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ABLE Act passes Senate, will offer greater financial independence to disabled Oregonians

SB 777 aligns Oregon with federal law, created tax-free savings accounts

SALEM – The Senate approved legislation this morning creating the Achieving a Better Life Experience Act (ABLE) program. Senate Bill 777 creates a savings program for children with disabilities, or adults with disabilities whose disability manifested before 26 years of age, allowing those eligible to set and reach financial goals and become more self-sufficient. If signed into law, Oregon will become the second state in the nation to make this opportunity available to its citizens

“It’s unthinkable that for so long people with disabilities have been unable to save their own money to meet their own needs. It’s a formula for life long poverty,” said Senator Sara Gelser (D-Corvallis), chief sponsor of the bill. “The ABLE account will open the door to financial independence—allowing parents to save for their disabled children’s future and allowing adults with disabilities to save for things like buying a car or paying first and last month’s rent so they can live on their own. This is a game changer.”

Currently, individuals with disabilities cannot build assets because if they save more than \$2,000 at any one time, they risk losing access to Medicaid, Social Security, and other benefits. This makes it nearly impossible for people with disabilities to save money for a house, a car, education services, or even medical necessities. In 2014 Congress passed the ABLE Act to address this problem by permitting the creation of tax-free, state-based savings accounts. To implement the federal Act, a state must create its own ABLE savings plan.

“I applaud Senator Gelser’s hard work and dedication to bringing this lifeline to financial security and independence to disabled Oregonians,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “This bill will open the door to savings for thousands of Oregon adults and children with disabilities. It will lead to greater independence and better peace of mind.”

The ABLE program allows individuals with disabilities, their parents, their relatives, and other eligible parties to set aside money for disability related expenses, including education, housing, transportation, employment supports, health and wellness, assistive technology, and other qualifying expenses. Contributions and distributions are tax deductible under state law. Similar to the state’s college savings plan, the ABLE plan limits tax exempt contributions to those made before the beneficiary turns 21 years old.

SB 777 will now go to the floor of the House of Representatives for a vote.

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