



## **ABLE 2.0 – Expanding Opportunities for People with Disabilities**

**BACKGROUND:** The Stephen Beck Jr. Achieving a Better Life Experience (ABLE) Act (Public Law 113-295) was signed into law on December 19, 2014, after receiving overwhelming bipartisan support in Congress. The ABLE Act amends the Internal Revenue Service Code to create tax-free savings accounts for individuals with disabilities. The funds in the ABLE account do not count toward the \$2,000 cap assets limitation required to remain eligible for critical government supports. An ABLE account may fund a variety of essential expenses for individuals with disabilities, including medical and dental care, education, community based supports, employment training, assistive technology, housing and transportation. The federal ABLE Act authorizes the states to develop their own ABLE programs, and many states moved quickly to pass their own laws authorizing establishment of state ABLE programs. Today, all but two states have enacted implementing legislation, and 19 states have ABLE programs that are now open for enrollment.

**EXPLANATION OF ABLE 2.0:** ABLE 2.0 consists of three bipartisan bills introduced in the House and Senate on April 4, 2017, to expand the breadth and depth of ABLE Accounts for people with disabilities. The bills were introduced in the House by Representatives Cathy McMorris Rodgers (R-WA), Tony Cárdenas (D-CA), Pete Sessions (R-TX), Chris Smith (R-NJ) and Jim Langevin (D-RI). In the Senate, the bills were introduced by Senators Richard Burr (R-NC), Bob Casey (D-PA) and Chris Van Hollen (D-MD).

- **The ABLE to Work Act** (S. 818/H.R. 1896) would incentivize employment by allowing ABLE beneficiaries who work and earn income, but do not participate in an employer's retirement plan, to save additional amounts in their 529A (ABLE) accounts up to the federal poverty level (currently \$12,060) in addition to the \$14,000 annual maximum contribution. Beneficiaries would also be eligible for the Saver's Credit, an existing federal tax credit that low and middle-income individuals can currently claim when they make contributions to a retirement account.
- **The ABLE Financial Planning Act** (S. 816/H.R. 1897) would protect against life-changing events by allowing ABLE beneficiaries to roll over regular 529 accounts to 529A (ABLE) accounts up to the annual maximum contribution. This bill would be particularly helpful for families who set up 529 accounts before receiving a child's diagnosis, or for teenagers who incur life-changing events that render them unable to go to college and use their 529 funds for their original purpose.
- **The ABLE Age Adjustment Act** (S. 817/H.R. 1874) would improve the equitable treatment of people with disabilities by raising the age of onset of disability from 26 to 46, which would allow more individuals who become disabled later in life to take advantage of the benefits of ABLE accounts.

**For more information about ABLE 2.0 or to cosponsor the three bills, please contact:**

- In the Senate** – Natasha Hickman with Senator Richard Burr at [Natasha\\_Hickman@burr.senate.gov](mailto:Natasha_Hickman@burr.senate.gov) or Livia Shmavonian with Senator Bob Casey at [Livia\\_Shmavonian@casey.senate.gov](mailto:Livia_Shmavonian@casey.senate.gov).
- In the House** – Megan Perez with Rep. Cathy McMorris Rodgers at [Megan.Perez@mail.house.gov](mailto:Megan.Perez@mail.house.gov) or Jacqueline Usyk with Rep. Tony Cárdenas at [Jacqueline.Usyk@mail.house.gov](mailto:Jacqueline.Usyk@mail.house.gov).