

MICHIGAN ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) PROGRAM ACT (EXCERPT)
Act 160 of 2015

206.987 ABLE savings accounts; establishment; opening of account by individual or designated representative; agreement; form; contents; contributions; exemption from creditor process; distributions; separate accounting.

Sec. 7.

(1) Beginning January 1, 2016, ABLE savings accounts may be established under this act.

(2) Any individual who is a resident of this state or a resident of a contracting state may open an ABLE savings account to save money to pay the qualified disability expenses of the designated beneficiary. Each account opened under this act shall have only 1 designated beneficiary. Only 1 account shall be opened for any 1 designated beneficiary.

(3) To open an ABLE savings account, the individual or designated representative of a designated beneficiary shall enter into a Michigan ABLE savings program agreement with the program. The program shall recognize an individual as a designated representative and not require a designated representative to obtain court approval before opening and funding an ABLE savings account under this act. The Michigan ABLE savings program agreement shall be in the form prescribed by a program manager and approved by the treasurer and contain all of the following:

(a) The name, address, and social security number of the account owner.

(b) A designated beneficiary. The name, address, and social security number of the designated beneficiary, if the account owner is the designated beneficiary's designated representative.

(c) Any other information that the treasurer or program manager considers necessary.

(4) Any person may make contributions to an account after the account is opened, subject to the limitations imposed by section 529A of the internal revenue code or any rules and regulations promulgated by the treasurer pursuant to this act.

(5) Contributions to accounts shall only be made in cash, by check, by credit card, or by any similar method as approved by the state treasurer but shall not be property.

(6) Notwithstanding any other provision of law to the contrary, money in the ABLE savings account shall be exempt from creditor process and shall not be liable to attachment, garnishment, or other process, nor shall it be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability of the designated beneficiary or account owner. However, this state may be a creditor of the account in the event of the death of the designated beneficiary as provided under section 529A(f) of the internal revenue code.

(7) Distributions from an account shall be made in the following manner:

(a) In the form of a check payable to the designated beneficiary or account owner.

(b) In the form of an electronic funds transfer to an account specified by the designated beneficiary or account owner.

(c) Directly to a provider of goods and services that are qualified disability expenses, if purchased for a designated beneficiary.

(8) Each savings plan under the program shall provide separate accounting for each designated beneficiary.

History: 2015, Act 160, Eff. Jan. 26, 2016