



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

Questions and Answers from the April 2024 IAble Webinar

Key Terms

SSDI: Social Security Disability Insurance

SSI: Supplemental Security Income

SSA: Social Security Administration

Owning, Opening and Managing an IAble Account

I have a client whose guardian will not allow her to sign up for an IAble account, yet the client wants one. The client receives payee services through my organization, so she cannot manage the account herself. Can we support her with setting up an IAble account without her guardian's permission if we can find an Authorized support for her to manage her Account?

IAble is unable to give tax or legal advice in regards to guardians and their authority on financial matters. If there are question on eligibility on who can open and manage an Account, we recommend reviewing our [Who Can Open an Account?](#) page and the [Plan Disclosure Booklet \(PDF\)](#). For questions specific to your situation, we recommend reaching out to your tax or legal professional.

Can someone who has a payee but is their own legal guardian open their own Account?

If the Eligible Individual has legal capacity, they may open their own Account. For more information, review our [Plan Disclosure Booklet \(PDF\)](#). For questions specific to your situation, we recommend reaching out to your tax or legal professional.

The parents are co-conservators. Can both be Authorized Individuals at the same time?

Yes, as long as the Authorized Individuals are at the same level of priority. View the [Who Can Open an Account?](#) page for more information.

How many authorized users can there be? Can Mom and Dad and the future caretaker if something happens to Mom and Dad?

Authorized Individuals must be at the same level of priority; however, you can establish a Successor Authorized Individual. Read the [Plan Disclosure Booklet \(PDF\)](#) for additional information.

Do you have to be deemed disabled by SSA to open an Account or just eligible? If just eligible, how do you prove eligibility?

You can find the various components of eligibility at iable.gov/eligibility. Currently, the disability must be present before age 26; then, they must also meet one other criteria for Eligibility to Open an Account. Documentation is not required to be sent to the Plan, but the individual opening the Account must certify under penalties of perjury. See the [Plan Disclosure Booklet \(PDF\)](#) for additional information.

Is there an option to meet with an IAble representative in person to assist with setting up an Account? Or are all Accounts set up online only?

Accounts can be opened online or via our [paper enrollment form \(PDF\)](#). For assistance setting up Accounts, our IAble phone team is available from 8:00 a.m. to 5:00 p.m. during business days at 888-609-8910.



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I had a parent apply to open an IAble account. She did this in paper form back in January but she hasn't received any information on this after sending in the information. Would she receive something stating the Account is open?

A confirmation should be sent. We recommend reaching out to the Plan to follow-up on your specific situation. Our IAble phone team is available from 8:00 a.m. to 5:00 p.m. during business days at 888-609-8910.

What happens when someone closes the Account? How hard is it, and is it taxed?

The Account Owner or Authorized Individual can close an IAble Account at any time. For information specific to your situation, and the variety of factors that may impact taxes, please contact the Plan. Our IAble phone team is available from 8:00 a.m. to 5:00 p.m. during business days at 888-609-8910.

I was thinking that my son cannot have one since he has a 401K at his work. Is this still current?

Working Account Owners can have an IAble account and can contribute up to the Annual Contribution Limit of \$18,000 per calendar year. For additional information about the Plan, visit [IAble.gov](https://ia.able.gov) or read the [Plan Disclosure Booklet \(PDF\)](#). For questions specific to your situation, please [contact our IAble specialists](#).

How can I get a Plan Disclosure Brochure?

The [Plan Disclosure Booklet \(PDF\)](#) can be found in the footer of [IAble.gov](https://ia.able.gov).

[Contributing to an IAble Account](#)

Can a large amount of money be contributed to an Account from an inheritance?

A total of up to \$18,000 can be contributed to an IAble account each calendar year.

Can a paycheck get directly deposited into the IAble account?

Yes, if the employer offers payroll direct deposit. [Contact the Plan](#) for additional information.

Can 401k account from the employer be placed in the Account?

If it is a distribution from a 401K, there are no restrictions on contributing it to an IAble account. For questions specific to your situation, we recommend reaching out to your tax or legal professional.

Last I heard, the ability to roll over funds from a 529 to an ABLE account expires in 2025. Has that been extended beyond 2025?

Under current federal law, 529 education savings plan rollovers will only be permitted until December 31, 2025. Without changes to this law, this feature will sunset (expire). Since this will take federal legislation, we encourage you to reach out to your U.S. Congressperson and U.S. Senators to extend this feature.



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Withdrawing from an IAble Account

Can IAble be used to pay health insurance premiums for the individual?

Qualified Disability Expenses are any expenses incurred as a result of living with a disability, and health and wellness expenses are included. The definition was intentionally left broad to encompass a wide variety of expenses individuals with disabilities may have. For more information, visit ia.able.gov/benefits/qualified-expenses.

Can IAble funds be used to save for a vacation?

The definition of a Qualified Disability Expense was intentionally left broad to encompass a wide variety of expenses individuals with disabilities may have that help improve health, independence or quality of life. More information can be found at ia.able.gov/benefits/qualified-expenses. If you have questions specific to your situation, we encourage you to reach out to your tax or legal professional.

Would a campership fee be an eligible expense?

The definition of a Qualified Disability Expense was intentionally left broad to encompass a wide variety of expenses individuals with disabilities may have that help improve health, independence or quality of life. More information can be found at ia.able.gov/benefits/qualified-expenses. If you have questions specific to your situation, we encourage you to reach out to your tax or legal professional.

What are some common expenses people may think are qualified expenses that are NOT?

With the definition of a Qualified Disability Expense intentionally left broad, we do not have examples of expenses that are not included. If you have questions specific to your situation, we encourage you to reach out to your tax or legal professional.

Would a tax or legal professional know enough about IAble accounts that they could answer this?

This would be dependent on the tax or legal professional and his/her familiarity with IAble accounts. If there are additional questions, please reach out to the Plan. Our IAble phone team is available from 8:00 a.m. to 5:00 p.m. during business days at 888-609-8910.

Who would have the 'final answer' for this question?

Whether a withdrawal is considered a Qualified Disability Expense is a matter between the Account Owner and the IRS.

Who "polices" the IAble accounts to determine if a withdrawal was an eligible expense?

Whether a withdrawal is considered a Qualified Disability Expense is a matter between the Account Owner and the IRS. We recommend Account Owners keep a record of their receipts in the instance they were audited by the IRS.



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Tax Benefits

The allowed amounts that can be deducted per individual that contributes to an IAble account is \$4,028. Does this allow the individual who benefits from the IAble account to deduct the \$4,028 by each parent if each parent contributes, in addition to a deduction by the individual who owns the Account?

The State of Iowa tax deduction is able to be deducted by the individual that made the contribution to the Account. If two parents contributed, each parent could take the deduction.

What taxes apply to IAble accounts? My main income has been SSI, so I haven't needed to do anything with taxes in years.

Your IAble account assets grow deferred from federal and state income taxes. You will not pay federal taxes on money withdrawn from your IAble account to pay for Qualified Disability Expenses. If you are an Iowa taxpayer, all withdrawals are free from state income taxes.

If the Account Owner has a W-2 paying job, contributes cash to an IAble account (less than poverty level etc.), the Account Owner gets a tax deduction of up to the \$4,028?

Any Iowa taxpayer can take a state income tax deduction for their IAble contributions. In 2024, the amount is \$4,028.

But if I roll over funds from a college savings 529 to an ABLE account, I suspect no tax deduction there. True?

If you have previously taken the tax deduction, you are unable to take the tax deduction again. For more information, read the [Plan Disclosure Booklet \(PDF\)](#).

Investment Options and the Checking Account Option

What interest does checking receive?

Interest rates may fluctuate. If there are additional questions, please reach out to the Plan. Our IAble phone team is available from 8:00 a.m. to 5:00 p.m. during business days at 888-609-8910.

Is it correct that we can move funds from investment to checking only twice per year?

Changes between investment options are only allowed twice per year if a [systematic exchange](#) is not set up. For more information, read the [Plan Disclosure Booklet \(PDF\)](#) or [contact the Plan](#).

Has there been any discussion of risk since SS funds are involved?

IAble funds are protected at the federal level. For more information, read the [Plan Disclosure Booklet \(PDF\)](#) or [contact the Plan](#).

How do I establish and use the checking account?

When setting up the IAble Account or making additional contributions, you can select the Checking Account Option. For assistance, or questions regarding your situation, please contact the Plan. Our IAble phone team is available from 8:00 a.m. to 5:00 p.m. during business days at 888-609-8910.



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If you select the debit card option and make purchases off the card, are receipts required?

You are encouraged to keep receipts for your own records. Receipts should not be submitted to the Plan.

If not using SSI (student status), is there a benefit of using the IAble checking account vs. a standard checking account?

Saving in an IAble account, whether investing in any of the six Investment Options or the Checking Account Option, can protect Account Owner funds from the federal asset cap of \$2,000 for federal means-tested programs, not just SSI.

I would be interested in a more in-depth discussion on investment options.

We recommend reaching out to the Plan. Our IAble phone team is available from 8:00 a.m. to 5:00 p.m. during business days at 888-609-8910.

[Public Benefits and ABLE Accounts](#)

The allowed amounts and qualifications with the SSDI program?

IAble Accounts have an Account Balance Limit of \$420,000.

If I make too much money at my job, can I put it into the IAble account and then I wouldn't lose my benefits - like Medicaid - or have to pay a premium?

Funds in an IAble Account are not counted as a resource in determining eligibility for, or the amount of assistance provided by, means-tested federal programs. IAble funds do not protect from income limits. For questions specific to your situation, please reach out to your tax or legal professional.

How can this benefit persons with mental illness who are funded under the habilitation waiver and wish to become employed, however their monthly income is limited due to federal income guidelines for eligibility for Hab-Funded Services?

Funds in an IAble Account are not counted as a resource in determining eligibility for, or the amount of assistance provided by, means-tested federal programs. IAble funds do not protect from income limits. For questions specific to your situation, please reach out to your tax or legal professional.

Is there a higher maximum limit allowed if you receive SSDI?

Any money in an IAble account, up to the Account Balance Limit of \$420,000, is disregarded from SSDI.

[Medicaid Recapture and Death of an Account Owner](#)

How does the Account Owner designate a beneficiary upon the death of the account holder?

If you would like to designate a Successor Account Owner to take over the Account balance upon the Account Owner's death, use the [Account Information Change Form \(PDF\)](#).

How can the Account Owner designate someone else to access funds in case of the owner's death?

If you would like to designate a Successor Account Owner to take over the Account balance upon the Account Owner's death, use the [Account Information Change Form \(PDF\)](#).



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What happens to any remaining funds after the death of the Account Owner?

The Account Owner can designate a Successor Account Owner. If there is not a Successor Account Owner, the funds will be paid to the Account Owner's estate after all Qualified Disability Expenses are paid, including funeral and burial expenses.

I called a few weeks ago and asked about what would happen in the event of my child's death. The IAble person told me if my child was paid Medicaid benefits, they would take money from the IAble account. Can you please clarify?

Under Iowa law, the Iowa Medicaid program cannot file a claim to recover moneys in the Account following the death of the Account Owner unless such a claim is required by federal law. For more information, read the [Plan Disclosure Booklet \(PDF\)](#).

If the person with a disability dies with money in their Account, can money in the Account be used to go OVER the allowed funeral amount or no?

Funeral and burial expenses are considered a Qualified Disability Expense and can be paid after the Account Owner's death.

Where specifically can I find out about the federal government coming after funds when a person dies? Where can the money go if the government doesn't come for it?

Under Iowa law, the Iowa Medicaid program cannot file a claim to recover moneys in the Account following the death of the Account Owner unless such a claim is required by federal law. For more information, read the [Plan Disclosure Booklet \(PDF\)](#).