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Understanding the ABLE Age Adjustment Act

Celebrating 80 Years of NDEAM

ABLE Age Adjustment Act

The ABLE Age Adjustment Act expands eligibility for ABLE accounts by amending Section 529A of the Achieving a Better Life Experience (ABLE) Act. This change enables more individuals with disabilities to qualify for these accounts, thereby creating new opportunities for financial empowerment.

New ABLE Eligibility (Effective January 1, 2026)

Beginning January 1, 2026, the eligibility rules for ABLE accounts will expand:

- **Disability Onset Age:** The individual's disability must have occurred before age 46 (up from the previous limit of 26).
- **Severity of Disability:** The individual must have a severe disability that meets the Social Security Administration's (SSA) criteria, defined as resulting in marked functional limitations that have lasted or can be expected to last for at least 12 months.

This change will allow millions more Americans to:

- Save money in a tax-advantaged account
- Maintain eligibility for vital public benefits while building assets
- Gain greater financial independence and security

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Benefits of an ABLE Account

- **Tax Advantages:** Investment growth is tax-free and withdrawals for qualified disability expenses are not considered income by means-tested benefit programs.
- **Asset Protection:** Recipients of Supplemental Security Income (SSI) can save up to $100,000 in an ABLE account without losing their benefits, and recipients of Federal Student Aid (FAFSA), the U.S. Department of Housing and Urban Development (HUD) programs, Social Security Disability Insurance (SSDI), the Supplemental Nutrition Assistance Program (SNAP), Medicare, or Medicaid can save up to the ABLE plan's limit without those savings counting against their benefits.
- **Financial Flexibility:** ABLE accounts can be used for a broad range of expenses including housing, education, transportation, healthcare, employment support and more.

Prepare Now

- Verify your eligibility
- Research state ABLE plans
- Select an ABLE plan
- Compile personal information for your application
- Open your ABLE account

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