



POLICY BRIEF

Achieving a Better Life Experience (ABLE) Accounts

OVERVIEW

ABLE accounts are tax-advantaged savings accounts available to those with disabilities. People can store money in ABLE accounts without affecting their eligibility into federally funded needs-based assistance programs. The funds in ABLE accounts may also be used to pay for qualified disability expenses (QDEs), such as housing, education, transportation, health, etc. They have continued access to benefits under:

<ul style="list-style-type: none"> • Supplemental Nutrition and Assistance Program (SNAP) 	
<ul style="list-style-type: none"> • Supplemental Security Income (SSI) (only if the accounts have less than \$100,000) 	<ul style="list-style-type: none"> • Housing and Urban Development (HUD)
<ul style="list-style-type: none"> • Free Application for Student Aid (FAFSA) 	<ul style="list-style-type: none"> • Medicaid and Medicare

BACKGROUND

- Signed into law under the Tax Increase Prevention Act of 2014.
- Falls under the 529A of the Internal Revenue Service tax code.
- Households with a disabled working age adult require 29% more income a year to obtain the same standard of living as those without a disability.

KEY FEATURES

- Growth/contributions to the account are tax-free if withdrawals are used for QDEs.
- SSI restricts eligibility to those with less than \$2,000 in non-ABLE accounts. Disabled individuals can save up to \$100,000 in ABLE accounts without risking their eligibility for SSI.

- Anyone can deposit money into the accounts, up to \$18,000 a year (account owners can contribute more if they work).
- ABLE Eligibility Requirements:
 - The disability began before the age of 26 (onset age of eligibility is expanding to 46 as of January 1, 2026).
 - They meet the required severity of disability by either receiving SSI or Social Security Disability payments or with a doctors' qualified disability diagnosis.
- A person can open an ABLE account at any age.

VARIATIONS BY STATE

- ABLE accounts are federally authorized but administered on a state level.
- States differ in numerous ways:
 - Tax incentives, administrative fees, set annual fees, enrollment to out of state residents, accessibility, FDIC insured, initial minimum contribution requirements, fees or restrictions on withdrawals, debit card availability, and associated investment options.
- 46 states have ABLE accounts, plus DC. Idaho, Wisconsin, and the Dakotas do not.
 - For those living in states without ABLE accounts, it is possible to open an account in states that accept non-residents.

POLICY & PRACTITIONER IMPLICATIONS

- Barriers to account uptake are lack of public awareness, a complicated application process, and confusion on its overlap with other programs. This can prevent eligible users from opening ABLE accounts or fully utilizing them.
 - To combat this lack of awareness, practitioners should focus on education and advocacy to ensure applicants understand the rules, benefits, and process of these accounts.
- Since there is no national standardization, individuals in certain states may receive fewer financial advantages or experience disparities in saving opportunities.