



CONSORTIUM FOR CITIZENS WITH DISABILITIES

The ABLE Age Adjustment Act (S. 651/H.R. 1814)

What is ABLE?

Passed by a bipartisan Congress in 2014, the Stephen Beck, Jr., Achieving a Better Life Experience Act (ABLE) Act allows eligible people with disabilities to establish “ABLE accounts” where they can save for qualified disability expenses without jeopardizing their public benefits. Like college savings (“529”) accounts, earnings on an ABLE account and distributions from the account for qualified disability expenses do not count as taxable income of the contributor or the eligible beneficiary. Prior to the passage of the ABLE Act, very few savings mechanisms existed that allowed people with disabilities who depended on public benefits to save more than \$2,000 in assets. ABLE has been transformative in providing people with disabilities and their families with a financial tool to achieve greater financial independence and self-reliance.

What is the ABLE Age Adjustment Act?

Due to a last-minute change to the original legislation, ABLE accounts are only available to people whose disability onset prior to their 26th birthday. Many individuals who could benefit from ABLE accounts are left out, since many conditions can and do occur later in life, including multiple sclerosis, Lou Gehrig’s disease or paralysis due to an accident. Additionally, veterans who become disabled as a result of their service after age 25 are currently ineligible for ABLE accounts.

The ABLE Age Adjustment Act (S. 651/H.R. 1814) would amend Section 529A(e) of the Internal Revenue Code to increase the eligibility threshold for ABLE accounts for onset of disability from prior to age 26 to prior to age 46. Previously introduced in the 114th and 115th Congresses, the bipartisan ABLE Age Adjustment Act was reintroduced in the 116th Congress by Senators Bob Casey (D-PA), Jerry Moran (R-KS), Chris Van Hollen (D-MD) and Pat Roberts (R-KS). A House version was also reintroduced by Representatives Tony Cardenas (D-CA) and Cathy McMorris-Rodgers (R-WA).

What is the importance of ABLE accounts to people with disabilities?

These tax-favored accounts enable people with disabilities to save for and pay for things including education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, and financial management. Of critical importance is the fact that resources saved in an ABLE account are not taken into consideration when determining the individual’s eligibility for federally funded, means-tested benefits including Medicaid, the only provider of critical long-term services and supports for people with disabilities. ABLE accounts increase the financial stability of people with disabilities and their families.

Why is an increase in the age of eligibility necessary?

The existing ABLE Act prevents otherwise-eligible people with disabilities (many of whom spent years advocating for the original ABLE Act) from realizing the benefits of ABLE accounts. By passing the ABLE Age Adjustment Act, an additional 6 million more people with disabilities would be eligible to open ABLE accounts, nearly doubling the current eligible population. Passing this critical legislation will increase the financial security of people across the spectrum of disabilities without jeopardizing their much-needed public benefits.

Why is it important that the ABLE Age Adjustment Act be passed now?

There are now over 40 states with ABLE programs that empower people with disabilities, either in their own states or nationwide, to achieve and maintain health, independence and quality of life. However, the National Association of State Treasurers (NAST) reports that enrollment in ABLE accounts is too low to maintain self-sustainability and continue to offer a robust choice of ABLE plans with low fees. The ABLE Age Adjustment Act would expand the pool of eligible ABLE participants to 14 million people and increase enrollment, addressing this challenge. NAST has identified passage of the ABLE Age Adjustment Act as its top legislative priority to enhance the sustainability and affordability of ABLE programs.

The Consortium for Citizens with Disabilities strongly supports the ABLE Age Adjustment Act and urges all Members of Congress to cosponsor the ABLE Age Adjustment Act.

Legislative Request

Please sign on to cosponsor the ABLE Age Adjustment Act (H.R. 1814/S. 651) by contacting Kristin Flukey with Representative Cathy McMorris Rodgers’ office (Kristin.Flukey@mail.house.gov) or Michael Gamel-McCormick with Senator Casey on the Senate Committee on Aging (Michael_Gamel-McCormick@aging.senate.gov).

For further information, please contact CCD Financial Security Task Force Co-Chairs:

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The Consortium for Citizens with Disabilities (CCD) (www.c-c-d.org) is the largest coalition of national organizations working together to advocate for Federal public policy that ensures the self-determination, independence, empowerment, integration, and inclusion of children and adults with disabilities in all aspects of society.