



The Case of Wanda

Wanda is 16 years old, has an intellectual disability, and currently spends most of her school day in special education classes. Currently, she is in an employment training program, as part of her special education program, and the current long term goal is for her to work in a supported employment position with job coaching services.

Wanda received SSI from age 7 until age 11 when, in 2013, her mother returned to work, resulting in a termination of SSI due to parental income. Wanda's parents established an ABLE account for her in October 2016 and she has \$16,500 in the account as of February 2018. The parents hope to contribute about \$3,000 to \$4,000 to Wanda's ABLE account each year. Based on her disability and the expectation that Wanda will be eligible for SSI at age 18, when the SSI program no longer counts parental income and resources, her parents pose a series of questions (analysis follows each question):

1. Since the ABLE account balance is likely to exceed \$20,000 by Wanda's 18th birthday, must the ABLE account be reduced below \$2,000 before she can be eligible for SSI?

Analysis: There is no need to reduce the ABLE account balance below \$2,000 to establish eligibility for SSI. Under SSI's 2016 ABLE policy, the value of assets retained in an ABLE account, up to \$100,000, is exempt and will not count toward SSI's \$2,000 resource limit.

2. Wanda and her parents have visited a special supported housing program for adults with intellectual disabilities and Wanda would qualify for it after she turns age 21 and completes her public school special education program. Average rent for this program is \$400 per month and Wanda would have to pay a separate monthly fee for her share of food costs. Wanda and her parents are both excited about her going into this housing program in the future. The parents ask two questions: 1) Can ABLE account funds be used to pay for the rent in this program? 2) If the ABLE account funds are used to pay for the rent, will the SSI payment be reduced each month?

Analysis: 1) ABLE account funds could be used to pay for the monthly housing costs, as housing expenses are a "qualified disability expense (QDE)." 2) Ordinarily, when a third party pays housing costs for an SSI beneficiary, this would be considered in-kind support and maintenance and the SSI payment could be reduced by up to one third of the SSI federal benefit rate (i.e., up to a \$250 per month reduction in 2018). However, under SSI's ABLE policy, an ABLE distribution to pay for housing expenses is a QDE and will not be considered income to the SSI beneficiary. In Wanda's case, the SSI payment would not be affected by ABLE account payments for rent.

3. Wanda is expected to have a paid job placement during the summer of 2018. She is expected to earn \$600 to \$800 during the summer (i.e., July and August 2018). The parents and Wanda ask: 1) Can Wanda deposit a part of her wages into the ABLE account? 2) If yes, how will Wanda's deposit into the ABLE account affect her monthly SSI payment?

Analysis: 1) Wanda can deposit her own income, including wages from a job, into the ABLE account. In fact, even if her parents were expected to contribute up the 2018 limit for ABLE

accounts, \$15,000, end-of-2017 ABLE Act amendments now allow the beneficiary to exceed the \$15,000 contribution limit if

2) If an SSI beneficiary deposits his or her own money into the ABLE account, that money will still be considered income for SSI purposes unless a specific SSI rule would exclude all or part of that income. In Wanda's case, she will benefit from SSI's Student Earned Income Exclusion rule and all of her monthly income, up to a maximum of \$1,820 per month (up to \$7,350 per year), is excluded and not counted.

This means that none of her roughly \$300 to \$400 per month wages during July and August 2018 will count and her SSI payment will remain the same.

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