



Members of Congress Re-Introduce ABLE Improvement Bills

On April 4th, a bi-partisan group of Members of Congress, including Senators Richard Burr (R-NC), Bob Casey (D-PA), Jerry Moran (R-KA), and Chris Van Hollen (D-MD) and Representatives Pete Sessions (R-Texas), Cathy McMorris Rodgers (R-Wash.), Tony Cardenas (D-Calif.) and Mike Doyle (D-Pa.), introduced a package of bills (**however filed independently of each other**) aimed at enhancing the benefits provided through the [Stephen Beck Jr., Achieving a Better Life Experience \(ABLE\) Act](#). This package of bills consists of the following three pieces of proposed legislation:

The [ABLE Age Adjustment Act \(S. 817/HR 1874\)](#) would raise the age limit for ABLE accounts to age 46. Currently, individuals with a severe disability that occurred prior to the age of 26 are eligible to open an ABLE account. Many debilitating diseases and conditions can occur later in life, including multiple sclerosis, Lou Gehrig's disease, or paralysis due to an accident. Increasing the age limit for ABLE accounts will allow more individuals to save money to help cover the costs of short-, medium- and long-term disability related expenses.

The [ABLE Financial Planning Act \(S. 816/HR 1897\)](#) would allow families to rollover savings in a 529 college savings plan into an ABLE account. Many families save for a child's college education by opening a 529 account, sometimes before their child is even born, only to learn later that their child has a severe disability. In such instances, these families have funds trapped in a 529 that they could use to help cover their child's lifelong disability-related expenses. But if they withdraw the funds for anything other than college expenses, they face taxes and penalties on their withdrawals. The ABLE Financial Planning Act would help these families by allowing them to transfer funds from their 529 account without penalty into an ABLE account for their child with a qualified disability. **It is important**

to note that the rollover from a 529 to a 529 ABLÉ account would still be subject to the annual contribution limit (currently \$14,000).

The [ABLE to Work Act \(S. 818/HR 1896\)](#) would allow individuals and their families to save more money in an ABLÉ account if the beneficiary works and earns income. Specifically, in addition to the \$14,000 annual contribution cap, an ABLÉ beneficiary who earns income from a job could contribute from his/her compensation up to the Federal Poverty Level, which is currently at \$11,770 (potentially increasing allowable annual contributions to \$25,770). These additional funds into the ABLÉ account would only be allowed if the beneficiary was not participating in his/her employer's retirement plan (ex: 401k). The bill will also allow ABLÉ beneficiaries to qualify for the existing [Saver's Credit](#) when they contribute savings to their ABLÉ account. **It is important to note that beneficiaries would still be subject to the caps related to earned income and substantial gainful employment (SGA). This bill would not allow individuals with disabilities the ability to disregard earned income (even if it is contributed to their ABLÉ account) for purposes of eligibility for SSI and Medicaid.**