

SB 571 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

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Meeting Dates: 5/8, 5/10

WHAT THE MEASURE DOES:

Requires Oregon 529 Savings Board to provide information to designated beneficiaries of ABLE (Achieving a Better Life Experience) accounts regarding potential impact to their benefits and services if contributions are made to workplace retirement account.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2014, Congress passed the Achieving a Better Life Experience (ABLE) Act, which amended the Internal Revenue Code to allow for individuals to open ABLE accounts. ABLE accounts are special tax-advantaged savings accounts, similar to 529 college savings accounts, that allow people with disabilities or blindness to invest and save money for eligible expenses without losing access to state or federal benefits. This is because deposits in ABLE accounts are exempt from Supplemental Security Income (SSI) or Medicaid asset limits and federal income tax. Eligible expenses include those related to a person's blindness or disability and may include necessities such as housing and transportation. ABLE accounts are governed by both state and federal law. In Oregon, they are regulated by the Oregon 529 Savings Board (ORS 178.380).

OregonSaves is a contribution retirement plan developed by the Oregon Retirement Savings Board. OregonSaves allows employed people to contribute to their retirement accounts through payroll deductions. Individuals with disabilities who are working in jobs and are able to make contributions to their retirement accounts through OregonSaves may need to balance this type of investment against the asset limits required by SSI and Medicaid to maintain eligibility for other benefits and services.

Senate Bill 571 A requires the Oregon 529 Savings Board to provide information to designated beneficiaries of ABLE accounts of the potential impact to their benefits and services if contributions are made to a workplace retirement account such as OregonSaves.