



General Assembly

Corrected Copy  
***Raised Bill No. 6738***

*January Session, 2015*

LCO No. 3419



Referred to Committee on PROGRAM REVIEW AND INVESTIGATIONS

Introduced by:  
(PRI)

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING THE FEDERAL ACHIEVING A BETTER LIFE EXPERIENCE ACT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2015*) As used in this section  
2 and sections 2 to 8, inclusive, of this act:

3 (1) "Achieving a better life experience account" or "ABLE account"  
4 means an account established and maintained pursuant to sections 2 to  
5 8, inclusive, of this act, that is established and owned by an eligible  
6 individual for the purposes of qualified disability expenses.

7 (2) "Designated administrator" means any corporation designated  
8 by the Treasurer for the purpose of administering ABLE accounts.

9 (3) "Disability certification" means, with respect to an individual, a  
10 certification by the individual or the parent or guardian of the

11 individual that satisfies the Secretary of the Treasury of the United  
12 States that (A) the individual has a medically determinable physical or  
13 mental impairment, that results in marked and severe functional  
14 limitations, and that can be expected to result in death or that has  
15 lasted or can be expected to last for a continuous period of not less  
16 than twelve months, or is blind, within the meaning of Section  
17 1614(a)(2) of the Social Security Act, and (B) such impairment or  
18 blindness occurred before the date on which the individual attained  
19 the age of twenty-six, and (C) a physician has signed a copy of the  
20 individual's diagnosis relating to the individual's relevant impairment  
21 or impairments.

22 (4) "Eligible individual" means an individual who is entitled to  
23 benefits based on blindness or disability under Title II or XVI of the  
24 Social Security Act, and such blindness or disability occurred before  
25 the date on which the individual attained the age of twenty-six, and a  
26 disability certification with respect to such individual is filed with the  
27 State Treasurer.

28 (5) "Designated beneficiary" means any individual state resident or  
29 resident of a contracting state originally designated in the participation  
30 agreement, who is an eligible individual and is the owner of an ABLE  
31 account.

32 (6) "Depositor" means any person making a deposit, payment,  
33 contribution, gift or otherwise in an ABLE account pursuant to a  
34 participation agreement.

35 (7) "Internal Revenue Code" means the Internal Revenue Code of  
36 1986, or any subsequent corresponding internal revenue code of the  
37 United States, as from time to time amended.

38 (8) "Participation agreement" means an agreement between the trust  
39 and depositors for participation in an ABLE account for a designated  
40 beneficiary.

41 (9) "Contracting state" means a state without a qualified ABLE  
42 program that has entered into a contract with this state to provide  
43 residents of the contracting state with access to qualified ABLE  
44 programs.

45 (10) "Physician" means a person licensed under chapter 370 of the  
46 general statutes.

47 (11) "Qualified disability expenses" means any expenses related to  
48 an eligible individual's blindness or disability that are made for the  
49 benefit of an eligible individual who is the designated beneficiary,  
50 including the following expenses: Education, housing, transportation,  
51 employment training and support, assistive technology and personal  
52 support services, health, prevention and wellness, financial  
53 management and administrative services, legal fees, expenses for  
54 oversight and monitoring, funeral and burial expenses, and other  
55 expenses that are approved by the Secretary of the Treasury of the  
56 United States under regulations and consistent with the purposes of  
57 this section and sections 2 to 8, inclusive, of this act.

58 Sec. 2. (NEW) (*Effective October 1, 2015*) (a) There is established  
59 within the Office of the State Treasurer the achieving a better life  
60 experience trust for the purposes of administering ABLE accounts to  
61 encourage and assist eligible individuals and families in saving private  
62 funds to provide support for individuals with disabilities. Under the  
63 trust, a person may make contributions to one ABLE account to meet  
64 the qualified disability expenses of the designated beneficiary of the  
65 account. The trust shall constitute an instrumentality of the state and  
66 shall perform essential governmental functions, as provided in sections  
67 1 to 8, inclusive, of this act. The trust shall receive and hold all  
68 payments and deposits or contributions intended for ABLE accounts as  
69 well as gifts, bequests, endowments or federal, state or local grants and  
70 any other funds from any public or private source and all earnings,  
71 until disbursed in accordance with sections 1 to 8, inclusive, of this act.

72 (b) The amounts on deposit in the trust shall not constitute property  
73 of the state and the trust shall not be construed to be a department,  
74 institution or agency of the state. Amounts on deposit in the trust shall  
75 not be commingled with state funds and the state shall have no claim  
76 to or against, or interest in, such amounts. Any contract entered into  
77 by, or any obligation of, the trust shall not constitute a debt or  
78 obligation of the state and the state shall have no obligation to any  
79 designated beneficiary or any other person on account of the trust and  
80 all amounts obligated to be paid from the trust shall be limited to  
81 amounts available for such obligation on deposit in the trust. The  
82 amounts on deposit in the trust may only be disbursed in accordance  
83 with the provisions of sections 1 to 8, inclusive, of this act. The trust  
84 shall continue in existence as long as it holds any deposits or has any  
85 obligations and until its existence is terminated by law, and upon  
86 termination any unclaimed assets shall return to the state. Property of  
87 the trust shall be governed by section 3-61a of the general statutes.

88 (c) The State Treasurer shall be responsible for the receipt,  
89 maintenance, administration, investing and disbursements of amounts  
90 from the trust. The trust shall not receive deposits in any form other  
91 than cash. No depositor or designated beneficiary may direct the  
92 investment of any contributions or amounts held in the trust other  
93 than in the specific fund options provided for by the trust and shall not  
94 direct investments in such specific fund options more than two times  
95 in any calendar year. No interest, or portion of interest, in the program  
96 shall be used as security for a loan.

97 (d) A person may make contributions to an ABLE account to meet  
98 the qualified disability expenses of the designated beneficiary of the  
99 account, provided the trust and contributions meet the other  
100 requirements of this section, the ABLE Act of 2014, P.L. 113-295, as  
101 amended from time to time, and any regulations adopted thereunder  
102 by the Secretary of the Treasury of the United States.

103 (e) On or before June 30, 2016, and annually thereafter, the Treasurer

104 shall submit (1) in accordance with the provisions of section 3-37 of the  
105 general statutes, a report to the Governor on the operations of the  
106 trust, including the receipts, disbursements, assets, investments and  
107 liabilities and administrative costs of the trust for the prior fiscal year,  
108 and (2) in accordance with the provisions of section 11-4a of the  
109 general statutes, a report on the trust to the joint standing committee of  
110 the General Assembly having cognizance of matters relating to public  
111 health, and shall make such report available to each depositor and  
112 designated beneficiary. The report described in subdivision (2) of this  
113 subsection shall include, but not be limited to: (A) The number of  
114 ABLE accounts, (B) the total amount of contributions to such accounts;  
115 (C) the total amount and nature of distributions from such accounts;  
116 and (D) a description of issues relating to the abuse of such accounts.

117 Sec. 3. (NEW) (*Effective October 1, 2015*) The Treasurer, on behalf of  
118 the trust and for purposes of the trust, may:

119 (1) Receive and invest moneys in the trust in any instruments,  
120 obligations, securities or property in accordance with section 4 of this  
121 act;

122 (2) Establish consistent terms for each participation agreement, bulk  
123 deposit, coupon or installment payments, including, but not limited to,  
124 (A) the method of payment into an ABLE account by payroll  
125 deduction, transfer from bank accounts or otherwise, (B) the  
126 termination, withdrawal or transfer of payments under an ABLE  
127 account, including transfers to or from a qualified ABLE program  
128 established by another state pursuant to the ABLE Act of 2014, P.L.  
129 113-295, as amended from time to time, (C) penalties for distributions  
130 not used or made in accordance with said act, and (D) any charges or  
131 fees in connection with the administration of the trust;

132 (3) Enter into one or more contractual agreements, including  
133 contracts for legal, actuarial, accounting, custodial, advisory,  
134 management, administrative, advertising, marketing and consulting

135 services for the trust and pay for such services from the gains and  
136 earnings of the trust;

137 (4) Procure insurance in connection with the trust's property, assets,  
138 activities or deposits or contributions to the trust;

139 (5) Apply for, accept and expend gifts, grants or donations from  
140 public or private sources to enable the achieving a better life  
141 experience program to carry out its objectives;

142 (6) Sue and be sued;

143 (7) Establish one or more funds within the trust and maintain  
144 separate ABLE accounts for each designated beneficiary; and

145 (8) Take any other action necessary to carry out the purposes of  
146 sections 1 to 8, inclusive, of this act and incidental to the duties  
147 imposed on the Treasurer pursuant to said sections.

148 Sec. 4. (NEW) (*Effective October 1, 2015*) Notwithstanding sections 3-  
149 13 to 3-13h, inclusive, of the general statutes, the State Treasurer shall  
150 invest the amounts on deposit in the trust in a manner reasonable and  
151 appropriate to achieve the objectives of such trust, exercising the  
152 discretion and care of a prudent person in similar circumstances with  
153 similar objectives. The Treasurer shall give due consideration to rate of  
154 return, risk, term or maturity, diversification of the total portfolio  
155 within the trust, liquidity, the projected disbursements and  
156 expenditures and the expected payments, deposits, contributions and  
157 gifts to be received. The Treasurer shall not require the trust to invest  
158 directly in obligations of the state or any political subdivision of the  
159 state or in any investment or other fund administered by the Treasurer.  
160 The assets of the trust shall be continuously invested and reinvested in  
161 a manner consistent with the objectives of such trust until disbursed  
162 for qualified disability expenses, expended on expenses incurred by  
163 the operations of the trust or refunded to the depositor or designated  
164 beneficiary on the conditions provided in the participation agreement.

165 Sec. 5. (NEW) (*Effective October 1, 2015*) Participation in the trust and  
166 the offering and solicitation of the trust are exempt from sections 36b-  
167 16 and 36b-22 of the general statutes. The Treasurer shall obtain  
168 written advice of counsel or written advice from the Securities  
169 Exchange Commission, or both, that the trust and the offering of  
170 participation in the trust are not subject to federal securities laws.

171 Sec. 6. (NEW) (*Effective October 1, 2015*) The property of the trust and  
172 the earnings on the trust shall be exempt from all taxation by the state  
173 and all political subdivisions of the state.

174 Sec. 7. (NEW) (*Effective October 1, 2015*) The state pledges to  
175 depositors, designated beneficiaries and with any party who enters  
176 into contracts with the trust, pursuant to the provisions of sections 1 to  
177 8, inclusive, of this act that the state will not limit or alter the rights  
178 under said sections vested in the trust or contract with the trust until  
179 such obligations are fully met and discharged and such contracts are  
180 fully performed on the part of the trust, provided nothing contained in  
181 this section shall preclude such limitation or alteration if adequate  
182 provision is made by law for the protection of such depositors and  
183 designated beneficiaries pursuant to the obligations of the trust or  
184 parties who entered into such contracts with the trust. The trust, on  
185 behalf of the state, may include this pledge and undertaking for the  
186 state in participation agreements and such other obligations or  
187 contracts.

188 Sec. 8. Section 3-22o of the general statutes is repealed and the  
189 following is substituted in lieu thereof (*Effective October 1, 2015*):

190 The Treasurer shall take any action necessary to ensure that the trust  
191 complies with all applicable requirements of federal and state laws,  
192 rules and regulations to the extent necessary for the trust to constitute  
193 a qualified state tuition program and be exempt from taxation under  
194 Section 529 of the Internal Revenue Code and the ABLE Act of 2014,  
195 P.L. 113-295.

196 Sec. 9. (NEW) (*Effective October 1, 2015*) Notwithstanding any  
197 provision of the general statutes, no moneys invested in the ABLE  
198 accounts shall be considered to be an asset for purposes of determining  
199 an individual's eligibility for assistance under the temporary family  
200 assistance program, as described in section 17b-112 of the general  
201 statutes, programs funded under the federal Low Income Home  
202 Energy Assistance Program block grant, and the federally  
203 appropriated weatherization assistance program, as described in  
204 section 16a-41i of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>October 1, 2015</i>	New section
Sec. 3	<i>October 1, 2015</i>	New section
Sec. 4	<i>October 1, 2015</i>	New section
Sec. 5	<i>October 1, 2015</i>	New section
Sec. 6	<i>October 1, 2015</i>	New section
Sec. 7	<i>October 1, 2015</i>	New section
Sec. 8	<i>October 1, 2015</i>	3-22o
Sec. 9	<i>October 1, 2015</i>	New section

**Statement of Purpose:**

To implement the recommendations of the Program Review and Investigations Committee concerning the federal Achieving a Better Life Experience Act of 2014.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*