

**SB 355/HB 431:
MARYLAND ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) PROGRAM**

Establishes the Maryland Achieving a Better Life Experience (ABLE) Program to promote financial savings to support individuals with disabilities in maintaining health, independence & quality of life

Background

Bi-partisan federal legislation passed in 2014, providing states the opportunity to establish ABLE programs modeled after the 529 college savings plans (CSP). While CSP programs promote savings for college, the ABLE programs will promote savings for disability-related expenses without jeopardizing eligibility for programs like Supplemental Security Income (SSI) and Medicaid. Like CSP accounts, ABLE accounts are tax-exempt and are intended to supplement, not supplant, essential benefits provided through private insurance, Medicaid, SSI, employment earnings, and other sources. Legislation (SB355/HB431) must pass in Maryland for this program to be established.

- ❖ SB355/HB431 will create an ABLE Program run by College Savings Plans of Maryland, which will change its name to Maryland 529.
- ❖ This program will have to follow federal rules for eligibility and expenses:
 - ABLE accounts can be opened by individuals whose disabilities occurred before age 26.
 - A qualified individual can have only one ABLE account, and it has to be opened by the individual or his/her legal guardian or power of attorney. The person with a disability is considered the account-holder and is the sole beneficiary of the account.
 - The money in the account can be used to cover qualified disability-related expenses like medical and dental care, education, housing, transportation, obtaining and maintaining employment, assistive technology, and community based supports.
 - Anyone can contribute to an individual's ABLE account, but total contributions can only be \$14,000 a year.
- ❖ If used for qualified expenses, funds in ABLE accounts will not affect eligibility for federal means-tested programs such as Medicaid and SSI or Maryland's state & local means- tested programs.
- ❖ Money saved in a Maryland ABLE account that meets federal and state requirements is tax exempt. SB355/HB431 also offers tax benefits to those who contribute to an individual's Maryland ABLE account.
- ❖ When an ABLE account holder passes away, money remaining in the account may be collected by MD's Medicaid program as reimbursement for Medicaid payments the individual received during the time they held an ABLE account.
- ❖ The goal of the legislation is to have a program operational by October 2017.

Give Individuals with Disabilities & their Families the Opportunity to Save for their Future!!

For more information contact: Brian Cox, MD Developmental Disabilities Council at brianc@md-council.org



MARYLAND DEVELOPMENTAL DISABILITIES COALITION

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