CONSORTIUM FOR CITIZENS WITH DISABILITIES

The ABLE Age Adjustment Act (S.331/H.R.1219)

The Consortium for Citizens with Disabilities strongly supports the ABLE Age Adjustment Act and urges all members to cosponsor the ABLE Age Adjustment Act.

What is ABLE?

Passed with bipartisan support by Congress in 2014, the Stephen Beck, Jr., Achieving a Better Life Experience Act (ABLE) Act (P.L. 113-295) amended the Internal Revenue Code by creating section 529A to provide for tax-favored accounts to enable people with disabilities to save for and pay for disability-related expenses that include education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, and financial management. Importantly, resources saved in an ABLE account are not taken into consideration when determining the individual's eligibility for federally funded means tested benefits, including Supplemental Security Income (SSI) and Medicaid. Earnings on an ABLE account and distributions from the account for qualified disability expenses do not count as taxable income of the contributor or the eligible beneficiary. Prior to the passage of the ABLE Act, very few savings mechanisms existed that allowed people with disabilities, who also utilized public benefits, to save more than $2,000 in assets. ABLE has been transformative in providing people with disabilities and their families with a financial tool to achieve greater financial independence and self-reliance.

What is the ABLE Age Adjustment Act?

Due to a last-minute change in the original ABLE legislation, ABLE accounts are only available to people whose disability onset 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 due to an accident. 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 (S. 331/H.R. 1219) would amend Section 529A(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. Previously introduced in the 114th,115th, and 116th Congresses, the bipartisan ABLE Age Adjustment Act was reintroduced in the 117th Congress by Senators Bob Casey (D-PA), Jerry Moran (R-KS), Ron Wyden (D-OR), Chris Van Hollen (D-MD), John Boozman (R-AR), Richard Blumenthal (D-CT), and Lisa Murkowski (R-AK). A House version was also reintroduced by Representatives Cardenas (D-CA), McMorris-Rodgers (R-WA), and Judy Chu (D-CA).

Why is an increase in the age of eligibility necessary?
Currently, the law prevents otherwise-eligible people with disabilities (many of whom spent years advocating for the original ABLE Act) from realizing the benefits of ABLE accounts. By passing the ABLE Age Adjustment Act, an additional 6 million people with disabilities would be eligible to open ABLE accounts. Passing this critical legislation will increase the financial security of more people with disabilities without jeopardizing their access to public benefits.

Why is it important that the ABLE Age Adjustment Act be passed now?
There are now over 82,000 ABLE accounts across 44 states plus the District of Columbia, with $643 million in assets under management. ABLE programs are empowering people with disabilities to achieve and maintain health, independence and quality of life. Passing the ABLE Age Adjustment Act would nearly double the currently eligible population and improve the sustainability of ABLE programs nationwide. Most importantly, this bill would enable otherwise-eligible people with a variety of later-onset disabilities to realize the benefits of ABLE accounts to increase their financial security without jeopardizing their much-needed public benefits.

To co-sponsor in the Senate, please contact Josh Dubensky with Sen. Casey's office (Josh_Dubensky@aging.senate.gov) or Christiana Reasor with Sen. Moran's office (Christiana_Reasor@moran.senate.gov).

To co-sponsor in the House, please contact Cortney Segmen with Rep. Cardenas' office (Cortney.Segmen@mail.house.gov) or Kristin Flukey with Rep. Cathy McMorris Rodgers' office (Kristin.Flukey@mail.house.gov).

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