Origination of the ABLE Act

The idea of the ABLE Act was originated by Stephen E. Beck, Jr., vice chairman of the National Down Syndrome Society and the Down Syndrome Association of Northern Virginia Board of Directors. Beck’s daughter has Down syndrome and he proposed a plan that would help her to save money. The plan became the basis for the Achieving a Better Life Experience (ABLE) Act. In December of 2014, the United States Congress passed the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act. The ABLE Act received broad support in Congress, with 85% of Congress signing on as cosponsors. On December 19, 2014, the ABLE Act was signed into law by President Obama.

The ABLE Act amends Section 529 of the Internal Revenue Code of 1986 to authorize savings accounts for individuals with disabilities. These tax-advantaged savings accounts can be used to cover qualified disability-related expenses such as, but not limited to, education, housing and transportation. The bill supplements, but does not replace, benefits provided through private insurances, the Medicaid program, the Supplemental Security Income program, the beneficiary’s employment and other sources. In June 2016, Ohio, Tennessee, and Nebraska were the first three states to launch ABLE programs. As of August 2018, 39 states and the District of Columbia run ABLE programs, some of which are open to individuals nationwide.

What is an ABLE account?

ABLE accounts are tax-advantaged savings accounts for individuals with disabilities. Income earned in the accounts is not taxed if spent on qualified disability-related expenses. Contributions can be made to an account by anyone and may qualify for a state tax deduction. The accounts can be used for daily transactions, as well as for long-term savings.

The rules governing ABLE accounts are codified in Internal Revenue Code section 529A. Up to $100,000 in an ABLE account is exempt from the Supplemental Security Income (SSI) asset limit. If an ABLE account larger than $100,000 stops eligibility for SSI, the owner remains eligible for Medicaid. An ABLE account can be used instead of, or together with, a special needs trust, to maintain a beneficiary’s eligibility for SSI.

The maximum yearly limit for contributions to an ABLE account is the annual gift tax exemption amount ($15,000 in 2019). An individual who is working may contribute an additional amount not exceeding their income or the federal poverty level, whichever is less. The maximum balance for an ABLE account is $235,000. Once an account goes over $100,000, SSI benefits will be suspended. Other benefits are not affected by any account total.

How can funds be used?

Funds in the account can be used for qualified disability-related expenses. A qualified disability-related expense is any expense related to the designated beneficiary’s disability that assists the individual in increasing and/or maintaining their health, independence and/or quality of life. These may include expenses related to education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other similar expenses.
Who is eligible?
Not all individuals with disabilities will be eligible to open an ABLE account. The ABLE Act limits eligibility to individuals with disabilities (as defined by SSA) with an age of onset of disability before turning 26 years of age. If an individual meets this age criteria and is also already receiving benefits under SSI and/or SSDI, they are automatically eligible to establish an ABLE account. If individuals are not recipients of SSI and/or SSDI, but still meet the age of onset disability requirement, they could still be eligible to open an ABLE account. They would be eligible if they meet Social Security's definition and criteria regarding significant functional limitations and receive a letter of certification from a licensed physician. The individual does not need to be under the age of 26 to be eligible for an ABLE account. They can be over the age of 26, but must have had an age of onset before their 26th birthday.

Mississippi ABLE Program
On April 11, 2017, the Mississippi Legislature passed Senate Bill 2311, establishing Mississippi's ABLE Act. The members of the Mississippi ABLE Board were appointed by Governor Phil Bryant, and held their first meeting on May 8, 2018. After much research and consideration, the Mississippi ABLE Board voted in October 2018 to join with the National ABLE Alliance. Implementation of the Mississippi program is expected in June 2019.

The fee to maintain a Mississippi ABLE account will be $3.75 per month. That fee may go down but is not expected to go above $3.75 per month. Mississippi's ABLE program will offer diverse investment options, ranging from FDIC insured to higher risk stock and bonds. While the Mississippi ABLE account offers a great way to save money, the account can also be very transactional. Participants may withdraw their money through real-time debit cards, electronic transfers and/or paper checks.

The 9 Mississippi ABLE Board Members include (listed in order of Mississippi Code Section 43-28-7(1)):
Lynn Fitch, State Treasurer
Chris Howard (Vice-Chairman), Executive Director of the Department of Rehabilitation Services
Diana Mikula, Executive Director of the Department of Mental Health
Richard Courtney (Chairman), 1st Supreme Court District and Attorney
Michael Schloegel, 2nd Supreme Court District and Senior Vice-President, Hancock Whitney Bank
Kimberly Remak, 3rd Supreme Court District and Board Member of The Arc Northwest Mississippi
Jayne Buttross, Attorney and Board Member of Coalition for Citizens with Disabilities
Pam Dollar, Executive Director of Coalition for Citizens with Disabilities
Paul Rogers, Attorney and Board Member of Coalition for Citizens with Disabilities

Board Recommendations
There are currently no recommendations for statutory changes to enhance the effectiveness and efficiency of the program.
ABLE Board Members

David McRae
Mississippi State Treasurer

Chris Howard
(Vice-Chairman)
Executive Director,
Mississippi Department of Rehabilitation Services

Diana Mikula
Executive Director,
Mississippi Department of Mental Health

Richard Courtney
(Chairman)
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Jayne Buttross
Attorney and Board Member of Mississippi Coalition for Citizens with Disabilities

Pam Dollar
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Paul Rogers
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