

GET **READY**, GET **SET**, GET **GOING**.

**LESSON 5:
SAVING FOR
MY FUTURE**



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Contents

- Learning Objectives..... 90
- Time..... 90
- Materials Needed..... 90
- Preparation..... 91
- Lesson Plan Overview..... 92
- Welcome, Review Assignments, and Distribute Handouts 93
- Managing a Spending Plan..... 94
- Special Savings Accounts 95
- Building Savings While Receiving Public Benefits 97
- Ways to Increase Savings 97
 - Activity 1: Ways to Increase Savings..... 97
- More Income 99
 - Activity 2: New Income Ideas 99
- Discussion Questions..... 100
- Are You Ready for Change? 100
- Wrap-Up..... 101
- Additional Resources 102
- References..... 103
- Handout: Managing a Spending Plan..... 104
- Handout: Setting Up an **ABLE Account**..... 105
- Handout: Learn How **Saving and Asset Limits** Can Affect Your Benefits..... 107
- Handout: **Finding a Place for Savings** Helps Ensure It’s There When You Need It..... 109
- Handout: **Planning for Life Events and Large Purchases** Can Help You Save for Them..... 111
- Handout: Think About Strategies for **Increasing Income and Benefits**..... 112
- Appendix 5-1: Saving for Emergencies, Bills, and Goals..... 114
- Appendix 5-2: Setting Up and ABLE Account..... 120

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Learning Objectives

After completing this lesson, participants will be able to:

- Explain special savings accounts for persons with disabilities: Achieving a Better Life Experience (ABLE) Accounts, Individual Development Accounts (IDA), and Plan to Achieve Self-Support (PASS).
- Demonstrate knowledge of asset limits to prevent reduction or elimination of public assistance benefits.
- Explain ways to save long term through employer and Internal Revenue Service (IRS) saving credits.

Time

- 60 Minutes

Materials Needed:

- Building Your Savings? Start With Small Goals* (See “Preparation” section)
- Handouts (1 per participant):
 - Managing a Spending Plan
 - Setting Up an **ABLE Account**
 - Learn How **Saving and Asset Limits** Can Affect Your Benefits
 - Finding a **Place for Savings** Helps Ensure It’s There When You Need It
 - **Planning for Life Events and Large Purchases** Can Help You Save for Them
 - Think About Strategies for **Increasing Income and Benefits**
 - Make a Plan for **Putting Goals Into Action** (from Lesson 2)
- Name tents
- Markers, crayons, pencils, or other writing utensils
- Discussion questions
- Flip chart

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LESSON 5: SAVING FOR MY FUTURE



Preparation

Review the entire lesson, including “Appendix 5-1: Savings for Emergencies, Bills, and Goals” and “Appendix 5-2: Setting Up an ABLE Account.” They contain background information about ABLE and IDA accounts, the PASS program, and special trusts for people with disabilities.

Decide how in depth to cover the content in the “Special Savings Accounts” section based on your participants’ independence with their financial decisions. They may instead need to speak to their payees or caregivers. Make copies of handouts you plan to use for participants. If using 3-ring binders to organize and store handouts, 3-hole punch the handouts. Collate the handouts into one set for each participant.

If you have not already done so, order the Consumer Financial Protection Bureau publication *Building Your Savings? Start With Small Goals* for each participant. Find the publication online at <https://pueblo.gpo.gov/CFPBPubs/CFPBPubs.php?PubID=13438>.

Gather all needed materials. Prepare materials accordingly. Review and choose several questions from the “Discussion Questions” section. If desired, repost the ground rules you wrote on flipchart paper before Lesson 1 on a wall in the classroom.

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LESSON 5: SAVING FOR MY FUTURE



Lesson Plan Overview

Facilitator may use a flip chart and a marker to visualize any important terms introduced during the lesson. Use the lecturette concepts and activities covered in the lesson plan as a guide.

Lesson Plan Overview

TIME ALLOTTED	ACTIVITY
5 minutes	Welcome, overview of lessons, ground rules, assignment review, lesson objectives, distribute handouts
5 minutes	Managing a Spending Plan Handout: Managing a Spending Plan
5 minutes	Special Savings Accounts Handout: Setting Up an ABLE Account
5 minutes	Building Savings While Receiving Public Benefits Handout: Learn How Saving and Asset Limits Can Affect Your Benefits
10 minutes	Activity 1: Ways to Increase Savings Handout: Cutting Expenses (Lesson 4) Publication: <i>Building Your Savings? Start With Small Goals</i> Handout: Finding a Place for Savings Helps Ensure It's There When You Need It Handout: Planning for Life Events and Large Purchases Can Help You Save for Them
10 minutes	More Income Handout: Learn How Saving and Asset Limits Can Affect Your Benefits
10 minutes	Activity 2: New Income Ideas Handout: Think About Strategies for Increasing Income and Benefits Publication: <i>Building Your Savings? Start With Small Goals</i>

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LESSON 5: SAVING FOR MY FUTURE



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TIME ALLOTTED	ACTIVITY
5 minutes	Discussion Questions and Are You Ready for Change?
5 minutes	Wrap-Up

Welcome, Review Assignments, and Distribute Handouts

Share: Welcome the group, take attendance, review ground rules, and distribute handouts for today's lesson. To review the assignments from the previous lesson "Planning to Save," ask for a couple of volunteers to share their goals or action plan that include finances, using their stated goal on their name tent as a reminder. Ask if anyone wrote a new SMART goal on the "Make a Plan for **Putting Goals Into Action**" handout.

Ask: *Did you keep your receipts and put them in the envelope I gave you? We will start using them next week. Keep saving your receipts every day till next week when we will use them in an activity.*

Share: State the learning objectives for this lesson.

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Managing a Spending Plan

Share: *We are getting ready to talk about the important parts of managing a spending plan. You have set some goals, saved receipts, made a plan to save money, and organized your important personal records. How do you feel you are doing now to manage your money? What changes have you made? Are you doing anything differently? Review the “Managing a Spending Plan” handout to check if you are doing these things “sometimes” or “always.” We will continue talking about the rest of the topics on this handout in future lessons.*

Share: *The ways we save money for emergencies and short-term goals and the ways we save for retirement are different. Put your emergency money and short-term goal money in a place safe from theft, safe from borrowing for everyday expenses, and available for use when necessary (Anderson-Porisch et al., 2007).*

Money saved for long-term goals or retirement needs to grow over time. Remember these two important facts about retirement and long-term savings:

- *The money must be left in savings for a long time in order to grow.*
- *The money saved must be earning interest.*

(Leader Note: It may be helpful to participants for this next section if you write new words and the equations on flip chart paper.)

Share: *You can “grow,” or increase your money by putting it in an “interest earning” account or investment.*

*To **invest** money means to put it somewhere such as a bank or credit union in order to earn something back such as interest.*

Interest *is the payment made for use of invested money.*

Compounding *is how money grows when interest is reinvested. The more money you put in the bank, the more your interest will grow.*

*Interest is determined by the **principal** (how much you invest) in your savings multiplied by the interest rate. When interest is compounded, the interest payment is continually added to your principal. Each time interest is paid, the principal is larger, meaning the next interest payment will be larger.*

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LESSON 5: SAVING FOR MY FUTURE



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For example:

You invest \$500 at 3% interest.

You earn \$15 interest ($500 \times .03$).

This amount is added to your current investment of \$500. You now have \$515.

The next time interest is figured, it will be 3% ($.03$) \times \$515. The interest payment will be \$15.45. Again, this will be added to the investment balance and used as the balance when interest is figured again.

So $\$515 + \$15.45 = \$530.45$, the new principal balance.

This is how savings grow. It is a slow process, but it can increase the amount of money in the account if the money is left in savings to grow for a long time.

Therefore, long-term accounts, such as employer retirement plans, IRAs, and 529 College Savings Plans are designed to make it difficult to withdraw money early for current expenses (Anderson-Porisch et al., 2007).

Special Savings Accounts

Share: *In previous lessons, we talked about the importance of having emergency or rainy-day funds. In this lesson, we will discuss more medium-term and long-term goals, as well as ways to save to achieve your goals. A common rule is to save 10% of your income. If you have enough money already saved for emergencies, you can consider saving toward your goals and future needs.*

Share: *Savings are an **asset**, which means they have financial value. (It's a good thing to have assets.) Benefit payments have limits for making money and saving. You may be limited, for example, to \$2,000 in savings in a regular bank or credit union savings or checking account.*

People with disabilities have options that do not affect the asset limits with Supplemental Security Income (SSI), Medicaid, or other benefits. We will talk about basic information for these four special savings accounts:

- *ABLE accounts*
- *Individual Development Accounts or IDAs*
- *PASS program*
- *Special needs trusts and pooled trusts*

(Consumer Financial Protection Bureau, 2019)

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You may need to talk to your caregiver or another professional for details and more explanation.

(Leader Note: Background information about these accounts is in “Appendix 5-1: Savings for Emergencies, Bills, and Goals” and “Appendix 5-2: Setting Up an ABLA Account.” If you have caregivers attending the class with a participant, they may request copies of these pages. You may wish to write the bolded account names on a flipchart.)

- **Achieving a Better Life Experience (ABLE) Accounts:** *ABLE stands for Achieving a Better Life Experience. Saving in ABLA accounts does not affect eligibility for Supplemental Security Income (SSI), Medicaid and other federal means-tested benefits. ABLA accounts are set up by or for people with disabilities. The disability had to occur before the age of 26. Anyone can contribute to an individual’s ABLA Account, up to \$15,000 (for the year 2021). Distributions are not taxed as long as the funds are used for qualified disability benefits, including education, housing, transportation, employment training and support, personal support services, health care expenses, financial management, and administrative services. If you want to know more, look at the “Setting Up an ABLA Account” handout.*
- **Individual Development Accounts (IDA):** *An Individual Development Account, or IDA, is a matched savings account the account owner uses to start a business, buy a home, or get an education or training to help get a better paying job. Each time the account owner adds to their IDA savings account, they may earn a match. For example, when the match is 2 to 1, each time they deposit \$25, they will get \$50 more toward their savings goal. A federally funded IDA program enables a person to save without reducing SSI benefits as well as not reducing SSDI.*
- **Plan to Achieve Self-Support (PASS):** *PASS stands for Plan to Achieve Self-Support. PASS is for people who are already receiving SSI or SSDI (Social Security Disability Insurance) and want to save for a work-related goal. With a PASS, a person can set aside money toward starting a business, going to school, or getting training for a job. The work goals include earning income that will partly or completely reduce their SSI or disability benefits.*
- **Special needs trusts and pooled trusts:** *These offer a way to manage and protect resources for people with disabilities without risking their benefits. Governmental benefits provide for the basic needs of a person, such as an income, housing, medical benefits, and food. Generally, a trust must meet these standards:*

 - *The expense must benefit only the person the trust is for.*
 - *The expense must be in the person’s best interests.*

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LESSON 5: SAVING FOR MY FUTURE



ACTIVITY 1: WAYS TO INCREASE SAVINGS

- Other resources must be unavailable and there should be no other responsible party.
- The expense must be sensible financially. A trust can be used to pay for big expenses, like a trip to visit family or a new computer.

To find out more, speak with an experienced lawyer with trusts.

Again, all of these choices are complicated, and you may need more information from someone you trust or a professional before making a decision.

Building Savings While Receiving Public Benefits

Share: Let's talk more about building savings while receiving public benefits. If you receive public benefits, you also should know the restrictions for making money and saving. To keep essential benefits, you must follow complex rules if you decide to make changes in your life and finances. You can use the handout "Learn How **Saving and Asset Limits** Can Affect Your Benefits" to find out your state's asset limits for various benefit programs (Consumer Financial Protection Bureau, 2020).

Ways to Increase Savings

Share: Think back to the first lesson "What's My Future?" At that time, you stated your financial hopes and dreams such as a better job, more education, secure housing, or a reliable car. What are your thoughts about achieving your mid-term and long-term goals by using programs such as ABLE, IDAs, or PASS for more savings?

ACTIVITY 1: WAYS TO INCREASE SAVINGS

Share: Let's discuss ways you can increase savings through behavior. Using the "**Cutting Expenses**" handout from "Lesson 4: Planning to Save" or from the Consumer Financial Protection Bureau publication *Building Your Savings? Start With Small Goals* in the section "How Can I Get Extra Money Out of My Situation?" think of at least three ways you could start saving more money (Consumer Financial Protection Bureau, 2020).

Share: Planning to save is smart planning. You should also think about where you will keep your savings. Let's talk more about the "**Finding a Place for Savings** Helps Ensure It's There When You Need It" handout.

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LESSON 5: SAVING FOR MY FUTURE



ACTIVITY 1: WAYS TO INCREASE SAVINGS

(Leaders Note: Lead a group discussion about the benefits and risks of where to save, including a bank or credit union account, with a family member or friend, at home, on a pre-paid card, or with U.S. Savings Bonds.)

Share: *You should plan ahead for life events and large purchases, such as buying a car or buying tools needed for work. We talked about this in “Lesson 4: Planning to Save.”*

Ask: *Do you have any large purchases or life events in your future? Use the “**Planning for Life Events and Large Purchases** Can Help You Save for Them” handout for ideas (Consumer Financial Protection Bureau, 2020). What is the list of expenses you know right now? Do you need to research the actual costs to better estimate them? How will you keep the costs as low as possible, such as buying on sale or asking for discounts? Will you have to borrow some money versus how much will you need to save?*

Be wary of savings scams and people who urge you to invest in risky items. In another lesson, we will focus on identity theft and scams. Ask questions and learn more if this interests you.

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LESSON 5: SAVING FOR MY FUTURE



ACTIVITY 2: NEW INCOME IDEAS

More Income

Share: Another way to find money for savings is to bring in new income or more income. As we talked about a few minutes ago in this lesson, know your benefit asset limits if receiving public assistance. Does your home or car count? Understand your benefit asset limits before your benefits are reduced or eliminated. Use the “Learn How **Saving and Asset Limits** Can Affect Your Benefits” handout to check limits on the benefits you receive. Or ask your case manager or someone who would know the right answer.

ACTIVITY 2: NEW INCOME IDEAS

Ask: Where can you get new income to put toward savings?

(Leaders Note: Continue the discussion about new income using the “Think About Strategies for **Increasing Income and Benefits**” handout or from the Consumer Financial Protection Bureau publication *Building Your Savings? Start With Small Goals* in the section “How Can I Save More in My Current Situation?” section to brainstorm with the group and write their thoughts on the flip chart. Ideas might include getting a better paying job or second job, working overtime, putting some gift money into savings, saving tax refund money, or selling some belongings.)

Share: Keep saving simple to be successful by “paying yourself first” and making it a priority. Here are some ways to make this happen.

- Put a specific dollar amount or a percentage of your pay directly into your savings account or a worksite retirement account.
- Save loose coins by putting them into a jar each day. When the jar is full, take it to the bank and deposit the money into your savings account.
- Put part of money from gifts, pay raises, or tax refunds into your savings account.

(Anderson-Porisch et al., 2007)

Share: We have talked for several weeks about setting goals. Goals are not something you can set and forget. Sometimes your goals may not be working for you and you need to revise them. Maybe the situation changed. Maybe you are off track. As circumstances change, your priorities may change too. A goal may not seem as important anymore. Focus on critical goals that you need to fund and shift other goals. If you come up short on a weekly savings goal, that does not mean you should stop saving. You may just need to change the amount you try to save weekly or change how long to have to save toward your goal. Setting goals and working toward them is an ongoing process that does not end. Once you achieve one goal, you can start a new one based on what is important to you now.

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LESSON 5: SAVING FOR MY FUTURE



Discussion Questions

(**Leader Notes:** Choose several questions from the following list to begin wrapping up the lesson.)

- What is your savings goal? What steps do you need to make your savings goal happen? How much will you save this month?
- Where is a safe place to save your money?
- If you work, does your employer have a retirement savings program? Do you participate in it?
- Are you interested in learning more about savings options? If so, how will you do that?
- Do you check out offers to determine if they are real or scams?
- How would you describe your risk level for savings and investments? Can you afford to lose the money?
- What is something that people say you are good at? Could it bring in new income or more income? What are your ideas?

Are You Ready for Change?

Share: *I encourage you to think about the concepts covered in this lesson “Saving for My Future.” What actions or behavior changes do you plan to do?*

Encourage participants to use the **“Make a Plan for Putting Goals Into Action”** handout (from Lesson 2) to write down SMART goal(s), supports, resources needed, and Action Plan Step(s). Remind participants to include answers to the questions:

- What?
- Who?
- How much?
- Why
- When?

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(Leader Note: Some participants may choose to keep working on their original SMART goal steps for many weeks. They can revisit and revise their SMART goal as needed to be more realistic and doable. Some may want to add a new SMART goal based on this lesson; you may want a few extra copies of this handout ready. It is important that participants focus on one or maybe two SMART goals at a time so that they do not feel overwhelmed and are confidently making progress to successfully achieve their goals toward desired behavior outcomes.)

Ask: *On a scale of 1 (not at all ready) to 10 (extremely ready), where are you?*

Are you ready to make a change with confidence toward your SMART goal?

How important is the change for you?

How confident are you about making this change? Why?

Wrap-Up

Share: *Saving is about financial freedom, peace of mind, and flexibility. Review the reasons to set aside or save money, special types of savings accounts, and ways to increase income.*

Since the first lesson, we have been talking in a few ways about making SMART goals based on your financial dreams.

Ask: *How are you doing? Have you made progress? Have you built any confidence to achieve your goals? Have you identified any new resources or community supports? Have you talked to someone to answer questions or gain more information as you get started?*

Do you have questions or need clarification on the information presented?

If available, give participants a preview of the next lesson topics or actions to take before the next lesson. If appropriate, celebrate what has been learned in this lesson.

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Additional Resources

Benefits

- ABLÉ (Achieving a Better Life Experience) Accounts:
 - ABLÉ National Resource Center: Information about ABLÉ Accounts. <https://www.ablenrc.org/>
 - IRS: ABLÉ Accounts: Tax Benefits for People With Disabilities. [IRS.gov](https://www.irs.gov)
 - MiABLE accounts in Michigan at <http://www.ablenrc.org/state-review/michigan>
 - Social Security: What Is an ABLÉ Account? [SSA.gov](https://www.ssa.gov)
- [Benefits.gov](https://www.benefits.gov): Find out which federal assistance programs you may qualify for.
- Social Security Administration: Check your Social Security status. <https://www.ssa.gov/>.
- Social Security Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI): Information about benefits offered by the Social Security Administration if you, your spouse, or your child has a disability. <https://www.ssa.gov/benefits/disability/>

Individual Development Accounts

- Prosperity Now: Individual Development Accounts. <https://prosperitynow.org/everything-you-need-know-about-individual-development-accounts-idas>

Plan to Achieve Self-Support (PASS)

- Social Security: Plan to Achieve Self-Support (PASS). Information and application. form link. <https://www.ssa.gov/disabilityresearch/wi/pass.htm>

Representative Payee

- Consumer Financial Protection Bureau: Managing Someone Else's Money: A guide to walk you through representative payee issues. <https://www.consumerfinance.gov/consumer-tools/managing-someone-elses-money/>



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LESSON 5: SAVING FOR MY FUTURE

■ Social Security: A Guide for Representative Payees: Focuses specifically on becoming a representative payee for a disabled or blind SSI beneficiary under 18. <https://www.ssa.gov/pubs/EN-05-10076.pdf>

■ Social Security: Frequently Asked Questions (FAQs) for Representative Payees. <https://www.ssa.gov/payee/faqrep.htm>

Special Need Trusts

■ Michigan Law Center:

- What a Special Needs Trust Pays For. <http://michiganlawcenter.com/what-a-special-needs-trust-pays-for/>
- The Third-Party Pooled Trust. <http://michiganlawcenter.com/the-third-party-pooled-trust/>

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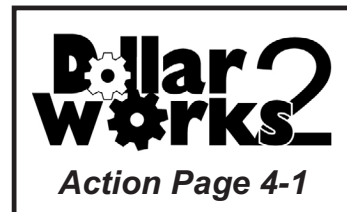
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Managing a Spending Plan



Here are six actions that will help you manage your spending plan.

1. For each activity, put an “X” if you “Sometimes” or “Always” take that action.
2. For “Sometimes” activities, decide if it could become an “Always” activity.

	Sometimes	Always
1. I Set Goals...		
For the most important things.	_____	_____
For ways to increase income.	_____	_____
For ways to decrease expenses.	_____	_____
2. I Plan My Spending...		
By tracking all expenditures with cash, check, or credit.	_____	_____
By recording income.	_____	_____
By recording expenses.	_____	_____
By comparing income and expenses on a monthly basis.	_____	_____
3. I Save Money...		
On a monthly basis.	_____	_____
For unexpected expenses.	_____	_____
For long range goals such as retirement or a major purchase.	_____	_____
4. I Spend Wisely...		
By paying bills on time.	_____	_____
By staying within limits on my spending plan.	_____	_____
By knowing what I can afford to spend with credit.	_____	_____
By looking for ways to make the most of available money.	_____	_____
5. I Organize Information and Keep Records...		
By opening and sorting mail the day it arrives.	_____	_____
By using a filing system for financial paperwork.	_____	_____
By keeping records in a safe and convenient place.	_____	_____
6. I Help Other Family Members Manage Money...		
By talking about choices for important money decisions.	_____	_____
By helping them set limits for their personal spending.	_____	_____
By teaching children how to make decisions with their money.	_____	_____

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Setting up an ABLER Account

1 Ask these questions to determine if an ABLER Account is an option for you.

2 Fill in the worksheet on the next page to compare features of different plans if you determine you would like to open an ABLER Account.

Do you meet the eligibility requirements?

- You have a significant disability with the age of onset of the disability that began before 26 years of age, and
- You are receiving benefits from SSI and/or SSDI, or you are eligible to file a disability certification with a qualified ABLER program or,
- You meet the Social Security's definition and criteria regarding significant functional limitations and receive a letter of certification from a licensed physician.

Do your goals match the qualified disability expenses allowed that can be paid from an ABLER Account without incurring taxes?

Qualified disability expenses may include:

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology
- Personal support services
- Health care expenses
- Financial management and administrative services and other expenses that help to improve health, independence, or quality of life.

Do you have the minimum contribution required to open an account?

This varies based on the requirements of each state program but is generally between \$25 and \$50.

Can you continue to make contributions to the ABLER Account once it is opened?

Regular(monthly)deposits may not be required, but regular contributions to savings can help you grow your account faster. Remember that family and friends can also make contributions to your ABLER Account.

Be sure you find out:

- How your money will be invested through an ABLER Account
- Fees you may have to pay to open and maintain your account
- Whether there are advantages available to in-state residents
- Penalties that may be charged
- Other features the account may provide, such as checks or a debit card.

For a list of ABLER Accounts offered by state, visit the ABLER National Resource Center at: www.ablenrc.org.

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Program feature	ABLE program 1	ABLE program 2
1. Where is this program?		
2. Who is the program administrator?		
3. Does this program provide extra benefits to in-state residents? If so, what are they?		
4. Are there state tax benefits for contributions made into the account? If so, what are they?		
5. Does this program offer various saving and investing options? If so, what are they?		
6. Are there fees for keeping the account open? What are they?		
7. Are there limits on disbursements from the account? If so, what are they?		
8. Does this program offer a debit card? If so, what is the fee to use it?		
9. Does the program offer check writing?		
10. Are there other features that are important to you?		

Bureau of Consumer Financial Protection (2019). *Your Money Your Goals Companion Guide for People with Disabilities*. p. 38

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Learn how **Saving and asset limits** can affect your benefits

1. Select the programs that you're enrolled in or plan to apply for in the future.
2. Review the asset limit listed and learn more about each program's asset limit rules by visiting their website.

PROGRAM TYPE	PROGRAM	YOUR STATE'S ASSET LIMIT
Disability	<input type="checkbox"/> Social Security Disability Insurance (SSDI) ssa.gov/agency/contact	No limit
	<input type="checkbox"/> Supplemental Security Income (SSI) ssa.gov/agency/contact	\$
Groceries and household expenses	<input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP) fns.usda.gov/snap/state-informationhotline-numbers	\$
	<input type="checkbox"/> Temporary Assistance for Needy Families (TANF) acf.hhs.gov/programs/ofa/help	\$
Housing and home energy	<input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP) liheapch.acf.hhs.gov	\$
	<input type="checkbox"/> Public housing portal.hud.gov/hudportal/HUD?src=/states	\$

Bureau of Consumer Financial Protection. (2020). *Your money, your goals: A financial empowerment toolkit*, p. 48.

GET **READY**, GET **SET**, GET **GOING**. HANDOUT

PROGRAM TYPE	PROGRAM	YOUR STATE'S ASSET LIMIT
Medical	<input type="checkbox"/> Family Medicaid medicaid.gov/medicaid/b.y-state/by-state.html	No limit
	<input type="checkbox"/> Medicare Part D Extra Help (Low-Income Subsidy) shiptacenter.org	\$
	<input type="checkbox"/> Medicare Savings Programs shiptacenter.org	\$
	<input type="checkbox"/> State Child Health Insurance Program (SCHIP) medicaid.gov/medicaid/b.y-state/by-state.html	\$

Bureau of Consumer Financial Protection. (2020). *Your money, your goals: A financial empowerment toolkit*, p. 49

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Finding a place for savings helps ensure it's there when you need it

1. Evaluate the benefits and risks of each place to keep your savings.
2. Write down questions you have about options that you think could be right for you.

	<input type="checkbox"/> BENEFITS	<input type="checkbox"/> RISKS	<input type="checkbox"/> QUESTIONS I HAVE
Account at bank or credit union (savings, checking, or shared draft)	<ul style="list-style-type: none"> • Money is protected if the institution is federally insured, up to \$250,000 per depositor • Money can't be lost, stolen, or destroyed in a fire or other disaster • You can generally get it back if someone steals it by using electronic means or a debit card 	<ul style="list-style-type: none"> • May be charged fees if you don't follow the rules for the account, such as having to keep a minimum balance or overdraft fees • May be difficult to open an account based on previous banking history 	
Family member or friend	<ul style="list-style-type: none"> • No cost to maintain it 	<ul style="list-style-type: none"> • Can be lost, stolen, or destroyed in a fire or natural disaster • Might put your friend or family member at risk of a home invasion • May put your money at risk if your friend or family member betrays your trust. 	

Bureau of Consumer Financial Protection (2020). *Your Money Your Goals: a financial empowerment toolkit*, p. 51

GET **READY**, GET **SET**, GET **GOING**. HANDOUT

	<input type="checkbox"/> BENEFITS	<input type="checkbox"/> RISKS	<input type="checkbox"/> QUESTIONS I HAVE
Home	<ul style="list-style-type: none"> • No costs to maintain it • Easy to access • Convenient 	<ul style="list-style-type: none"> • Can be lost, stolen, or destroyed in a fire or natural disaster • Might put you at risk of a home invasion 	
Prepaid card	<ul style="list-style-type: none"> • No costs to maintain it • Convenient • No bank or credit union account needed 	<ul style="list-style-type: none"> • May have fees for activation, loading funds, using the card ect. • May not have the same protections as a bank account if your card or account information is lost or stolen <p>Note: check the card agreement to make sure you understand whether you have protection from loss or theft.</p>	
U.S. savings bonds	<ul style="list-style-type: none"> • The money can't be lost or destroyed in a fire or other disaster. If you have a paper bond, the funds can still be recovered 	<ul style="list-style-type: none"> • You lose some of the interest if you cash the bond before it matures • More difficult to access if you need the money right away 	

Bureau of Consumer Financial Protection. (2020). *Your money, your goals: A financial empowerment toolkit*, p. 52.

GET **READY**, GET **SET**, GET **GOING**. HANDOUT



Planning for life events and large purchases can help you save for them

1. Brainstorm a list of expenses and when they're likely to happen.
2. Estimate the costs of these expenses.
3. Identify potential ways to pay for the expenses.

Common life events and large purchases to help you brainstorm:

						
Buying a car	Birth or adoption	Marriage	Tools for work	Birthday or rite of passage	Buying a house	College or training

Future purchase or life event I want to plan for	Timeframe	Cost	Amount I want to save	Amount of credit I'll need

GET **READY**, GET **SET**, GET **GOING**. HANDOUT



Think about strategies for **Increasing income and benefits**

1. Review the strategies for increasing income and benefits and check any that could work for you.
2. Write down ideas for how you can accomplish the strategies you've selected, like where you might look for a part-time job or when and where you might hold a garage sale.

CATEGORY	STRATEGY	IDEAS
Use your skills and resources	<input type="checkbox"/> I can earn extra money with skills I have (providing childcare, doing yard work, etc.).	
	<input type="checkbox"/> I can use my talents or hobbies to make items to sell online or start a part-time small business.	
	<input type="checkbox"/> I can trade things (like house cleaning or baby-sitting) for services I need (like car repairs) from friends or relatives with those skills.	
	<input type="checkbox"/> I can run errands for other people for a small fee.	
	<input type="checkbox"/> I can become a driver for a ride-sharing service.	
	<input type="checkbox"/> I can rent a room in my home to a friend or relative (if allowed in my housing agreement).	
Look for job opportunities	<input type="checkbox"/> I can ask for a raise or additional hours at my current job.	
	<input type="checkbox"/> I can get a part-time job.	
	<input type="checkbox"/> I can look for opportunities for training or education to increase my wages at my current job or help me get a better job.	

GET **READY**, GET **SET**, GET **GOING**. HANDOUT

CATEGORY	STRATEGY	IDEAS
Sell household items	<input type="checkbox"/> I can hold a yard sale/garage sale.	
	<input type="checkbox"/> I can sell items I don't need or want online.	
	<input type="checkbox"/> I can sell produce from my garden.	
Consider government options	<input type="checkbox"/> I can see if I'm eligible for public benefits (TANF, WIC, SNAP, Medicaid, public housing, Social Security Disability, SSI, or unemployment).	
	<input type="checkbox"/> I can learn if there are tax credits I can claim.	
	<input type="checkbox"/> I can change my tax withholding (if I generally receive a large taxrefund).	
	<input type="checkbox"/> I can decide when to claim Social Security to maximize my benefits.	

GET READY, GET SET, GET GOING.**APPENDIX 5-1**

Saving for emergencies, bills, and goals

Focus on people with disabilities

Changes in the law and the emergence of new programs provide opportunities for people with disabilities to start saving and building assets to cover their basic living expenses, all while keeping their benefits.

Programs and resources for building assets that are designed for people with disabilities include: Achieving a Better Life Experience (ABLE) Accounts, Individual Development Accounts (IDA), and the Plan to Achieve Self-Support (PASS) for people who are already receiving or have applied for Supplemental Security Income (SSI) and want to plan to become self-sufficient and save for a work-related goal.

Building savings while receiving public benefits

Benefits payments often come with restrictions that limit options for making money and saving. If a person decides to make changes in their life and finances, they must follow complex rules to keep essential benefits.

The people you serve may avoid saving for fear of losing their public benefits. Because savings are an asset, the relationship between asset limits and public benefits is addressed within this module. There are savings options for individuals with disabilities that do not impact the asset limits associated with SSI, Medicaid, or other benefits.

Here we will review the following options:

- ABLE Accounts
- Individual Development Accounts
- Plan to Achieve Self-Support (PASS)
- Special needs trusts and pooled trusts

All of these choices are complicated and you may need more information after using this introductory summary.

GET **READY**, GET **SET**, GET **GOING**.

APPENDIX 5-1

ABLE Accounts²

ABLE Accounts are an important new resource for people with disabilities. With the passage of the Stephen Beck Jr., Achieving a Better Life Experience Act of 2014, ABLE Accounts have become a new way people with disabilities can save.

Savings in ABLE Accounts does not affect eligibility for:

- Supplemental Security Income (SSI).³
- Medicaid and other federal means-tested benefits.⁴

ABLE Accounts are set up by or for people with disabilities. With an ABLE Account, the “designated beneficiary” is the account owner. Anyone can contribute to an individual’s ABLE Account. The maximum total annual contribution to an ABLE Account for a single tax year is subject to the IRS gift tax exclusions, which is \$14,000 for 2017. Contributions are not federally tax deductible. Some states may allow for state income tax deductions for contributions made to an ABLE Account. However, distributions to the designated beneficiary generally aren’t taxed as long as the funds are used for qualified disability expenses.

ABLE Account programs are established and maintained by individual states. An eligible person can open an account in their own state, if one exists, or in any state program that accepts out of state residents. The maximum allowable value of an ABLE Account in a given state is based on the 529 plan limits established by that state. A 529 is an educational savings plan designed to help families’ set-aside money for future college costs. Many states have set this limit at more than \$300,000 per plan.

2 Information about ABLE Accounts may be found in IRS Publication 907, Tax Highlights for Persons with Disabilities, and at www.irs.gov/government-entities/federal-state-local-governments/tax-benefit-for-disability-irc-section-529a.

3 Only money in an ABLE Account exceeding \$100,000, plus any distributions toward qualified housing expenses and non-qualified disability expenses retained beyond the month of distribution, may be counted as a resource for SSI. If money in an ABLE Account that exceeds \$100,000 causes the person’s countable resources to exceed the \$2,000 SSI resource limit, SSI payments may be suspended but not terminated. Benefits will resume when the person’s countable resources go below \$2,000.

4 Funds in an ABLE Account will be disregarded for purposes of determining eligibility to receive, or the amount of, Medicaid and other federal benefits. Social Security Disability Insurance does not have asset limits and is thus not affected by an ABLE Account. See, Tax Increase Prevention Act of 2014, Pub. L. No. 113-295, 128 Stat. 4010, 4063 (codified at 26 U.S.C. 529A Note).

GET READY, GET SET, GET GOING.

APPENDIX 5-1

ABLE savings funds can be spent on qualified disability expenses. These are any expenses related to the designated beneficiary as a result of living with disabilities. These may include:

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology
- Personal support services
- Health care expenses
- Financial management and administrative services and other expenses that help to improve health, independence, or quality of life.

When savings from an ABLE Account are used for something that is not a qualified disability expense, a portion of the withdrawal that is attributable to earnings will be treated as income for tax purposes.⁵ It will be taxed at the person's tax rate, and will be subject to a 10% federal tax penalty as well as applicable state taxes.

The designated beneficiary is the eligible individual who established and owns the ABLE Account. To be eligible for an ABLE Account, a person must be:

- Eligible for Supplemental Security Income (SSI) based on disability or blindness that began before age 26;
- Entitled to disability insurance benefits (DIB), childhood disability benefits (CDB), or disabled widow's or widower's benefits (DWB) based on disability or blindness that began before age 26; or
- Someone who has certified, or whose parent or guardian has certified, that the person has a medically determinable impairment meeting certain statutorily specified criteria, or is blind; and, the disability or blindness occurred before age 26.

For more information on ABLE Accounts, visit the Social Security Administration website at: secure.ssa.gov/poms.nsf/lnx/0501130740.

The standards are different for blind and visually impaired people: ssa.gov/planners/disability/dqualify8.html.

For a list of ABLE Accounts offered by state, visit the ABLE National Resource Center website at: ablenrc.org/.

⁵ See IRS Publication 907, Tax Highlights for Persons with Disabilities, regarding how to determine the taxable portion of a distribution.

GET READY, GET SET, GET GOING.

Individual Development Accounts (IDAs) APPENDIX 5-1

An IDA is a matched savings account that the account owner uses to acquire a designated type of asset.⁶ The specific asset people designate for their IDA is often called their “asset goal.”

The advantage of an IDA is that an account owner may earn a “match” each time they add to their IDA savings account. For example, a person may receive a 2 to 1 match in their IDA—each time they deposit \$25, they will get an additional \$50 toward their savings goal.

The match provides an incentive to save. Because saving is the foundation for asset building, the federal government, state government, foundations, and others invest in making IDAs available to help low-income people become financially stable.

A federally funded IDA program enables a person to save without reducing SSI benefits, and IDA savings are not subject to that program’s “asset test.”⁷ Any IDA included in an SSA-approved Plan to Achieve Self-Support (PASS) will not affect SSI benefits.⁸ If a person saves in an IDA that is not federally funded or part of their PASS, then it could be counted as a resource when determining eligibility for public benefits such as SSI. Some programs will match only up to a certain dollar amount (say, \$500) on an annual basis or during the course of the program. In most cases people can deposit as much as they like in their account; but deposits over a certain amount will not be matched.

For IDAs funded by the federal government, allowable asset goals can include:

- Starting a business
- Buying a home
- Getting education or training that can help you get a better paying job⁹

IDA programs funded through the Assets for Independence (AFI) program are federally funded, and you can locate local AFI programs online

at idaresources.acf.hhs.gov.

6 Information on Individual Development Accounts is available on the Assets for Independence Initiative’s website. See idaresources.acf.hhs.gov/page?pageid=a047000000ArRQO.

7 See www.ssa.gov/ssi/spotlights/spot-individual-development.htm.

8 See www.ssa.gov/ssi/spotlights/spot-plans-self-support.htm and www.ssa.gov/ssi/text-work-ussi.htm.

9 See www.ssa.gov/ssi/spotlights/spot-individual-development.htm and www.acf.hhs.gov/orr/programs/ida.

GET **READY**, GET **SET**, GET **GOING**.

APPENDIX 5-1

Although IDA programs' eligibility criteria can vary, many require that:

- Participants have low-income, commonly defined as being at or below 200% of the Federal Poverty Guidelines.
- Participants have earned income to use toward deposits into their IDAs.
- Participants complete financial education before or during enrollment in the IDA program.

Plan to Achieve Self-Support (PASS)

A PASS is for people who are already receiving SSI or would be eligible by having a PASS, and want to save for a work-related goal. "The objective of the PASS is to help people with disabilities find employment that reduces or eliminates SSI or SSDI benefits."¹⁰ Ordinarily, monthly benefits would be reduced if the person were to increase their income. However, with a PASS, a person can set aside money for work goals that could involve starting a business, going to school, or getting training for a job.¹¹ Other potentially eligible uses for PASS funds include:

- Transportation to and from work
- Tuition, books, fees, and supplies needed for school or training
- Child care
- Attendant care
- Employment services, such as job coaching and resume writing
- Assistive technology used for employment-related purposes
- Supplies to start a business
- Equipment and tools to do the job
- Uniforms, special clothing, and safety equipment.¹²

The person's work goals must include earning income that will partially or completely reduce their SSI benefits. That's the "self-support" part. They can also be currently employed and use a PASS to reduce or end their dependence on disability benefits. If the plan is for self-employment, meaning starting a business, the person must create a detailed business plan as part of PASS. The vocational goals must be "reasonable," given any disability-related limitations. This will be determined during the application process. For additional information,

visit: [ssa.gov/pubs/EN-05-11017.pdf](https://www.ssa.gov/pubs/EN-05-11017.pdf).

¹⁰ See www.ssa.gov/disabilityresearch/wi/pass.htm.

¹¹ See www.ssa.gov/ny/pass-definition.htm.

¹² See www.ssa.gov/pubs/EN-05-11017.pdf.

GET **READY**, GET **SET**, GET **GOING**.

APPENDIX 5-1

To begin, the person will need to fill out a PASS application form and submit it to the Social Security Administration (SSA). Help in completing the form can come from a vocational counselor, case manager, or the PASS Cadre, which is a group of PASS specialists. PASS experts can be found at www.ssa.gov/disabilityresearch/wi/passcadre.htm.

Other disability agencies, such as centers for independent living can offer help to fill out the application forms and develop PASS plans. A full list of requirements and a description of the application process is at Plan to Achieve Self-Support (PASS) www.ssa.gov/disabilityresearch/wi/pass.htm.

People who are blind or visually impaired may want to use this site: www.ssa.gov/disabilityresearch/wi/64-104%20PASS%20Application%20Guide.pdf.

GET **READY**, GET **SET**, GET **GOING**.

APPENDIX 5-2

Appendix 5-2: Setting Up an ABLE Account

WORKING TOGETHER

Setting up an ABLE Account

What to do:

For many people with disabilities, saving may not seem to be an option that's available to them. This is because when people receive public benefits, some benefit programs may have "asset limits." Asset limits cap the amount of savings and other resources you can have and still maintain eligibility for certain public benefits. When a program has asset limits, savings may impact a person's eligibility for that type of assistance. There are savings options, however, that do not count against these asset limits. This tool can be used to help people with disabilities understand what an ABLE Account is and some of the things they may want to consider if they want to open one.

What to say:

"An ABLE Account is a new way for people with disabilities to save. It could be an option for you. Before using any financial product or service, it's important to understand it. Let's look at how it works and whether an ABLE Account is something you'd like to consider. If it is, let's discuss how you can choose one that works for you and how you can set one up."

To access a dynamic and fillable version of this tool, visit: www.consumerfinance.gov/practitioner-resources/your-money-your-goals/companion-guides/

GET **READY**, GET **SET**, GET **GOING**.

APPENDIX 5-2



Setting up an ABLÉ Account

- 1 Ask these questions to determine if an ABLÉ Account is an option for you.
- 2 Fill in the worksheet on the next page to compare features of different plans if you determine you would like to open an ABLÉ Account.

Do you meet the eligibility requirements?

- You have a significant disability with the age of onset of the disability that began before 26 years of age, and
- You are receiving benefits from SSI and/or SSDI, or you are eligible to file a disability certification with a qualified ABLÉ program or,
- You meet the Social Security's definition and criteria regarding significant functional limitations and receive a letter of certification from a licensed physician.

Do your goals match the qualified disability expenses allowed that can be paid from an ABLÉ Account without incurring taxes?

Qualified disability expenses may include:

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology
- Personal support services
- Healthcare expenses
- Financial management and administrative services and other expenses that help to improve health, independence, or quality of life.

Do you have the minimum contribution required to open an account?

This varies based on the requirements of each state program but is generally between \$25 and \$50.

Can you continue to make contributions to the ABLÉ Account once it is opened?

Regular (monthly) deposits may not be required, but regular contributions to savings can help you grow your account faster. Remember that family and friends can also make contributions to your ABLÉ Account.

Be sure you find out:

- How your money will be invested through an ABLÉ Account
- Fees you may have to pay to open and maintain your account
- Whether there are advantages available to in-state residents
- Penalties that may be charged
- Other features the account may provide, such as checks or a debit card. en

For a list of ABLÉ Accounts offered by state, visit the ABLÉ National Resource Center at:

www.ablenrc.org.

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APPENDIX 5-2

Program feature	ABLE program 1	ABLE program 2
1. Where is this program?		
2. Who is the program administrator?		
3. Does this program provide extra benefits to in-state residents? If so, what are they?		
4. Are there state tax benefits for contributions made into the account? If so, what are they?		
5. Does this program offer various saving and investing options? If so, what are they?		
6. Are there fees for keeping the account open? What are they?		
7. Are there limits on disbursements from the account? If so, what are they?		
8. Does this program offer a debit card? If so, what is the fee to use it?		
9. Does the program offer check writing?		
10. Are there other features that are important to you?		

Bureau of Consumer Financial Protection (2017). *Your Money Your Goals: Focus on People with Disabilities*, p. 38.