

Financial Institutions and Consumer Finance

H.B. 155

- Reps.** Dever and Conditt, Amstutz, Anielski, Becker, Boyd, Brown, Buchy, Derickson, DeVitis, Dovilla, Driehaus, Duffey, Ginter, Grossman, Hall, Hambley, Hayes, Henne, Huffman, Koehler, Landis, LaTourette, Lepore-Hagan, Maag, Manning, McClain, Patmon, Patterson, Ramos, Retherford, Romanchuk, Ryan, Schuring, Sears, Slesnick, Sweeney, Terhar, Zeltwanger, Antani, Antonio, Baker, Barnes, Bishoff, Blessing, Boose, Brenner, Burkley, Butler, Clyde, Craig, Cupp, Fedor, Gerberry, Gonzales, Green, Hackett, Hagan, Howse, G. Johnson, T. Johnson, Kraus, Kuhns, Kunze, Leland, McColley, M. O'Brien, S. O'Brien, Pelanda, Phillips, Reece, Reineke, Rezabek, Rogers, Ruhl, Schaffer, Slaby, Stinziano, Strahorn, Thompson, Vitale, Rosenberger
- Sens.** Bacon, Balderson, Beagle, Brown, Burke, Coley, Eklund, Gardner, Hite, Hottinger, Hughes, Jones, Jordan, Lehner, Manning, Obhof, Oelslager, Patton, Peterson, Sawyer, Schiavoni, Seitz, Tavares, Thomas, Uecker, Widener, Williams, Yuko

Effective date: October 15, 2015

Qualified ABLE program

- Provides for the establishment, pursuant to federal law authorization, of the "Achieve a Better Living Experience" (ABLE) program in Ohio to encourage individuals and families to provide funding to assist disabled persons to maintain a healthy, independent, and quality lifestyle.
- Models the ABLE program after the qualified tuition programs authorized under Section 529 of the Internal Revenue Code, including the creation of tax-advantaged ABLE accounts to benefit designated beneficiaries who meet certain disability eligibility requirements established in federal law.
- Requires the Treasurer of State to implement and administer the ABLE program.

ABLE accounts

- Permits a designated beneficiary or the beneficiary's trustee or guardian to apply, on a form provided by the Treasurer, to open an account to pay for qualified disability expenses of the beneficiary.
- Limits contributions to ABLE accounts to only cash and establishes (1) a maximum annual contribution limited to the federal gift tax exclusion amount and (2) a maximum account value limit that is tied to the maximum established by the Ohio Tuition Trust Authority for the College Advantage Direct 529 Savings Plan.
- Exempts ABLE accounts from state and local means-tests for public assistance and excludes accounts from consideration for Medicaid eligibility.

- Exempts ABLE accounts from execution, garnishment, attachment, or sale to satisfy a judgment or order, but subjects the accounts to the Medicaid estate recovery program.
- Limits a beneficiary to a maximum of one ABLE account, but permits the transfer of an account to another designated beneficiary who meets federal eligibility requirements.
- Requires each distribution to be reported to the IRS and each account owner, the beneficiary, or the distributee to the extent provided in federal law.
- Requires statements to be provided each quarter to the account owner and requires separate accounting for each beneficiary.

Treasurer's responsibilities for ABLE program creation

- Requires the Treasurer to take various actions, listed in the act, that are necessary to implement an ABLE account program, including seeking rulings from the IRS; developing rules, forms, and marketing plans; and establishing procedures for disbursements and payment of administrative costs.
- Requires the Treasurer to contract, through a management contract or series of contracts that meet requirements established in the act, with one or more financial organizations to act as managers and depositories under the ABLE program.
- Provides procedures for when a manager's contract expires or is terminated by the Treasurer.
- Permits the Treasurer to enter into agreements with other states that permit their residents to participate in Ohio's ABLE program, and for Ohioans to participate in other states' programs.
- Permits the Treasurer and managers under the ABLE program to charge various fees.
- Provides that the ABLE program does not create an obligation upon the Treasurer, the state, or any state agency to guarantee to any account owner or beneficiary a return on principal or a rate or payment of interest on any account.
- Permits the following agencies to share information, to the extent permitted in federal law, about eligible individuals for purposes of the ABLE program: Treasurer; Departments of Medicaid, Job and Family Services, Health, Mental Health and Addiction Services, Developmental Disabilities, and Aging; and Opportunities for Ohioans with Disabilities.

Advisory Board

- Creates the nine-member ABLE Account Program Advisory Board to review and advise the Treasurer regarding the ABLE Program.
- Requires the Board, in consultation with the Treasurer, to prepare an annual report of its activities and recommendations, and permits it to prepare additional reports of its activities and recommendations, for the Governor, Speaker of the House, and the President of the Senate.