



JOHN J. MACCO

STATE REPRESENTATIVE • 88TH ASSEMBLY DISTRICT

Thank you Chairman Spiros and members of the Assembly Committee on Ways and Means for hearing AB 731 today. To give background, in December 2014 the US Congress passed the Achieve a Better Life Experience legislation, better known as ABLE, which allowed states to implement special tax-advantaged savings accounts for certain individuals with disabilities, similar to traditional 529 college savings accounts, only now under 529-A.

This new tool will allow many Wisconsin residents with disabilities to provide for themselves and plan for continuing education and other life expenses heretofore only available to non-disabled individuals. You will recall that our original bill enjoyed wide spread bi-partisan co-sponsorship prior to being included in the last budget.

Mr. DiUlio, Deputy Secretary Zueske and the whole Department of Administration team worked diligently with our office over the last six months to set in motion the infrastructure to bring this tool to our Wisconsin disabled community.

However, this past December, as states struggled to implement this new program, the United States Congress eliminated residency requirements for ABLE accounts. This seemingly small change will insure those who would benefit most, now have expeditious access to this very valuable tool and have greater choices and competitive options. This Congressional change also made it unnecessary for the state of Wisconsin to continue working on a proprietary program.

Therefore, our bill today eliminates portions of the Wisconsin ABLE legislation requiring DOA to implement a Wisconsin program while retaining the advantages, planning options and tax advantage portions for qualified participants. The net effect of this bill is to fulfill our promise made last year to our disabled community by allowing them access to 529-A ABLE accounts much faster and with more choices. We also are saving Wisconsin tax payers the expense of creating and overseeing a proprietary program, and our DOA the burden of administering one.

Thank you once again for hearing this bill today, and I look forward to your support.

Sincerely,

A handwritten signature in black ink, appearing to read "John Macco". The signature is written over a large, stylized, light-colored graphic element that resembles a large, thin-lined letter 'J' or a similar shape.

John Macco
Representative
88th Assembly District

Testimony AB 731: ABLE Accounts
Lisa Pugh, Public Policy Director
January 27, 2016

Thank you for the opportunity to provide testimony on AB 731 which updates the law regarding implementation of the federal Achieving a Better Life Experience Act of 2014.

Disability Rights Wisconsin – the state’s protection and advocacy agency for individuals with disabilities - is a strong supporter of the ABLE Act and has worked closely with Representative Macco as he has championed this program for Wisconsinites with disabilities and their families.

The Wisconsin ABLE Act bill will finally allow people with disabilities and their families to earn and save for the extraordinary expenses they often face. ABLE Act accounts allow people to earn and save up to \$14,000 per year to purchase a defined list of items typically challenging to access under current income limits, including dental care, assistive technology, transportation, housing, employment training, education, and more.

Under federal law, people with disabilities cannot have more than \$2,000 in assets at any time—an amount that hasn’t changed in 30 years. Tax-exempt ABLE savings accounts provide people with the opportunity to maintain economic stability and preserve critical health care coverage.

While for various reasons the current bill repeals the creation of a Wisconsin-specific ABLE program, it still allows for state and local tax exemption for contributions to another state's ABLE account. This will still benefit many people. In addition, Wisconsinites will have much quicker access to the benefits of ABLE accounts by enrolling in the program in states that are further along in the development of their systems.

At the same time, we hope to work with Representative Macco to reconsider establishment of a Wisconsin ABLE program in the near future – after perhaps learning from other states on how to develop an efficient program that protects people’s interests.

We also believe this bill could be improved by adding some simple consumer protection provisions that ensure that Wisconsinites have good information about what the ABLE program is, who is qualified to support them to set up such an account and which states are authorized to establish these accounts. We are afraid that without this basic information, the plan for ABLE accounts to be available to every eligible person with a disability and family in Wisconsin will not occur. **The DOA fiscal estimate also acknowledges the agency’s responsibility to guide Wisconsin residents to establish qualified accounts in other states. We see this as an opportunity to define what we believe people with disabilities and their families may need in terms of that information.**

We make the following suggestions to amend the bill:

The Wisconsin Department of Administration (or Department of Financial Institutions) shall:

MADISON	MILWAUKEE	RICE LAKE	
131 W. Wilson St. Suite 700 Madison, WI 53703	6737 West Washington St. Suite 3230 Milwaukee, WI 53214	217 West Knapp St. Rice Lake, WI 54868	disabilityrightswi.org
608 267-0214 608 267-0368 FAX	414 773-4646 414 773-4647 FAX	715 736-1232 715 736-1252 FAX	800 928-8778 consumers & family

- 1.) *Develop and maintain print and online materials to make Wisconsin families aware of the existence of ABLE accounts, as well as steps that need to be taken to set up an account and answer Frequently Asked Questions;*
- 2.) *Develop and maintain a list of states that currently offer ABLE accounts, with links to the websites or telephone numbers of the relevant state agencies in charge of the accounts;*
- 3.) *Authorize the Wisconsin Department of Agriculture, Trade and Consumer Protection to take consumer complaints, investigate and take action in ABLE Act account violation cases;*
- 4.) *Refer consumers, through a direct link, to the Department of Agriculture, Trade and Consumer Protection for filing complaints in ABLE Act account violations;*

Thank you for considering the addition of these protections.