MARYLAND STATE TREASURER
Dereck E. Davis

Testimony of the Maryland State Treasurer's Office

Senate Bill 592: Maryland Achieving a Better Life Experience (ABLE) Program - Materials for Individualized Education Program, Individualized Family Service Plan, and 504 Plan Meetings

Position: Favorable

House Ways and Means Committee

March 27, 2024

As part of an ongoing effort to raise awareness about the Maryland ABLE Program, the State Treasurer's Office (STO) respectfully requests that the Committee give favorable consideration to Senate Bill 592. In recent weeks, the Committee and full House of Delegates unanimously passed the identical crossfile, House Bill 336.

Need for Broader Promotion

Since assuming responsibility of the Maryland 529 Program in June 2023, STO has learned that the Maryland ABLE Program, despite being one of the fastest growing ABLE programs in the nation,[1] is underutilized. As of January 19, 2024, a total of 6,069 Marylanders held individual ABLE accounts. By comparison, a total of 16,695 Marylanders under the age of 18 were eligible to receive Supplemental Security Income (SSI) in the most recent year for which data is available.[2]

To promote participation, STO has partnered with Senator Zucker to introduce this important piece of legislation, which requires local school systems to share information about the ABLE Program at Individualized Education Program (IEP), individualized

[1] According to data collected by the National Association of State Treasurers in December 2023, in terms of both accounts and assets under management, Maryland ranks among the top 10 out of 47 states with ABLE programs.
[2] Social Security Administration "SSI Recipients by State and County, 2022," available at: https://www.ssa.gov/policy/docs/statcomps/ssi_sc/2022/md.pdf (accessed January 27, 2024).

family service plan (IFSP), and 504 plan meetings. The bill in its current posture ensures that as many Maryland families as possible will receive information about the Maryland ABLE Program for their children.

Feasibility of Distribution

STO has already developed the informational materials and met with the Maryland State Department of Education (MSDE) to discuss the feasibility of distributing the materials at the three touchpoints that would be covered under the bill. MSDE has committed to coordinating with local school systems to facilitate implementation. STO commits, in turn, to assisting families who express interest in the Maryland ABLE Program.

Benefits of Maryland ABLE

ABLE accounts are tax-advantaged savings accounts for eligible individuals with disabilities. In order to be eligible, an individual must have (1) experienced onset of the disability before age 26,[3] (2) a disability that is terminal or long-term (more than 12 months) that causes “marked and severe functional limitations,” and (3) be entitled to benefits such as Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) or be able to provide a “disability certification” from a doctor.[4]

The accounts are established under the name of the beneficiary (i.e., the person with a qualified disability). Assets grow tax-free and can be withdrawn without tax consequences when used for Qualified Disability Expenses. The first $100,000 in an account is disregarded for purposes of calculating the $2,000 asset limit set by Supplemental Security Income (SSI). ABLE account balances are discounted for purposes of eligibility for federal as well as Maryland means-tested programs.

For the foregoing reasons, STO requests that the Committee give Senate Bill 592 a favorable report. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.

[3] In 2026, federal law increases the age of onset to 46. National Association of State Treasurers, Press Release, available at: https://nast.org/wp-content/uploads/edited-able-press-release.pdf, December 23, 2022 (accessed January 27, 2024).
[4] Eligibility, ABLE Today, available at: https://www.abletoday.org/eligibility (accessed January 27, 2024).