

SENATE BILL REPORT

2SHB 2063

As of March 19, 2015

Title: An act relating to the creation of the Washington achieving a better life experience program.

Brief Description: Creating a work group to design a qualified achieving a better life experience program.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Kilduff, Kagi, Jenkins, Springer, Hunter, Ormsby, Tharinger and Tarleton).

Brief History: Passed House: 3/10/15, 89-8.

Committee Activity: Health Care: 3/23/15.

SENATE COMMITTEE ON HEALTH CARE

Staff: Kathleen Buchli (786-7488)

Background: Congress passed the Achieving a Better Life Experience (ABLE) Act in December 2014. The law amended the Internal Revenue Code to exempt from taxation qualified ABLE savings programs established by states. Individuals can contribute to savings accounts for eligible people with disabilities. Individuals are able to invest up to \$14,000 per year in ABLE accounts. Withdrawals from the account will not be taxed provided that the money is spent on qualified expenses, such as housing, education, transportation, health care, and rehabilitation. The complete description of qualified expenses and other parameters of these accounts are expected to become available in the summer or fall of 2015 when the Secretary of the United States Treasury issues regulations.

An individual generally cannot have more than \$2,000 in savings or other assets for means-tested federal programs such as Medicaid or Supplemental Security Income (SSI). However, investments up to \$100,000 in ABLE savings accounts will be disregarded as assets for purposes of Medicaid or SSI eligibility.

Summary of Bill: By July 1, 2015, the State Treasurer's Office must convene a work group to design an ABLE program. The work group must include representatives from the Department of Commerce, the State Investment Board, the Washington Advanced College Tuition Payment Program, the Department of Social and Health Services, the Developmental Disability Endowment Governing Board, and the disability community.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The ABLE design work group must provide a report to the Governor and the Legislature by November 1, 2015, that includes the following:

- a recommendation of the appropriate lead agency for the ABLE program;
- an analysis of the appropriate investment instrumentality for ABLE account investments;
- an implementation plan for the ABLE program;
- a recommendation regarding the composition and role of an ABLE advisory board; and
- an estimate of the number of eligible ABLE participants in the state.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.