

ALASKA STATE LEGISLATURE

House Labor & Commerce Committee



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HB 133 Sponsor Statement

“Achieving a Better Life Experience” (ABLE) Act Update Bill

The “Achieving a Better Life Experience Act” or the ABLE Act recognizes that living with a disability is often associated with significant extra costs. ABLE accounts allow individuals and their families to contribute to a tax-advantaged savings account to fund disability expenses without losing benefits provided through private insurance, Medicaid, SSI, the beneficiary’s employment and other sources.

The original Alaska ABLE Act legislation that was signed into law in 2016. This bill provides important updates conforming to federal statutory changes. After evaluating various program options, the Department of Revenue determined that the most cost efficient and beneficial way to create the Alaska ABLE program was to join the National ABLE Alliance – a partnership between now seventeen states dedicated to providing an ABLE investment product that offers multiple financial options at low cost to people living with disabilities. According to the most recent annual report, the Alaska ABLE plan has been extremely successful with over 787 funded accounts, totaling over \$7 million.

The basic rules for all ABLE accounts come from the federal ABLE Act. This bill would update Alaska statute to include changes that have taken place which include:

1. Updates to AS 06.65.100 (the statute that determines eligibility) to allow more flexibility with the age limit.
2. The bill would authorize that distributions may be made from the 529 program accounts into an ABLE account, per changes in federal law.

These changes would allow for our successful ABLE program in the state to continue to serve individuals with disabilities and their families to live without fear of losing their vital public benefits. Please join me in support of these important updates.