**Kentucky ABLE Act**

*Promoting Independence, Work & Savings for
Kentuckians with Disabilities*

**Starting July 15, 2016, eligible Kentuckians can open ABLE accounts
without jeopardizing Medicaid eligibility or means-tested benefits such as SSI.**

**FACTS ABOUT THE KY ABLE ACT**

* The Kentucky ABLE Act ([SB 179](http://www.lrc.ky.gov/record/16RS/SB179.htm)) allows Kentuckians to benefit from the federal Achieving a Better Life Experience (ABLE) Act, which allows people with disabilities to establish tax-deferred savings accounts under §529A of the US Tax Code. The new law will be effective on July 15, 2016.
* The new law DOES NOT create a state program.
* The new law DOES allow Kentuckians to establish accounts (operated under other states programs) without jeopardizing means test benefits or Medicaid.
* The new law directs the State Treasurer to work with several other government and advocacy stakeholders to determine the best plan of action related to ABLE accounts for Kentuckians.

**HOW CAN KENTUCKIANS OPEN ACCOUNTS?**

* As of June 2, 2016, Ohio is the only state that has a program offering ABLE Accounts.
The Ohio program is open to people from other states, including Kentucky.
More information is available at <http://www.stableaccount.com/> .
* Several other states plan to begin offering accounts soon, including: Tennessee, Nebraska, Virginia and Colorado.

**KEY CHARACTERISTICS OF ABLE ACCOUNTS**

* To quality, an individual must become disabled before age 26. In addition, an individual either must be entitled to Supplemental Security Income or Social Security Disability Income benefits, or file a disability certification with the IRS.
* ABLE Accounts are similar to college-savings plans governed by §529 of the US Tax Code. However, spending is allowed for “qualified disability expenses” (not just on education-related expenses).
* Qualified disability expenses are any expenses made for the benefit of the designated beneficiary related to his/her disability, including: education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, funeral and burial expenses.
* Any person, such as a family member, friend, or the person with a disability, may contribute to an ABLE account for an eligible beneficiary
* The legislation includes a Medicaid pay-back provision, which could allow recoupment for Medicaid payments from money left in the account after the beneficiary’s death.

For more information, visit <http://www.ablenrc.org/>.