



Save the ABLE Program, Support the ABLE Age Adjustment Act (H.R. 1814/S. 651)

BACKGROUND

The Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act (PL 113-295), signed into law in December of 2014, allows certain individuals with disabilities the opportunity to save resources in a tax-advantaged savings account (an ABLE account) where the beneficiary is the account owner and income earned on the account will not be taxed. The account can be used for the purposes of covering disability-related expenses for education, housing, transportation, employment support, health, prevention and wellness, assistive technology and personal support services, certain financial management and administrative expenses as well as other approved expenses.

The resources saved in an ABLE account are disregarded when determining the individual's eligibility for federally funded means tested benefits, including Supplemental Security Income (SSI) and Medicaid. The opportunity provided through the ABLE Act to assist in securing more financial stability for individuals with disabilities and their families is profound; however, it is limited to those individuals with an age of onset of disability 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. 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 (H.R. 1814/S. 651) would amend Section 529(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. ABLE accounts are designed to enable individuals with disabilities to save for and pay for disability-related expenses.

The long-term effectiveness, availability, and affordability of ABLE programs for individuals with disabilities will be improved with this age expansion for eligible enrollees. As of October 2019, 42 states and the District of Columbia have active ABLE programs. However, residents of those states who do not have an active ABLE program may elect to set up an ABLE account in another state that allows out-of-state residents to do so. Passage of the ABLE Age Adjustment Act will increase the pool of eligible account holders by 75 percent and allow millions of Americans with disabilities to establish greater financial security.

The ABLE Age Adjustment Act:

- Increases eligibility threshold for ABLE accounts for onset of disability from up to age 26 to up to age 46.
- Allows approximately 6 million more individuals to open ABLE accounts.
- Will allow a total of 14 million eligible individuals to open an account.

REQUEST TO POLICYMAKERS

Cosponsor and urge Congressional leadership to pass the **ABLE Age Adjustment Act H.R. 1814/S.651** now (House sponsor: Rep. Tony Cárdenas D-CA-29)/Senate sponsor: Sen. Robert Casey D-PA) before the end of the 116th Congress. The effectiveness of the program will be improved with increased enrollment, and increasing the age of eligibility will allow another 6 million individuals to enroll and to maintain their health, independence and quality of life.