



Tax-Free Savings Program for Alabamians with Disabilities

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By: Press Release: AL State Treasurer Young Boozer

Montgomery, AL State Treasurer Young Boozer is pleased to announce the creation of the Alabama ABLE Plan that will provide a tax-free vehicle for saving for certain Alabamians who have disability-related expenses.

In December 2014, Congress approved the Achieving a [Better Life](#)  Experience ("ABLE") Act authorizing state-sponsored tax-exempt savings accounts for disability-related expenses. The Alabama legislature passed the Alabama ABLE Act during the 2015 regular session that establishes the in-state program.

ABLE will assist individuals and families to save private funds to support individuals with disabilities to maintain health,

independence, and [quality of life](#) . A few highlights of the new 529A IRS code section for ABLE accounts are:

- Monies can be used for qualified disability expenses, including education, housing, transportation, employment training and support, assistive technology and personal support services, health, financial [management](#)  and administrative services, legal fees, burial expenses, and other expenses the Secretary of the Treasury promulgates
- Beneficiary of the account must be disabled prior to age 26.
- Allows state tax-free growth and tax-free withdrawals (same as CollegeCounts 529 [Fund](#) ) if used for qualified disability expenses.

While all the laws have passed to clear the way to establish this program, Alabama is still awaiting final regulations from the U.S. Treasury in order to develop the program locally. "Our office is working with many national groups and representatives to [monitor](#)  these regulations which will hopefully be finalized later this year. We anticipate launching our program fall of 2016," said Boozer.

Alabama's program will be administered by the State Treasurer's office and will have oversight by the same board of directors as the CollegeCounts 529 Fund. Furthermore, the Alabama law requires the addition of a board member with [experience](#)  in health and disability matters. Treasurer Boozer is pleased that Jack Knight of Birmingham will join the CollegeCounts board. Mr. Knight is a CPA and with over 40 years of public accounting experience. He retired in 2014 as an Assurance and Business Advisory Member of Barfield, Murphy, Shank & Smith LLC. Mr. Knight also has extensive community service in the Birmingham area currently serving as Chair of Development Committee for The Arc of Jefferson County and Treasurer of the Board of Directors of The Arc of Alabama, the largest organization in Alabama dedicated solely to advocating for the rights and needs of children and adults with cognitive, intellectual and developmental disabilities.



