

114TH CONGRESS  
2D SESSION

# S. 2702

To amend the Internal Revenue Code of 1986 to allow individuals with disabilities to save additional amounts in their ABLE accounts above the current annual maximum contribution if they work and earn income.

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IN THE SENATE OF THE UNITED STATES

MARCH 17, 2016

Mr. BURR (for himself and Mr. CASEY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to allow individuals with disabilities to save additional amounts in their ABLE accounts above the current annual maximum contribution if they work and earn income.

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 to Work Act  
5 of 2016”.

1 **SEC. 2. INCREASED CONTRIBUTIONS TO ABLE ACCOUNTS**  
2 **FROM COMPENSATION OF INDIVIDUALS**  
3 **WITH DISABILITIES.**

4 (a) IN GENERAL.—Section 529A(b)(2)(B) of the In-  
5 ternal Revenue Code of 1986 is amended to read as fol-  
6 lows:

7 “(B) except in the case of contributions  
8 under subsection (c)(1)(C), if such contribution  
9 to an ABLE account would result in aggregate  
10 contributions from all contributors to the  
11 ABLE account for the taxable year exceeding  
12 the sum of—

13 “(i) the amount in effect under sec-  
14 tion 2503(b) for the calendar year in which  
15 the taxable year begins, plus

16 “(ii) in the case of a designated bene-  
17 ficiary described in paragraph (7), the less-  
18 er of—

19 “(I) compensation (as defined in  
20 section 414(s)) of the designated ben-  
21 eficiary for the taxable year, or

22 “(II) an amount equal to the  
23 poverty line for a one-person house-  
24 hold, as determined for the calendar  
25 year preceding the calendar year in  
26 which the taxable year begins.”.

1 (b) ELIGIBLE DESIGNATED BENEFICIARY.—Section  
2 529A(b) of such Code is amended by adding at the end  
3 the following:

4 “(7) SPECIAL RULES RELATED TO CONTRIBU-  
5 TION LIMIT.—For purposes of paragraph (2)(B)—

6 “(A) DESIGNATED BENEFICIARY.—A des-  
7 ignated beneficiary described in this paragraph  
8 is an employee (including an employee within  
9 the meaning of section 401(c)) with respect to  
10 whom no contribution is made to—

11 “(i) a defined contribution plan (with-  
12 in the meaning of section 414(i)),

13 “(ii) an annuity contract described in  
14 section 403(b), and

15 “(iii) an eligible deferred compensa-  
16 tion plan described in section 457(b) of the  
17 employee for the taxable year.

18 “(B) POVERTY LINE.—The term ‘poverty  
19 line’ has the meaning given such term by sec-  
20 tion 673 of the Community Services Block  
21 Grant Act (42 U.S.C. 9902).”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 the date of the enactment of this Act.

1 **SEC. 3. ALLOWANCE OF SAVER'S CREDIT FOR ABLE CON-**  
2 **TRIBUTIONS BY ACCOUNT HOLDER.**

3 (a) **IN GENERAL.**—Section 25B(d)(1) of the Internal  
4 Revenue Code of 1986 is amended by striking “and” at  
5 the end of subparagraph (B)(ii), by striking the period at  
6 the end of subparagraph (C) and inserting “, and”, and  
7 by inserting at the end the following:

8 “(D) the amount of contributions by such  
9 individual to the ABLE account (within the  
10 meaning of section 529A) of which such indi-  
11 vidual is the designated beneficiary.”.

12 (b) **EFFECTIVE DATE.**—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 the date of the enactment of this Act.

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