

118TH CONGRESS
2D SESSION

H. R. 10296

To amend the Internal Revenue Code of 1986 to make expiring ABLE provisions permanent, improve accessibility and education for families, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 4, 2024

Mrs. RODGERS of Washington introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to make expiring ABLE provisions permanent, improve accessibility and education for families, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “ABLE Tomorrow
5 Act”.

1 **SEC. 2. ABLE ACCOUNT IMPROVEMENTS.**

2 (a) INCREASED CONTRIBUTION LIMIT MADE PERMA-
3 NENT.—Section 529A(b)(2)(B)(ii) of such Code is amend-
4 ed by striking “before January 1, 2026”.

5 (b) REPEAL OF TRANSFER TO STATE UPON DEATH
6 OF DESIGNATED BENEFICIARY.—Section 529A(f) of such
7 Code is amended to read as follows:

8 “(f) PROHIBITION ON STATE ADJUSTMENT OR RE-
9 COVERY OF MEDICAL ASSISTANCE.—Notwithstanding any
10 other provision of law, no State may seek adjustment or
11 recovery of any medical assistance correctly paid on behalf
12 of a designated beneficiary under a State Medicaid Plan
13 from the ABLE account of such designated beneficiary,
14 regardless of whether the ABLE account is part of the
15 designated beneficiary’s estate.”.

16 (c) ROLLOVER FROM 529 ACCOUNT TO ABLE AC-
17 COUNT MADE PERMANENT.—

18 (1) IN GENERAL.—Section 529(c)(3)(C)(i)(III)
19 of such Code is amended by striking “before Janu-
20 ary 1, 2026,”.

21 (2) REPEAL OF LIMITATION ON AMOUNT.—Sec-
22 tion 529(c)(3)(C)(i) of such Code is amended by
23 striking the matter following subclause (III).

24 (d) EXCEPTION TO CONTRIBUTION LIMIT FOR CER-
25 TAIN LUMP SUM PAYMENTS.—

1 (1) Section 529A(b) of such Code is amended
 2 by adding at the end the following new paragraph:

3 “(8) EXCEPTION TO CONTRIBUTION LIMIT FOR
 4 CERTAIN LUMP SUM PAYMENTS.—

5 “(A) IN GENERAL.—In the case of a con-
 6 tribution to a qualified ABLE program from a
 7 third-party trust, a contribution of amounts re-
 8 ceived by the designated beneficiary as proceeds
 9 of a life insurance contract, or an amount dis-
 10 tributed from a qualified tuition program (as
 11 defined in section 529(b)(1)) that is not includ-
 12 ible in gross income of the distributee under
 13 section 529(c)(3)(C)(i)(III), subsection
 14 (b)(2)(B) shall not apply.

15 “(B) LIMITATION.—Subparagraph (A)
 16 shall not apply with respect to any contribution
 17 if such subparagraph has applied to any other
 18 contribution in any taxable year to a qualified
 19 ABLE program of the qualified beneficiary.”.

20 (2) CONFORMING AMENDMENT.—Section
 21 529A(b)(2)(B) of such Code is amended by inserting
 22 “paragraph (8) or” after “Except in the case of con-
 23 tributions under” in the matter preceding clause (i).

24 (e) DELAY OF SUSPENSION OF BENEFITS.—Section
 25 103(b)(1) of the Stephen Beck, Jr., ABLE Act of 2014

1 is amended by inserting “, and the suspension shall begin
 2 with the benefits payable for the 1st calendar month that
 3 begins after the 2-month period that begins with the date
 4 the individual receives notice from the Commissioner of
 5 Social Security that the benefits are to be so suspended”
 6 before the period.

7 (f) EDUCATIONAL MATERIALS.—The Commissioner
 8 of Social Security shall develop and offer materials to edu-
 9 cate individuals who become eligible for benefits under the
 10 supplemental security income program under title XVI of
 11 the Social Security Act about ABLE accounts (within the
 12 meaning of section 529A of the Internal Revenue Code
 13 of 1986), and shall report to the Congress on the avail-
 14 ability of the materials on a State-by-State basis.

15 **SEC. 3. PROTECTING WORKING ABLE INDIVIDUALS FROM**
 16 **LOSING BENEFITS BECAUSE OF RETIREMENT**
 17 **PLAN RULES.**

18 (a) IN GENERAL.—Section 414 of the Internal Rev-
 19 enue Code of 1986 is amended by adding at the end the
 20 following new subsection:

21 “(aa) ABLE ACCOUNT CONTRIBUTIONS.—

22 “(1) IN GENERAL.—An applicable employer
 23 plan (as defined in subsection (v)(6)(A)) that is a
 24 defined contribution plan shall not be treated as fail-
 25 ing to meet any requirement of this title solely be-

1 cause the plan provides that an eligible ABLE indi-
2 vidual may elect for a plan year that employer con-
3 tributions that would otherwise be made under the
4 terms of the plan for such plan year shall (in lieu
5 of contribution to the plan) be contributed by the
6 employer to a qualified ABLE program described in
7 section 529A on behalf of such eligible ABLE indi-
8 vidual.

9 “(2) NO DEDUCTION FOR AMOUNTS CONTRIB-
10 UTED TO ABLE ACCOUNT.—Except as provided in
11 paragraph (4), amounts contributed pursuant to the
12 election under paragraph (1) to a qualified ABLE
13 program shall not be treated as a contribution to an
14 applicable employer plan.

15 “(3) UNIVERSAL AVAILABILITY.—Paragraph
16 (1) shall not apply unless the plan provides the elec-
17 tion described therein is available to all eligible
18 ABLE individuals who are eligible to participate in
19 the plan.

20 “(4) APPLICATION OF NONDISCRIMINATION
21 RULES.—Under rules prescribed by the Secretary,
22 for purposes of applying sections 401(a)(4),
23 401(k)(3), 401(k)(12), 401(k)(13), 401(m)(2),
24 403(b)(12), 408(k)(3), 408(p)(2)(iii), 408(p)(2)(B),
25 410, and 416, contributions made to a qualified

1 ABLE program pursuant to the election made de-
2 scribed in paragraph (1) shall be treated as if such
3 contributions were made to the plan.

4 “(5) CASH OR DEFERRED ARRANGEMENT.—A
5 plan shall not fail to include a qualified cash or de-
6 ferred arrangement described in section 401(k)(1)
7 solely because such plan provides for the election de-
8 scribed in paragraph (1).

9 “(6) ELIGIBLE ABLE INDIVIDUAL.—For pur-
10 poses of this subsection, the term ‘eligible ABLE in-
11 dividual’ means an employee who, as of the first day
12 of a plan year, is an eligible individual within the
13 meaning of section 529A(e)(1) for the taxable year
14 containing such first day of the plan year.

15 “(7) TREATMENT OF PERMISSIVE WITH-
16 DRAWALS.—An eligible ABLE individual may direct
17 that amounts eligible for withdrawal from an eligible
18 contribution arrangement pursuant to section
19 414(w) be contributed to a qualified ABLE program
20 described in section 529A on behalf of such eligible
21 ABLE individual.”.

22 (b) TREATMENT AS BENEFICIARY CONTRIBUTION.—
23 Section 529A(b)(7) of such Code is amended by redesign-
24 ating subparagraph (B) as subparagraph (C) and insert-
25 ing as subparagraph (B):

1 “(B) EMPLOYER CONTRIBUTIONS.—Con-
 2 tributions made to a qualified ABLE program
 3 by an employer on behalf of a designated bene-
 4 ficiary described in this paragraph pursuant to
 5 paragraph (1) or (6) of section 414(a)(a) shall
 6 be treated as made by the designated bene-
 7 ficiary for purposes of paragraph (2)(B)(ii).”.

8 (c) CLARIFICATION OF AVAILABILITY OF EMPLOYER
 9 CONTRIBUTIONS.—Section 529A(e) of such Code is
 10 amended by adding the following paragraph (7) at the end
 11 thereof:

12 “(7) EMPLOYER CONTRIBUTIONS.—An em-
 13 ployer of an eligible individual may contribute to any
 14 qualified ABLE program for which the eligible indi-
 15 vidual is the designated beneficiary, including
 16 through a contribution matching a contribution
 17 made by such eligible individual to the qualified
 18 ABLE program.”.

19 (d) DEDUCTION FOR CONTRIBUTIONS REMITTED BY
 20 EMPLOYER A QUALIFIED ABLE PROGRAM.—No later
 21 than 1 year after enactment, the Secretary of the Treas-
 22 ury shall—

23 (1) amend Treasury Regulations under section
 24 162 of such Code to confirm that contributions
 25 made by an employer to a qualified ABLE program

1 described in section 529A of such Code on behalf of
2 a eligible ABLE individual described in section
3 414(aa)(5) of such Code who provides personal serv-
4 ices to such employer shall be considered a reason-
5 able allowance for salaries or other compensation for
6 personal service if such contribution for a year, tak-
7 ing into account all other contributions to such
8 qualified ABLE program does not exceed the max-
9 imum contribution described in section
10 529A(b)(2)(B) of such Code; and

11 (2) update the publications issued for employers
12 to encourage employers offering a retirement plan
13 with automatic enrollment to notify employees that
14 elect not to contribute to the plan and that may be
15 eligible to contribute to a qualified ABLE program
16 to notify such employee of the possibility of a con-
17 tribution under section 529A(b)(2)(B)(ii) of such
18 Code.

19 (e) EFFECTIVE DATE.—

20 (1) IN GENERAL.—Except as provided in para-
21 graph (2), the amendments made by this section
22 shall be effective for plan and taxable years begin-
23 ning after enactment.

1 (2) CLARIFICATIONS.—Subsections (c) and
2 (d)(1) shall be effective for plan and taxable years
3 beginning before, on, and after enactment.

4 **SEC. 4. DIRECTING AGENCIES TO INFORM PEOPLE WITH**
5 **DISABILITIES ABOUT ABLE ACCOUNTS.**

6 (a) SOCIAL SECURITY ADMINISTRATION.—

7 (1) IN GENERAL.—Beginning 180 days after
8 the date of enactment of this Act, the Commissioner
9 of Social Security shall provide the information de-
10 scribed in paragraph (3) to any individual who is re-
11 ceiving any of the following on or after such date:

12 (A) A supplemental security income benefit
13 under title XVI of the Social Security Act (42
14 U.S.C. 1381 et seq.).

15 (B) A disability insurance benefit under
16 section 223 of the Social Security Act (42
17 U.S.C. 423).

18 (C) A monthly insurance benefit under sec-
19 tion 202 of the Social Security Act (42 U.S.C.
20 402) based on such individual's disability (as
21 defined in section 223(d) of such Act (42
22 U.S.C. 423(d))).

23 (2) PROVISION OF INFORMATION UPON REDE-
24 TERMINATION OR OVERPAYMENT.—Beginning 180
25 days after the date of enactment of this Act, the

1 Commissioner of Social Security shall, in addition to
2 providing the information described in paragraph (3)
3 in accordance with paragraph (1), provide such in-
4 formation to any individual receiving a benefit de-
5 scribed in paragraph (1)—

6 (A) whenever such individual's eligibility
7 for such benefit is redetermined; and

8 (B) whenever such individual is found to
9 have received an overpayment of such benefits
10 due to the individual having resources that ex-
11 ceed the amount established under subpara-
12 graph (A) or (B) of section 1611(a)(3) of the
13 Social Security Act (42 U.S.C. 1382(a)(3)), as
14 applicable to the individual.

15 (3) INFORMATION ON ABLE ACCOUNTS.—The
16 information described in this paragraph is the fol-
17 lowing:

18 (A) Information on the existence of—

19 (i) qualified ABLE programs as de-
20 fined in section 529A of the Internal Rev-
21 enue Code of 1986; and

22 (ii) accessible resources for people
23 with disabilities such as the National Asso-
24 ciation of State Treasurers, which includes
25 ABLE Today, and the National Disability

1 Institute, which includes the ABLE Na-
2 tional Resource Center.

3 (B) Instructions on how to open an ABLE
4 account (as defined in section 529A of the In-
5 ternal Revenue Code of 1986).

6 (b) DEPARTMENT OF VETERANS AFFAIRS.—

7 (1) IN GENERAL.—Chapter 63 of title 38,
8 United States Code, is amended by adding at the
9 end the following new section:

10 **“§ 6321. ABLE programs**

11 “The Secretary shall inform each individual who en-
12 rolls in a program carried out under the laws administered
13 by the Secretary about the existence of qualified ABLE
14 programs (as defined in section 529A of the Internal Rev-
15 enue Code of 1986) and resources for people with disabil-
16 ities, such as the National Association of State Treas-
17 urers, which includes ABLE Today, and National Dis-
18 ability Institute, which includes the ABLE National Re-
19 source Center, at the time of such enrollment.”.

20 (2) CLERICAL AMENDMENT.—The table of sec-
21 tions at the beginning of chapter 63 of such title is
22 amended by adding at the end the following new
23 item:

“6321. ABLE programs.”.

