

## Georgia ABLE Act

### ***Savings Accounts for People with Serious Disabilities To Support Education, Employment and Independence***

**What is an ABLE Account?** ABLE means **Achieving a Better Life Experience**. An ABLE account is a version of Georgia's long standing 529 accounts that allow families to save for college expenses for their children. An ABLE account is for people with serious disabilities (with onset before age 26) that ***allows families to save a limited amount of money to provide for disability related expenses without defeating their eligibility for critical safety net programs such as Medicaid and Supplemental Security Income (SSI)***. ABLE accounts would supplement, not replace, benefits provided by Medicaid, private insurance and employment.

**Who is Eligible?** Only individuals with a severe disability that occurred before age 26 are eligible. They must be receiving SSI or SSDI as a severely disabled person or certified as meeting similar conditions of eligibility.

**How Does an ABLE Account Work?** An ABLE Account is a critical tool to help people with disabilities save and pay for the critical and expensive needs associated with their disability in order to help them to live independently. These accounts are necessary to insure that people will have money to help pay for qualified education, employment training and support, housing, health, personal support services, financial management and administrative services, legal fees, funeral and burial expenses, and transportation expenses associated with their disability. The account allows limited savings for specific purposes without defeating eligibility for Medicaid and SSI which have asset limits of \$2,000 that apply to a conventional savings account.

ABLE account contributions are not tax deductible for federal tax purposes, but income earned by the accounts would not be taxable. An individual would be limited to a single ABLE account. Total annual contributions from family, friends or the person with a disability are capped at the annual federal gift tax limit (currently \$14,000). Accounts may not exceed the Georgia 529 account limit of \$235,000. Once an account exceeds \$100,000 receipt of SSI would be suspended, but Medicaid eligibility would remain intact. Withdrawal of funds for qualified disability related expenses are not taxable, but withdrawals for non-qualified expenses would be subject to income tax plus a 10% penalty.

Subject to certain limits, upon the death of the beneficiary the state may file a claim against assets remaining in the ABLE account in order to reimburse the state for Medicaid payments it made on behalf of the beneficiary from the date the account was created.

***Your support is Needed Now!***

***Congress passed the ABLE legislation in 2014 with broad bipartisan support.***

***32 states already passed the necessary legislation to allow residents to establish ABLE accounts.***

***Georgia needs to act to enable Georgia families to save for their seriously disabled members.***

***The Georgia ABLE Coalition is led by All About Developmental Disabilities (AADD) and the Georgia Council for Developmental Disabilities (GCDD) with Autism Speaks Georgia, Down Syndrome Association, and others.***

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