



May 30, 2017

Dear Member:



On behalf of the groups we represent and their members, we write to you in strong support of the ABLE Financial Planning Act (H.R. 1897), the ABLE to Work Act (H.R. 1896) and the ABLE Age Adjustment Act (H.R. 1874). These three bills, collectively known as ABLE 2.0, extend a vital lifeline to families with special needs children and allow these families and their children to move toward self-sufficiency, work and long-term financial independence.



The Achieving a Better Life Experience (ABLE) Act of 2014 created a new savings vehicle for families with special needs children—ABLE Accounts. Authorized under a portion of the same title as the 529 plans many families use to save for college, ABLE accounts allow families to set aside as much as \$500,000 for education and a range of other “qualified expenses” provided these disabilities began before the age of 26. As these expenses can amount to over \$2 million in a lifetime *beyond* those of having a child without special needs, ABLE accounts have been a financial godsend for families across the United States. For nonwealthy families, ABLE accounts allow long-term savings for life needs without the paperwork, burden and expense of the special needs trusts long used by the wealthy. At the same time, modest ABLE account balances do not impact eligibility for many services provided to those with disabilities. Because they encourage for private, voluntary saving, ABLE accounts will ultimately reduce many families’ and individuals’ need to rely on public assistance in the long run. SSI, the single largest program that exists exclusively to benefit the disabled, will cost taxpayers about \$65 billion this year and any move towards reform is sorely needed.



Like all significant new proposals, the ABLE Act had some bugs that have become evident in the few years it has been in force. In its current form, it is impossible for families that set aside money in conventional 529 plans to move funds into ABLE accounts without paying very significant penalties, and even rather modest income earned by disabled people holding ABLE accounts could not always be deposited into



these accounts. Furthermore, individuals that develop severe disabilities from accidents, adult onset mental illness or other causes after the age of 26 cannot benefit from ABLE accounts at all. The ABLE Financial Planning Act, the ABLE to Work Act and the ABLE Age Adjustment Act (allowing for the establishment of ABLE accounts for disabled persons under 46) fixes these oversights and will allow more special needs individuals and their families to benefit from ABLE accounts.

While each of these proposals will slightly reduce government revenues in the short term as a result of the favorable tax treatment of the ABLE Accounts, we believe each will result in both long-term savings for the country and, most importantly, better lives and increased ability to work for our fellow citizens with special needs.

The groups we represent hold a wide range of views on both tax reform and health care reform but all us agree that caring for people with special needs is important and should be undertaken in a manner that is fiscally responsible and, ideally, does not increase the budget deficit. The bills that make up ABLE 2.0 meet both of these threshold tests and we believe they are good public policy that is well worthy of your support.

Yours truly,

Eli Lehrer
President, The R Street Institute

Steve Pociask
President and CEO, The American Consumer Institute

Grover Norquist
President, Americans for Tax Reform

Norman Singleton
President, Campaign for Liberty

Jonathan Bydlak
President, Coalition to Reduce Spending

Heather R. Higgins
President and CEO, Independent Women's Voice

Gregory T. Angelo
President, Log Cabin Republicans

Pete Sepp
President, National Taxpayers Union