



Frequently-Asked Questions about Achieving a Better Life Experience (ABLE) Savings Accounts

What is the ABLE savings program?

The Achieving a Better Life Experience (ABLE) Act enacted by Congress in late 2014 allows states to establish tax-advantaged savings accounts for certain individuals with disabilities for their disability-related expenses. In addition, these funds would generally not be considered for supplemental security income (SSI) program, Medicaid, and certain other federal means-tested benefits.

Under the Act, each state's legislature determines if, how, and when ABLE accounts will be offered in that particular state, including who will administer the program. The Virginia General Assembly enacted the Virginia Achieving a Better Life Experience (ABLE) bill during the 2015 session and Governor McAuliffe signed it into law in March 2015. The Virginia ABLE bill authorizes the Virginia College Savings Plan (Virginia529) to develop, implement and administer a new savings program which will provide tax-advantaged savings options for qualified persons with disabilities.

How is an ABLE account different from a 529 account?

Both programs help individuals and families save for future expenses using a tax-advantaged account. While 529 accounts must be used for qualified higher education expenses to be tax-free, ABLE accounts have a broader list of qualified disability expenses.

In addition, the ABLE program differs from 529 college savings programs in a few other key areas. These include:

- Significant federal benefits program advantages - the funds would generally not be considered for supplemental security income (SSI) program (with certain exceptions), Medicaid, and certain other federal means-tested benefits
- A cap on annual contributions
- A maximum of one account per beneficiary
- A home state requirement - ABLE account must be opened in the state of residence of the beneficiary
- A requirement that the account owner be the beneficiary (or their representative)

Look for more information on the features and benefits of ABLE accounts in the future.

What has been happening since Congress enacted the ABLÉ Act?

December 2014	Congress enacted the Achieving a Better Life Experience (ABLE) Act
February 2015	Virginia General Assembly enacted the Virginia Achieving a Better Life Experience (ABLE) bill
March 2015	Governor McAuliffe signed the Virginia ABLE bill into law
June 2015	U.S. Department of the Treasury (Treasury) proposed regulations on key aspects of the program.
Summer and fall 2015	Virginia529, along with other states and industry associations, worked with Treasury to amend the draft regulations in several key areas to allow states to provide ABLE programs that are flexible, customer-friendly, and cost-effective.
November 2015	Treasury issued interim guidance (Notice 2015-81) indicating its intent to amend the regulations as recommended by Virginia529 and others. We continue to work with the Social Security Administration (SSA) on the reporting requirements required by the ABLE Act. Receiving amended Treasury regulations allows Virginia529 to move forward in developing and implementing our ABLE disability savings program.

When will Virginia's ABLE program be available?

Virginia529 anticipates the earliest a Virginia ABLE program will be available is the end of 2016.

Designing and implementing a flexible, affordable, easy-to-access savings program with appropriate, quality investment options takes considerable time and resources. Virginia529 will work as quickly as possible to coordinate regulatory, operational, programmatic and investment option issues required to get the program running.

We understand that everyone who has worked tirelessly over an eight-year period to make ABLE a reality is now ready to begin saving in an ABLE account. We are committed to bringing the ABLE program to life as quickly as possible – but we also want to ensure that we do it right and offer a program that addresses the needs of participants and meets the high standards we adhere to in our successful college savings programs.

How will ABLE affect the Virginia529 college savings mission?

The mission of Virginia529 is to ***continue to be a national leader in 529 programs by providing superior, affordable, innovative, tax-advantaged college savings options to assist families and others in achieving their higher education goals.*** The establishment of an ABLE program creates a new mission for Virginia529, which will not at all diminish our focus on, and commitment to, our college savings mission. Instead, we will have a similar focus and commitment to our new mission to create the same kind of ***superior, affordable, innovative, tax-advantaged*** savings options to assist individuals with disabilities.

How do I stay informed about Virginia's ABLE program?

Find updates for ABLE Virginia at Virginia529.com/Whats-New. A new website dedicated solely to Virginia's ABLE program and its development is under construction. When the new site is available, Virginia529 will announce it at Virginia529.com/Whats-New.