



Food and  
Nutrition  
Service

Park Office  
Center

3101 Park  
Center Drive  
Alexandria  
VA 22302

April 4, 2016

Subject: Treatment of ABLE accounts in Determining SNAP Eligibility

TO: All Regional Directors  
Supplemental Nutrition Assistance Program (SNAP)

This memorandum offers guidance for State agencies regarding the treatment of funds in Achieving a Better Life Experience (ABLE) accounts for the purpose of determining eligibility for the Supplemental Nutrition Assistance Program (SNAP). ABLE accounts are tax-favored savings accounts established to provide secure funding for disability-related expenses on behalf of designated beneficiaries deemed disabled before age 26. These accounts were codified by the Tax Increase Prevention Act of 2014 and are included under Section 529A of the Internal Revenue Code of 1986, as amended. States agencies have inquired about whether ABLE accounts are excluded as income and resources for SNAP purposes.

Per section 103(a) of the Tax Increase Prevention Act of 2014, titled Account Funds Disregarded for Purposes of Certain Other Means-Tested Federal Programs, “Notwithstanding any other provision of Federal law...for the purpose of determining eligibility to receive...any assistance or benefit authorized by such provision...any amount (including earnings thereon) in the ABLE account...of such individual, any contributions to the ABLE account of the individual, and any distribution for qualified disability expenses...shall be disregarded for such purpose with respect to any period during which such individual maintains, makes contributions to, or receives distributions from such ABLE account...” As SNAP is a mean-tested Federal program, as described above, the Food and Nutrition Service (FNS) has determined that funds in ABLE accounts should be excluded as both income and resources in determining SNAP eligibility based on this provision.

The Tax Increase Prevention Act of 2014 is consistent with Section 5(d)(10) of the Food and Nutrition Act of 2008, as amended (the Act), as this section excludes income that has specifically been excluded from SNAP eligibility determinations by another Federal Law.

Section 5(g)(8)(A) of the Act excludes from resources the value of educational accounts in section 529 of the Internal Revenue Code of 1986. In section 5(g)(8)(B), the Act further provides a discretionary exclusion for the value of other financial accounts, as determined by the Secretary. FNS has determined that due to the similarities between 529 educational accounts and 529A ABLE accounts, ABLE accounts should be excluded as a resource under the discretionary exclusion in the Act.

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All Regional Directors  
Page 2

Therefore, the Tax Increase Prevention Act of 2014 is consistent with the Food and Nutrition Act of 2008, as amended, and ABLE accounts should be excluded both as income and resources for the purposes of determining SNAP eligibility.

If you have any questions, please contact Sarah Goldberg via email at Sarah.Goldberg@fns.usda.gov or by phone at 703-305-4397.

Sincerely,

*/s/ Original Signature on File*

Lizbeth Silbermann  
Director, Program Development Division  
Supplemental Nutrition Assistance Program

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