



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

**CCD
Financial Security Task Force
Annual Report for 2014**

The Financial Security Task Force concentrated on the Achieving a Better Life Experience Act (ABLE Act) and the Military pension survivors issues in 2014. Co-Chairs are:

- Marty Ford, The Arc of the United States
- Susan Goodman, National Down Syndrome Congress
- Tony Young, SourceAmerica

Enactment of the ABLE Act

The Stephen Beck, Jr., Achieving a Better Life Experience Act¹ (ABLE Act) was signed into law on December 19, 2014 after many years of advocacy. The law would give individuals with disabilities, and their families, access to accounts that would allow individual choice and control over spending on qualified disability expenses while protecting eligibility for Medicaid, SSI, and other important federal benefits for people with disabilities.

A Form of 529 Account: The ABLE Act creates a new Section 529A establishing Qualified ABLE Programs in the Internal Revenue Code. The ABLE Program accounts are intended to be easy to open and available in any state. Except for the provisions specific to ABLE accounts, ABLE accounts are expected to follow the requirements and regulations of a traditional 529 qualified tuition program, including limits on the maximum size of the account; rules for tax treatment of annual contributions, earnings, and withdrawals; and some reporting requirements. Rollovers are allowed to another family member's ABLE account if that individual is also an eligible individual.

Qualified Disability Expenses means expenses related to the individual's blindness or disability which are made for the benefit of the individual, including: education, housing, transportation, employment training and support, assistive technology, and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses, and other expenses which are approved by the Secretary of the Treasury under regulations and consistent with the purposes of the ABLE Act.

¹ After Stephen Beck's sudden death in December, the law was named to honor him, a parent from northern Virginia who helped conceive and develop the ABLE Act and who worked tirelessly for its passage.

Some significant changes were made in the House during markup by the Ways and Means Committee and which remained in the bill which ultimately became law.

1. To be eligible, onset of the individual's disability must have occurred before age 26.
2. Annual contributions must not exceed the annual gift tax limit (\$14,000 in 2014).
3. An individual may hold only one ABLÉ account.

Federal Treatment of ABLÉ Account under Supplemental Security Income Program & Medicaid:

Supplemental Security Income (SSI): If the assets in an ABLÉ account reach \$100,000 and the beneficiary is receiving Supplemental Security Income (SSI) benefits, any monthly SSI benefits will be placed in suspension. If the assets in the ABLÉ account drop back below \$100,000, the SSI benefit suspension ceases and monthly SSI benefits resume. The statutory language states that any funds held in the account above \$100,000 will count as resources for SSI purposes.

Medicaid Eligibility: A beneficiary will not lose eligibility for Medicaid based on the assets held in their ABLÉ account, even during the time that SSI benefits are suspended (as described above for an account with over \$100,000).

Medicaid Payback Provision: When the qualified beneficiary dies with remaining assets in an ABLÉ account, the assets in the ABLÉ account are used to "payback" any state Medicaid plan up to the value of Medicaid services provided to the beneficiary. The amount of any Medicaid payback is calculated based on amounts paid by Medicaid after the creation of the ABLÉ Account.

Task Force Position and 2015

While the Task Force had been supportive of the ABLÉ Act bill in the past, the changes made by the Ways and Means Committee (including one repaired in negotiations with the Senate before final passage) raised major concerns in the disability community. Some organizations were able to continue to support the bill as changed, others were not. In addition, the pay-fors used to finance the bill were problematic. Therefore, the Task Force did not take a position on the final version of the ABLÉ Act before passage. However, now that the ABLÉ Act is law, it is likely that the Task Force will work to ensure the best possible implementation through the regulatory process and to secure expansion of ABLÉ Act coverage to people with disabilities which occurred after age 25. This will be a critical discussion point in early 2015.

Military Pensions/Special Needs Trusts

The Task Force is pleased to report that a provision was added to the Defense Reauthorization Act that allows pension survivor benefits to be disbursed to trusts on behalf of people with disabilities who rely upon benefits such as Supplemental Security Income and Medicaid. Congratulations to the Veterans and Military Families Task Force for their leadership work on this important issue