

ACHIEVING A BETTER LIFE EXPERIENCE (ABLE)

The United States Congress passed the “Stephen Beck Jr Achieving a Better Life Experience (ABLE) Act” in 2014 to help people with disabilities put aside money to pay for “eligible expenses” while receiving Supplemental Security Income (SSI) and Medicaid benefits.

Under the ABLE Act, each state sets up its own ABLE plan or joins a consortium of states sharing a plan. Connecticut is currently working on implementing its own ABLE plan.

- **What are ABLE Plans?**

- An ABLE plan allows a person with disabilities to open an “ABLE” account.
- ABLE accounts are ‘529’ savings accounts similar to a college savings plan.
- A person’s ABLE account will have lifetime caps which depending on the state’s ABLE plan can be as much as \$300,000.
- ABLE plans are generally available to both in-state and out-of-state enrollees.
- Once Connecticut implements an ABLE plan, Connecticut residents who have ABLE accounts with another state’s plan can transfer their account to Connecticut’s plan without penalty.

- **What are “Eligible Expenses?”**

- An ABLE account is used for eligible expenses such as: education; housing; transportation; employment training; assistive technology and other expenses which enhance the account owner’s quality of life such as: personal support services; health, prevention and wellness as well as funeral expenses.

- **Who can have an ABLE account?**

- Persons who receive Supplemental Security Income (SSI) or Social Security for Disabled Individuals (SSDI) and who became disabled before their 26th birthday are automatically eligible for having an ABLE account.
- A person who does not receive SSI or SSDI is eligible if the onset of the disability is before the person’s 26th birthday and the person meets Social Security’s definitions of having significant functional limitations as certified by a licensed physician.

- **How does ABLE work?**

- Persons with disabilities or a person's authorized representative (such as guardian or conservator) opens an ABLE account through a state or consortium's ABLE Plan.
- The person with the disability is the ABLE account owner.
- ABLE account owners are permitted one ABLE account.
- Having an ABLE account does not affect a person's trust fund(s).
- An individual other than the account owner can administer an ABLE account as long as the administrator does not benefit from the account.
- Anyone can contribute to a person's ABLE account with a maximum annual contribution of \$15,000.
- Contributions are not federal tax deductible. But, different state plans may allow state income tax deductions for contributions to an ABLE account.
- Interest earned on a person's ABLE account is generally not taxed.
- Medicaid benefits are not affected by an ABLE account.
- The ABLE account owner's SSI benefits may be reduced or suspended if the ABLE account has assets greater than \$100,000 or if the owner withdraws money for housing expenses that are not spent during the calendar month of the withdrawal.
- Depending on the ABLE plan:
 - The account owner may be charged a fee for maintaining the ABLE account.
 - The account owner may be provided a pre-paid debit card for making eligible purchases or have a separate ABLE checking account and/or be allowed to transfer funds from the ABLE account to the owner or authorized representative.
 - State plans may report withdrawals by an ABLE account owner to the IRS and Social Security Administration with the owner liable for taxes and penalties for ineligible purchases.

Contact the Connecticut Office of the Treasurer for information Connecticut's Plan (860-702-3000 or 1-800-618-3404) or go to the Treasurer's [ABLE Webpage](#)

Information on other state ABLE plans can be found on the Connecticut Department of Developmental Disabilities [ABLE Webpage](#)

This description of the ABLE Act is not intended to be advice, legal or otherwise and information it contains may have changed since it was compiled. For information on Connecticut's ABLE Plan contact Connecticut State Treasurer's Office.

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