



Joe Torsella, State Treasurer

Testimony Before the United States Senate Special Committee on Aging

**“Supporting Economic Stability and Self-Sufficiency as Americans with Disabilities
and their Families Age.”**

Testimony of:

Jack Stollsteimer, Esq.

Deputy Treasurer of Pennsylvania

for Consumer Programs

July 18, 2018

9:30 a.m.

562 Dirksen Senate Office Building



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Good morning Chairman Collins, Ranking Member Casey, and other distinguished members of the Committee. I am Jack Stollsteimer, Deputy State Treasurer for Consumer Programs. On behalf of Pennsylvania Treasurer Joseph Torsella, I am grateful for the opportunity to appear before you today to discuss our Department's ABLE (Achieving a Better Life Experience) program and how it is improving the lives of people with disabilities of all ages by helping them achieve economic self-sufficiency.

The PA ABLE program was launched by Treasurer Torsella in April of 2017 after a bipartisan group of state legislators, supported by a broad coalition of advocates for the disability community, enacted strong enabling legislation in 2016. The Pennsylvania ABLE Act includes provisions exempting ABLE accounts from Medicaid paybacks and offering account owners protection from creditors in state legal proceedings. Since the implementation of the PA ABLE Act our Legislature has continued its strong support of the program by creating a state tax deduction for contributions to ABLE accounts and through an annual appropriation for Treasury to market and administer the program.

In the fifteen months since our program launch we have seen a surge of interest for the benefits offered by the ABLE program from people with disabilities of all ages. We have a number of account owners who are working adults with disabilities who find the freedom for the first time to hold significant funds in their own account without jeopardizing their access to federal disability benefits truly liberating. We have parents of young children with disabilities saving long term for their child's future by making small but regular contributions without paying the upfront fees required to open a special needs trust. We have older adults using ABLE funds to purchase adaptive technology to enable them to live more productive, fuller lives. We even have parents of account owners using ABLE accounts as estate planning vehicles to ensure their children's future financial security. Currently our ABLE program has more than 1,400 accountholders with \$8.3 million dollars under management, and each of those account owners has their own story as to why ABLE is the best option for them to save, pay bills, and make debit card purchases through their PA ABLE account. We have made so much progress – but we have so much more work to do. There are over 60,000 children with disabilities in Pennsylvania; with



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ongoing support from federal and state policy makers, our goal is to reach as many of them as we can.

Over time the ABLÉ program can provide a means for people with disabilities to achieve greater self-sufficiency as they age as long as our federal partners continue to support the program's promise. The ABLÉ program works for people by allowing anyone with a qualifying disability a secure, tax-advantaged way to save or invest without impacting their government benefits. It also works because the Internal Revenue Service has broadly interpreted the definition of a "Qualified Disability Expenses", thereby allowing people with disabilities the flexibility to use the program throughout their lives, since the nature of an individual's expenses change to reflect their different stages in life. Simply put, the qualified expense needs of a 25 year old worker in many respects are very different from the expenses of a 65-year old retiree.

Right now, ABLÉ provides the flexibility to accommodate the changing needs of people as they age but we must ensure that remains true in the years to come. To that end, the Pennsylvania Treasury would strongly encourage the Senate to consider S. B. 817, the ABLÉ Adjustment Act. This bill would greatly increase the utilization of the program by allowing individuals with disabilities that started before age 46 to open ABLÉ accounts. Increasing the number of people with disabilities who can open accounts will strengthening the ABLÉ program from a fiscal perspective while allowing older adults who become disabled through accidents, chronic illness, or military service to use this tool for their economic stability and self-sufficiency.