

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Human Services and Early Childhood

REVENUE: May have revenue impact, statement not yet issued**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO: Finance and Revenue****Action:****Vote:**

Yeas:

Nays:

Exc.:

Prepared By: Cheyenne Ross, Administrator**Meeting Dates:** 4/2

WHAT THE MEASURE DOES: Requires State Treasurer create qualified state program by rule, to implement Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014. Permits persons with disabilities to establish savings accounts for disability-related expenses and excludes such expenses from federal taxable income. Takes effect 91st day after *sine die*.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:**

[-1 amendment] Refines content to achieve same end as introduced measure, and expands scope of exemption from federal taxable income to include expenditures on higher education. Creates Oregon 529 Savings Board in place of existing Oregon 529 College Savings Board, and renames corresponding Oregon 529 College Savings Network and Oregon 529 College Savings Network Fund, the Oregon 529 Savings Network and Oregon 529 Savings Network Fund, respectively. Replaces State Treasurer in bill as-introduced, with Oregon 529 Savings Board. Replaces references to “college” with “higher education.” Removes education-specific board members and references. Adds disabled board member. Increases amount of State Treasurer’s maximum payment of expenses by \$896,391 for 2015-2017 biennium. Authorizes Legislative Counsel to change board, network, and fund name changes throughout state statute.

BACKGROUND: The Stephen Beck, Jr., Achieving a Better Life Experience (ABLE) Act became law in December 2014. It permits the creation of tax-free, state-based savings accounts to pay for disability-related expenses, either by individuals supporting themselves or by families supporting dependents. Expenses qualify as disability-related if they are for the benefit of an individual with a disability and are related to the disability (including education; housing; transportation; employment support; health, prevention, and wellness costs; assistive technology and personal support services; and other expenses.)

ABLE accounts are intended to supplement benefits currently provided by Social Security, Medicaid, employers, and private insurance, and savings programs are treated the same as a qualified tuition program, such as a 529. (A 529 account allows families to save money for an individual’s education without being disqualified for certain aid programs and prevents tax penalties on the money saved and any income earned from it.) ABLE accounts have no impact on Medicaid eligibility and persons receiving Supplemental Security Income (SSI) from Social Security have payments suspended while maintaining excess resources in an ABLE account.

Since passage of the ABLE Act, three states have already enacted ABLE legislation, and over half the states are developing implementation language.

Senate Bill 777 is Oregon’s enabling legislation to implement tax-free savings accounts for disabled persons as described by the Stephen Beck, Jr., Achieving a Better Life Experience (ABLE) Act of 2014.

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This summary has not been adopted or officially endorsed by action of the committee.