

HCS SS SCS SB 174 -- MISSOURI ACHIEVING A BETTER LIFE EXPERIENCE PROGRAM

This bill establishes the Missouri Achieving a Better Life Experience (ABLE) Program. A participant can make tax-deductible contributions to an account established for the purpose of financing the qualified disability expenses of a designated beneficiary. Designated beneficiaries are persons who are eligible individuals who are entitled to benefits based on disability or blindness under the federal Social Security Act and the blindness or disability occurred prior to turning 26 years of age. Persons who are certified as disabled also qualify as eligible individuals. "Eligible individual" and "designated beneficiary" are both defined by reference to federal law.

The bill establishes the Missouri ABLE Board that is charged with establishing and administering the ABLE Program. The membership of the board is specified including two persons having demonstrable experience and knowledge in the areas of finance or the investment and management of public funds, one selected by the Speaker of the House of Representatives and one selected by the President Pro Tem of the Senate. The board is given power and authority similar to that delegated to the Missouri Higher Education Savings Program Board. The board can enter into participation agreements with participants on behalf of designated beneficiaries that are similar to those participation agreements entered into under the Missouri Higher Education Savings Program.

The bill permits any participant to cancel a participation agreement at any time. However, the board must impose a penalty equal to or greater than 10% of the earnings of the account for any distribution that does not meet specified requirements.

Beginning January 1, 2015, the bill exempts from taxation by the state or any of its political subdivisions the assets of any ABLE account and any income therefrom. Participants may deduct up to \$8,000 per participant or \$16,000 if married filing jointly from their adjusted gross income. The maximum annual and aggregate contribution amounts that can be contributed to an ABLE account may not be less than the amount established for qualified tuition savings accounts by the Missouri Higher Education Savings Program Board.

The bill requires the Director of Investment of the State Treasurer's Office to conduct a semiannual review of the program and annually report his or her findings to the board that must subsequently disclose the findings at a public meeting.