



## RESOLUTION

### **Supporting Enhancements to the Stephen Beck Jr., Achieving a Better Life Experience (ABLE) Act**

- Whereas** ABLE Programs created under § 529A of the Internal Revenue Code (the ABLE Act) provide important savings opportunities for individuals with disabilities and their families, allowing them to maintain health, independence, and quality of life without jeopardizing federal benefits; and
- Whereas** ABLE Programs are established and maintained by States, or agencies or instrumentalities of states, who are tasked with the development, implementation, and oversight of ABLE Programs; and
- Whereas** The ABLE Savings Plans Network (ASPN) launched as an affiliate of NAST in 2023 to improve and expand utilization of ABLE programs and to influence the setting of national policy affecting ABLE programs.
- Whereas** The federal Tax Cuts and Jobs Act of 2017 adopted the provisions of the ABLE Financial Planning Act (allowing rollovers from 529 college savings accounts to ABLE accounts) and the ABLE to Work Act (allowing individuals with disabilities with earned income to make increased ABLE contributions and making ABLE contributions eligible for the federal Saver's Credit), both of which NAST supported and worked to implement; and
- Whereas** NAST and ASPN supported the ENABLE Act, which passed during the 119<sup>th</sup> Congress and made permanent the ABLE provisions incorporated into the Tax Cuts and Jobs Act that were set to expire on January 1, 2026; and
- Whereas** The ABLE Act would benefit from additional enhancements to (i) eliminate obstacles to opening and saving in ABLE accounts, and (ii) increase the breadth and reach of ABLE accounts, including the following:
1. **Exempting ABLE account funds from all Medicaid recovery.** The burdensome threat of Medicaid recovery, as authorized under § 529A and through federal estate recovery rule, is a significant barrier to the utilization of ABLE accounts. The threat of Medicaid recovery of ABLE assets of deceased ABLE account owners often deters individuals from opening an account and discourages contributions to ABLE accounts. Several states have passed legislation to prevent state Medicaid offices from seeking recovery of ABLE account funds; however, this leaves inconsistent recovery standards across the country. The ABLE Tomorrow Act, introduced in the U.S. House of Representatives in 2024, proposed, in part, to fully exempt ABLE account balances from being subject to § 529A and estate recovery. Similar legislation

could put an end to the concerns that current and prospective ABLE account owners have Medicaid recovery and reduce administrative burden on state administrators and program managers.

2. **Allowing ABLE account owners to save more.** Current § 529A restrictions on ABLE contribution amounts make it unfairly complex or prohibitive to save lump-sum assets if they are in excess of annual contribution limits. Examples of lump-sum assets include insurance and legal settlements, inheritances, retroactive federal benefits, and 529 education savings assets. The ABLE Tomorrow Act included a provision to exempt certain lump-sum contributions from the annual contribution limit. Legislation to allow more savings is a commonsense change that would put ABLE accounts on par with their sister accounts under § 529. It would free individuals and families from having to pursue complex and expensive legal arrangements, to be able to save to their full potential.
3. **Expanding workplace and long-term savings opportunities for ABLE savers.** People with disabilities who receive means-tested benefits are disincentivized from participating in workplace retirement plans and associated benefits, like matching contributions from an employer. Congress consistently recognizes that ABLE plans serve as a long-term savings solution, akin to a retirement account, for Americans saving for their futures. The ABLE Employment Flexibility Act, introduced as H.R. 4644 and S. 2459 in the 119<sup>th</sup> Congress, incentivizes employers to contribute to an employee's ABLE account in lieu of a retirement account, without these contributions counting as income for disability benefits programs. This provides ABLE savers an equitable option like those available to other employees and helps close the growing retirement gap for a vulnerable population; and

**Whereas**

Because federal agencies that administer means-tested disability benefits play a vital role in the proper administration of the ABLE Act, ASPN supports the following:

1. **Engaging the Social Security Administration as a key partner to increase awareness of ABLE accounts.** The direct connection between ABLE programs and SSA benefits programs makes collaboration between the SSA and ASPN essential. A working partnership will result in, and ensure that, SSA published policy related to ABLE is fully reviewed and vetted, and that accurate information about benefits and ABLE accounts is disseminated across the vast SSA and ABLE networks. These efforts will curb misinformation that currently creates unwarranted fear of ABLE accounts among those receiving SSA benefits.
2. **Building relationships with other federal agencies, including IRS, HUD, DOL, CMS, USDA, and the VA.** Regional staff of federal benefits agencies typically lack awareness and training on ABLE rules and application. Dissemination of accurate information by federal agencies is critical to the

success and reputation of ABLE programs. ASPN supports IRS publishing clear guidance regarding the implementation and administration of legislation related to ABLE. Establishing relationships with federal benefits agencies will help provide training and awareness to individuals who are in a position to make benefits determinations, as well as increase general awareness amongst ABLE-eligible populations.

**NOW, THEREFORE BE IT RESOLVED**, that the National Association of State Treasurers and the ABLE Savings Plans Network urge the President, the Congress of the United States, and all relevant federal agencies to implement and assist with the ABLE enhancements described above in a timely manner, to enhance and expand opportunities for individuals with disabilities and their families to save for their future needs.

Approved on the 9<sup>th</sup> Day of April 2026, by the National Association of State Treasurers.

This resolution shall remain in effect until amended or rescinded.