



State of Connecticut

**HOUSE OF REPRESENTATIVES
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Testimony

in support of

HB 7038: An Act Concerning the Establishment of Tax-Free Accounts to Provide for Disability Related Expenses Pursuant to the Federal Achieving a Better Life Experience Act

Finance, Revenue, and Bonding Committee

April 6, 2015

Senator Fonfara, Representative Berger, Senator Frantz, Representative Davis, and distinguished members of the Committee, thank you for the opportunity to testify in support of HB 7038: An Act Concerning the Establishment of Tax-Free Accounts to Provide for Disability Related Expenses Pursuant to the Federal Achieving a Better Life Experience Act.

I also want to thank you for raising this bill. As a strong demonstration of my conviction about the importance of this subject, I introduced HB 5447 early in this session, and on behalf of my constituents and others around the state who have contacted me, I am very grateful to you for your attention to the issue.

HB 7038 would allow persons with disabilities or members of their families to create tax-free "ABLE" savings accounts to pay for disability-related expenses like education, health care, transportation, housing, employment training and support, and personal support services. Funds in these ABLE accounts would not be considered assets when determining a beneficiary's eligibility for need-based services provided by the state.

Under newly passed federal law, ABLE accounts have a structure and regulatory framework similar to those of 529 college savings plans:

I would, however, point out two factors that distinguish ABLE account depositors and beneficiaries:

- ABLE account beneficiaries have lifelong needs.
- The lifetime need to pay for disability-related expenses is frequently not something that is expected in advance.

For many families, facing the lifelong obligations of providing constant care for a loved one is not only emotionally but also financially overwhelming.

One of my constituents who has an intellectually disabled son perhaps expressed the concerns of these families best when she said, "Will I have to work until I die to make sure that he has what he needs?" And she worries that even if she does, it is hard to know what will happen to him afterwards. It's a concern that she, and so many others, live with every day.

The ability to save tax-free for these future needs can help to provide a measure of reassurance for responsible people in the face of these daunting concerns. I hope, and trust, that you will give your most attentive consideration and support to HB 7038. It is a bill that this General Assembly needs to pass.