Achieving a Better Life Experience (ABLE) Act

The Problem: Individuals with disabilities face significant barriers to finding and holding employment and living independently because their access to certain safety-net programs can be lost once they establish a minimum level of savings and income, creating a disincentive to work.

The Solution: ABLE accounts would help more individuals with disabilities work, save, and live independently without losing access to Medicaid and Supplemental Security Income (SSI).

ABLE Act:

Under the ABLE Act, states now have the option to establish an ABLE program, under which eligible individuals with disabilities could start an ABLE account. These accounts would be modeled after current section 529 savings accounts. To be eligible, individuals must be severely disabled before turning age 26, and:

(a) receiving Supplemental Security Benefits (SSI) or Disability Insurance (SSDI); or
(b) certified under pending IRS rules as meeting conditions similar as that required by SSI or DI.

ABLE Account Details:

- Contributions into an ABLE account can be made by any person
- Contributions would not be tax deductible
- Income earned by the accounts would not be taxed
- Individuals would be limited to one ABLE account
- Total annual contributions by all individuals to any one account would be limited to the gift tax limit ($14,000 currently)
- Aggregate contributions to an ABLE account would be subject to an overall limit matching State 529 account limit ($235,000 in Georgia)
- Individuals with ABLE account balances and withdrawals would maintain eligibility for means-tested benefits. ABLE account balances are completely excluded for the purpose of Medicaid and other benefit programs. In SSI, the first $100,000 in account balances is excluded from counting as resources.
- Account withdrawals, including portions attributable to investment earnings generated by the account, for qualified expenses would not be taxable
- Qualified expenses include:
  - Education - Tuition for preschool thru post-secondary education, books, supplies, and educational materials related to such education, tutors, and special education services.
  - Housing - Expenses for a primary residence, including rent, purchase of a primary residence or an interest in a primary residence, mortgage payments, home
improvements and modifications, maintenance and repairs, real property taxes, and utility charges.

- Transportation - Expenses for transportation, including the use of mass transit, the purchase or modification of vehicles, and moving expenses.
- Employment Support - Expenses related to obtaining and maintaining employment, including job-related training, assistive technology, and personal assistance supports.
- Health and Wellness - Expenses for health and wellness, including premiums for health insurance, mental health, medical, vision, and dental expenses, habilitation and rehabilitation services, durable medical equipment, therapy, respite care, long term services and supports, nutritional management, communication services and devices, adaptive equipment, assistive technology, and personal assistance.
- Assistive Technology and Personal Support - Expenses for assistive technology and personal support with respect to any of the above.
- Miscellaneous Expenses - Financial management and administrative services, legal fees, expenses for oversight, monitoring, and funeral and burial expenses.
- Withdrawals made for ineligible expenses are subject to income tax and a 10% penalty.