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ABLE | NATIONAL
RESOURCE
CENTER

ABLE Tax Time Tips to Boost Your Savings

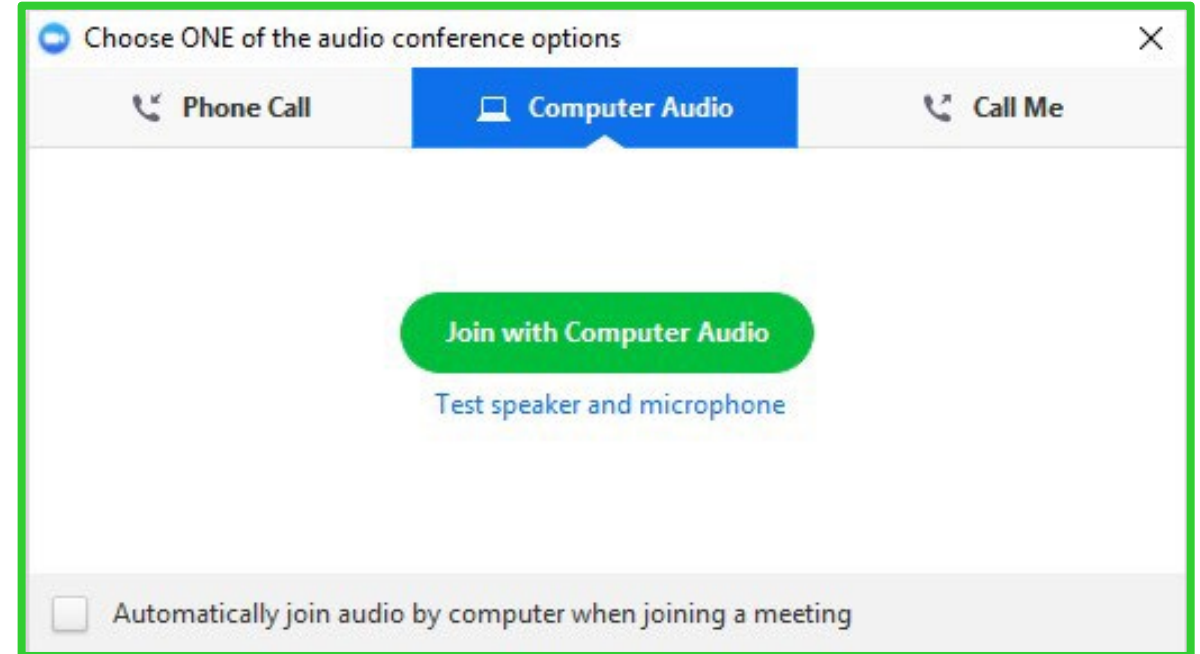
February 6, 2025, 2 pm, ET

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ABLE National Resource Center

The [ABLE National Resource Center](#) (ABLE NRC) provides all the ABLE information you need in one place. ABLE NRC shares reliable, objective information about ABLE plans, including plan comparisons, best practices and strategies to increase savings for now and into the future.

Our mission is to educate, promote and support the positive impact ABLE can make on the lives of millions of Americans with disabilities and their families.

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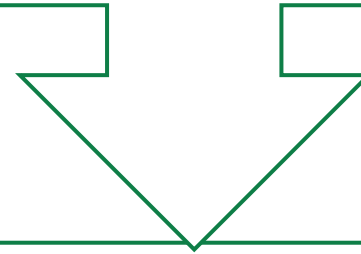


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Introduction

ABLE accounts are tax advantaged savings and/or investment accounts designed to improve the financial stability of account owners and their families.



ABLE accounts empower individuals with disabilities to save and invest tax-free without jeopardizing public benefits.

Webinar Highlights

Boost your savings in an **ABLE** account with tax time tips.



Learn how combining tax strategies and best practices can maximize your ABLE account in 2025 and beyond.

ABLE Age Adjustment Act

ABLE onset of eligibility expanded to include people who have a disability that began before age 46;

This goes into effect on January 1, 2026, allowing an estimated six million more people with disabilities, including 1.2 million more Veterans, the opportunity to open, save and invest funds for their future in an ABLE account.

ABLE NRC Sample Disability Certification available for physicians to sign in 2025 to prepare people to open an ABLE account on 1/1/2026.

2025 ABLE Contribution Limits

- Family, friends, a trust, a 529 Qualified Tuition Plan and an employer may directly deposit a combined total of up to \$19,000 within the calendar year.
- Employer contributions into an ABLE account are countable, taxable compensation to the employee.



Tip: 2025 may be the last year that a 529 Qualified Tuition Plan may rollover funds into an ABLE account without income tax or penalty. Various legislation is pending to extend this and other key provisions.

Saving Incentive for ABLER Account Owners Who Work

The Social Security Administration (SSA) encourages SSI and SSDI recipients to work to their fullest ability.

There are SSI and SSDI work supports that can help a person to work and earn more while keeping their SSI, SSDI, Medicaid and/or Medicare. Learn more at [ChooseWork.SSA.gov](https://www.choosework.ssa.gov).

Ticket To Work

National Disability Institute's **American Dream Employment Network** (ADEN) can help SSI/SSDI beneficiaries to work to their fullest abilities and use SSA work supports that help a person earn and save more and keep benefits, including Medicaid and Medicare, sometimes indefinitely.

ADEN affiliates have benefits counselors on staff who can help you to understand benefits and working, if you decide to work with them.

ABLE To Work Act Provision for 2025

- The IRS supports employment for people who have disabilities with the ABLE to Work Act Provision that allows them to deposit more money into an ABLE account.
- An ABLE account owner who works and does not have contributions made to an employer sponsored retirement account may deposit additional funds, from whichever is less:
 - Up to their gross employment earnings; or
 - Residents of Continental U.S.: \$15,060; Alaska \$18,810 or Hawaii \$17,310)




Tip: Take advantage of the ABLE to Work savings opportunity!

Credits for Employer Contributions

Small businesses with 50 or fewer employees can claim a tax credit of up to \$1,000 per employee for employer contributions, excluding certain deferrals or defined benefit plan contributions. This credit phases down over five (5) years and is further reduced for businesses with 51 to 100 employees.

Employer contributions to an ABLE account are treated as compensation and may affect benefits, while earned income deposited into an ABLE account remains countable as earned income for ABLE account owners.

 **Tip:** Contact a Benefits Counselor to enhance your understanding of working and how it affects benefits.

ABLE Qualified Disability Expenses (QDEs)

- Education;
- Basic living expenses including food and shelter;
- Housing including utilities, rent, modification, mortgage, property taxes;
- Transportation;
- Employment training and support;
- Assistive technology;
- Personal support services;
- Health care expenses, wellness, prevention;
- Legal fees and financial management;
- Funeral and burial expenses



Tip: ABLE funds can be used to pay for legal fees to establish a Trust. However, an ABLE disbursement / transfer of funds into a trust is not a qualified disability expense.

ABLE Accounts Offer Favorable Tax Provisions

- QDEs are broad and include basic living expenses.
- When ABLE funds are used for qualified disability expenses, investment growth is not taxable. There are no early withdrawal penalties. ABLE funds may be used at any time!
- When ABLE funds are spent on QDEs, it is not countable income and will not impact eligibility for public benefits now or in the future.



Tip: Some account owners use their ABLE account as a retirement account because withdrawals for QDEs are not taxed!

ABLE and SSI / SSDI Overpayments

- A person who receives a notice of overpayment from Social Security Administration (SSA) may request a [waiver or a repayment plan with SSA](#).
- SSA cannot ask that a person use their ABLE account funds to repay SSA.




Tip and Best Practice: Confirm the overpayment with SSA. You may negotiate repayment, often as low as \$10 or 10% of your benefit. Using ABLE funds for repayment should be a last resort, preserving your savings and investment growth. Repayment of SSDI overpayments may lower taxable income. If repayments exceed benefits received, consult [IRS Publication 915](#) or a tax professional for possible deductions or credits.

Best Practice: Spending ABLE funds on Qualified Disability Expenses (QDEs)

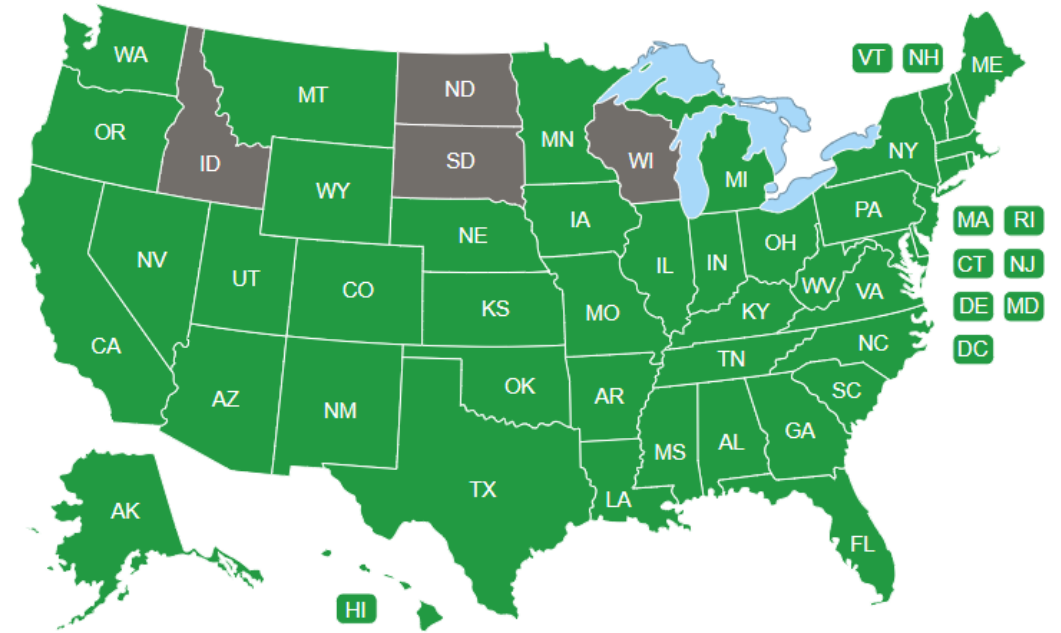
Deposit benefits into your checking account to pay for food, housing and monthly bills. Then deposit any extra funds into your ABLE account.

A portion of earned income may be directly deposited into an ABLE account.

 **Tip:** Try to leave funds from your deposits in your ABLE account to qualify for the maximum Saver's Tax Credit when you file income taxes.

ABLE landscape

- There are 46 state ABLE programs, plus D.C.
- There is a total of 49 plans from which to choose.
- If you are ABLE eligible, you can open one ABLE account.
- Many plans accept out of state residents.
- An ABLE Program [Comparison Tool](#) and [Interactive State Map](#) is available on the ABLE NRC's website.



Tip: Research your own state's plan first for incentives, deductions or tax credits.

ABLE Plan Comparison Tools – New Features

- 1) Link to the ABLE plan's informational flyer
- 2) Special debit card features that help people manage/track ABLE funds
- 3) Organizational Representative Payee compatibility to manage multiple ABLE plans
- 4) Link to ABLE plan's investment performance report
- 5) How ABLE funds may be used to pay for Qualified Disability Expenses (QDEs) upon the death of the account owner

ABLE Plan Transfer or Rollover

- You may transfer or rollover your **entire account balance** to another ABLE plan once every 12 months if you find another plan that better suits your needs.
- Your current ABLE plan will provide the new ABLE plan with a breakdown of contributions and earnings when this transaction occurs so that you can continue to contribute funds into ABLE, up to the calendar year's contribution limits.

Who Should File Income Taxes?

- A person who works, should file income taxes regardless of their earned income amount;
- Some people who have a disability and work may receive W2s while others may receive 1099s – even though they may not consider themselves to be self-employed.



Tip: A person who has a disability who receives SSI and files income taxes and pays FICA, may eventually become eligible for SSDI and Medicare or qualify for SSA Retirement based upon their work history. For 2025, each time a person earns \$1,810 they have earned a quarter of coverage towards their SSDI/Retirement. Their dependents and survivors may also become eligible for benefits.

Medicaid Waiver or Qualified Foster Care Programs

A person who receives SSI and/or SSDI or early retirement who is paid as a caregiver through a Medicaid Waiver Program or Qualified Foster Care program, may need to file income taxes to receive EITC and Child Tax Credit even though the payments may not be considered earned income by the IRS. The earnings **must** be reported to the Social Security Administration and may impact SSI, SSDI or early-retirement benefits.

Tax Filing is Critical

- Filing a tax return is the only way to claim a tax credit or receive a tax refund for taxes already paid.
- You could get future economic impact (stimulus) payments faster.
- If you file and are due a refund, you could use that money to pay any back taxes and/or SSA overpayments that you might owe. This is a way to make sure your credit is the best it can be so that you can qualify for affordable credit when needed.
- Tax filing reduces the risk of identity theft should someone else use your information to file a fraudulent return.

People may file income taxes for 2024, 2023, 2022 and 2021 before 4/15/25.

Tax Credits / Deductions Savings Strategy

- [Earned Income Tax Credit \(EITC\)](#)
- [Saver's Credit](#) Employment earnings deposited and saved in ABLE
- [Child and Dependent Care Credits](#)
- [Elderly and Disabled Tax Credits](#)
- [More IRS Information for People With Disabilities](#)
- State-specific tax credits and deductions for ABLE contributions
 - Many states offer tax credits or deductions for ABLE contributions
 - Research your state's specific policies to maximize benefits
 - This information is posted in the [ABLE plan comparison tools](#).

Important Federal Income Tax Filing Dates

- Tax e-filing season began January 27th, 2025! IRS is accepting and processing 2024 returns.
- 2024 Income tax filing due by April 15th, 2025. Taxpayers living in Maine or Massachusetts have until April 17, 2024, due to the Patriot's Day and Emancipation Day holidays. If a taxpayer resides in a **federally declared disaster area**, they also may have additional time to file.
- Automatic due date for taxpayers who requested an extension to file their 2024 tax is October 15th, 2025.
- In general, to claim a refund, you must file an amended return within 3 years after the date you filed the original return or 2 years after the date you paid the tax, whichever is later. You may want to file to claim tax credits and deductions and to record earned income from employment or self-employment.

* Remember if you change your federal return, it may affect your state tax liability. Contact your state agency.

Tax Refunds

- Federal or state income tax refunds do not count as income for benefit programs.
- **Federal tax refunds** do not count as a resource for a period of **12 months** after the month of receipt, for SSI or any federally-funded public benefit.
- **State tax refunds** are not countable income the month received, but if saved into the next month, the funds are a countable resource.



Tip: A person who relies on means-tested benefits either needs to spend down state tax income refunds **or** deposit them into a qualified [1st time home buyer program account](#), an SSA approved [PASS plan](#) or deposit the funds into an [ABLE account](#).



GET READY TO FILE

Take Steps Now to Get a Jump on Next Year's Taxes



Get ready to file your federal income tax return with these preparation tips

Rely on IRS.gov for verified information

Join the millions of people who use IRS.gov to get answers to tax questions, file their tax return, check their refund status or pay their taxes. There's no wait time or appointment needed—start with IRS.gov to find helpful [online tools and resources](#) available 24 hours a day.

Protect your data

The official IRS website is IRS.gov and most IRS.gov web page addresses start with <https://www.irs.gov/>. Don't be misled by websites or unsolicited emails claiming to be the IRS. Their URLs often end in .com, .net or .org, instead of .gov. Take [these steps](#) to protect yourself from identity thieves and IRS impersonators.

Stay connected with the IRS

The IRS has several ways you can stay updated on important tax information that may help with tax planning. Follow the IRS' official [social media accounts and email subscription lists](#) to stay up to date with the latest tax topics and alerts. Download the [IRS2Go](#) mobile app, watch [IRS YouTube videos](#), subscribe to [IRS e-Newsletters](#) or follow the IRS on [Twitter](#), [Facebook](#), [LinkedIn](#) and [Instagram](#) for the latest updates on tax changes, scam alerts, initiatives, products and services.

Get tax information in your preferred language and format

Tax information can be hard to understand in any language especially if it isn't one you know well. We're translating our tax resources into more languages and currently have basic tax information in [twenty languages](#). To receive written communications from the IRS in other languages as they become available, you can file [Schedule LEP, Request for Change in](#)

and updates in Spanish. Form 9000, Alternative Media Preference, is available to receive written communication in alternative media formats (Braille, Large Print, etc.).

Securely access your individual tax account information online

IRS online account lets you see key data from your most recent tax return. This includes information you may need to file next year's taxes, like your prior-year Adjusted Gross Income. Your online account also has your tax balance, payment plan details and allows you to make payments. You can also view selected correspondence from the IRS and approve Power of Attorney and Tax Information Authorization requests from your tax professional. Access your account at [IRS.gov/account](#).

Update your records

Notify the IRS if your [address changed](#) to ensure you receive IRS correspondence at your new address. File [Form 8822, Change of Address \(For Individual, Gift, Estate, or Generation-Skipping Transfer Tax Returns\)](#) to update your address with the IRS. Otherwise, IRS will automatically update your records with the address on your tax return when you file your taxes. If you've had a legal name change, notify the [Social Security Administration](#) to avoid a delay in processing your tax return.

Review your eligibility for credits and deductions

Life events—purchasing a home, going to college or losing a job—may make you eligible for certain tax benefits. Finding out your eligibility now can help make filing easier next year. Other circumstances, such as

IRS Get Ready to File

Publication 5348 (Rev. 12-2024)

Tax planning is for everyone. Get ready today to file your federal income tax return.

Contribute your tax refund into your ABLE account. Use [Form 8888](#) to deposit a refund into 2 or more accounts.



TIP: Planning ahead can help you file an accurate return and avoid delays that can slow your tax refund.

Tip: Free Help Preparing Your Tax Return

Two programs are available to assist people who have an adjusted gross income of \$67,000 (or less) or have a disability:

1. The [Volunteer Income Tax Assistance](#) (VITA). To locate the nearest VITA or TCE site, use the [VITA Locator Tool](#) or call [800-906-9887](#).
2. [Tax Counseling for the Elderly \(TCE\) Programs](#) are available for people age 60 and older. Most TCE sites are operated by the AARP Tax Aide Program. To locate the nearest AARP TCE Tax-Aide site between January and April use the [AARP Site Locator Tool](#) or call [888-227-7669](#).

[My Free Taxes](#) is available to taxpayers with an Adjusted Gross Income (AGI) of less than \$84,000. Call My free Taxes at 866-698-9435 or visit their website.



Tip: Free Tax Preparation Services for Self-Prepared Tax Returns

IRS Free File opened January 12: It allows eligible taxpayers to self-prepare and file their federal and state income tax online in one of two ways:

- 1) Guided, online tax preparation and filing at an IRS **partner site** is at no cost to qualifying taxpayers. Only taxpayers whose **Adjustable Gross Income (AGI)** is \$84,000 or less qualify for a free Federal tax return using this service.
- 2) **Free File Fillable Forms** are electronic federal tax forms you fill out online. It is the only IRS free file option available for taxpayers whose **income (AGI)** is greater than \$84,000. If you choose this option, you should know how to prepare your own tax return.

Some, but not all, state-level tax filing options are also available for free.

Free Tax Preparation Services: Veterans and Members of Armed Forces

- Members of the U.S. Armed Forces and qualified Veterans, with and without a disability, may use MilTax, a free service offered by the Department of Defense through Military OneSource. MilTax offers free tax software and one-on-one help from military tax experts.
- You may file a federal and up to three state tax returns at no cost.
- For more information, go to:

 [MilTax: Free Tax Filing Software & Support | Military OneSource](#) or call 800-342-9647.

TIP: The IRS makes tax filing easier to understand for [military members and Veterans](#) with unique tax needs who sacrifice(d) so much for our country. There are certain [tax breaks](#) available to military members and dependents.



Tips for Efficient Tax Preparation

- **Ongoing** throughout the calendar year, keep ABLE receipts for the calendar year; keep the file for at least 3 tax seasons.
- **Before filing income taxes**, organize paperwork and establish a specific place for all incoming tax documents.
 - Organize ABLE account documents early (Form 5498-QA ABLE account Contribution Information and Form 1099-QA Distributions from ABLE accounts)
 - If you need to file income taxes, share your ABLE forms above with your tax preparer. (A person does not need to file income taxes simply because they have an ABLE account)
- Consult with a tax advisor for complex situations.

Increase Your Savings

Use these account tips and strategies:

- Set a goal to maximize contributions for 2025.
- Compare tax implications of saving in your retirement account versus saving in your ABLE account
- Use free tax preparation services
- Compare fees* across state plans using our comparison tools
- Use income tax credits and deductions

*Fees are one factor to consider, however, there may be other factors you also wish to consider in determining the best ABLE plan for you.

Key Take Aways

- ABLE accounts provide tax free investment growth options
- Combine tax strategies and tips to maximize contributions
- Research state-specific benefits and fees for optimal growth
- Maximize contributions and leverage state and federal tax benefits
- Use free resources for tax preparation
- Start saving today to build financial security



ABLE NRC Resources

ABLE National Resource Center Website

Visit us at ablenrc.org for:

- [ABLE FAQs](#)
- [ABLE Decision Guides](#)
- [Home Ownership / Inheritance](#)
- [ABLE Programs by State](#)
- [ABLE Informational Flyer](#)
- [Meet our ABLE Ambassadors](#)
- [ABLE to Save Podcast](#)
- [ABLE Webinars](#)
- [AchievABLE Newsletters](#)





ABLE NRC Toolkits

- [Employer Toolkit](#)
- [Service Provider Toolkit](#)
- [Youth Transition Toolkit](#)
- [ABLE NRC Media Toolkit](#)

Newest Resources



- [Veterans with Disabilities – ABLE Info Flyer](#)
- [Veterans Brief: Maximizing Benefits with an ABLE Account](#)



NDI Resources

- [National Disability Institute](#)
- [American Dream Employment Network \(ADEN\)](#)
- [NDI Assistive Technology Loan Program and AFP List](#)
- [NDI Financial Resilience Center](#)
- [NDI Small Business Hub](#)

Thank You!