts. We recommend reaching out to your tax or legal professional in regards to your specific situation.

Is it correct IAble Account Owners who earn income may contribute additional funds over the \$17,000 Annual Contribution Limit?

Yes. IAble Account Owners earning income can contribute additional funds beyond the Annual Contribution Limit. In 2023 that amount is up to \$13,590 more in Iowa. The additional amount must come from the Account Owner and not contributions from other sources. There are additional guidelines for ABLE to Work, so we recommend [contacting](#) our savings specialists and reviewing the [Plan Disclosure Booklet](#).

Can an IAble Account Owner also have a Special Needs Trust?

Yes. An IAble Account Owner can also have a Special Needs Trust. Additionally, if they choose, their Special Needs Trust may transfer funds to an IAble account, up to the Annual Contribution Limit.



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Withdrawing from an IAble Account

If the money in an IAble account is invested, how is it withdrawn?

Account Owners and their Authorized Individual can always access the money in an Account. Withdrawals may be requested online, by calling or by submitting a paper form to the Plan. Withdrawals will be sent by ACH, or by check to the Account Owner or to a third party designated by the Account Owner.

The definition of a Qualified Disability Expense seems like it only includes basic needs. Can you address that?

The definition of a [Qualified Disability Expense](#) was intentionally left broad by the Federal Government to provide flexibility for individuals with disabilities, knowing every individual's needs to achieve a better life experience are different. While we are unable to provide specific advice for what qualifies as a Qualified Disability Expense, we are able to provide guidance on general items that could be covered. These can be found on our [website](#). You can also [contact](#) our IAble experts for more information.

Can the money be transferred to a normal bank account until the purchase of a Qualified Disability Expense is made, or will that count as income for Social Security purposes?

Withdrawals can be sent by ACH to the bank account on file or by check to the Account Owner at the address on the Account or a third party designated by the Account Owner. If invested in the Checking Account Option, a debit card or a check may be used to pay the third party directly. Keep in mind if funds sit in your non-IAble bank account, they could be treated as an asset and put you over the \$2,000 limit. We recommend reaching out to your income maintenance worker for information about your specific situation.

Rent is frequently due on the first of the month. How do I pay my rent if funds are counted as a resource if not used in the month they are withdrawn?

Here are a couple options to address your concern. First, you can withdraw the money and pay your rent in advance. Second, you may set up a Systematic Withdrawal, which allows an Account Owner to establish periodic, pre-scheduled withdrawals for Qualified Disability Expenses. These withdrawals can be sent by ACH or by check to the Account Owner at the address on the Account or to a third party designated by the Account Owner.

Could I use IAble for my mortgage? My house is adapted.

We encourage you to reach out to your tax or legal professional for specific advice on Qualified Disability Expenses. While we cannot provide tax or legal advice, we can provide general guidance that housing expenses are considered a Qualified Disability Expense.

Can I use the money in an IAble account to pay for housing at a university I am attending?

We encourage you to reach out to your tax or legal professional for specific advice on Qualified Disability Expenses. While we cannot provide tax or legal advice, we can provide general guidance that housing and education expenses are considered Qualified Disability Expenses.



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What documentation do we need to provide when paying for expenses for our family member using an IAble account?

No documentation is required by IAble when making a withdrawal. However, we encourage the Account Owner or Authorized Individual to keep a record of expenses in the event they are audited by the IRS, Iowa Department of Revenue or another entity. An optional [Qualified Disability Expenses Withdrawal Log](#) is available to assist you in tracking Qualified Disability Expenses.

Tax Benefits

Are all withdrawals state tax exempt? Not just qualified withdrawals?

Correct. All withdrawals are free from state income taxes for Iowa taxpayers.

When the Account Owner contributes an amount equal to earned income, do they get the state tax deduction?

The Account Owner is eligible to take the [tax deduction](#) if they pay state of Iowa taxes. For 2023, the Iowa state tax deduction is up to \$3,785 for each person contributing to an IAble Account.

If a couple files taxes jointly, can each individual take the tax deduction (\$3,785 x 2)?

The state tax deduction is per individual. A married couple filing jointly could both maximize the deduction if they both contributed to an IAble account.

Fees

Can you talk further about the fees?

Since the inception of IAble, we have worked diligently to keep costs low for Account Owners and their support system, and we have even had multiple price reductions. Being a member of the National ABLE Alliance is one way we have been able to accomplish that.

The Annual Account Maintenance Fee, billed quarterly, pays for the ongoing Account maintenance and administration. The Fee is discounted if an Account Owner elects in e-delivery. There is an additional monthly service charge for the Checking Account Option, which can be waived if the Account Owner elects in e-delivery or maintains an average monthly balance of \$250 or more.

The [Investment Options](#) have additional asset-based fees that range from 0.30% to 0.33%, depending on the Option chosen. These are competitive asset-based fees for professionally managed funds with no minimum requirements.

Investment Options and the Checking Account Option

Is there anyone I can talk to for help with the investing piece of opening the Account?

While IAble cannot provide investment advice, our savings specialists can help answer questions regarding investments and your risk tolerance.



State of Iowa Treasurer's Office
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An Account Owner and their support system may also consult a financial advisor. Another option includes reaching out to or utilizing tools from nonprofit organizations such as [The Arc](#), [National Disability Institute](#), [Special Needs Alliance](#) or the [ABLE National Resource Center](#).

Do you have to enroll in the Checking Account Option to get a debit card?

Yes. A debit card is only available with the [Checking Account Option](#).

If you allocate money to two or more Investment Options and/or the Checking Account Option, how often do you rebalance as money is withdrawn?

As new contributions are received, the Account Owner determines how they are allocated. Additionally, as withdrawal requests are received, the Account Owner determines which options they are taken from. Current assets would not be moved unless you provided direction to the Plan. Investments can be changed up to twice annually without the use of Systematic Exchanges.

What is the process for allocating investments?

When creating an Account, an Account Owner can allocate which Investment Option(s) contributions will go to. An Account Owner can move Account assets from one Investment Option to another up to two times per calendar year, unless using Systematic Exchanges. Learn more about Systematic Exchanges in our [Plan Disclosure Booklet](#).

You mentioned an Account can have a combination of the Checking Account Option and Investment Options. If an Account Owner opened the Account in the past with only one option, how do you add the other?

You can do this online when logged into your Account. Our [Investment Option Change/Future Contribution Allocation Form](#) is also available on IAble.gov or you can reach out to the Plan at (888) 609-8910 or ia.clientservice@savewithable.com to order the form or request assistance in completing the form.

When you open an IAble account, do you automatically get a debit card? How much does the card cost and how do I get one?

Account Owners enrolled in the Checking Account Option will automatically receive a free debit card within 10 business days after the Account is funded. Account Owners have the option to order checks for a fee.

[Public Benefits and ABLE Accounts](#)

Can Medicaid for Employed People with Disabilities (MEPD) be put into an ABLE account to avoid asset limits?

Funds in an ABLE account are not counted as a resource (up to \$100,000 for SSI). Medicaid disregards all IAble assets when determining eligibility. IAble does not look at the source of the funds that are contributed to IAble, but the maximum amount that can be contributed in 2023 is \$17,000. It should be noted while IAble funds are not counted as a resource, ABLE accounts do not impact income.



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Do the savings in the IAble account get reported on Representative Payee reports? Any Medicaid or Food Assistance reporting?

We recommend reaching out to the entities managing the benefits for specific questions on what is required for reporting. Whether or not the IAble Account is reported, it will not impact benefits eligibility since funds in an ABLE account are disregarded.

Is the Account limit higher for SSDI, as I read it goes up to \$420,000? How is this different than SSI?

Account contributions can be made until the IAble account reaches the Account Balance Limit of \$420,000. Up to \$100,000 in an IAble account is protected from SSI benefit eligibility; any amount over that is counted as a resource in regards to SSI. SSDI, on the other hand, has no income or asset limits. We suggest you reach out to your income maintenance worker for specific information about your situation.

Can SSDI/SSI benefit money be put into the IAble account by the Representative Payee?

SSI and SSDI monthly benefit payments can be contributed to an IAble account. If the Representative Payee is not an Authorized Individual on the Account, the Representative Payee should work with the Authorized Individual on which funds they want invested in IAble.

The Representative Payee can be an Authorized Individual on the IAble Account if the Representative Payee can certify that no one with a higher priority is willing or able to open and manage the Account on behalf of the Eligible Individual.

Does the \$100,000 limit apply to those dependent on Medicaid?

Any amount saved in an IAble account is disregarded from Medicaid eligibility. The \$100,000 limit only applies to individuals receiving SSI benefits.

Is there also a point where Medicare is impacted by the ABLE limits?

There are various types of Medicare Plans, and we recommend reaching out to the state's Medicare agency for specifics related to your plan. In many instances, they use the same eligibility as SSI or Medicaid, which assets in ABLE are disregarded (up to \$100,000 for SSI).

Medicaid Recapture and Death of an Account Owner

What happens to the money once the Account Owner dies?

All outstanding Qualified Disability Expenses, which includes funeral and burial expenses, can be paid using the money in an Account.

An Account Owner can name a Successor Account Owner, who must be a sibling of the Account Owner and also be eligible for an IAble account. If the Account Owner dies and does not name a Successor Account Owner, the Account is handled according to the Account Owner's estate.

There are limited situations in which Medicaid is able to recapture the funds. For details, please review the Iowa Specific Provisions section of the [Plan Disclosure Booklet](#). If the Account is subject to Medicaid recapture, the Iowa Medicaid program may file a claim to recover the money in an Account. We



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encourage you to reach out to your Income Maintenance Worker for questions about your specific case. IAble is not able to provide advice regarding Medicaid.

Can Medicaid make a claim for the money in our Account if we pass after age 55?

If required by federal law, which in many cases if the Medicaid services were received after age 55, Medicaid can file such a claim against the Account. Payment of the claim may be postponed if it can be shown that the Account Owner is survived by:

- A spouse
- A child under the age of 21
- A child of any age with blindness or disabilities

Once the condition for which the postponement was granted is no longer valid, e.g., a surviving child reaches the age of 21, Medicaid may seek payment of the claim.

Potential contributors and Account Owners should consult the Plan Disclosure Statement for important information concerning Medicaid recapture. If you are an Iowa Medicaid member and have questions on how something will impact your specific case, you should contact your Income Maintenance (IM) worker. IAble is not able to provide advice regarding Medicaid.

Does Iowa have a Designated Survivor Form and process applicable to a situation where an Account Owner dies?

IAble does not currently have a Designated Survivor Form. An IAble Account Owner can name a Successor Account Owner. The Successor Account Owner must be a sibling of the Account Owner. If there is no Successor, or the Successor is not Eligible for an ABL Account, the Account is handled according to the Account Owner's estate.

When a person passes away and all burial expenses are taken care of, do estate tax rules apply or are there other rules for the monies?

After all Qualified Disability Expenses are paid, the Account is treated as owned by the Account Owner and is included in their estate, which would follow estate tax rules. Qualified Disability Expenses are paid before the Account goes to the estate and are not subject to estate taxes. We encourage you to reach out to your tax professional with questions specific to your situation.

Why are other states not required to have a Successor Account Owner (upon death of an Account Owner) be disabled? Virginia, for example, doesn't have that requirement.

According to federal ABL regulations, a Successor Account Owner must be an Eligible Individual and be Eligible for an ABL Account to take control of the Account – regardless of the state.

In Iowa, if there is no Successor Account Owner the funds from the Account will go to the estate of the Account Owner. We are not able to provide advice regarding other state's ABL plans.



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Why aren't other state's ABLE accounts subject to Medicaid recapture and Iowa is?

IAble Accounts are only subject to Medicaid recapture when required by federal law. This law would apply to all ABLE accounts, regardless of state.

It is important to note that prior to Iowa HF835 being signed in to law in 2021, Medicaid was able to recapture in more instances from IAble Accounts. This legislation limited the recapture to only when it is required by federal law.