
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)