Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
www.mass.gov/masshealth

Eligibility Operations Memo 26-06

DATE: June 2026

TO: MassHealth Eligibility Operations Staff

Heather Rossi

FROM: Heather Rossi, Deputy Chief Operating Officer, Eligibility Policy and Implementation

RE: **Updated Age Criteria for Achieving a Better Life Experience (ABLE) Accounts**

Updates

This Eligibility Operations Memo (EOM) supersedes EOM 17-04. The Social Security Administration (SSA) has updated the age criteria for Achieving a Better Life Experience (ABLE) accounts, effective January 2026. Any new ABLE account applicant may now be considered disabled at or before age 46. All other ABLE account eligibility factors have remained the same.

For more information, visit ssa.gov/ssi/spotlights/spot-able.html.

Background

The Stephen Beck Jr. "Achieving a Better Life Experience Act" (ABLE Act) was signed into law on December 19, 2014. This federal legislation offers eligible individuals the opportunity to have a tax-deferred savings account, exceeding the asset limit for Medicaid (and other public assistance benefits), without negatively affecting eligibility. The ABLE Act was intended to give its designated beneficiaries the ability to improve their health, attain a better quality of life, and maintain an independent lifestyle.

Summary

An ABLE account will be considered a noncountable asset when determining eligibility for MassHealth. An individual may only have one ABLE account. Generally, contributions to and distributions from these accounts will not be considered countable income. Any person, trust, estate, association, company, or corporation can contribute to the account, but the contribution must be for the benefit of the designated beneficiary. Contributions may be made up to a certain annual amount, determined each year by the Internal Revenue Service (IRS), and considered a nontaxable gift. Additionally, earnings on the account, such as interest and dividends, will not be considered countable income. There is a balance limit of $100,000 for federal Supplemental Security Income (SSI) benefits. This balance limit does not apply for Medicaid purposes.

Provisions

- The MassHealth applicant or member must be the designated beneficiary of the ABLE account.
- The designated beneficiary must meet the disability criteria of SSA, Disability Evaluation Services (DES), or the Massachusetts Commission of the Blind (MCB) for a condition that began before reaching the age of 46. The beneficiary must also be entitled to SSA benefits because of that condition.
- The account must be owned and established by the designated beneficiary, unless they are a minor child or someone who is otherwise incapable of managing the account. When this is the case, a parent, legal guardian, or power of attorney can be considered a person with signature authority (PSA). The PSA may establish and control the account for the eligible individual.
- The ABLE account must be clearly identifiable and maintained under a qualified ABLE program.
- The account must be set up to reimburse any state for Medicaid services received upon the death of the designated beneficiary and after payment of any remaining qualified disability expenses.
- Distributions must be for the benefit of the designated beneficiary, as the funds are to be used strictly for qualified disability-related expenses (QDEs). The IRS broadly defines QDEs as any expenses related to the eligible individual’s blindness or disability. Such expenses may include, but are not limited to, expenses incurred for education, housing, transportation, employment training and support, and assistive technology. Distributions from ABLE accounts used for expenses that do not qualify as QDEs for the beneficiary will be counted.
- Funds set aside to be spent on QDEs do not have to be spent in the same month of withdrawal and will not be considered part of countable resources as long as the ABLE account remains open and the funds can clearly be identified.

Additional Considerations

- Some ABLE account beneficiaries may also be beneficiaries of a special needs trust (SNT) or pooled trust. Disbursements from an SNT or pooled trust that are deposited into the ABLE account of the SNT or pooled trust beneficiary are not countable as income.
- ABLE account beneficiaries can contribute their own income or assets to their ABLE account. If they transfer some of their own (otherwise countable) assets to their ABLE account, the effect would be a corresponding reduction in total countable assets. By contrast, if ABLE account beneficiaries transfer some of their income in the month received to their established ABLE account, the effect would not be a reduction in

countable income. Therefore, income contributed to the ABLE account by the MassHealth applicant or member remains countable in their eligibility determination.

- The ABLE Act does not provide for any special treatment of contributions made to an ABLE account benefiting another person. For example, a contribution from a grandparent to their grandchild's ABLE account, whether from the grandparent's income or resources, would constitute a transfer of assets from the grandparent to their grandchild's account, which must be evaluated under existing transfer rules if the grandparent later applies for MassHealth and seeks long-term care services and supports.

Authorized Massachusetts Plan/Investment Options

ABLE programs are operated by individual states. Massachusetts has a qualified ABLE program, referred to as "the Attainable Savings Plan," which is offered through the Massachusetts Educational Financing Authority (MEFA) and is managed by Fidelity Investments. Investment options and fees associated with these accounts will vary by state. Some states that offer this program do not have a residency requirement, which gives individuals and their families more options to consider when deciding where to open the account, regardless of the state in which they live. Therefore, it is acceptable for MassHealth members or applicants to have or to open an account in another state. However, individuals may have no more than one ABLE account.

Resources

1. For more information about tax-free accounts for people with disabilities, visit ssa.gov/ssi/spotlights/spot-able.html.
2. For more information about ABLE accounts, visit the SSA Program Operations Manual System (POMS).
3. Learn more from the ABLE National Resource Center at ablenrc.org/state-review/massachusetts/.

Questions?

Have your MEC designee contact the Policy Hotline.