

**ANNUAL REPORT  
OF THE  
ABLE ACCOUNT  
ADVISORY BOARD  
2015**

## **ABLE Account Advisory Board Members**

Director John Martin, Ohio Department of Developmental Disabilities

State Representative Jonathan Dever

State Senator John Eklund

Representative of an intellectual or developmental disability advocacy group, Marge Barnheiser

Representative of a service provider for individuals with disabilities, Diane Beastron

Parent of a child with a disability who has significant experience with disability issues, Charles Gerhardt

Person with a disability and who has significant experience with disability issues, Jennifer Cunningham

Two members who have significant experience in finance, accounting, investment management, Blaine Brockman and Matthew Curoe

## **Background of the Achieving a Better Life Experience (ABLE) Act**

### **LEGISLATIVE OVERVIEW**

#### **Federal Legislation**

Federal legislation passed in December 2014 as part of P.L. 113-295 permits states to create “Achieving a Better Life Experience” (ABLE) programs. The ABLE program is modeled after college savings plans described in Section 529 of the Internal Revenue Service code with the ABLE Act in Section 529A.

The ABLE Act permits individuals with disabilities to save without the risk of losing their eligibility for means-tested benefits. The savings will offset the cost of certain qualified expenses for services and programs necessary to manage their disability while maintaining access to Medicaid and Supplemental Security Income (SSI). The program will ease the financial strains many individuals face by making tax-free savings accounts available to cover qualified expenses such as medical and dental care, education, housing, transportation, assistive technology, employment training, and community based supports.

In order for an individual to be eligible for an ABLE account, the following has to occur:

- Must be the account owner
- May be a resident of Ohio, or any other state
- Limited to one ABLE account.
- Blind or disabled before age 26.
- Entitled to Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) or; have a condition that is on the Social Security Administration’s Compassionate Allowances list or; self-report as meeting the disability criteria.

Furthermore, federal law places the following limitations on the ABLE account:

- The maximum yearly contribution limit is currently \$14,000.
- The maximum account value is currently tied to Ohio’s 529 limit of \$414,000.
- There is a 10% additional tax on funds withdrawn from an ABLE account for non-qualified expenses.
- SSI benefits will be suspended if the account total exceeds \$100,000, but SSI eligibility will not be impacted
- States may file claims for Medicaid reimbursement from the ABLE account upon death of the designated beneficiary who received Medicaid benefits for the time the ABLE account was open.

#### **House Bill 155**

The Ohio General Assembly passed House Bill 155, sponsored by State Representatives Jonathan Dever and Margaret Conditt and companion legislation was introduced by Senators John Eklund and Shannon Jones on June 25, 2015. The legislation was signed by Governor Kasich on July 16, 2015 and became law on October 15, 2015. The legislation, passed unanimously by both chambers, authorizes the State Treasurer to implement and administer the ABLE Act.

## **ABLE Outreach**

Implementing the ABLE program is a priority for the State Treasurer's Office. The Treasurer has assigned a dedicated team to ensure the ABLE Act is implemented in a timely manner. Shortly after House Bill 155 passed the General Assembly, the Treasurer's staff began to contact and meet with various individuals, groups, and advocacy organizations across Ohio and nationally to discuss the legislation, answer questions, and obtain feedback on how to efficiently and effectively implement ABLE to meet the needs of individuals with disabilities and their families.

The Treasurer's Office established a Request for Comment (RFC) link via the office's website where the disability community and others can go and submit questions and comments.

The Treasurer's Office is also working with the Attorney General's Office, Department of Developmental Disabilities, Department of Medicaid, Department of Job and Family Services, Department of Mental Health and Addiction Services, Department of Taxation, and Opportunities for Ohioans with Disabilities to obtain input and ensure that all of the federal and state legal requirements are met.

## **ABLE Service Provider Selection**

The Treasurer's Office performed an in depth review and analysis of the two ABLE Service Provider vendors: Intuition ABLE Solutions, LLC (Intuition) and Ascensus College Savings (Ascensus). The Treasurer's Office selected Intuition based on the following reasons and the Controlling Board approved the contract on November 23, 2015.

- Go live date.
- Compliance to proposed regulations.
- Tailored to Ohio residents.
- Heightened support to individuals with disabilities.
- Investment options.
- Materials and disclosures.

Additionally, Intuition will allow the Treasurer's Office to define, design, and implement ABLE in the desired timeframe and in compliance with the Treasurer's Office interpretation of the Proposed Regulations. The selected vendor also offers robust online and call center support, recordkeeping services, specialized reporting, full service program administration, and audit and compliance due diligence.

The Treasurer's Office is taking a conservative approach with ABLE program design by building ABLE to the specifications of the Proposed Regulations to minimize the potential number of issues requiring cure post release of the Final Regulations.

## **ABLE Investment Consultant Selection**

The Treasurer's Office has selected Marquette Associates (Marquette) to serve as the investment consultant for the ABLE program. Marquette will assist in documenting the investment policy and designing investment

options for ABLE. In addition, Marquette will develop disclosure and marketing materials for the program participants.

The Treasurer's Office plans to offer a standard set of investment options when Ohio's ABLE program is launched. Investment options will be designed to meet the needs of both long term and short term investors with various levels of risk tolerance, and will also include an FDIC insured option, similar to a bank savings account.

### **Summary**

The Treasurer's Office's objectives for ABLE are to ensure the program is easy to use for individuals and families and does not in any way create ambiguity or negatively impact the benefits that individuals with disabilities receive.

In the upcoming months, the Treasurer's Office plans to continue discussions and meetings to answer questions about ABLE and seek input on how best to market and implement the ABLE program for Ohio's disability community. Partnership with various individuals, organizations, and advocacy groups is a priority and will assist the Treasurer's Office in delivering an effective program to meet the needs of individuals with disabilities and their families.