December 19, 2016

As the year 2016 comes to a close, we celebrate the 2nd year anniversary of the passage of the federal Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act (PL 113-295) and the launch of state ABLE programs around the country. ***The National Down Syndrome Society (NDSS), the leading human rights organization for all people with Down syndrome, encourages qualified individuals to open an ABLE account with any state's ABLE program prior to the end of the year in order to take advantage of this important financial tool and start saving for their future.***

ABLE accounts are tax-exempt accounts that can be used to fund a variety of expenses such as education, housing, assistive technology, health care expenses, transportation, job training, legal fees and more. Eligible individuals can save up to $100,000 without risking eligibility for federal public benefits such as Medicaid and Supplemental Security Income (SSI). Over $100,000, funds in ABLE accounts can accrue up to the state's 529 limit while these public benefits are suspended but not terminated.

There are some critical restrictions on ABLE accounts that have prompted NDSS and other leading disability and financial organizations to encourage eligible individuals to begin saving for their future by opening an ABLE account as soon as possible. There is an **annual contribution limit of $14,000** (federal gift tax), and each qualified individual may **only open one ABLE account**. Therefore, under current law, a qualified individual may only save up to $14,000 per calendar year in his or her ABLE account. By opening an account prior to the end of 2016, beneficiaries will be able to start funding the ABLE account up to $14,000 and then put an additional $14,000 into the account in 2017.

Qualified individuals **do not** need to wait for their home state to establish an ABLE program and are permitted to open an account in one of the states that has already implemented a nationwide ABLE program. ABLE account holders will be able to switch ABLE programs if they determine that another state's program would be more beneficial (there may be some administrative fees involved).

Nationwide ABLE programs have officially launched in Alaska, Ohio, Michigan, Tennessee, Nebraska Oregon, Rhode Island and Virginia, while Florida and Kentucky have launched in-state ABLE programs. Other states, including Illinois, Iowa, Kansas, Minnesota, Missouri, Nevada, New Jersey, North Carolina and Pennsylvania are also expected to launch their programs within six months. Each individual state ABLE program will have different investment choices, costs and fee structures, and we encourage potential account holders to carefully consider which ABLE program will best meet their needs.

Nine states (Iowa, Maryland, Missouri, Montana, Nebraska, Ohio, Oregon, South Carolina, and Virginia) will offer tax deductions to residents who contribute to an in-state ABLE account, while Utah will offer a tax credit for in-state contributions. Wisconsin, which repealed its ABLE bill and does not plan to launch its own ABLE program in the near future, has extended a tax deduction benefit to residents who open an ABLE account in any state. Deductions for in-state residents are one of many factors that should be considered when deciding upon which ABLE program is right for you.

For information about ABLE in general, please see www.ndss.org/able

For information about state-specific ABLE programs, please see www.ndss.org/stateable

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