

# **Kentucky ABLÉ Act**

*Promoting Independence, Work & Savings for Kentuckians with Disabilities*



**Starting July 15, 2016, eligible Kentuckians can open ABLÉ accounts without jeopardizing Medicaid eligibility or means-tested benefits such as SSI.**

## **FACTS ABOUT THE KY ABLÉ ACT**

- The Kentucky ABLÉ Act (SB 179) allows Kentuckians to benefit from the federal Achieving a Better Life Experience (ABLE) Act, which allows people with disabilities to establish tax-deferred savings accounts under §529A of the US Tax Code. The new law will be effective on July 15, 2016.
- The new law DOES NOT create a state program.
- The new law DOES allow Kentuckians to establish accounts (operated under other states programs) without jeopardizing means test benefits or Medicaid.
- The new law directs the State Treasurer to work with several other government and advocacy stakeholders to determine the best plan of action related to ABLÉ accounts for Kentuckians.

## **HOW CAN KENTUCKIANS OPEN ACCOUNTS?**

- As of June 2, 2016, Ohio is the only state that has a program offering ABLÉ Accounts. The Ohio program is open to people from other states, including Kentucky. More information is available at <http://www.stableaccount.com/> .
- Several other states plan to begin offering accounts soon, including: Tennessee, Nebraska, Virginia and Colorado.

## **KEY CHARACTERISTICS OF ABLÉ ACCOUNTS**

- To qualify, an individual must become disabled before age 26. In addition, an individual either must be entitled to Supplemental Security Income or Social Security Disability Income benefits, or file a disability certification with the IRS.
- ABLÉ Accounts are similar to college-savings plans governed by §529 of the US Tax Code. However, spending is allowed for “qualified disability expenses” (not just on education-related expenses).
- Qualified disability expenses are any expenses made for the benefit of the designated beneficiary related to his/her disability, including: 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.
- Any person, such as a family member, friend, or the person with a disability, may contribute to an ABLÉ account for an eligible beneficiary
- The legislation includes a Medicaid pay-back provision, which could allow recoupment for Medicaid payments from money left in the account after the beneficiary’s death.

For more information, visit <http://www.ablenrc.org/>.