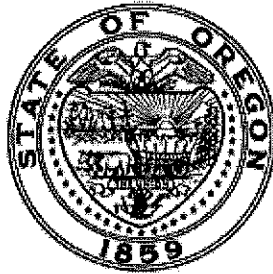


2

From the Desk of Senator Sara Gelser
Senate District 8 (Corvallis, Philomath, Albany and surrounding areas)



SB 777: Oregon's ABLE Act
Building Assets for a Better Future

Under current law, individuals with disabilities are unable to build assets to meet their goals. This is because if they save more than \$2000 at any one time, they will lose access to their Medicaid and Social Security benefits.

This makes it nearly impossible for people with disabilities to save money for a house, a car, or even for medical necessities like dentures and replacement eye glasses. This also makes it difficult for families to plan for their disabled child's future. While they save money for their nondisabled children, they know investments made on behalf of their child with a disability will make them ineligible for critical services like in-home support and employment training when they become adults.

In 2014, Congress passed the ABLE Act to address this. Under the ABLE Act, a single 529 savings account can be opened by or for a person with a disability. Interest earned on the account is tax free, and up to \$100,000 can be accumulated in the account before access to disability related benefits is impacted.

Although Congress passed this legislation, each state must create its own 529 ABLE plan. An ABLE Account can only be established in the state in which the disabled person resides. This is why SB 777 was introduced--- to allow individuals with disabilities and their families to start saving as soon as possible.

If passed, SB 777 will allow individuals with disabilities to set and reach financial goals and become more self-sufficient. Parents will be able to begin saving for their disabled children's future in early childhood, just as they do for their nondisabled children.

FAQ

Who is eligible to have an account?

- Children with disabilities, or adults with disabilities whose disability manifested before 26 years of age

Who can invest in the account?

- The individual
- Parents, grandparents and other relatives of the disabled individual
- Friends of the disabled individual

How much can be invested?

- Limited to federal gift limit each calendar year (Currently \$14,000).
- Assets can be accumulated up to \$100,000 before disability related benefits are impacted.
- Assets do not impact Medicaid eligibility, even above \$100,000.

How can the money be used?

- Expenses made for the benefit of a disabled individual for education; housing; transportation; employment training and support; assistive technology and personal support services; health, prevention, and wellness; financial management and administrative services; legal fees; expenses for oversight and monitoring; funeral and burial expenses; and any other expenses approved under regulations.

How will the Oregon ABLE Accounts work?

- The ABLE Savings Plans will be developed and administered by the Oregon 529 Savings Network.
- The 529 Board will develop administrative rules for the plan and negotiate with financial providers to administer the accounts and invest the assets.

Can a person with a disability have more than one account?

- No. Only one account can be held for a person with a disability, and it must be established in the state in which the disabled person lives.

How is this different than a Special Needs Trust?

- ABLE accounts can be used for a broader array of expenses, including housing and medical expenses.

Who will own the account?

- The person with the disability will own the account. If the person is a minor, the minor's parents will have the ability to administer the account just as they administer accounts for nondisabled children. If adults with disabilities have a conservator or trustee, that person will help with the administration of the account.

How many people will this impact?

- This bill will open the door to savings for thousands of Oregon adults and children with disabilities. It will lead to greater independence and better peace of mind.