

What Is An Asset?

Assets are things you own that are part of your wealth. They are possessions that have value to you. A home or a business are assets that this program can help you purchase



What are Assets For Independence (AFI) Individual Development Accounts (IDA) and Who Can Have One?

The **Assets For Independence (AFI)** is a program offered by the federal government that helps people who have limited income to save money for important purchases that will help them gain assets over their lifetime. People with disabilities can participate in this program.

Individual Development Accounts (IDA) are special savings accounts that people use to save the money they need to buy a house, continue their education after high school graduation, or to start their own business. These are assets that can help you improve your life.

Everyone wants to have enough money to pay for the things they need in their lives, take care of their families and save for their futures. This is sometimes very hard for people with disabilities to do. Many people with developmental disabilities don't always have enough money in part because it is hard to find a job that pays well and helps a person have the money they need.

It is important to be able to save money so you can have a better future and be able to purchase things that are important to you.

It is hard to save money and takes a lot of planning and willpower for all of us.

The government wants to help people with disabilities and others who have limited income to save money. Individual Development Accounts or IDAs are a way to help people to save money. There are different programs that offer IDAs. This fact sheet is about the IDAs that are offered by the federal government. They are called AFI IDAs.

What is an IDA?

It is a savings account that you have with a bank. It is a special account that will be set up for you through the AFI IDA program.

You can put money into the account to save it. **The money you can save in an IDA has to be from money you earn from working.** You cannot save money from your benefits in an IDA.

For more information go to www.IDAresources.org

If you use this special savings account called an IDA you are saving your money for something special. The money you save can be used to:

- ▶ Buy a house
- ▶ Go to college or a vocational school, or
- ▶ Buy the things you need to start your own business

HERE IS THE BEST PART!

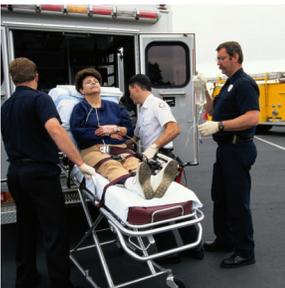
If you save your money in this special IDA savings account you get **more money** that matches the amount of money you saved! How much extra money you are given to save depends on the state where you live. You will need to find out what the match amount is in the state where you live. Sometimes you get \$1 for every \$1 you save but it can be as much as \$8 for every dollar you saved. This extra money, called a **MATCH** lets you save money much faster!!

If your state matches the money you save with \$2 for every \$1 you put into your IDA account you would have \$50 after you saved \$25. That's a great deal!

HOW DOES IT WORK?

- ▶ You set up the IDA which is a special savings account and have it in your name.
- ▶ You put money into your IDA savings account and decide how much you can add every month.
- ▶ You will get information about the smallest amount of money you need to save to still get a match and how long you can keep saving and get the extra matching money. You need to add something to your savings every month to stay in the program. You can miss a few times if you have an emergency and need the money but you have to start saving again as soon as you can. The rule about this will be different depending on your state.
- ▶ You can take the money out of your account when you are ready to buy a house, pay for school, or start your own business. If you are using the money for school you need to take college courses or go to a vocational training program after high school. You have up to 5 years to save and use the money.

Taking money out of your savings account is called **withdrawing** your money. Sometimes people have an emergency that requires them to use savings to pay for the cost. You might be able to use some of your money saved in your IDA to help you with this emergency. For example you may need to go to the hospital unexpectedly and have hospital bills or your car might need repairs.



If you are able to use money from your AFI IDA savings account, you have to put the same amount of money you used back in the IDA within 1 year so you can keep getting matching savings. Once you are in the AFI program there will be staff who can answer your questions about using your IDA savings in an emergency to make sure you follow the rules and can stay in the program.



WHAT MAKES YOU ELIGIBLE?

There are rules that need to be followed to be in the AFI program and have an Individual Development Account (IDA). You can only make a certain amount of money which is called your income.

There is a set process to decide if your income is within the allowable amount. This will use information about the poverty level in your state to see if you qualify. If you are part of a household, as when you are married or live with your family the whole household's income is looked at. **Your income that counts towards deciding if you qualify for the AFI IDA program does not include your benefits such as SSI, SSDI, or Medicaid.** Staff from the AFI program or your benefits counselor can explain this and answer questions about your other benefits.



To be eligible you must also have less than \$10,000 saved. This is considered one of your assets. There are other things you might own such as a house or a car that are also assets. The worth of the house and 1 car will not be counted to decide if you are eligible for the AFI IDA program. So if you own a house or a car this won't keep you out of the program. If you are on Medicaid then you will qualify to have an IDA.



For more information go to www.IDAresources.org