

*Audit Report*

Achieving a Better Life Experience  
Accounts



# Office of the Inspector General

## SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

Date: March 26, 2021 Refer To:

To: The Commissioner

**From:** Inspector General

**Subject:** Achieving a Better Life Experience Accounts (A-02-18-50357)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether Supplemental Security Income recipients used, and the Social Security Administration verified the values of, Achieving a Better Life Experience accounts.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit, at 410-965-9700.

Gail S. Ennis

Gail S. Ennis

## Attachment

# Achieving a Better Life Experience Accounts

## A-02-18-50357



March 2021

Office of Audit Report Summary

### Objective

Our objective was to determine whether Supplemental Security Income (SSI) recipients used, and the Social Security Administration (SSA) verified the values of, Achieving a Better Life Experience (ABLE) accounts.

### Background

The *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014* (Act) established tax-advantaged savings accounts that eligible individuals can use to pay for qualified disability expenses. Per the law, States establish ABLE programs through which eligible individuals can open ABLE accounts. Social Security beneficiaries and SSI recipients may establish ABLE accounts if their disability or blindness began before their 26<sup>th</sup> birthday. The Act allows each individual to have one ABLE account.

To be eligible for SSI payments, individuals may not have countable resources over \$2,000, and couples may not have countable resources over \$3,000. The Agency excludes up to \$100,000 of ABLE account balances from recipients' countable resources. SSA staff should ensure SSA's systems include evidence of ABLE accounts when SSI applicants, recipients, or deemors allege, or States report, account ownership to SSA. Staff should also record, and determine ABLE account balances' impact on, recipients' countable resources and SSI eligibility during redeterminations.

### Findings

SSA created policies and trained its staff on verifying ABLE accounts owned by SSI recipients or their deemors. In addition, the Agency took steps to inform the public about ABLE accounts' availability. As of the date of our audit, less than 1 percent of SSI recipients had obtained ABLE accounts.

We reviewed a sample of 50 of the 11,176 SSI recipients or deemors who had ABLE accounts in SSA's records. Staff verified the monthly ABLE account balances during redeterminations for 32 of the cases but did not verify the balances before they completed redeterminations in 10 cases. SSA had not completed a redetermination since it received data about the accounts in the remaining eight cases.

Also, 3 of the 11,176 recipients or deemors appeared to have more than 1 ABLE account in SSA records, and SSA did not count the second account balances as resources, as policy requires. Including the second ABLE account balances as resources, the three recipients were over the resource limit for SSI eligibility for the months they had two ABLE accounts listed, receiving \$18,140 for which they were not eligible.

We also reviewed 6,890 additional ABLE accounts States reported to SSA that were still pending initial processing by the Agency. As of the date of our audit, SSA had completed redeterminations for 563 of the 6,890 cases. In 16 of the 563 cases, the ABLE account information remained in a pending status after SSA staff completed redeterminations even though SSA's system alert should have prevented staff from closing the redeterminations with the pending resources.

### Recommendations

We made five recommendations in our draft report focused on improving SSA's oversight of SSI recipients with ABLE accounts. SSA disagreed with three of the recommendations. Based on SSA's comments, we revised one, and removed another, recommendation in the final version of this report. SSA disagreed with our third recommendation, but we did not change it because we continue to believe the system alert SSA has to address unresolved State-reported ABLE data before closing redeterminations is not fully effective.

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## **ABBREVIATIONS**

ABLE	Achieving a Better Life Experience
MSSICS	Modernized Supplemental Security Income Claims System
OIG	Office of the Inspector General
POMS	Program Operation Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

## OBJECTIVE

Our objective was to determine whether Supplemental Security Income (SSI) recipients used, and the Social Security Administration (SSA) verified, the values of Achieving a Better Life Experience (ABLE) accounts.

## BACKGROUND

SSA administers the SSI program under Title XVI of the *Social Security Act*.<sup>1</sup> The SSI program provides monthly payments to individuals with limited income<sup>2</sup> and resources<sup>3</sup> who are aged, blind, or disabled.<sup>4</sup>

### Achieving a Better Life Experience Account

The *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014*<sup>5</sup> (Act) established ABLE accounts, which are tax-advantaged savings accounts that eligible individuals can use to pay for qualified disability expenses.<sup>6</sup> Per the law, States establish ABLE programs through which eligible individuals can open ABLE accounts. Eligible individuals are the owners and designated beneficiaries of their ABLE accounts. Individuals may establish ABLE accounts if they are eligible for Social Security or SSI based on a disability or blindness that began before their 26<sup>th</sup> birthday. Individuals who are not entitled to Social Security or SSI may establish

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<sup>1</sup> *Social Security Act*, 42 U.S.C. § 1381 (govinfo.gov 2018).

<sup>2</sup> SSA counts an SSI recipient's income on a monthly basis. Generally, the more income an individual receives, the lower his/her payment will be. An individual who has too much income in a month is not eligible for SSI in that month. Not all income counts in determining SSI eligibility and payment amount.

<sup>3</sup> To be eligible for SSI payments, individuals may not have countable resources over \$2,000, and couples may not have countable resources over \$3,000.

<sup>4</sup> *Social Security Act*, 42 U.S.C. § 1382(a) (govinfo.gov 2018); SSA, *POMS*, SI 00501.001, B.1 (January 18, 2005).

<sup>5</sup> *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014*, Pub. L. No. 113–295, § 128 Stat. 4056, p. 4056 (govinfo.gov 2014).

<sup>6</sup> SSA, *POMS*, SI 01130.740, A (March 13, 2020). Qualified disability expenses are related to the blindness or disability of the designated beneficiary and for the benefit of the designated beneficiary. 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, which help improve health, independence, and/or quality of life. SSA, *POMS*, SI 01130.740, B.8 (April 16, 2020).

ABLE accounts if they certify<sup>7</sup> to the Internal Revenue Service that they are blind or have a medically determinable impairment that occurred before age 26.<sup>8</sup>

The Act allows individuals to own one ABLE account at a time.<sup>9</sup> Individuals may briefly own more than one account when they roll funds over from one account to another or transfer from one State ABLE program to another. SSA excludes up to \$100,000 of the balance of an ABLE account from the designated beneficiary's countable resources.<sup>10</sup> The Agency counts any balance over \$100,000 as the designated beneficiary's resource.<sup>11</sup> Except in rollovers<sup>12</sup> or program-to-program transfers,<sup>13</sup> SSA will count the balances in additional ABLE accounts as countable resources.<sup>14</sup>

When SSA staff initially determines or reviews SSI eligibility, they should verify the value of an applicant or recipient's monthly countable resources,<sup>15</sup> including ABLE account balances over \$100,000. To be eligible for SSI payments, individuals may not have countable resources over \$2,000, and couples may not have countable resources over \$3,000.

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<sup>7</sup> The individual, or the parent or guardian, can make the certification. *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014*, Pub. L. No. 113–295, § 128 Stat. 4056, p. 4060 (govinfo.gov 2014).

<sup>8</sup> The individuals need to include a copy of their diagnosis relating to their impairments signed by a physician who is legally authorized to practice medicine and surgery by the State in which he/she performs such function. *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014*, Pub. L. No. 113–295, § 128 Stat. 4056, p. 4060 (govinfo.gov 2014).

<sup>9</sup> *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014*, Pub. L. No. 113–295, § 128 Stat. 4056, p. 4056 (govinfo.gov 2014).

<sup>10</sup> A countable resource is the value of any asset that meets the definition of a resource. This resource counts against the applicable statutory limit for SSI payments. SSA, *POMS*, SI 01110.200 (March 18, 1993). If countable resources do not exceed the applicable limit, they have no effect on the amount of SSI payments. If countable resources exceed the limit, an individual is not eligible for any SSI payments. SSA, *POMS*, SI 01110.001, B.3 (July 1, 1990).

<sup>11</sup> SSA, *POMS*, SI 01130.740, D.1 (March 13, 2020).

<sup>12</sup> A rollover is the contribution to an ABLE account of a designated beneficiary (or their family member) of all or a portion of an amount withdrawn from the designated beneficiary's ABLE account, provided the contribution is made within 60 days of the date of withdrawal and no rollover has been made into an ABLE account of the designated beneficiary within the prior 12 months. SSA, *POMS*, SI 01130.740, B.10 (April 16, 2020).

<sup>13</sup> A program-to-program transfer is the direct transfer of the entire balance of an ABLE account into an ABLE account of the same designated beneficiary in which the first ABLE account is closed upon the transfer of the funds or part or all of the balance to an ABLE account of an eligible individual who is a member of the family of the designed beneficiary. SSA, *POMS*, SI 01130.740, B.7 (March 13, 2020).

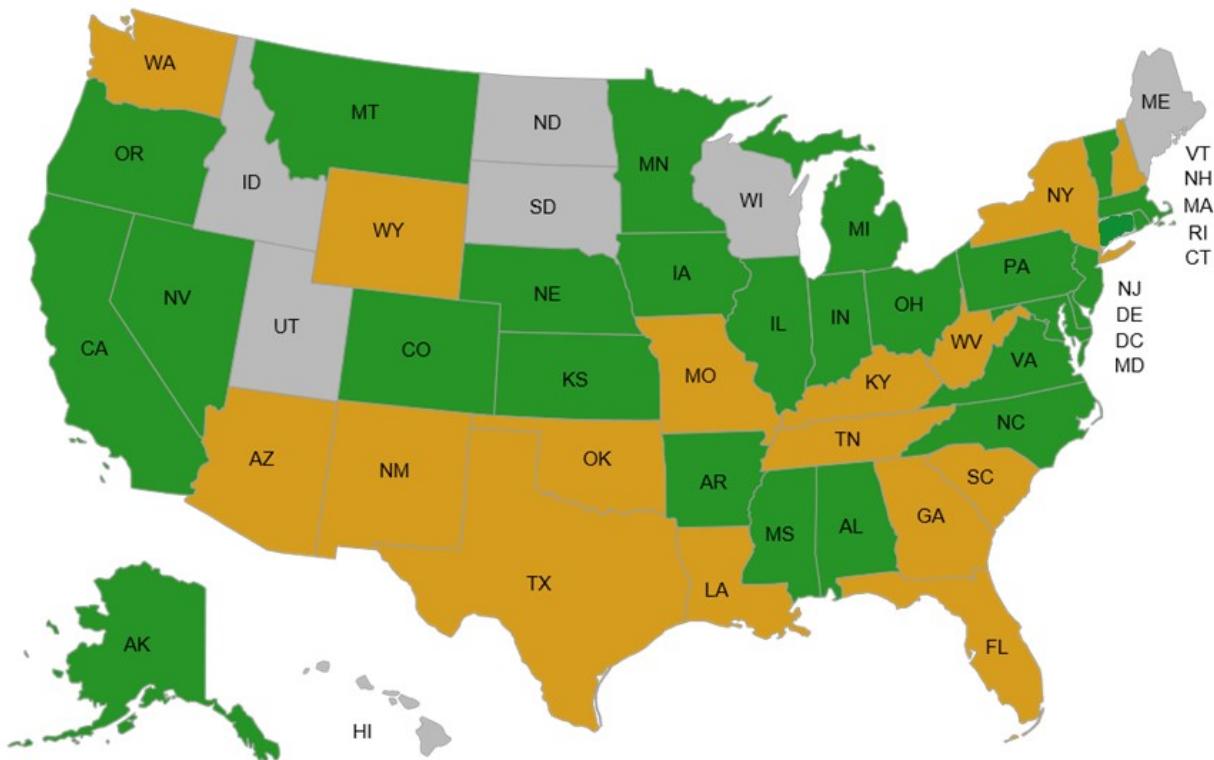
<sup>14</sup> SSA, *POMS*, SI 01130.740, A.1 (March 13, 2020).

<sup>15</sup> Staff should verify the value of liquid and non-liquid resources as of the first moment of any month for which they must determine SSI eligibility unless a tolerance applies or specific instructions indicate that verification is not required. SSA, *POMS*, SI 01140.010 (October 24, 2013).

## Achieving a Better Life Experience Program by State

Any State can establish an ABLE program.<sup>16</sup> An eligible individual can open an ABLE account through the ABLE program in any State that permits it. To date, 43 States and the District of Columbia have launched ABLE programs. See Figure 1 and Appendix B for more information on the State ABLE programs.

**Figure 1: ABLE Program by State as of November 2020**



**Note:** States in green have active ABLE programs that are available to both in- and out-of-State residents. States in gold have ABLE programs that are only available to in-State residents. States in gray do not offer ABLE programs. The data source is the National Association of State Treasurers.

<sup>16</sup> An ABLE program is established and maintained by a State (or State agency or instrumentality) through which eligible individuals can open ABLE accounts. SSA, POMS, SI 01130.740, B.1 (March 13, 2020).

According to the National Association of State Treasurers,<sup>17</sup> as of June 30, 2020, there were 70,873 total ABLE accounts opened nationwide, with a total of \$469.4 million invested, and an average savings of \$6,624 in each account.<sup>18</sup> Anyone can contribute<sup>19</sup> to an individual's ABLE account. In 2020, the annual ABLE account contribution limit was \$15,000. The funds in an ABLE account can accrue interest, earn dividends, or otherwise appreciate.<sup>20</sup>

## The Social Security Administration's Verification of Accounts

SSI is a needs-based program. Staff must verify the value of the resources, including ABLE accounts, owned by the recipient as of the first moment of a calendar month<sup>21</sup> to ensure the recipient continues to be eligible, unless a tolerance applies or specific instructions indicate that verification is not required.<sup>22</sup> To verify the account balances, staff can request evidence from the recipients. If available evidence does not provide the information, staff can contact the appropriate ABLE program to obtain it. Staff record the ABLE account balances on the ABLE account page of the Modernized Supplemental Security Income Claims System (MSSICS).

The Act requires that any State that implements its own program submit ABLE account balance data to SSA each month.<sup>23</sup> As of October 2020, SSA had ABLE data agreements<sup>24</sup> with 42 States and the District of Columbia that formalized the States' submission of the monthly

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<sup>17</sup> The National Association of State Treasurers provides advocacy and support that enables member States to pursue and administer sound financial policies and programs that benefit the nation's citizens. Membership comprises all State treasurers or finance officials with comparable responsibilities from the United States, its commonwealths, territories, and the District of Columbia, along with employees of these agencies. The private sector is represented through the Corporate Affiliate Program that was established to build professional relationships and foster cooperation between the public and private sectors.

<sup>18</sup> National Association of State Treasurers, *ABLE (Achieving a Better Life Experience)*, nast.org (last visited November 12, 2020).

<sup>19</sup> A payment made to an ABLE account constitutes a contribution. SSA excludes contributions to an ABLE account from an SSI recipient's income. SSA, *POMS*, SI 01130.740, C.1 (March 13, 2020).

<sup>20</sup> Earnings increase the ABLE account's balance. SSA excludes these earnings from the income of the designated beneficiary. SSA, *POMS*, SI 01130.740, C.2 (March 13, 2020).

<sup>21</sup> SSA, *POMS*, SI 01110.600, A (October 26, 1995).

<sup>22</sup> Staff should verify the value of all liquid resources if the alleged liquid resources total \$400 or more. SSA, *POMS*, SI 01140.010, B.1 (July 12, 2012).

<sup>23</sup> Stephen Beck, Jr., *Achieving a Better Life Experience Act of 2014*, Pub. L. No. 113–295, § 128 Stat. 4056, p. 4059 (govinfo.gov 2014).

<sup>24</sup> SSA has data agreements with Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, and Wyoming.

ABLE account balance data.<sup>25</sup> SSA is negotiating data agreements with three additional States<sup>26</sup> and does not have agreements with five other States<sup>27</sup> because they do not plan to implement ABLE programs.

When the States report ABLE account information,<sup>28</sup> SSA's system attempts to match the name, Social Security number, program State, and account number to an ABLE account already recorded in MSSICS. When the system finds a match, it automatically posts the balance data to the recipient's ABLE Account page. Staff is not required to take any action because the State reported the verified monthly balance.

State-reported ABLE account information that does not match an account in SSA's systems is recorded in the Pending ABLE Account page in MSSICS. SSA staff needs to determine whether the information applies to the person for whom it was reported. SSA systems allow staff to select one of four options when they process the State-reported data—update an ABLE account already recorded in the system, add a new account and upload the data to it, reject the data, or decide later what action to take.<sup>29</sup> If staff selects the final option, the account information remains pending in SSA's system and staff is required to resolve the pending ABLE account information before it completes an initial claim or redetermination.<sup>30</sup> Once staff documents the account information in MSSICS, subsequent reports received from the State that have matching data automatically update the account balance information in the ABLE Account page.<sup>31</sup>

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<sup>25</sup> Per SSA, a State that does not have an active ABLE program may sign an ABLE account data agreement with the Agency if it plans to implement an ABLE program. Maine signed a data-exchange agreement with SSA while it was developing its ABLE program so it could immediately begin reporting new ABLE account data once it implements the program. Conversely, Mississippi, which has an active ABLE program, has not signed an agreement to share the ABLE data with SSA.

<sup>26</sup> As of October 2020, SSA was negotiating data agreements with Connecticut, Mississippi, and Hawaii. Connecticut and Mississippi have established ABLE programs while Hawaii has not.

<sup>27</sup> As of October 2020, Idaho, North Dakota, South Dakota, Utah, and Wisconsin were not planning to implement ABLE programs.

<sup>28</sup> Account data submitted by the States includes the account owner's name, Social Security number, and date of birth; the program State; account number; date the account opened; date the account closed; and name of the signature authority. SSA, *POMS*, SI 01130.740, E.4 (March 13, 2020).

<sup>29</sup> SSA stated staff may decide later what action to take, which allows it to not decide on the ABLE account's ownership at that time. Staff may select this option because they need to contact the recipient about the account information reported by the States, or the recipient may be unable to confirm the information in the interview, and staff need to record other information in MSSICS.

<sup>30</sup> SSA staff periodically completes redeterminations, which are reviews of recipients' and their dependents' non-medical eligibility factors. These reviews determine whether recipients are still eligible for, and receiving, the correct SSI payments. SSA, *POMS*, SI 02305.001, A (September 5, 2019).

<sup>31</sup> SSA, *POMS*, SI 01130.740, E.4 (March 13, 2020).

For States that have not reached agreement to share ABLE data, the Agency relies on recipients to report their ABLE account balances.

## Audit Population

We identified 11,176 SSI recipients and deemors whose ABLE accounts SSA had verified and recorded in MSSICS as of August 2019.<sup>32</sup> We reviewed 50 recipients' records to determine whether SSA had verified their ABLE account balances. We also identified 6,890 pending ABLE accounts reported by States that SSA had not verified. We determined whether SSA had the opportunity to verify those accounts during initial claims or redeterminations it completed after receiving the States' data.

## RESULTS OF REVIEW

Less than 1 percent of the approximately 3 million SSI recipients eligible to open ABLE accounts had ABLE accounts listed as a resource in SSA's records.<sup>33</sup> The Agency did not always verify recipients' monthly ABLE account balances, as required.

## The Social Security Administration's Implementation of the Act

Since the Act was implemented, SSA has updated its policies and provided staff training on processing cases that involve ABLE accounts. The Agency also used social media and its communications channels<sup>34</sup> to inform both its staff and the public about ABLE accounts (refer to Appendix C for more details).

SSA also participates in recurring Act implementation meetings convened by the National Council on Disability.<sup>35</sup> The meetings bring Federal, State, and local agencies together with external partners to share information and coordinate best practices for raising awareness about ABLE accounts. The Agency also reported that it has partnered with the National Disability Institute's ABLE National Resource Center<sup>36</sup> and the National Association of State Treasurers to help inform individuals about the availability of ABLE accounts. SSA also regularly responds to questions about its ABLE account policy from members of these organizations.

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<sup>32</sup> We identified 11,123 SSI recipients and 53 deemors.

<sup>33</sup> We identified these recipients based on information from the ABLE Account page of MSSICS as of August 2019.

<sup>34</sup> SSA used its official Website, publications, and social media, such as Facebook and Twitter, to contact its audience about ABLE accounts.

<sup>35</sup> The National Council on Disability is an independent Federal agency that advises the President, Congress, and other Federal agencies regarding policies, programs, practices, and procedures that affect people with disabilities.

<sup>36</sup> The National Disability Institute is a national organization focused on the financial health and wellness of people with disabilities. It manages the ABLE National Resource Center that provides information about Federal- and State-related ABLE programs and activities.

While SSA took steps to inform the public about the availability of ABLE accounts, less than 1 percent of the SSI recipients who are eligible for ABLE accounts had opened one. For this review, we did not determine why only a small percentage of SSI recipients have opened ABLE accounts.

## Verification of Accounts

We reviewed 50 of the 11,176 SSI recipients or deemors with ABLE accounts to determine whether SSA verified all their monthly account balances during the recipients' redeterminations.

- In 32 cases, SSA verified all monthly account balances up to the date of the recipients' redeterminations.<sup>37</sup>
- In eight cases, SSA had not completed redeterminations<sup>38</sup> for the recipients since it received data about the accounts, so it had not had the opportunity to verify them.
- In 10 cases, staff had opportunities to verify all the monthly account balances during the recipients' redeterminations but did not do so before they completed the redeterminations.<sup>39</sup> Balances for months before the redeterminations were either not recorded or were recorded as alleged.<sup>40</sup> Recipients likely self-reported the alleged account balances because SSA systems automatically record the balance data of State-reported ABLE accounts to the recipients' records each month. SSA should have identified the unrecorded or alleged balances during the redeterminations and verified them.

In response to our preliminary draft report, the Agency stated it has a tolerance in its policy for self-reporting liquid resources, and ABLE account balances are included in the tolerance. If the amount being self-reported is under the tolerance threshold, its policy does not require that staff verify the amount. Additionally, States that have agreed to share ABLE data report the account balances for all ABLE accounts in their programs to the Agency each month. Per SSA, its systems match the State-reported data to an ABLE account already recorded in MSSICS and

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<sup>37</sup> In 29 of the 32 cases, SSA verified all the monthly ABLE account balances since the ABLE accounts were first posted in MSSICS. In the three remaining cases, the Agency verified all the monthly ABLE account balances up to the month it completed the recipients' redeterminations.

<sup>38</sup> There are two types of redeterminations. Scheduled redeterminations are selected and conducted at intervals that vary depending on the likelihood of payment error. Unscheduled redeterminations are conducted based on a report of change in a recipient's circumstances that may affect eligibility and payment amounts. SSA, *POMS, SI 02305.001*, B (September 5, 2019).

<sup>39</sup> SSA verified the monthly ABLE account balances for 2 of the 10 cases after our review.

<sup>40</sup> In eight of these cases, SSA verified some, but not all, of the monthly balances before our review. In the two remaining cases, the Agency did not verify any of the monthly balances.

automatically post the balance data to the recipient's record. Staff is not required to take any action. The Agency is also negotiating with States that have not agreed to share ABLE data.<sup>41</sup>

We re-examined the 10 cases while considering the Agency's response and found the ABLE accounts were opened in States that had reached agreement to share ABLE data with SSA.<sup>42</sup> Although SSA has a system in place to record ABLE balances in its records, the balances in these ABLE accounts were not recorded or were recorded as alleged values. Additionally, the alleged balances in these accounts were over the tolerance limit.<sup>43</sup> Staff should have verified these account balances before they completed redeterminations.

## Recipient with Multiple Accounts

We reviewed the 11,176 SSI recipients or deemors with ABLE accounts to determine whether any had more than 1 ABLE account recorded in MSSICS.<sup>44</sup> Per policy, SSA should count all funds in additional ABLE accounts as a countable resource unless the recipient opened the additional account for rollover or program-to-program transfer.<sup>45</sup> We found 53 recipients had multiple ABLE accounts with different account numbers recorded in MSSICS, and the additional accounts did not seem to be due to rollover or transfer periods.

SSA reviewed 15 of the 53 cases. Based on its review, SSA responded that the additional ABLE accounts appeared to be the same account listed multiple times in its systems. Per SSA, it appeared staff inadvertently added some account information using the wrong account numbers. When SSA originally entered the ABLE account information into MSSICS, either the applicant/beneficiary provided the incorrect account number or SSA entered the ABLE account profile number as the account number. As a result, when the States reported monthly account information for these cases, SSA staff added it as a new resource instead of merging it with the ABLE account information already in MSSICS.

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<sup>41</sup> Connecticut and Mississippi have an ABLE program but have not reached an agreement to share the data with SSA. Hawaii has not implemented an ABLE program. Per SSA, a State that does not have an active ABLE program may sign an ABLE account data agreement with the Agency if it plans to implement an ABLE program.

<sup>42</sup> Four of the 10 accounts were established in Ohio. The remaining six accounts were established in California, Florida, Michigan, Tennessee, Virginia, and Washington. Refer to Footnote 24 for the States that have reached agreement to share ABLE data with SSA.

<sup>43</sup> Staff should verify the value of all liquid resources if the alleged liquid resources total \$400 or more. SSA, *POMS*, SI 01140.010, B.1 (July 12, 2012).

<sup>44</sup> In 52 of the 53 cases, staff recorded 2 ABLE accounts in MSSICS for the same recipient. In the remaining case, staff recorded four ABLE accounts for the recipient.

<sup>45</sup> SSA, *POMS*, SI 01130.740, A.1 (March 13, 2020).

We re-examined the 53 cases taking into account SSA's explanation and agreed that, in 50 of the 53 cases, there was enough similar information to conclude the multiple listings were likely for the same accounts. However, in 3 of the 53 cases, SSA staff had previously verified balances for the multiple ABLE accounts, which had different start dates and monthly balances.

Given the different account balances, it appears these three recipients have multiple ABLE accounts, and SSA did not count the second account balances as resources. Including the second ABLE account balances as resources, the three recipients were over the resource limit for SSI eligibility for the months they had two ABLE accounts listed and therefore received \$18,140<sup>46</sup> for which they were not eligible.

## Pending Accounts

We identified 6,890 ABLE accounts reported by the States that SSA had not verified as of August 2019. SSA systems did not match these State-reported ABLE accounts to ABLE accounts already recorded in MSSICS. The information was recorded in the pending ABLE account page of the system where it remains until staff uses it to update an ABLE account already recorded in the system, add a new ABLE account and upload the data to it, or reject the data. SSA policy requires that staff resolve the State-reported ABLE account information before they complete an initial claim or redetermination. For 6,327 of these accounts, SSA had not completed initial claims or selected these cases for redeterminations since the States initially reported the ABLE account balances.

SSA completed initial claims or redeterminations after the States first reported ABLE balances for the remaining 563 cases. Before we began this review, the Agency informed us that States had begun reporting the ABLE account balances the first month an ABLE account balance was recorded in the Pending ABLE Account page in MSSICS. Based on this timeline, for 77 of the 563 cases, the State-reported ABLE account information remained in the pending ABLE account page after the initial claims or redeterminations were completed.<sup>47</sup>

Staff was able to close the initial claims or redeterminations without accepting or rejecting the State-reported ABLE account information. SSA's policy does not require that management review initial claims or redeterminations to ensure staff properly verified all resources before completing them.<sup>48</sup> Also, SSA systems do not alert management when initial claims or redeterminations are closed before staff resolve State-reported ABLE account information. However, in commenting on our preliminary draft report, the Agency stated its system requires that staff resolve State-reported ABLE account information before completing an initial claim or

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<sup>46</sup> In one of the three cases, the recipient did not receive SSI payments during the months she owned multiple ABLE accounts because her income was over the SSI limit. In another case, SSA improperly paid the recipient \$7,493 from June 2019 to May 2020 because it did not count the second ABLE account balance as a resource. In the third case, SSA improperly paid the recipient \$10,647 in February 2018 and from July 2018 to July 2019 because it did not count the second ABLE account balance as a resource.

<sup>47</sup> We reviewed the 77 cases in May 2020.

<sup>48</sup> The Office of Quality Review reviews a sample of closed redeterminations to ensure payment accuracy.

redetermination. If staff does not resolve the pending ABLE account information, the system will generate an alert that prevents staff from completing the redetermination.

The Agency reviewed the 77 cases and stated, in most of the cases, either the State began reporting the ABLE account information after staff completed initial claims or redeterminations or staff resolved the pending ABLE accounts during initial claims or redeterminations. Per SSA, for these cases, States began reporting the ABLE account balances after the first month a balance appeared on the Pending ABLE Account page in SSA's systems, which was contrary to what SSA had initially told us. SSA further stated that, in a few cases, its system alert did not work properly, which enabled staff to complete the initial claims or redeterminations without resolving the State-reported ABLE account information.

After it reviewed the 77 cases, SSA provided the actual time and date the State began reporting the data for these cases; these data were not included in MSSICS. We re-examined the 77 cases taking into account the Agency's explanation and additional data and determined the following.

- In 61 cases, the State began reporting the ABLE account information after staff completed redeterminations. SSA policy does not require that staff verify this information until the next redeterminations.
- In the remaining 16 cases, staff was able to close the initial claims or redetermination without accepting or rejecting the State-reported ABLE information despite the alerts generated in SSA systems. The account information was pending verification in the pending ABLE account page from 10 to 28 months, with an average pending time of 21 months.

## **Disability Onset Dates for Recipients with Accounts**

All State ABLE account applications require that applicants certify they receive Social Security or SSI disability benefits based on a disability that began before their 26<sup>th</sup> birthday or they have a signed disability diagnosis from a licensed physician certifying they have a disability that began before their 26<sup>th</sup> birthday. State ABLE programs do not require that applicants provide proof that their disabilities began before their 26<sup>th</sup> birthday when they apply for ABLE accounts.<sup>49</sup>

When determining SSI eligibility, SSA determines, in part, applicants' ages and their disability onset dates. While SSA has information that could be useful in determining ABLE account eligibility, the Agency reported to us that it is not authorized to share this information with State ABLE programs. Also, SSA reported it was not responsible for determining ABLE account eligibility; the States are responsible for determining whether ABLE account applicants meet the eligibility requirements for their ABLE programs.

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<sup>49</sup> The States require that these applicants possess the physicians' documents but do not require the document as part of the ABLE account application. Only Michigan and Texas require that the applicants provide the physician's name and address as well as the date of disability diagnosis on the application.

We identified 1,004 (9 percent) of the 11,176 SSI recipients with ABLE accounts whose disability onset dates in SSA's records occurred after their 26<sup>th</sup> birthdays. If SSI recipients own ABLE accounts for which they are not eligible, SSA may be excluding resources in those accounts that it should not exclude when determining SSI eligibility.

## CONCLUSIONS

While the Agency took steps to inform the public about ABLE accounts, very few recipients have obtained ABLE accounts. For the recipients or deemors who own ABLE accounts, we believe the Agency could improve its verification of their monthly ABLE account balances.

## RECOMMENDATIONS

We recommended SSA:

1. Determine whether its outreach efforts efficiently and effectively had the desired impact of informing SSI recipients about the availability of ABLE accounts.
2. Review the 53 cases with multiple ABLE accounts in MSSICS, correct any inaccurate account information in the records, and determine whether any ABLE account balances are countable resources.
3. Ensure the full effectiveness of the system alert that requires staff to resolve State-reported ABLE account information before completing redeterminations for recipients who own ABLE accounts.
4. Issue an Administrative Message to remind staff to review and rectify ABLE account information reported by States that conflicts with account information already posted in SSA records to avoid multiple postings of the same ABLE accounts and to ensure staff properly account for resources in all ABLE accounts owned by recipients.

## AGENCY COMMENTS

SSA disagreed with the first, third, and fifth recommendations in our draft report, while agreeing with our second and fourth recommendations. See Appendix D.

## OIG RESPONSE

Our first draft recommendation read that SSA should determine why most SSI recipients who are qualified for ABLE accounts have not obtained them. In disagreeing with the recommendation, SSA concluded States were generally responsible for determining ABLE eligibility, not SSA. Still, SSA undertook numerous outreach efforts to inform the public about ABLE accounts (refer to Appendix C for more details). SSA's efforts expended taxpayer funds, and, as stewards of those funds, SSA should ensure it used those funds efficiently and effectively, having the desired effect of informing SSI recipients of the availability of ABLE accounts. Accordingly, we have

reworded our first recommendation to clarify the actions SSA needs to take to ensure its outreach efforts efficiently and effectively used taxpayers' funds.

In disagreeing with our third recommendation, SSA stated its system functioned properly. Per our analysis, staff closed some redeterminations without accepting or rejecting State-reported ABLE information despite SSA's systems generating the alerts. We do not believe an alert is fully effective if it continues to allow staff to close redeterminations without accepting or rejecting the ABLE information. To be an effective control, the alert should prevent the error it was created to address. SSA needs to have fully effective controls in place to ensure staff properly processes ABLE data, which is needed to effectively complete redeterminations.

The fifth recommendation in our draft report asked SSA to determine, during redeterminations, whether ABLE account balances owned by recipients whose disability onset dates in SSA's records occurred after their 26<sup>th</sup> birthday should be excluded from the countable resources used to determine their SSI eligibility. In disagreeing with this recommendation, SSA stated it does not have the authority to make independent findings of an individual's ABLE eligibility or an ABLE account's validity. We continue to be concerned that the disability onset dates recorded in SSA's systems for over 9 percent of recipients with ABLE accounts were after their 26<sup>th</sup> birthday, which calls into question whether they were eligible for the accounts. Realizing that SSA does not have direct authority to make ABLE account eligibility decisions, we removed our fifth recommendation. To continue addressing our concern, we plan to share our findings with the Department of the Treasury, which does have legislative authority over ABLE accounts. We will ask Treasury to determine whether further investigation of the recipients is warranted.



Michelle L. Anderson  
Assistant Inspector General for Audit

# *APPENDICES*

## **Appendix A – SCOPE AND METHODOLOGY**

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To accomplish our objective, we:

- Reviewed pertinent sections of the *Social Security Act* and the Social Security Administration's (SSA) regulations, rules, policies, and procedures.
- Identified 11,176 SSI recipients or deemors on a Supplemental Security Income (SSI) recipient's record who had Achieving a Better Life Experience (ABLE) accounts recorded in the ABLE Account page of the Modernized Supplemental Security Income Claims System (MSSICS) as of August 2019. We also identified 6,890 pending ABLE accounts reported by the States that, as of August 2019, SSA had not verified on the Pending ABLE account page in MSSICS.
- Selected a random sample of 50 of the 11,176 recipients or deemors to determine whether SSA had verified the monthly value of their ABLE accounts during the recipients' redeterminations.
- Reviewed the 50 recipients' MSSICS screens and Claims File Records Management System records to determine whether they contained information staff used to verify the monthly ABLE account balances.
- Reviewed the ABLE account information for 53 of the 11,176 recipients who owned more than 1 ABLE account and determined any improper payments.
- Reviewed the Supplemental Security Records of the recipients or deemors to whom the State reported the 6,890 pending ABLE accounts that had not been verified by SSA to determine when the Agency most recently completed redeterminations.

We determined the computer-processed data were sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data and achieve our audit objective.

We conducted our audit work in the New York Audit Division between February and November 2020. The entity audited was the Office of Operations under the Office of the Deputy Commissioner for Operations.

We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls as associated with the audit objective. We identified the following five components and seven principles as significant to the audit objective.

- Component 1: Control Environment
  - Principle 2: Exercise Oversight Responsibility
- Component 2: Risk Assessment
  - Principle 7: Identify, Analyze, and Respond to Risks
- Component 3: Control Activities
  - Principle 10: Design Control Activities
  - Principle 12: Implement Control Activities
- Component 4: Information and Communication
  - Principle 14: Communicate Internally
  - Principle 15: Communicate Externally
- Component 5: Monitoring
  - Principle 16: Perform Monitoring Activities

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and conduct the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Appendix B – ACHIEVING A BETTER LIFE EXPERIENCE ACCOUNT INFORMATION FOR EACH STATE

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State	Status	Account Limit	Allow Out of State Participants
Alabama	Active	\$400,000	Yes
Alaska	Active	\$400,000	Yes
Arizona	Active	\$482,000	No
Arkansas	Active	\$366,000	Yes
California	Active	\$529,000	Yes
Colorado	Active	\$400,000	Yes
Connecticut	Active	\$300,000	Yes
Delaware	Active	\$350,000	Yes
District of Columbia	Active	\$500,000	Yes
Florida	Active	\$418,000	No
Georgia	Active	\$482,000	No
Hawaii	Not Active		
Idaho	Not Active		
Illinois	Active	\$450,000	Yes
Indiana	Active	\$450,000	Yes
Iowa	Active	\$420,000	Yes
Kansas	Active	\$402,000	Yes
Kentucky	Active	\$482,000	No
Louisiana	Active	\$500,000	No
Maine	Not Active		
Maryland	Active	\$500,000	Yes
Massachusetts	Active	\$400,000	Yes
Michigan	Active	\$500,000	Yes
Minnesota	Active	\$425,000	Yes
Mississippi	Active	\$235,000	Yes
Missouri	Active	\$482,000	No
Montana	Active	\$396,000	Yes

State	Status	Account Limit	Allow Out of State Participants
Nebraska	Active	\$400,000	Yes
Nevada	Active	\$370,000	Yes
New Hampshire	Active	\$482,000	No
New Jersey	Active	\$305,000	Yes
New Mexico	Active	\$482,000	No
New York	Active	\$520,000	No
North Carolina	Active	\$450,000	Yes
North Dakota	Not Active		
Ohio	Active	\$482,000	Yes
Oklahoma	Active	\$482,000	No
Oregon	Active	\$400,000	Yes
Pennsylvania	Active	\$511,758	Yes
Rhode Island	Active	\$395,000	Yes
South Carolina	Active	\$482,000	No
South Dakota	Not Active		
Tennessee	Active	\$350,000	No
Texas	Active	\$500,000	No
Utah	Not Active		
Vermont	Active	\$482,000	No
Virginia	Active	\$500,000	Yes
Washington	Active	\$500,000	No
West Virginia	Active	\$482,000	No
Wisconsin	Not Active		
Wyoming	Active	\$482,000	No

## **Appendix C – THE SOCIAL SECURITY ADMINISTRATION’S IMPLEMENTATION OF THE *ACHIEVING A BETTER LIFE EXPERIENCE ACT***

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In response to the *Achieving a Better Life Experience (ABLE) Act*, the Social Security Administration (SSA) updated its policies and completed training for staff. It also informed the public about ABLE accounts through its social media and its communication channels.

### **Policy Updates**

- March 2016 – SSA provided guidelines in *Program Operations Manual System (POMS)* for field office staff on when to count ABLE account balances and distributions.
- November 2017 – SSA issued Administrative Message 17060 to inform staff about additional ABLE-related screens added to the Modernized Supplemental Security Claims System (MSSICS).
- March 2018 – SSA updated POMS with systems enhancements and technical information about ABLE-related screens added to MSSICS.
- January 2019 – SSA revised Administrative Message 17060 to inform staff about additional participating States and agencies that could authorize the ABLE accounts.
- April 2019 – SSA updated POMS to show the total annual contribution amount that an ABLE account can receive for 2019 and provided clarification regarding the definition of “completed gift.”
- April 2020 – SSA updated POMS to reflect recent tax reform legislation allowing the rollover of funds from a 529 plan to an ABLE account and contribution to the ABLE account in excess of the current annual limit of \$15,000 for an employed beneficiary.

### **Training Updates**

- January 21, 2015 – SSA notified staff about software changes resulting from the implementation of new legislation called the ABLE Act.
- March 22, 2016 – SSA provided video training to inform staff on amendments to the ABLE Act to eliminate the State residency requirement to open an ABLE account.
- October 10, 2017 – SSA provided video training to remind staff about ABLE accounts and provided instructions for processing SSI cases with ABLE accounts.
- August 2019 – SSA discussed ABLE accounts with staff during a comprehensive work incentive training.

SSA stated it would implement additional training for field office and teleservice center employees using

- Interactive Video Training;
- Video-on-Demand;
- Regional messages; and
- Internal meetings.

## Communication Updates

- March 24, 2017 – SSA conducted Twitter Chat with ABLE Resource Center. As of June 2019, the Agency had 46,800 followers on Twitter.
- April 24, 2018 – SSA conducted Facebook live with America Saves. As of June 2019, the Agency had 223,567 followers on Facebook.
- April 17, 2019 – SSA included ABLE account information in its Universal PowerPoint presentation in English and Spanish for use by 133 Public Affairs Specialists.
- April 19, 2019 – SSA began airing SSTV Slide with ABLE Account information in 1,230 Field Offices potentially reaching over 169,700 people daily when offices were open.<sup>1</sup>
- July 11, 2019 – SSA posted guest blogs in the Social Security Matters from Michael Morris of the ABLE National Resource Center.
- October 24, 2019 – SSA provided remarks about its outreach activities during the National ABLE Resource Center's webinar, *Supporting Employment for Transition-Age Youth with Disabilities: How ABLE Accounts and SSA Work Incentive Can Help*.
- December 19, 2019 – SSA posted guest blogs in the Social Security Matters from Michael Frerichs, Treasurer of the National Association of State Treasurers.
- SSA posted eight ABLE Account blogs on its Choose Work web site.
  - December 19, 2016 – Getting to Know the ABLE Act
  - March 13, 2017 – ABLE Programs Update
  - March 20, 2017 – Join us for ABLE Events in March
  - April 13, 2017 – You Asked, We Answer! Financial Independence and the ABLE Act
  - October 23, 2017 – Money Mondays: Tips for Opening Your ABLE Account
  - November 20, 2017 – ABLE Accounts: What You Should Know
  - March 19, 2018 – What's New for ABLE in 2018
  - March 21, 2019 – Myths Busted: ABLE Accounts

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<sup>1</sup> SSA field offices are currently closed due to COVID-19.

- SSA hosted four webinars on Achieving Financial Independence with Ticket to Work and an ABLE Account on
  - March 22, 2017,
  - October 25, 2017,
  - March 21, 2018, and
  - March 27, 2019.
- SSA updated the Agency's publications, available online and in print, to include references to the ABLE Act and ABLE accounts. These publications include the following.
  - *Journey to Success: Employment Tools for Veterans with Disabilities*, SSA Publication No. 05-10282 (December 2018).
  - *Journey to Success: Employment Tools for Veterans with Disabilities Part 5: Staying on Course to Financial Stability*, SSA Publication No. 05-10287 (December 2018).
  - *Disability Benefits*, SSA Publication No. 05-10029 (July 2019).
  - *What You Need to Know When You Get Social Security Disability Benefits*, SSA Publication No. 05-10153 (July 2019).
  - *What You Need To Know About Your Supplemental Security Income (SSI) When You Turn 18*, SSA Publication No. 05-11005 (August 2019).
  - *What You Need to Know When You Get Supplemental Security Income (SSI)*, SSA Publication No. 05-11011 (August 2019).
  - *Understanding Supplemental Security Income*, SSA Publication No. 17-008 (2019 Edition).
  - *A Guide to Supplemental Security Income (SSI) for Groups and Organizations*, SSA Publication No. 05-11015 (January 2020).
  - *The Red Book – A Guide to Work Incentives*, SSA Publication No. 64-030 (January 2020)

SSA also updated the Supplemental Security Income page with a link on ABLE accounts and added an ABLE Account information link to its SSI Benefits Webpage.

## **Appendix D– AGENCY COMMENTS**

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### **SOCIAL SECURITY**

#### **MEMORANDUM**

Date: March 3, 2021

Refer To: TQA-1

To: Gail S. Ennis  
Inspector General

A handwritten signature in blue ink, appearing to read "Scott Frey".

From: Scott Frey  
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Achieving a Better Life Experience Accounts"  
(A-02-18-50357) -- INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

**SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT  
REPORT “ACHIEVING A BETTER LIFE EXPERIENCE ACCOUNTS” (A-02-18-50357)**

**General Comments**

We appreciate that the report acknowledges the wide range of communication activities we continue to engage in to inform the public about Achieving a Better Life Experience (ABLE) accounts. We also note that the report acknowledges our successful integration of this legislative change into our Supplemental Security Income (SSI) initial claims and post-eligibility processes. Although we have established data exchange agreements with most of the States that currently operate ABLE programs, we continue to seek opportunities to reach agreements with the remaining States.

Our responses to the recommendations are below.

**Recommendation 1**

Determine why most Supplemental Security Income recipients who are qualified for ABLE accounts have not obtained them.

**Response**

We disagree. As noted in the report, we participated in a full range of outreach activities related to ABLE accounts, and we continue to make information about these accounts available to the public. However, ABLE is a voluntary program overseen by the Department of the Treasury (Treasury). Eligibility for SSI is not a requirement for ownership of an ABLE account, and ownership of an ABLE account is not a requirement for SSI eligibility. Additionally, according to the regulations published by Treasury, the ABLE programs established by the States generally have responsibility to determine who is and who is not eligible for an ABLE account; SSA has no authority to determine an individual’s ABLE eligibility or an ABLE account’s validity.

**Recommendation 2**

Review the 53 cases with multiple ABLE accounts listed in Modernized Supplemental Security Income Claims System, correct any inaccurate account information in the records, and determine whether any ABLE account balances are countable resources.

**Response**

We agree.

**Recommendation 3**

Ensure the full effectiveness of the system alert that requires staff to resolve state-reported ABLE account information before completing redeterminations for recipients who own ABLE accounts.

### **Response**

We disagree. We reviewed the 77 cases that OIG questioned, and verified the system worked effectively in each of the cases. Our analysis indicates that the system functioned properly based on the conditions presented. We will continue to consider and investigate reports of system issues related to ABLE accounts as they arise. However, absent additional evidence of an issue, there is no further action for us to take.

### **Recommendation 4**

Issue an Administrative Message to remind staff to review and rectify ABLE account information reported by States that conflicts with account information already posted in SSA records to avoid multiple postings of the same ABLE accounts and to ensure staff properly account for resources in all ABLE accounts owned by recipients.

### **Response**

We agree.

### **Recommendation 5**

Determine during redeterminations whether ABLE account balances owned by recipients with disability onset dates in SSA's records that occurred after their 26<sup>th</sup> birthdays should be excluded from the countable resources used to determine their SSI eligibility.

### **Response**

We disagree. We do not have any authority to make independent findings of an individual's ABLE eligibility or an ABLE account's validity. The regulations published by Treasury indicate that Treasury generally delegated that responsibility to the ABLE programs established by the States. We accept that an individual meets the requirements to establish an ABLE account if we receive account information from a State. As the ABLE Act is currently written, we must exclude the balance of an ABLE account from the resource limit for SSI recipients who own ABLE accounts unless the balance exceeds \$100,000.



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The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

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