

How employers can enABLE savings and enhance inclusion

Attract, support and retain employees who have special needs or disabilities and caregivers by offering easy access to ABLE accounts

by Voya Cares Center of Excellence
March 2021

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Summary of key points

1

In addition to being the right thing to do for the community, being inclusive of people with disabilities and special needs and caregivers has a direct impact on recruitment, retention and business results.

2

ABLE accounts are unique tax-advantaged savings and investment accounts designed to improve quality of life for a person with a disability without interrupting government benefits.

3

An individual with a disability onset prior to age 26 may be eligible to contribute to an ABLE account. Caregivers, loved ones and employers also can contribute to an ABLE account for an eligible individual.

4

ABLE accounts also can be a no- or low-cost workplace benefit for inclusive employers to offer their employees in the disability community. Employers can provide employees access to information and guidance on ABLE accounts and encourage direct deposit to the program of choice for employees.

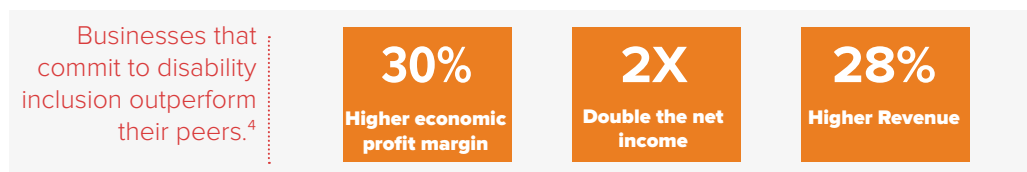
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With industry-leading educational content, webinars and information available at voyacares.com and through the Voya Cares® program, employers have an innovative partner to help their employees understand ABLE accounts and help employers add an ABLE program to their benefits offerings.

Employees with disabilities and special needs (63%) and caregivers (64%) say an ABLE account would be a valuable employee benefit.¹

Good for the bottom line

Given that one in four Americans has a disability² and one in five are caregivers,³ the disability community represents a significant opportunity for employers to appeal to and connect with this market. Being inclusive of the disability community impacts the bottom line for employers by building a brand that clients want to do business with. Employing a diverse group of employees with different perspectives and life experiences results in higher retention of employees, as well as greater innovation.⁴



ABLE accounts for financial inclusion

Many people with disabilities or special needs and their caregivers rely on public assistance programs, like Medicaid and Supplemental Security Income (SSI), to help cover the day-to-day costs of care. These programs have eligibility requirements that force recipients to make difficult financial tradeoffs. For example, SSI recipients must keep assets, including all bank accounts, individual retirement accounts, and Health Savings Accounts (HSAs) below \$2,000, limiting financial independence.

Now, ABLE account holders also can accumulate up to \$100,000 in an ABLE account without affecting their benefit payments from SSI. Individuals can also accumulate up to \$500,000 or more without interrupting their medical coverage and other supports through Medicaid, depending on specific state limits. This ability to save without affecting government benefits eligibility can make all the difference for those in the disabilities community who have long been discouraged from saving or investing their money due to strict asset limits.

Even those adults who have a disability but don't qualify for Medicaid or SSI can benefit from ABLE accounts for the tax advantages that may be available, including tax-deferred growth, tax-free withdrawals, state-tax deductions or credits (in some states) and even the federal Saver's Credit.

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Able accounts foster person-centered independence, build self-reliance, encourage employment and improve quality of life.⁵
.....

2 Okoro CA, Hollis ND, Cyrus AC, Griffin-Blake S. Prevalence of Disabilities and Health Care Access by Disability Status and Type Among Adults — United States, 2016. MMWR Morb Mortal Wkly Rep 2018;67:882–887. DOI: <http://dx.doi.org/10.15585/mmwr.mm6732a3> (2018)

3 Caregiving in the U.S.: 2020 Report. AARP and National Alliance for Caregivers, May 2020

4 Getting to Equal 2018: The Disability Inclusion Advantage. A research report produced jointly by Accenture, AADP and Disability:IN, https://www.accenture.com/_acnmedia/PDF-89/Accenture-Disability-Inclusion-Research-Report.pdf

5 <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2019/02/disability-race-poverty-in-america.pdf>

A no-cost enhancement for employee benefits packages

Employers are in a unique position of trust with employees, providing income and benefits that employees rely upon and serving as a reliable source of financial information. Adding access to ABLE accounts is one way employers can be more inclusive of employees in the disabilities community.

Many existing employer benefit and retirement solutions unintentionally may exclude employees with special needs or disabilities. Because they frequently opt out of valuable employer-sponsored benefits to maintain their government benefits eligibility, employees with disabilities or special needs may face serious short-term and long-term ramifications for savings accumulation and tax benefits. In addition, employees who opt out also may be giving up their employers' matching contributions, often regarded as "free money" for those who participate.



Did you know?

The poverty rate for adults with disabilities is more than twice the rate of adults with no disability.⁶

27%

adults with disabilities

12%

adults with no disabilities

The need for employee benefits that can help improve quality of life isn't limited to employees with disabilities. Many caregiver employees are looking for ways to relieve the stress of providing for the day-to-day and long-term care needs of their loved ones without compromising the caregiver's own financial goals.

61% caregivers said they do not have the funds available to save more for their retirement, due to caregiving responsibilities.⁷

62% of caregivers said they do not have access to the retirement planning products/tools that they need as a caregiver.⁷

63% are worried about their retirement security because of the financial impact of being a caregiver.⁷

For employees who are caregivers, retirement savings may be even more important than for the general population, as they need to generate enough of a nest egg to support three or more people during retirement: themselves, perhaps a spouse or partner and their loved one(s) with disabilities. For these employees, having an ABLE account to build savings for their loved ones' caregiving goals can help make sure their retirement accounts are available for their own retirement.

⁶ <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2019/11/ndi-banking-report-2019.pdf>

⁷ Results from a Voya Financial survey conducted September 24-25, 2020 on the Ipsos eNation omnibus online platform among 1,005 adults aged 18+ in the United States (Including 186 self-identified Caregivers)

How employers can implement an ABLÉ account program

With these three simple steps, employers can offer ABLÉ accounts to eligible employees with disabilities and caregivers who want to contribute for an eligible loved one:



Offer employee education about ABLÉ accounts to raise awareness and understanding.

- Employers can leverage industry-leading educational content and information available at voya-cares.com.
- Workshops, educational videos and guidance from the Voya Cares® program also can be delivered to employees in partnership with existing providers.



Help with access to a direct ABLÉ program.

- Adding ABLÉ accounts to a company's benefits package can be as simple as providing information and links on the employee benefits website.
- Include instructions on how to find the program that is the best fit and how to open an account with the employee's ABLÉ provider of choice.
- ABLÉ program providers may offer guidance, enrollment assistance and communication to help drive participation.



Direct deposit to ABLÉ accounts is easy.

- Employees can get a routing and transit number from their ABLÉ account and provide the information back to the employer for direct deposit.

There is typically little or no cost to an employer to add ABLÉ accounts, set up directly through the state ABLÉ provider of choice as an option for their employees.

For employers who want to go a step further:



Employers also can offer matching contributions, or even contribute a flat percentage to anyone who has an eligible ABLÉ account. Employers can work directly with ABLÉ account providers to incorporate a program for processing employer contributions. There also may be an opportunity to integrate with payroll systems in order to show contributions as a line item on employee paystubs.

For more information on ABLÉ accounts, visit VoyaCares.com/ABLE or ask your Voya representative.

Employers' commonly asked questions and answers



What are the contribution limits for ABLE accounts, and what can employees use them for?

- The annual contribution limit for 2021 is \$15,000, but employees who are not participating in an employer's retirement plan can contribute additional amounts from their income up to \$12,760.
- ABLE accounts can be used for a long list of qualified disability-related and other expenses related to quality of life. Account holders are using ABLE accounts for emergency funds, recreation, medical costs and even retirement goals.



What are the tax considerations for employer contributions?

- All contributions to ABLE accounts are made with after-tax dollars. Employees would pay federal and state income tax on the amounts contributed by employers. While there are no federal tax incentives for employer contributions today, proposed legislation may add these incentives in the future. Employers should consult with a tax professional for more information.



Will ABLE accounts take assets away from our retirement plan?

- Because of strict asset limitations of needs-based government benefits, many of your employees with disabilities already have opted out of other defined contribution plans. Adding ABLE as an option for those employees can help them save with money that likely wasn't going to be in a retirement account, anyway. For caregivers and employees who are currently contributing to a retirement plan, research has shown that additional account options may actually increase total savings rates.⁸



Which state program is right for our employees?

- With 43 ABLE programs available, employees can choose the one that best fits their needs. Any national program can be an option for employees living in any state; however, employees will need to pay attention to potential state income tax benefits for using the program in their home state. Visit [ablenrc.org](https://www.ablenrc.org) for more information or to compare available programs.



Is there a cost to offer ABLE?

- There's no cost to employers to offer easy access to ABLE accounts, supplemented with education and resources from VoyaCares and ABLE providers. For employers who choose to contribute to or offer matching contributions, the cost may be similar to an after-tax contribution to other types of accounts, but could make a huge difference for those families.



Our business isn't focused on the disabilities community. Is there a need for ABLE?

- With one in four Americans having a disability, and one in five workers assisting with caregiving, employers might be surprised at how many of their employees are affected. Whether employees disclose their disability or caregiving responsibilities or not, they deserve to be included.



Success story:

UCO partners with its state ABLE account provider

UCO Industries, Inc. is an assembly, packing and warehousing business in Ohio. Approximately 50% of UCO's employees have a disability. In 2017, UCO was looking for a fair way to offer retirement benefits to employees with and without disabilities.

STABLE Account is a national ABLE account program administered by the state of Ohio. With their help, **UCO became the first known company to use an ABLE program as an employee benefit.**

UCO not only facilitates employees' direct deposits into their ABLE accounts, but also makes employer contributions into each employees' ABLE account.

81%

*of all eligible
associates have
STABLE accounts*

14%

*contribute their own funds,
ranging from 4% to 40%
of earnings*

\$70k

*contributed by UCO
to employee STABLE
Accounts*

There are several factors to the success of UCO's use of an ABLE account as an employer benefit program.

- UCO recognizes the value of a workforce with disabilities.
- UCO worked closely with STABLE Account staff members to educate employees (and their caregivers, when appropriate) on what an ABLE account is and how the program works.
- UCO individually contacted each employee who may qualify for an ABLE account, provided assistance with understanding and helped with enrollment when needed.
- UCO made ABLE accounts a standard employee benefit to be considered during onboarding of new employees and during open enrollment.

The ABLE account program continues to be an integral part of current and future financial planning for UCO's eligible associates.

For more information on ABLE accounts, visit VoyaCares.com/ABLE or ask your Voya representative.
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