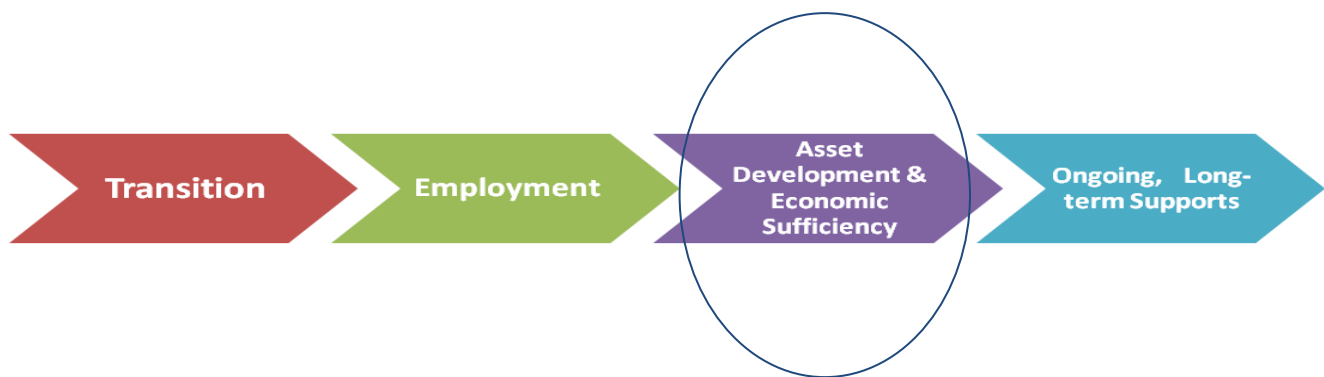




Collaboration to Promote Self-Determination 2013 Policy Framework

Holistic Model to Supporting Individuals with Significant Disabilities: *Key Objectives Requiring Customized Solutions-Oriented Strategies*



ADVANCE ECONOMIC SELF-SUFFICIENCY AND ASSET DEVELOPMENT

Research has identified persons with disabilities as a significant underserved population in terms of receiving support from national low-income tax assistance programs, asset building coalitions and the private sector financial services. Typically, these individuals and their families cannot make use of college 529 savings accounts, 401ks for the student, and other savings mechanisms due to the asset limitations in SSI and Medicaid.

In addition to employment-friendly policy, public education and training is needed to improve understanding of the capacity and contributions of individuals with disabilities to demonstrate **a significant economic impact** in the community. Public/private partnerships, the use of favorable tax benefits, and asset building opportunities would promote productivity and self-sufficiency for the target population.

- Individuals with significant disabilities are five times more likely than their non-disabled peers to live at or below the federal poverty level.
- Unlike other Americans, many people with disabilities have no tax-advantaged vehicles to save for future expenses and face barriers to asset accumulation that ties access to public benefits (supplemental security income, health care and housing assistance) to eligibility requirements that prohibit savings.

Enduring poverty for individuals with significant disabilities and a lack of economic empowerment diminishes choices and quality of life within communities and singularly diminishes freedom, opportunity, and self-determination.



Advancing Economic Self-Sufficiency & Asset Development

The Collaboration to Promote Self-Determination is committed to advocating for high-impact, innovative public policy focused on building a better economic future for individuals living with significant disabilities through control of one's resources, as well as access to and information about finances, free tax preparation, financial savings tools and other asset building services.

Core Principles: Authority, Autonomy, Freedom & Responsibility

- All people have representation and recognition of their ideas and voice;
- All people have the right to be independent and to make meaningful choices;
- All people are entitled to full participation in a decision-making process;
- All people have the same right and opportunity to participate in educational leadership roles;
- All people must have access to information in order to make good decisions about employee benefits, financial education, savings and investments; and
- All people are entitled to physical, psychological, intellectual, cognitive and communication supports to ensure their full participation in the financial mainstream.
- Public policy should effectively help individuals with significant disabilities better understand and adopt the following key elements vital to economic & financial security:
 - Develop and maintain control over a budget for oneself and one's family
 - Capacity to afford a purchase
 - Build an emergency fund
 - Understand how credit works including credit score
 - Understand how credit cards work
 - Understand how interest compounds over time and ties into savings concept
 - Understand the basic concepts of a mortgage
 - Understand basic insurance needs and products
 - Improve awareness of available asset building programs through employer or community
 - Understand benefit of a retirement plan
 - Understand investment vehicles

Proposed Objectives:

- Educate all individuals, provider networks and the public/private financial sector about the role and importance of asset development in helping individuals with significant disabilities increase economic self-sufficiency.

Customers:



- Empower people with disabilities to become part of the financial mainstream so to improve their economic self-sufficiency.
- Prepare and link all individuals working, re-entering the workplace or recently disabled to fully participate in community-based tax and financial service asset building programs that promote economic self-sufficiency.
- Develop a working knowledge of the tax and financial service needs of customers with significant cognitive, developmental or intellectual disabilities.

Employers:

- Support the increasingly important role of employers as providers and conduits of financial education to their employees.
- Create an awareness of the access and accommodation needs of all individuals with disabilities and their families interested in building a better economic future.

Financial Institutions:

- Create an awareness of the access and accommodation needs of all individuals with disabilities and their families interested in building a better economic future.
- Provide community financial institutions with valuable information for working with and serving customers with disabilities.
- Establish an ethic of excellence for providing tax and financial services to people with disabilities.

Providers:

- Provide community-based disability programs and services with the knowledge and training to educate and recruit volunteers within their organizations to assist local community-based organizations providing free tax preparation and other asset building services.

Recommended Policy Strategies for Advancing Economic Self-Sufficiency

- A. **Improve existing policy and create new policy that consistently emphasizes Employment First principles and moves towards asset building and self-sufficiency goals.**
 - 1. All individual and state plans should identify objectives on an individual basis and/or a state-systems basis that advances employment outcomes and economic self-sufficiency for individuals with disabilities, reporting on an annual basis in terms of improved outcomes.
 - 2. Improve federal and state cross-agency collaboration through consistent definitions, policy goals and performance measures to advance economic self-sufficiency. Create a subcommittee of agency officials (under the umbrella of the Federal Partners in Transition & Employment First in DD/ID) who can look at options for improving the way agencies interact on issues pertaining to the provision of federal support for individuals living with intellectual and developmental disabilities. Over the long-term, dismantle complexity of multiple funding sources/systems so that there are fewer institutional barriers to individuals accessing resources.



- B. Ensure choice for individuals in the economic self-sufficiency paradigm by providing states fiscal incentives for improving matching rates that allow for dollars to follow the person through individual budgets/accounts and other innovative concepts of blending resources and empowering the individual to utilize the support in a customized fashion.**
1. Special emphasis should be placed on allowing dollars in individual budgets to follow persons who are also currently in subminimum wage, segregated work environments, or daytime non-work facilitations or rehabilitation programs, so that they may have greater decision-making power in how his/her resources are spent (and expanded opportunities for transitioning into other forms of competitive, supported employment options).
 2. Require the offering of individual development accounts (IDAs) in all states. Also allow IDAs to be separate and distinct.
 3. Individuals currently on federal benefits can improve individual account matching rates to achieve economic self-sufficiency through self-directed accounts. This includes flexible resources for control by individuals and families through financial savings accounts and other means that support improved employment outcomes, self-sufficiency and community participation.
- C. Reform asset limits & income disregard used to determine eligibility under Federal public assistance programs, as well as exclude as assets all restricted savings vehicles such as IRAs, 401(k) and 529 plans. Also, promote further exclusion of individual development accounts from the asset/resource limit.**
- SHORT-TERM ACTIONS:
 - Update the Substantial Gainful Activity (SGA) limits at the level they would have been had they been indexed for inflation since their inception, and ensure at a minimum that there is parity for all individuals with disabilities to the level as current SGA limits for the visually impaired.
 - LONG-TERM ACTIONS: In the definition of “disability”, remove Substantial Gainful Activity (SGA)
- D. Support the continued development of viable savings tools and vehicles to encourage asset accumulation.**
1. Seek passage and enactment of the Savings for Working Families Act to expand the number of Individual Development Accounts (IDAs) to be available for 1.2 million low-income workers with and without disabilities over a seven-year period.
 2. Enact a tax-advantaged family savings program to encourage individuals with disabilities and families to set aside funds for future asset goals via passage of the Achieving a Better Life Experience Act (ABLE Act of 2009).
 3. Ensure that all recipients of SSI and SSDI have the right to develop an individual Plan for Achieving Self-Support (PASS), and that a structure is adopted to ensure that a PASS can be reviewed periodically and revised based upon individual needs and preferences. Also create a



requirement that individuals going through the IEP process be educated about the PASS option and are given the opportunity to consider developing a PASS as part of the IEP process.

- **SHORT-TERM ACTION:** SSA will undertake a project similar to what IRS took with EITC initiative.

- **LONG-TERM ACTION:** Review and revision of current SSA statute to expand the PASS to be used throughout the lifespan (to include transition, higher education, employment assistance, small business ownership, and long-term ongoing supports). Also simplify the rules regulating the PASS option so as to make the option less cumbersome and more attractive to potential users.

4. Expand the Disability Program Navigator (DPN) concept within the Department of Labor to include benefits, financial planning and asset development as key areas of emphasis with respect to the provision of information to individuals with disabilities who seek assistance from One-Stop Career Centers. The original purpose of the DPNs were to ensure that the generic workforce development arena was focused on placing all job seekers, regardless of ability. This recommendation expands on that concept and focuses on ensuring that financial savings/planning tools and services are also accessed by all individuals seeking to develop assets, regardless of ability.

E. Improve public attitude and specific target audiences' knowledge and understanding of the benefits and use of specific tools and strategies that help find a roadmap out of poverty for individuals with intellectual and other significant disabilities. Ensure these services are universally designed at the outset, and make these tools and services available to anyone that is designated to help assist an individual with a significant disability (including a family member, advocate, etc.).

1. Public policy reform should strive to achieve the following outcomes/milestones (as proposed by the *U.S. Treasury - President's Advisory Council on Financial Literacy 2008 Annual Report to the President*)
 - Foster skills that help individuals with significant disabilities to access and synthesize financial information about financial institutions; budgeting; asset building and credit **(Proposed Standards 1-5)**
 - Increase knowledge about renting and homeownership **(Proposed Standard 6)**
 - Identify risk management factors and the best strategies to share with an insurance provider **(Proposed Standard 7)**
 - Establish theft identity education **(Proposed Standard 8)**
 - Understand basic investment products and the timing and choice of investment **(Proposed Standard 9)**
 - Understand the optimum use of employee benefits and tax advantage savings accounts **(Proposed Standard 10)**
 - Understand retirement planning options **(Proposed Standard 11)**
 - Plan for unexpected loss of income due to death or disability **(Proposed Standard 12)**



2. Support increased access to financial literacy initiatives and peer-to-peer self advocacy campaign to educate individuals on financial savings tools and asset development that is tailored for individuals living with intellectual and developmental disabilities. Require individuals receiving public support to participate in a financial literacy educational program. Short-term strategy is to ensure there is a “financial support counselor” who possesses expertise in financial savings & management and is included as part of every individual’s employment-first and ongoing transition team.

F. Proposed Architectural Reforms in Current Tax Policy/Statute

1. Expand IRS community partnership development and volunteer tax preparation assistance programs to target low income tax payers with disabilities to ensure their enhanced access and use of the Earned Income Tax Credit (EITC), financial education and other low-cost affordable financial services and products.
2. Revise IRS tax codes to allow students to take advantage of existing college/higher ed tax credits, and ensure that these credits do not count against income/asset limitations for eligibility into Federal public assistance programs.
3. Redefine the medical expense deduction, or create a new deduction that clearly reflects and highlights the medical nature and functional health-related justification for key disability-related expenses including assistive technology (AT), personal assistance service (PAS) and rehabilitation or other specialized training that is not primarily medical in purpose but that is necessitated by disability. These functional health-related expenses will need to be clearly defined, both to overcome the fear of abuse and because of the IRS's unfamiliarity with them.
4. Recharacterize these expenditures, whether incurred for personal, educational, work-related or other purposes, so as to make them available to taxpayers who do not itemize. Numerous mechanisms exist to do this, most notably above-the-line deductions or credits (refundable or nonrefundable as the case may be).
5. Expand and rationalize the Disabled Access Credit so that it applies to accommodations for employees of all businesses, not just businesses with 15 or more employees that are subject to Title I of the ADA; so that it is available for the entire cost of accommodations; so that the size of businesses qualifying for the credit is substantially increased; and so that the intent to reasonably accommodate employees, customers or patrons and the capacity of the modification in question to do so is the test of credit applicability.



6. Require with respect to the entire range of private activity bonds whose interest can be tax exempt that, in addition to the three existing tests that must be met for the interest to qualify for exemption, recipients of bond financing must also demonstrate their commitment to nondiscriminatory and inclusive practices, the nature of which will be determined based on the nature of the bond. For instance, in the case of bonds issued to finance sports stadiums, accessibility in the design of the stadium and inclusiveness in the hiring of workers for the project and for the stadium operation and management would be required. For an industrial park, equal opportunity hiring and inclusion of businesses dedicated to developing products of particular value to people with disabilities would be appropriate. The IRS has been called upon to write more complex rules before, albeit on things about which they have more expertise. A highly articulated process for writing regulations, one that includes people with disabilities, will be required. Other disadvantaged groups, women and minorities should also be included.
7. Where people with disabilities incur tax-favored expenses in a given year that exceed their income and hence cannot be absorbed, allow either refundability or carry-over to prior and future years. This occurs frequently, as when people incur AT expenses upon entering into employment, and pay for that technology out of savings. If we want to incentivize savings and promote self-reliance, it is bad enough that we tax savings. How much worse is it that some expenditure would be tax-favored if an individual had current income but not if paid for out of savings.
8. Revise and update the Architectural and Transportation Barrier deduction so as to merge it into the Disabled Access Credit.
9. Institute a revised investment tax credit that insures the availability of the credit for accessibility-related research. Currently, there are no standards or definitions that would allow this to be done, but again, guidelines and standards could readily be developed. The requirements of law for Sec. 508 and 255, albeit that they are honored in the breach, nevertheless represent a good model from a procedural and documentation standpoint for such an effort.
10. Expand the charitable contribution provisions of IRC Sec. 170 to include contributions as matching funds to certified IDA programs, and allow tax deductibility for contributions to existing special needs trusts and pooled trusts, or to forthcoming disability savings accounts (DSA) under the ABLE Act, for or on from low income taxpayers, defined as those with AGI's below the median.



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11. Require all states to refrain from the taxation of asset-accumulation and savings vehicles such as IDA's DSA's, but compensate states for the revenue losses attributable to such forbearance.
12. Modify the IRC Sec. 529 and 530 accounts to make clear that funds can be accrued, withdrawn and used tax-free for any self-sufficiency purpose by persons with disabilities, and to ensure that in educational settings all add-on costs arising from the disability or from the measures taken to cope with it or neutralize its impact upon educational outcomes are entitled to the benefits of these provisions.