

# JOHN HALL FROST

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Testimony to the Program Review and Investigations Committee Regarding Raised Bill  
No 6738 – An Act implementing the recommendations of the Program Review and  
Investigations Committee Concerning the Federal Achieving a Better Life Experience  
Act.

February 27, 2015

Senator Fonfara, Representative Carpino, Senator Kissel, Representative Mushinsky and distinguished members of the Program Review and Investigations Committee:

Good Afternoon. My name is John Frost. I live in Essex, CT and together with my wife Chip, we are the proud parents of a 28 year old disabled son. By way of background, I am recently retired from a career as a commercial banker in CT, I am a coach for the Special Olympics Connecticut Seaside-Saybrook Alpine Skiing and Sailing Teams, and I serve on the State Council on Development Services.

On behalf of all CT disabled individuals and their families, I ask that you give favorable consideration to Raised Bill No 6738 including the recommended change outlined below. The proposed Bill establishes the CT framework for the so-called "ABLE Account", a state based tax exempt savings/investment program authorized by federal legislation this past December. Under this plan, families may systematically save for the significant expenses they should expect to encounter for the probable life long support for their disabled family member.

To encourage greater participation in the program, reduce estate planning costs for many, and improve investment returns, I recommend a change to the Bill to equalize the state income tax treatment between Raised Bill No 6738 and CT's successful and widely used 529 tuition savings plan ("CHET") after which the ABLE Account was designed.

While earnings on both ABLE and CHET accounts will be exempt from federal and state income taxes, and contributions to neither type will be deductible for federal tax purposes, Raised Bill No 6738 lacks an important element of CHET's success by failing to include the limited state income tax deduction for CT residents making contributions to the ABLE Account.

Connecticut encourages saving for higher education with a deduction for contributions to CHET Accounts and should encourage contributions to ABLE Accounts by this method as well.

Thank you for the opportunity to provide this testimony.

A handwritten signature in cursive script, appearing to read "John H. Frost".

John H. Frost