



Senate

General Assembly

File No. 385

January Session, 2025

Substitute Senate Bill No. 1476

Senate, April 1, 2025

The Committee on Human Services reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE ABLE ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-39j of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this section and sections 3-39k to 3-39r, inclusive, as
4 amended by this act:

5 (1) "Achieving a better life experience account" or "ABLE account"
6 means an account established and maintained pursuant to sections 3-
7 39k to [3-39q] 3-39r, inclusive, as amended by this act, for the purposes
8 of paying the qualified disability expenses [related to the blindness or
9 disability] of a designated beneficiary.

10 (2) "Authorized individual" means an individual or entity who (A)
11 meets the requirements of 26 CFR 1.529A-2 to establish an ABLE account
12 on behalf of an eligible individual, and (B) is authorized by the state's
13 qualified ABLE program to establish or act on behalf of the designated

14 beneficiary with respect to an ABLÉ account.

15 [(2)] (3) "Deposit" means a deposit, payment, contribution, gift or
16 other transfer of funds.

17 [(3) "Depositor" means any person making a deposit into an ABLÉ
18 account pursuant to a participation agreement.]

19 (4) "Designated beneficiary" [means any eligible individual who is the
20 owner of an ABLÉ account established under a qualified ABLÉ
21 program] has the same meaning as provided in Section 529A.

22 [(5) "Disability certification" means, with respect to an individual, a
23 certification to the satisfaction of the Secretary of the Treasury of the
24 United States by the individual or the parent or guardian of the
25 individual or an individual establishing an ABLÉ account pursuant to
26 subsection (g) of section 3-39k that (A) certifies that (i) the individual has
27 a medically determinable physical or mental impairment, that results in
28 marked and severe functional limitations, and that can be expected to
29 result in death or that has lasted or can be expected to last for a
30 continuous period of not less than twelve months, or is blind within the
31 meaning of Section 1614(a)(2) of the Social Security Act, and (ii) such
32 impairment or blindness occurred before the date on which the
33 individual attained the age of twenty-six, and (B) includes a copy of the
34 individual's diagnosis relating to the individual's relevant impairment
35 or blindness that is signed by a physician who is licensed pursuant to
36 chapter 370 or, to the extent permitted by federal law, (i) an advanced
37 practice registered nurse who is licensed pursuant to chapter 378, (ii) a
38 physician assistant who is licensed pursuant to chapter 370, or (iii) if the
39 individual's impairment is blindness, an optometrist licensed pursuant
40 to chapter 380.]

41 [(6)] (5) "Eligible individual" [means an individual who is entitled to
42 benefits during a taxable year based on blindness or disability under
43 Title II or XVI of the Social Security Act, and such blindness or disability
44 occurred before the date on which the individual attained the age of
45 twenty-six, provided a disability certification or self-certification with

46 respect to such individual is filed with the State Treasurer for such
47 taxable year] has the same meaning as provided in Section 529A.

48 [(7) "Federal ABLE Act" means the federal ABLE Act of 2014, P.L. 113-
49 295, as amended from time to time.]

50 [(8)] (6) "Participation agreement" means an agreement between the
51 trust established pursuant to section 3-39k, as amended by this act, and
52 [depositors] a designated beneficiary or authorized individual that
53 provides for participation in an ABLE account for the benefit of a
54 designated beneficiary.

55 (7) "Qualified ABLE program" means any program established and
56 maintained pursuant to Section 529A.

57 [(9)] (8) "Qualified disability expenses" [means any expenses related
58 to an eligible individual's blindness or disability that are made for the
59 benefit of an eligible individual who is the designated beneficiary,
60 including the following expenses: Education, housing, transportation,
61 employment training and support, assistive technology and personal
62 support services, health, prevention and wellness, financial
63 management and administrative services, legal fees, expenses for
64 oversight and monitoring, funeral and burial expenses, and other
65 expenses that are approved by the Secretary of the Treasury of the
66 United States under regulations adopted by the Secretary pursuant to
67 the federal ABLE Act] has the same meaning as provided in Section
68 529A.

69 [(10) "Self-certification" means a certification, under penalty of
70 perjury, to the satisfaction of the Secretary of the Treasury of the United
71 States by an individual establishing an ABLE account that (A) certifies
72 that (i) the individual has a medically determinable physical or mental
73 impairment that results in marked and severe functional limitations and
74 that can be expected to result in death or that has lasted or can be
75 expected to last for a continuous period of not less than twelve months,
76 or is blind within the meaning of Section 1614(a)(2) of the Social Security
77 Act, (ii) such impairment or blindness occurred before the date on which

78 the individual attained the age of twenty-six, and (iii) the person
79 establishing the account is the individual who will be the designated
80 beneficiary of the account or is a person authorized to establish such
81 account under the provisions of subsection (g) of section 3-39k, and (B)
82 includes the applicable diagnostic code from those listed on Internal
83 Revenue Service Form 5498-QA identifying the individual's
84 impairment.]

85 (9) "Section 529A" means Section 529A of the Internal Revenue Code
86 of 1986, or any subsequent corresponding internal revenue code of the
87 United States, as amended from time to time, and the regulations
88 adopted thereunder by the United States Department of the Treasury
89 and the Internal Revenue Service, as amended from time to time.

90 Sec. 2. Section 3-39k of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective from passage*):

92 (a) The State Treasurer (1) shall establish a qualified ABLE program
93 pursuant to [the federal ABLE Act] Section 529A and sections 3-39j to
94 [3-39q] 3-39r, inclusive, as amended by this act, and (2) may contract
95 with any state with a qualified ABLE program [established pursuant to
96 the federal ABLE Act] to provide residents of this state with access to
97 such state's program.

98 (b) (1) Under the program established pursuant to subdivision (1) of
99 subsection (a) of this section: (A) The State Treasurer shall administer
100 individual ABLE accounts to encourage and assist eligible individuals
101 and their families in saving [private] funds to provide support for
102 eligible individuals, (B) a person may make contributions to an
103 individual ABLE account to meet the qualified disability expenses of the
104 designated beneficiary of the account, and (C) the State Treasurer shall
105 designate a director of outreach for the ABLE program from among the
106 existing employees of the office of the State Treasurer, who shall
107 coordinate outreach and marketing efforts concerning ABLE accounts.

108 (2) For the purposes of such program, there is established within the
109 Office of the State Treasurer the Connecticut Achieving A Better Life

110 Experience Trust. The trust shall constitute an instrumentality of the
111 state and shall perform essential governmental functions, as provided
112 in sections 3-39j to [3-39q] 3-39r, inclusive, as amended by this act. The
113 trust shall receive and hold all payments and deposits intended for
114 ABLE accounts as well as gifts, bequests, endowments or federal, state
115 or local grants and any other funds from public or private sources and
116 all earnings, until disbursed in accordance with sections 3-39j to [3-39q]
117 3-39r, inclusive, as amended by this act.

118 (c) (1) The amounts on deposit in the trust shall not constitute
119 property of the state and the trust shall not be construed to be a
120 department, institution or agency of the state. Amounts on deposit in
121 the trust shall not be commingled with state funds and the state shall
122 have no claim to or against, or interest in, such amounts, except as
123 provided in subdivision (2) of this subsection. Any contract entered into
124 by, or any obligation of, the trust shall not constitute a debt or obligation
125 of the state and the state shall have no obligation to any designated
126 beneficiary or any other person on account of the trust and all amounts
127 obligated to be paid from the trust shall be limited to amounts available
128 for such obligation on deposit in the trust. The amounts on deposit in
129 the trust may only be disbursed in accordance with the provisions of
130 sections 3-39j to [3-39q] 3-39r, inclusive, as amended by this act.

131 (2) The trust shall continue in existence as long as it holds any
132 deposits or other funds or has any obligations and until its existence is
133 terminated by law, and upon termination of the trust, any unclaimed
134 assets of the trust shall [return to the state. Property of the trust shall] be
135 governed by section 3-61a.

136 (d) The State Treasurer shall be responsible for the receipt,
137 maintenance, administration, investment and disbursements of
138 amounts from the trust. The trust shall not receive deposits in any form
139 other than cash. No [depositor] authorized individual or designated
140 beneficiary may direct the investment of any contributions or amounts
141 held in the trust other than in the specific fund options provided for by
142 the trust and shall not direct investments in such specific fund options

143 more than two times in any calendar year. No interest, or portion of any
144 interest, in the program shall be used as security for a loan.

145 (e) A person may make deposits to an ABLE account to meet the
146 qualified disability expenses of the designated beneficiary of the
147 account, provided the trust and deposits meet the other requirements of
148 this section [, the federal ABLE Act and any regulations adopted
149 pursuant to the federal ABLE Act by the Secretary of the Treasury of the
150 United States] and Section 529A.

151 (f) On or before December 31, 2017, and annually thereafter, the State
152 Treasurer shall submit (1) in accordance with the provisions of
153 subsection (a) of section 3-37, a report to the Governor on the operations
154 of the trust, including the receipts, disbursements, assets, investments
155 and liabilities and administrative costs of the trust for the prior fiscal
156 year, and (2) in accordance with the provisions of section 11-4a, a report
157 on the trust and any contract entered into pursuant to subdivision (2) of
158 subsection (a) of this section to the joint standing committees of the
159 General Assembly having cognizance of matters relating to finance and
160 public health, and shall make such report available to each [depositor]
161 authorized individual and designated beneficiary. The report required
162 under subdivision (2) of this subsection shall include, but need not be
163 limited to: (A) The number of ABLE accounts; (B) the total amount of
164 contributions to such accounts; (C) the total amount and nature of
165 distributions from such accounts; and (D) a description of issues relating
166 to the abuse of such accounts, if any.

167 (g) An ABLE account may be established (1) by the eligible
168 individual, (2) by a person selected by the eligible individual, or (3) if
169 the eligible individual is unable to establish an ABLE account, [on behalf
170 of such individual by, in the following order: Such individual's agent
171 under a power of attorney, a conservator or legal guardian, spouse,
172 parent, sibling, grandparent, or a representative payee appointed for the
173 eligible individual by the Social Security Administration] by an
174 authorized individual.

175 Sec. 3. Section 3-39/ of the general statutes is repealed and the

176 following is substituted in lieu thereof (*Effective from passage*):

177 The State Treasurer, on behalf of the trust and for purposes of the
178 trust, may:

179 (1) Receive and invest moneys in the trust in any instruments,
180 obligations, securities or property in accordance with section 3-39m;

181 (2) Establish [consistent] terms for [each] the participation agreement
182 [, bulk deposit, coupon or installment payments] and the administration
183 of ABLE accounts, including, but not limited to, (A) the method of
184 payment into an ABLE account by payroll deduction, transfer from bank
185 accounts or otherwise, (B) the termination, withdrawal or transfer of
186 payments under an ABLE account, including transfers to or from a
187 qualified ABLE program established by another state, [pursuant to the
188 federal ABLE Act,] (C) penalties for distributions not used [or made in
189 accordance with the federal ABLE Act] for qualified disability expenses,
190 and (D) the amount of any charges or fees to be assessed in connection
191 with the administration of the trust;

192 (3) Enter into one or more contractual agreements, including, but not
193 limited to, contracts for legal, actuarial, accounting, custodial, advisory,
194 management, administrative, advertising, marketing and consulting
195 services for the trust and pay for such services from the gains and
196 earnings of the trust;

197 (4) Procure insurance in connection with the trust's property, assets,
198 activities or deposits or contributions to the trust;

199 (5) Apply for, accept and expend gifts, grants or donations from
200 public or private sources to enable the Connecticut Achieving A Better
201 Life Experience Trust to carry out its objectives;

202 (6) Sue and be sued;

203 (7) Establish one or more funds within the trust and maintain
204 separate ABLE accounts for each designated beneficiary; [and]

205 (8) Pay for any fees associated with the administration of individual
206 ABLE accounts; and

207 ~~[(8)]~~ (9) Take any other action necessary to carry out the purposes of
208 sections 3-39j to [3-39q] 3-39r, inclusive, as amended by this act, and
209 incidental to the duties imposed on the State Treasurer pursuant to said
210 sections.

211 Sec. 4. Section 3-39p of the general statutes is repealed and the
212 following is substituted in lieu thereof (*Effective from passage*):

213 The state pledges to [depositors] authorized individuals, designated
214 beneficiaries and any party who enters into contracts with the trust,
215 pursuant to the provisions of sections 3-39j to [3-39q] 3-39r, inclusive, as
216 amended by this act, that the state will not limit or alter the rights under
217 said sections vested in the trust or contract with the trust until such
218 obligations are fully met and discharged and such contracts are fully
219 performed on the part of the trust, provided nothing in this section shall
220 preclude such limitation or alteration if adequate provision is made by
221 law for the protection of such [depositors] authorized individuals and
222 designated beneficiaries pursuant to the obligations of the trust or
223 parties who entered into such contracts with the trust. The trust, on
224 behalf of the state, may include a description of such pledge and
225 undertaking for the state in participation agreements and such other
226 obligations or contracts.

227 Sec. 5. Section 3-39q of the general statutes is repealed and the
228 following is substituted in lieu thereof (*Effective from passage*):

229 The State Treasurer shall take any action necessary to ensure that the
230 trust complies with all applicable requirements of state and federal laws,
231 rules and regulations to the extent necessary for the trust to constitute a
232 qualified ABLE program and be exempt from taxation under [the
233 federal ABLE Act, and any regulations adopted pursuant to the federal
234 ABLE Act by the Secretary of the Treasury of the United States] Section
235 529A.

236 Sec. 6. Section 3-39r of the general statutes is repealed and the
237 following is substituted in lieu thereof (*Effective from passage*):

238 (a) Notwithstanding any provision of the general statutes, to the
239 extent permissible under federal law, moneys invested in an individual
240 ABLE account, contributions to an individual ABLE account and
241 distributions for qualified disability expenses pursuant to sections 3-39j
242 to 3-39q, inclusive, as amended by this act, shall be disregarded for
243 purposes of determining an individual's eligibility for assistance under
244 [the (1) temporary family assistance program, as described in section
245 17b-112, (2) programs funded under the federal Low Income Home
246 Energy Assistance Program block grant, (3) the state-administered
247 general assistance program, as described in section 17b-191, (4) the
248 optional state supplementation program, as described in section 17b-
249 600, to the extent such invested moneys, contributions and distributions
250 may be disregarded under the federal Supplemental Security Income
251 Program, and (5) any other federally funded assistance or benefit
252 program, including, but not limited to, the state's medical assistance
253 program, whenever such program requires consideration of one or
254 more financial circumstances of an individual for the purpose of
255 determining the individual's eligibility to receive any assistance or
256 benefit or the amount of any assistance or benefit] any means-tested
257 public assistance program administered by the state or any political
258 subdivision of the state.

259 (b) Notwithstanding any provision of the general statutes, no moneys
260 invested in the ABLE accounts shall be considered to be an asset for
261 purposes of determining an individual's eligibility for need-based,
262 institutional aid grants offered to an individual at the public eligible
263 educational institutions in the state.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	3-39j
Sec. 2	<i>from passage</i>	3-39k
Sec. 3	<i>from passage</i>	3-39l

Sec. 4	<i>from passage</i>	3-39p
Sec. 5	<i>from passage</i>	3-39q
Sec. 6	<i>from passage</i>	3-39r

Statement of Legislative Commissioners:

In Section 1(1), "3-39q" was changed to "[3-39q] 3-39r" for consistency, in Section 1(2), the definition of "authorized individual" was deleted and replaced with the definition of "authorized individual" in Section 1(4) for clarity and the remaining subdivisions in Section 1 were redesignated accordingly for accuracy, and in Section 1(9), the definition of "Section 529A" was rewritten for consistency with standard drafting conventions.

HS *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill makes various changes to the state's Achieving a Better Life (ABLE) program, which is administered by the State Treasurer. These changes have no fiscal impact as it is anticipated that the Treasurer will adjust to these responsibilities with existing resources.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 1476*****AN ACT CONCERNING THE ABLE ACT.*****SUMMARY**

This bill makes various changes to Connecticut's Achieving a Better Life (ABLE) program (see BACKGROUND). Specifically, the bill:

1. changes who is eligible to open an ABLE account to align with federal law;
2. allows the state treasurer, who administers the ABLE program, to pay fees associated with administering individual ABLE accounts; and
3. disregards, to the extent federal law allows, ABLE accounts in all means-tested public assistance programs administered by the state or its political subdivisions, rather than only specific programs listed in current law.

The bill also updates references to federal ABLE statutes and regulations in Connecticut's statutes to ensure (1) Connecticut's definitions related to program participants and eligibility align with federal criteria and (2) any future federal changes are automatically incorporated into state statute. It also makes minor, technical, and conforming changes.

EFFECTIVE DATE: Upon passage

EXPANDED ELIGIBILITY

Under current state and federal law, a person who receives Social Security disability benefits and has certified his or her disability in the given tax year is eligible to participate in the ABLE program so long as the person's disability occurred before age 26. Effective January 1, 2026,

federal law is scheduled to expand ABLE program eligibility to people whose disability occurred before age 46. The bill aligns Connecticut's statutory definition of "eligible individual" with the federal definition, effectively expanding eligibility for the state's program starting in 2026 and automatically incorporating any future eligibility changes enacted under federal law in the state's program.

AUTHORIZED INDIVIDUALS

The bill replaces references to "depositors" with references to "authorized individuals," to conform with federal law. Under current state law, a depositor is someone making a deposit into an ABLE account pursuant to a participation agreement (i.e. the agreement between the trust and depositor to benefit a designated beneficiary). The bill instead references "authorized individuals," defined as the people or entities authorized under (1) federal law to establish an ABLE account on an eligible individual's behalf and (2) the state's qualified ABLE program to establish an ABLE account or act on its designated beneficiary's behalf.

Under federal regulations and current state law, an ABLE account may be established by the eligible individual or a person he or she chooses. If the eligible individual is unable to establish his or her own account, their agent, under a power of attorney, or their conservator or legal guardian, spouse, parent, sibling, grandparent, or representative payee appointed for them by the Social Security Administration, in that order, can establish the account (26 CFR 1.529A-2(c)).

INCOME DISREGARDS

To the extent allowed by federal law, the bill requires any funds invested in, contributed to, or distributed from an ABLE account to be disregarded when determining an individual's eligibility for assistance under any means-tested public assistance program administered by the state or its political subdivisions. Under current law, these funds are disregarded only for the following federally funded assistance or benefit programs:

1. the Temporary Family Assistance program,
2. programs funded under the federal Low Income Home Energy Assistance Program,
3. the state-administered general assistance program (SAGA),
4. the optional State Supplement Program, to the extent the federal Supplemental Security Income program allows, and
5. any other federally funded assistance or benefit program, including the state's medical assistance programs (i.e. HUSKY and Medicaid).

BACKGROUND

ABLE Program

The federal ABLE Act allows states to establish their own ABLE programs to (1) encourage individuals and families to save money to support individuals with disabilities to maintain health, independence, and quality of life and (2) provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not replace, benefits provided through private insurance, Medicaid, and other sources. Eligible people living with a disability or blindness, or their families, may establish and contribute to accounts. Funds in the accounts may be spent on qualified disability expenses, including education, housing, and transportation.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 22 Nay 0 (03/13/2025)