



## ABLE Act Overview

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The Achieving a Better Life Experience (ABLE) Act of 2014 was enacted to ease the financial burden for individuals with disabilities. The act is designed to create tax-exempt, state-based private savings accounts to fund disability-related expenses to supplement benefits currently provided by Social Security, Medicaid, employers or private insurance. These accounts can be created by individuals to support themselves or by families to support their dependents.

Expenses would qualify as disability-related if they are for the benefit of an individual with a disability and are related to the disability. This includes education, housing, transportation, employment support, health, prevention and wellness costs, assistive technology, personal support services and other expenses. A major benefit of an ABLE Act account is that they are a tax-advantaged savings, meaning that the beneficiary is the owner, and income earned by the account is not taxable.

As of 2018, 37 states have adopted the ABLE Act account. They recognize the extra and significant costs related to raising a child with significant disabilities or being a working age adult with disabilities. Limitations include being diagnosed before the age of 26, a maximum annual contributions are \$15,000, a limit of one account per affected person, and most states have set a maximum of \$300,000 per account.

Additional links found with information regarding the ABLE Act are below:

<http://ablenrc.org/about/what-are-able-accounts>

and

<https://www.savingforcollege.com/529-able-accounts>