**ABLE ACT (Achieving a Better Life Experience)**

Amended the Internal Revenue Code Section 529 of 1986 to create tax free savings accounts for people with disabilities. The ABLE Act allows people with disabilities to save some money for disability related expenses such as education, transportation, personal care assistance, and assistive technology without affecting eligibility for public assistance programs such as Medicare, Medicaid, Supplemental Security Income (SSI) and the Supplemental Nutrition Assistance Program (SNAP or food stamps). Previously, eligibility was limited to people with $2000 or less in savings, retirement funds, and other assets.

**President Obama signed the ABLE Act in December 2014!**

**Key Features**

* For people with significant disabilities occurring before age 26
* Allows people to save some money that will not be counted toward the “resource limit” for these public assistance programs
* Family, friends, and all participants limited to $14,000 contribution per year, tax free
* First $100,000 total is not counted toward SSI resource limit of $2000
* Should account exceed $100,000, SSI payments will be cut off, but Medicaid eligibility will remain
* Less expensive to set up than a Special Needs Trust (SNT)
* Person with a disability can control the funds
* Each state will have its own program to set up ABLE accounts, with applications available by the end of 2015
* Best used in addition to a Special Needs Trust (SNT)
* Used to supplement, not replace public assistance programs
* Features differ by state

Sources: <http://www.ndss.org/Advocacy/Legislative-Agenda/Creating-an-Economic-Future-for-Individuals-with-Down-Syndrome/Achieving-a-Better-of-Life-Experience-ABLE-Act/>

<http://www.realeconomicimpact.org/public-policy/able-act.aspx>