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CELEBRATING 10 YEARS

Achieving a Better Life Experience (ABLE) accounts enable people with disabilities to save without jeopardizing eligibility for means-tested programs like Supplemental Security Income (SSI) and Medicaid. ABLE accounts have increased financial capability, but outdated federal rules, administrative barriers, and inconsistent state implementation continue to limit their full potential. We support targeted legislative and regulatory reforms to strengthen ABLE accessibility, flexibility, clarity, and impact.

2026 Legislative Priorities

- Protect SSI Eligibility and Encourage Employment
    - Pass the ABLE Employer Flexibility Act, including exclusion of employer retirement match contributions from countable income for SSI beneficiaries.
- End Medicaid Clawback/Payback
    - Eliminate federal Medicaid recovery of ABLE funds after account owner's death.
    - Support state-level efforts to protect ABLE balances from Medicaid payback.
- Practical Contribution Rules
    - Create exceptions to the annual contribution limit for one-time lump-sum payments like structured settlements or inheritances.
    - Permit front-loading of account with contributions like 529 college savings plans.
    - Increase annual contribution limit and limit on total non-countable assets.

- Strengthen Financial Protections
    - Exclude all ABLE account funds from seizure in bankruptcy proceedings, regardless of recency of contributions, and reconcile state and federal law.
    - Add clear statutory language affirming that ABLE accounts cannot fund trusts, although trusts can fund ABLE accounts.
    - Add clear statutory language excluding from countable assets, any court-ordered direct deposits of child support, alimony, spousal maintenance, and structured settlement payments.

Administrative and Regulatory Improvements

ABLE Integration with Education, Transition, and Employment

- Early inclusion of ABLE information promotes informed choice, reduces benefits-related misinformation, and strengthens economic self-determination.
- Embed ABLE education into disability planning processes to ensure disabled people and families receive timely, accurate, and usable information about financial tools that create financial security and enable long-term independence.
- Require inclusion of ABLE account education in Individualized Education Programs (IEPs), Vocational Rehabilitation individualized plans for employment (IPEs), and Individualized Service Plans.

Federal Guidance and Coordination

- Issue updated guidance from the Treasury Department, IRS, Social Security Administration, Department of Defense, and Department of Veterans Affairs to improve ABLE plan usability and consistency across states.
- Issue updated guidance from IRS requiring ABLE plans to offer subaccounts that facilitate tracking benefit contributions, retirement contributions, and facilitate controlled spending from ABLE accounts as owners engage in financial education and build financial capability.

Tax and Contribution Flexibility

- Allow income tax refunds to be directly deposited into ABLE accounts in all state plans.
- Permit unlimited contribution investment changes (currently capped at twice per year).

Access and Consumer Protections

- Reduce fund availability hold times to improve real-time access.
- Establish enhanced security measures for debit card online purchases or create a dedicated online payment product.
- Expand and clarify Qualified Disability Expenses (QDEs) to explicitly include vacation and travel-related costs, recognizing that quality of life, rest, and freedom of movement are essential to health, independence, and community participation.
- Provide clear statutory and regulatory guidance on QDE to reduce confusion, inconsistent interpretation, and fear of penalties that discourage ABLE account use.

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