

SB343_ The Maryland Developmental Disabilities Coal

Uploaded by: Ande Kolp

Position: FAV



MARYLAND DEVELOPMENTAL DISABILITIES COALITION

Dedicated to the rights and quality of life for people with developmental disabilities in Maryland

SB343- Maryland Achieving a Better Life Experience (ABLE) Program - Account Establishment - Procedures

Senate Education, Energy, and the Environment Committee

February 22, 2023

Position: Support



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The Maryland Developmental Disabilities Coalition is comprised of five statewide organizations that are committed to improving the opportunities and outcomes for Marylanders with intellectual and developmental disabilities (IDD).

SB343 will change Maryland law to align with changes made to the Federal law. It clarifies and increases who can help someone set up an ABLE Account. It also allows Maryland to raise the age limit for when someone can to set up an ABLE Account.

Why this is important:

- Maryland ABLE accounts help individuals with disabilities save money and pay for qualified disability-related expenses without losing the federal and state benefits they need, like SSI or Medicaid benefits.
- Congress passed the ABLE Age Adjustment Act in 2022. It raised the age limit for those eligible to open an ABLE account. The age limit increased from age 26 to age 46, making it possible for people who are disabled later in life to open an ABLE account.
- There have been other changes on the federal level to clarify and expand who may help a person open an ABLE account. This bill states that an ABLE account may be established for an eligible individual only by certain people. The list in SB 343 mirrors federal law.
- SB 343 sets guidelines about who cannot open an ABLE Account for someone. This helps further protect the person with a disability.

With these changes to Maryland law, more people will be able to open ABLE Accounts to save their money, and have money when they need it for “qualified disability-related” expenses.

Contact: Ande Kolp, The Arc Maryland, akolp@thearcmd.org

SB343_ABLEAccounts_KennedyKrieger_support.pdf

Uploaded by: Emily Arneson

Position: FAV



DATE: February 22, 2023 **COMMITTEE:** Senate Education, Energy and the Environment
BILL NO: Senate Bill 343
BILL TITLE: Maryland Achieving a Better Life Experience (ABLE) Program - Account Establishment Procedures
POSITION: Support

Kennedy Krieger Institute supports Senate Bill 343 - Maryland Achieving a Better Life Experience (ABLE) Program - Account Establishment – Procedures.

Bill Summary:

Senate Bill 343 establishes procedures regarding persons who may establish or receive distributions from an ABLE account in the Maryland ABLE Program.

Background:

Kennedy Krieger Institute provides specialized services to patients and students nationally and internationally. Kennedy Krieger Institute is dedicated to improving the lives of children and young adults with developmental, behavioral, cognitive and physical challenges. Kennedy Krieger’s services include inpatient, outpatient, school-based and community-based programs.

The Maryland Center for Developmental Disabilities (MCDD) at Kennedy Krieger Institute is proud to be Maryland’s University Center for Excellence in Developmental Disabilities Education, Research, and Service (UCEDD) and a member of the national Association of University Centers on Disabilities (AUCD).

MCDD links the community to vital services, research and information to improve the lives of people with disabilities. Our mission is to provide leadership that advances the inclusion of people with intellectual, developmental and other disabilities through preservice preparation and training; research and evaluation; community service and technical assistance; and information dissemination.

Rationale:

ABLE accounts are an important tool for individuals with disabilities to save money without jeopardizing state or federal benefits such as Social Security or Medicaid. Additionally, ABLE accounts are a tax-advantaged savings program that allow for the payment of qualified disability expenses such as medical and dental care, education, housing, transportation, and more.

This legislation clarifies who may open and establish an ABLE account on behalf of an eligible individual. By allowing an eligible agent to open an ABLE account, individuals with disabilities are supported in starting good financial habits and savings.

Kennedy Krieger Institute requests a favorable report on Senate Bill 343.

SB343_Zucker_FWA.pdf

Uploaded by: Senator Craig Zucker

Position: FWA

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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 343 – ABLE Act – Maryland Achieving a Better Life Experience Program –
Account Establishment – Procedure
Education, Energy, and the Environment
February 22, 2023
1:00 PM
Position: FAV with Amendments

Good afternoon, Chairman Feldman, Vice Chair Kagan, and distinguished members of the committee. It is my pleasure to testify today in support of **Senate Bill 343 – ABLE Act – Maryland Achieving a Better Life Experience Program.**

Maryland ABLE is a tax-free savings account for the purpose of covering eligible qualified expenses associated with living with a disability. Senate Bill 343 seeks to adopt the federal regulations by the Internal Revenue Service (IRS) into Maryland statute that clarify the “eligible individuals” that can establish and operate an ABLE account. The eligible individuals are:

- 1) The eligible individual themselves;
- 2) A person selected by the eligible individual;
- 3) The eligible individual’s agent under a Power of Attorney; or
- 4) If the individual does not have power of attorney, in the following order, the eligible individual’s:
 - a. Conservator or legal guardian;
 - b. Spouse;
 - c. Parent;
 - d. Sibling;
 - e. Grandparent; or
 - f. Representative payee appointed by SSA (Social Security Administration).

By aligning Maryland’s ABLE Act with federal regulations, the Maryland 529 Board will be able to more clearly establish and operate ABLE accounts and designated beneficiaries.

I would like to thank Chairman Feldman, Chairman Guzzone, Vice Chair Waldstreicher, and Senator Hettleman for cosponsoring this important piece of legislation with me. For these reasons, I urge a favorable report on Senate Bill 343. Thank you for your time and consideration.

SB0343_DHS_INFO.pdf

Uploaded by: Rachel Sledge

Position: INFO

Date: February 22, 2023

Bill number: SB0343

Committee: Senate Education, Energy, and Environment Committee

Bill title: **Maryland Achieving a Better Life Experience (ABLE) Program- Account Establishment**

DHS Position: **LETTER OF INFORMATION**

The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide written information for Senate Bill 343 (SB 343).

Senate Bill 343 would establish certain procedures for Achieving a Better Life Experience (ABLE) accounts and the distribution of funds beginning October 1, 2023. The bill specifically establishes who, other than the designated beneficiary of the account, can establish an account on the designated beneficiary's behalf, as well as request distributions from the account for the designated beneficiary. This bill also requires the Maryland 529 Board to have procedures set for how account establishment and distribution can occur with an authorized representative.

The Maryland ABLE program helps individuals with a disability access resources to pay for disability-related expenses without jeopardizing eligibility for SSI or Medicaid. Funds from an ABLE account can be utilized to cover living expenses, education, employment training and support, assistive technology and other services related to the beneficiary's disability. Senate Bill 343 expands the pool of authorized representatives who can establish and request distribution from these accounts on behalf of eligible individuals, which will increase utilization of the Maryland ABLE Program.

DHS requests the Committee to take two key considerations into account for ensuring that individuals have the opportunity to make life decisions regarding their financial well being, and that sufficient protections exist to prevent the misuse of these funds and the exploitation of these individuals. First, Senate Bill 343 does not provide clarity regarding who may or may not be an additional eligible person to establish an ABLE account. Secondly, Local Departments of Social Services and Area Agencies on Aging Directors serve per § 13-705 of the Estates and Trust Article as the Public Guardian of the Person. Senate Bill 343 would be strengthened by including the clarification that they are not permitted to establish an ABLE Account.

Adult Protective Services is mandated to investigate allegations of financial exploitation of vulnerable adults in Maryland. Financial exploitation investigations continue to rise as more public awareness and educational outreach is provided on the topic. Senate Bill 343 may be overly expansive in that it would permit any person, without requiring a fiduciary relationship as a power of attorney or any other relationship or legal duty to the beneficiary, to open a 529A account and manage its funds for an individual with a disability. It appears to permit any individual authorized to open the account to request distributions from the account, possibly subjecting the beneficiary to tax liability, loss of benefits, and potential misuse of assets.

The Department appreciates the opportunity to provide the aforementioned information to the Committee for consideration during your deliberations. DHS welcomes continued collaboration with the Committee on SB 343.

