



Please join the Council in supporting HB188/SB104: The Achieving Better Life Experience (ABLE) Act

WHAT IS IT?

This bill would direct the Department of Commerce, Community and Economic Development (CCED) to set up a new federally authorized program with Alaskan-based financial institutions that allow certain eligible persons with significant disabilities to have a non-taxed savings account to help pay for qualified disability related expenses.

WHY IS IT NEEDED?

In passing federal authorizing legislation in 2014, Congress recognized that people with disabilities often have higher living expenses because of their disability. Additionally, people with disabilities who receive federal and state benefits are not able to save over \$2,000 without losing some or all of their much needed benefits.

The ABLE Act helps remedy these problems by:

- Providing a way for recipients to fund planned and unexpected expenses related to their disability from their ABLE account that are not covered by public support programs
- Providing a way for relatives and friends to put funds into an individual's ABLE account
- Providing a place for recipients to put their own money without risking their qualification for public benefits
- Improving independence for recipients by allowing them to be in control of their own financial resources, unlike special needs trusts and supplemental needs trusts, which require a trustee to manage and disburse funds
- Better enabling employment and greater self-sufficiency for people with disabilities through saving

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HOW WILL IT WORK?

- An eligible individual is someone who becomes disabled before age 26
- If the recipient is over age 26, documentation of onset is needed to qualify
- The funds can be used only for eligible expenses for the recipient's benefit such as:
 - 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 any other expenses approved under regulations which are not eligible to be paid for by recipients benefits
- Recipients can control their account at their sole discretion if they are able to do so
- These are tax-advantaged savings accounts for individuals with disabilities and their families similar to "529" college saving accounts
- Accounts are regulated by IRS similarly to the current 529 college saving plans
- The ABLE account can reach a value of up to \$100,000 without losing any benefits
- Income earned by the accounts is not taxable
- Contributions to the account are not tax deductible
- Can be funded annually up to maximum gift tax amount (Currently \$14,000)

RESOURCES:

http://www.legis.state.ak.us/basis/get_bill.asp?bill=HB%20188&session=29

http://www.legis.state.ak.us/basis/get_bill.asp?bill=SB%20104&session=29

<https://www.realeconomicimpact.org/public-policy/able-act>

<http://www.ndss.org/advocacy/ABLE-Act>

<https://www.autismspeaks.org/advocacy/advocacy-news/2015-year-able-momentum>

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