

Act No. 194
Public Acts of 2024
Approved by the Governor
January 16, 2025
Filed with the Secretary of State
January 16, 2025
EFFECTIVE DATE: April 2, 2025

**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2024**

Introduced by Reps. MacDonell, Young, Paiz, Rheingans, Hill, Coffia, Brixie and Hood

ENROLLED HOUSE BILL No. 5781

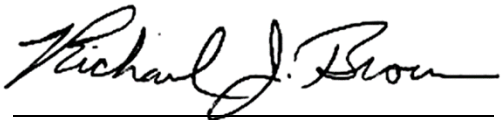
AN ACT to amend 2015 PA 160, entitled “An act to create the Michigan achieving a better life experience (ABLE) program; to provide for ABLE accounts; to prescribe the powers and duties of certain state agencies, boards, and departments; to allow certain tax credits or deductions; and to provide for penalties and remedies,” by amending section 2 (MCL 206.982).

The People of the State of Michigan enact:

Sec. 2. As used in this act:

- (a) “ABLE” means achieving a better life experience.
- (b) “ABLE savings account” or “account” means an account established under this act.
- (c) “Account owner” means an individual who is a resident of this state, or a resident of a contracting state, and who enters into a Michigan ABLE savings program agreement and establishes an ABLE savings account. The account owner shall be the designated beneficiary of the account unless the designated beneficiary is a minor or lacks capacity to enter into an agreement, in which case a designated representative may open an account on behalf of the minor or incapacitated individual and serve as the account owner.
- (d) “Contracting state” means a state without a qualified ABLE program that has entered into a contract with this state to provide its residents access to the Michigan ABLE program.
- (e) “Department” means the department of treasury.
- (f) “Designated beneficiary” means an eligible individual designated as the individual whose qualified disability expenses are expected to be paid from the account. The designated beneficiary must be an eligible individual at the time the account is established. The designated beneficiary shall be the account owner unless that eligible individual is a minor or lacks capacity to enter into an agreement. The account owner may change the designated beneficiary as provided in this act.
- (g) “Designated representative” means an individual who is authorized to act on behalf of the designated beneficiary if the designated beneficiary is a minor or has a guardian, conservator, or other fiduciary who has been appointed for purposes of managing that designated beneficiary’s financial affairs.
- (h) “Disability certification” means that term as defined in section 529A of the internal revenue code.
- (i) “Eligible individual” means that term as defined in section 529A of the internal revenue code.
- (j) “Internal revenue code” means the United States internal revenue code of 1986 in effect on January 1, 2024 or at the option of the taxpayer, in effect for the current year.
- (k) “Management contract” means the contract executed between the treasurer and a program manager.

- (l) "Member of the family" means a family member as defined in section 529A of the internal revenue code.
- (m) "Michigan ABLE savings program agreement" means the agreement between the program and an account owner that establishes an ABLE savings account.
- (n) "Program" means the Michigan ABLE savings program established pursuant to this act.
- (o) "Program manager" means 1 or more entities selected by the treasurer to act as a manager of the program.
- (p) "Qualified disability expenses" means that term as defined in section 529A of the internal revenue code.
- (q) "Qualified withdrawal" means a distribution that is not subject to a penalty or an excise tax under section 529A of the internal revenue code or taxation under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.847, and that meets any of the following:
- (i) A withdrawal from an account to pay the qualified disability expenses of the designated beneficiary incurred after the account is established.
- (ii) A withdrawal made as the result of the death or disability of the designated beneficiary of an account.
- (iii) A transfer of funds due to the termination of the management contract as provided in section 5.
- (iv) A transfer of funds as provided in section 8.
- (r) "Savings plan" or "plan" means a plan that provides different investment strategies and allows account distributions for qualified disability expenses.
- (s) "Treasurer" means the state treasurer.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor