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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

To: House Committee on Commerce and Economic Development
Senate Committee on Economic Development, Housing and General Affairs

From: Kirsten Murphy, Executive Director, Vermont Developmental Disabilities Council
Tim Lueders-Dumont, Policy Director, Office of the State Treasurer

Date: January 14, 2017

Re: Vermont Achieving a Better Life Experience (ABLE) Task Force Legislative Report,
Pursuant to ACT 157 of 2016

Vermont passed enabling Legislation (S.138) for a Vermont ABLE Savings Program in Act 51 during the 2015 legislative session. In 2016, ACT 51 was amended by ACT 157¹ to allow for the State Treasurer to partner or contract with another State to implement an ABLE Program.

The Vermont Achieving a Better Life Experience (ABLE) Savings Program is intended to ease financial strains faced by individuals with disabilities by making federal tax-advantaged savings accounts available to cover qualified expenses such as education, housing, and transportation. Pursuant to Act 51, the Vermont State Treasurer convened the Vermont ABLE Task Force on August 31, 2015. In 2015 and 2016 the Task Force met six times.

In June of 2016 the Office of the State Treasurer and the Vermont Developmental Disabilities Council convened a meeting of New England states that included disability organizations, 529 Administrators, and Treasurer's Offices to discuss ABLE implementation, partnerships, and concerns of potential participants.

In the summer and fall of 2016 the Office of the State Treasurer, the Vermont Developmental Disabilities Council, and Green Mountain Self-Advocates, conducted a series of interviews with potential partner states. On September 23, 2016 the Office of the State Treasurer convened a meeting

¹ Act 157,

<http://legislature.vermont.gov/assets/Documents/2016/Docs/ACTS/ACT157/ACT157%20As%20Enacted.pdf>

with the Vermont ABLE Task Force and other organizations that support Vermonters with disabilities. The Task Force agreed that the Office of the State Treasurer should pursue a partnership with the Ohio State Treasurer's Office and that the Ohio STABLE program was in the best interest of Vermonters with disabilities and their families.

On November 21, 2016, The Treasurer's [announced a partnership](#)² with the Ohio State Treasurer's Office in implementing the Vermont ABLE program in Vermont. The program will include a debit card and a Vermont branded webpage. The Vermont ABLE program will launch in the first quarter of 2017 in partnership with the Ohio State Treasurer's Office.

The Task Force and the Treasurer's Office, consistent with the report submitted in January 2016, continues to recommend that the Vermont Agency of Human Services and its departments conduct rulemaking and other appropriate measures to ensure that ABLE accounts are expressly exempt from consideration as an asset or resource in determining eligibility for State benefit programs. This will eliminate confusion for administrators and beneficiaries and ensure that participants in ABLE savings plans may continue participation in other benefit programs uninterrupted and without affecting their eligibility. This will also ensure consistency across public benefits programs. AHS, VTDDC, and DAIL are all working towards making sure this work happens.

The Task Force and the Treasurer's Office recommend that an annual update be submitted through the Treasurer's Office regarding participation and progress of the Vermont ABLE program.

The Treasurer's Office and Vermont ABLE Task Force advocate for the continuation of the Vermont ABLE Task Force, rather than forming an "ABLE Advisory Board." The Task Force and the Treasurer's Office will continue to convene the Vermont Able Task Force in its present composition as well as the addition of new members in an ad-hoc fashion and in consultation with the Vermont Developmental Disabilities Council.

For more information please see the attached Vermont ABLE Factsheet and visit the [Vermont ABLE Task Force webpage](#)³.

² http://www.vermonttreasurer.gov/sites/treasurer/files/VT-ABLE_PressRelease.pdf

³ <http://www.vermonttreasurer.gov/reports/ABLE-task-force>



Fact Sheet

WHAT IS VERMONT ABLE?

In 2014, Congress passed the Achieving a Better Life Experience Act (the “ABLE Act”). The Act allows states to set up 529-like accounts for individuals with disabilities.

Prior to the ABLE Act, individuals with disabilities who received any type of means-tested benefits, such as SSI or Medicaid, could not have more than \$2,000 in savings. These so-called “asset limits” forced many individuals to live in poverty, preventing them from working, saving money, owning homes, and planning for their futures.

ABLE Accounts change all of that. With an ABLE Account, individuals can save much more than \$2,000, without risking the loss of critical benefits.

Vermont ABLE is offered through a partnership with Ohio’s ABLE program, STABLE Accounts. The partnership is free to Vermont, and allows Vermonters access to the first, and the largest, ABLE program in the country, at reduced annual fees.

ELIGIBILITY

- 1 Must be a Vermont resident
- 2 Developed blindness or qualifying disability before age 26
- 3 Disability will last for at least one year

QUALIFIED EXPENSES

Under the proposed federal ABLE regulations, account holders can use their STABLE Accounts for a wide variety of expenses, including (but not limited to):



Health



Education



Housing



Transportation



Legal Fees



Financial
Management



Assistive
Technology &
Personal Support
Services



Employment
Training &
Support



Oversight
Monitoring



Basic Living
Expenses



Funeral
& Burial

ACCOUNT BASICS

- STABLE Accounts are investment accounts, not bank accounts. They are similar to 529 college savings accounts or 401k accounts, but they offer the transactional capabilities of a checking account and the benefits protections of a Special Needs Trust.
- STABLE offers five investment options for account holders:
 - 4 Vanguard Target Risk Mutual Funds (the “LifeStrategy” Funds)
 - 1 FDIC-insured portfolio, offered by Fifth Third Bank
- There is a monthly account maintenance fee of \$5.00/month (\$60.00/year). Vermonters will also pay a small asset-based fee of between 0.19% and .34%, depending on the investment options they choose.
- The maximum *yearly* contribution limit is currently \$14,000.
- The maximum *lifetime* contribution limit is currently \$426,000.
- All STABLE Account holders can request a loadable, pre-paid debit card to use with their account. The card features its own online expense tracking portal, allowing users to write notes and categorize their expenses for easy record-keeping.
- Account enrollment is online and free. Vermonters can open an account on www.vermontable.com (expected launch February 2017). Accounts can be managed online.
- The minimum deposit required to open an account is just \$50.00.
- Earnings grow free of federal income tax.
- Online gifting platform allows friends, family, and employers to make gifts directly into an individual’s STABLE Account.
- Can contribute via check or by electronic funds transfer from an existing bank account.
- Free, unlimited withdrawals (including bill-pay capability).
- Dedicated customer service available 9A-6P, M-F.

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NEWS RELEASE— November 21, 2016

Press Contacts: Tim Lueders-Dumont (802) 595-3197
Kristen Murphy (802) 828-1312

State Treasurer Beth Pearce Announces New VT-ABLE Savings Initiative for Vermont Individuals with Disabilities

MONTPELIER, Vt.— Vermont State Treasurer Beth Pearce today announced that Vermonters who experience a disability will soon be able to save money in a federally tax-advantaged VT-ABLE savings plan, making Vermont one of only a handful of states to offer a plan since President Obama signed the Achieving a Better Life Experience (ABLE) Act into law in December 2014.

"I am excited to announce that we have reached an agreement to launch Vermont's ABLE savings plan for Vermonters who experience a disability," said Treasurer Pearce. "Once launched in early 2017, these accounts will allow eligible Vermonters to save adequate money for future needs in federal tax-deferred accounts. We are expanding access to savings, independence, and enabling individuals to save the dollars they have earned through employment." Previously, individuals with a disability were often precluded from saving by federal benefit cliffs. This federally tax-deferred plan will permit individuals to save for their future needs."

VT-ABLE will allow eligible Vermonters to receive preferred federal tax treatment as they save for disability related expenses like housing, transportation, employment training, and other important needs. VT-ABLE participants will be able contribute up to \$14,000 annually – greatly improving the savings options for Vermonters who experience a disability. Treasurer Pearce noted that, "VT-ABLE will help further the goal of empowering more Vermonters to achieve a lifetime of financial well-being."

"ABLE programs meet several needs. Parents and other relatives want a flexible, low cost way to put aside money for the future of a family member with a disability. Working adults with disabilities want to keep what they earn without frequent adjustments to benefits like Social Security, which has a \$2000 asset limit. In either case, the savings remains in the name of the person with the disability, which is empowering. We should all learn the importance of saving," said Kirsten Murphy, Executive Director of the Vermont Developmental Disabilities Council.

VT-ABLE will be administered through a partnership with the Ohio State Treasurer's Office. The Vermont/Ohio platform was selected after a lengthy vetting process by the Vermont ABLE Task Force, which met throughout 2015 and 2016 to convene an extensive stakeholder process.

Tim Lueders-Dumont, Policy Director for the Vermont Treasurer's Office, who staffed the Task Force, noted the hard work that stakeholders put into making the best decision for Vermonters in need: "We looked at a range of options before entering into a partnership with the Ohio State Treasurer's Office. The Task Force came together to find a solution that would enhance the well-being of Vermonters who have waited a long time for the opportunity to save for their current and future needs."

"I'd like to thank Ohio Treasurer Josh Mandel and his staff for the collaborative spirit they have brought to developing VT-ABLE," said Treasurer Pearce. "We are confident we are building a savings product that will allow Vermonters to save more dollars and take control of their lives."

VT-ABLE will allow Vermonters to enroll in a savings plan through a secure web portal. A range of saving plans will be available to eligible Vermonters, with user-friendly functionality to allow online electronic funds transfers, easy withdrawals, and a debit card. The goal of the system is to maximize ease of use for VT-ABLE plan participants.

"We received a wealth of feedback from stakeholders who participated in our ABLE Task Force process," explained Treasurer Pearce. "I'd like to acknowledge the efforts of Vermont disability advocates and other parties who have participated in the ABLE Task Force. The launch of VT-ABLE would not be possible without your insight and feedback. I would also like to thank the House and Senate Economic Development Committees for working with the Treasurer's Office to pass enabling legislation in 2015," she concluded.

It is expected that VT-ABLE will be launched and made available to Vermonters in the first quarter of 2017. With any questions regarding the program please contact Tim Lueders-Dumont, Policy Director in the Treasurer's Office at 802-828-1451 or at treasurers.office@vermont.gov

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