

Committee on Banking and Insurance

CS/SB 642 — Individuals with Disabilities

by Banking and Insurance Committee and Senators Benacquisto and Sobel

The bill creates the Florida Achieving a Better Life Experience (ABLE) program, which would assist individuals with disabilities in saving money without losing their eligibility for state and federal benefits, and thereby providing a pathway for economic independence and a better quality of life. The ABLE accounts resemble in some respects the federal 529-college savings plan that are tax-advantaged savings accounts. The federal ABLE Act of 2014 (“ABLE Act”), authorizes states to establish ABLE programs as an agency or instrumentality of the state or contract with other states to administer such accounts if certain conditions are met.

The bill directs the Florida Prepaid College Board (Prepaid Board) to create Florida ABLE, Inc., as a direct support organization that must be organized as a not-for-profit corporation. The board of directors of Florida ABLE, Inc., must include the Chair of the Prepaid Board, one member appointed by the Prepaid Board (who may be a member of the Prepaid Board) and one member appointed by the Governor, both of whom have experience in accounting, risk management, or investment management, one appointee of the President of the Florida Senate, and one appointee of the Speaker of the Florida House of Representatives. The legislative appointees would include one advocate for individuals with disabilities and one advocate for individuals with developmental disabilities. The bill provides that the Florida ABLE, Inc., would operate under a contract with the Prepaid Board. Florida ABLE, Inc., is required to implement the Florida ABLE Program on or before July 1, 2016.

The bill provides that the state Medicaid agency, the Agency for Health Care Administration, would be a creditor of ABLE accounts. Upon the death of designated beneficiary of an account, and subject to any outstanding payments due for qualified disability expenses, all amounts remaining in the account, not to exceed the total medical assistance paid by or on behalf of Medicaid for such individuals after the account was opened, would be distributed to a state Medicaid program.

The bill provides a total appropriation of \$3,386,000 from the General Revenue Fund to the Department of Education for transfer to the Florida ABLE Program Trust Fund, for funding the costs for startup, staffing, market research, marketing, banking services, investment custodian and consultant services, records administration services, and general operations of Florida ABLE, Inc., for Fiscal Year 2014-2015.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 38-0; House 117-0