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THIRD READING

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Bill No: AB 1076  
Author: Addis (D)  
Amended: 7/2/25 in Senate  
Vote: 27

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SENATE HUMAN SERVICES COMMITTEE: 5-0, 6/30/25  
AYES: Arreguín, Ochoa Bogh, Becker, Limón, Pérez

SENATE REVENUE AND TAXATION COMMITTEE: 5-0, 7/9/25  
AYES: McNerney, Valladares, Ashby, Grayson, Umberg

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25  
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/3/25 - See last page for vote

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**SUBJECT:** Qualified ABLE Program: CalABLE accounts: funding

**SOURCE:** California State Treasurer

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**DIGEST:** This bill requires the Franchise Tax Board (FTB) to include, on a taxpayer's form instructions for filing a return, information on the ability of a taxpayer to directly deposit a portion of their refund into the California ABLE (CalABLE) Program Trust and authorizes the CalABLE Board to accept grants, gifts, and moneys from philanthropic entities.

**ANALYSIS:**

Existing law:

- 1) Establishes the CalABLE Program Trust, administered by the CalABLE Act Board. (Welfare and Institutions Code (WIC) section 4877)
- 2) Defines individuals eligible for CalABLE accounts as someone who developed their disability before the age of 26. The individual must have been living with

their disability for at least one year, or they must expect their disability to last for at least a year. (WIC section 4875)

- 3) Requires the CalABLE Act Board to segregate moneys coming into the CalABLE program trust into the following two funds:
  - a) The Program fund, which is continuously appropriated; and,
  - b) The administrative fund, which is available upon appropriation by the Legislature. (WIC section 4877)
- 4) Requires all moneys paid by designated beneficiaries or eligible individuals in connection with CalABLE accounts to be deposited and received into the CalABLE Program fund, promptly invested, and accounted for separately. (WIC 4878)
- 5) Provides that up to \$100,000 can be in a CalABLE account without counting toward determining eligibility for a state or local means-tested program. (WIC section 4880)

This bill:

- 1) Requires the FTB to include, on a taxpayer's form instructions for filing a return, information on the ability of a taxpayer to directly deposit a portion of their refund into the CalABLE Program Trust.
- 2) Requires the CalABLE Act Board to provide the FTB with a description, no longer than five lines in length, of the CalABLE Program Trust on or before a specified date provided by the FTB.
- 3) Specifies that the CalABLE Act Board may accept grants, gifts, and moneys from philanthropic entities.
- 4) Authorizes the CalABLE Act Board to target specific subgroups of eligible individuals provided that they are not limited in such a way that would conflict with the intent of the Legislature in establishing the program or other applicable law.
- 5) Provides that grants, gifts, legislative appropriations, and other moneys may be used, to the extent permitted under federal and state law, to encourage eligible individuals to create an account or maximize account participation by engaging public awareness about the program. The CalABLE Act Board may partner

with other public, private, or nonprofit entities to facilitate or administer such moneys.

## Comments

*According to the author.* “AB 1076 strengthens financial security for people with disabilities increasing awareness of CalABLE. By increasing awareness, we’re empowering individuals to plan for their futures without fear of losing essential benefits”

*CalABLE Program.* Individuals with disabilities are disproportionately living in poverty. In California, almost one-quarter of individuals with disabilities live in poverty. According to the State Council on Developmental Disabilities, Californians with disabilities earn \$5,213 less on average than Californians without disabilities. Prior to the ABLE program, individuals receiving federal benefits were restricted in the amount of money they could save to \$2,000. This helped to keep many in poverty without the ability to save and plan for the future. In 2014, President Obama signed the Stephen Beck Jr. Achieving a Better Life Experience (ABLE) Act which provided that individuals with disabilities could save more than \$2,000 without impacting eligibility for means-tested public benefits, such as Medicaid/Medi-Cal and Supplemental Social Security (SSI).

The California version of the ABLE act, CalABLE Savings Plan, opened to the public in December of 2018. To qualify for a CalABLE account, a person must have a disability that began before the age of 26 and they must be eligible for SSI or SSDI due to their disability or have a physician's certification of their significant disability. An initial deposit of at least \$25 is required to open an account, and a \$1 minimum for all further contributions. There is an annual fee of \$30, which is deducted in quarterly installments. If an individual wants paper statements that is an additional \$10 a year fee.

Funds from a CalABLE account can be used for a wide range of qualified disability expenses, which include but are not limited to education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, and financial management. For SSI recipients, the first \$100,000 in an ABLE account is not counted as a resource. Balances above this amount may cause the SSI payments to be suspended, but not the eligibility for SSI itself. Eligibility for Medicaid is not affected by the amount in a CalABLE account, regardless of the total balance. These policies aim to offer individuals with disabilities a powerful tool for financial independence and security while ensuring they retain access to vital public benefits.

This bill seeks to strengthen the CalABLE program by requiring the Franchise Tax Board to include, on tax return instructions, information about eligibility and how individuals can participate in CalABLE. This would also include information about a taxpayer's ability to directly deposit a portion of their refund into the California ABLE Program Trust. This bill also seeks to maximize funds to the program by allowing CalABLE to accept grants, gifts, and other money from philanthropic entities to encourage specific subgroups to open and maximize their accounts.

**Related/Prior Legislation:**

AB 984 (Nguyen, 2025) would have created an above-the-line deduction for contributions made to a CalABLE account. This bill was held in the Assembly Appropriations Committee.

SB 1362 (Newman) of 2024 would have required the CalABLE program to deposit at least \$250 into new CalABLE accounts. This bill was held in the Senate Appropriations Committee.

AB 339 (Irwin, Chapter 324, Statutes of 2023) beginning January 1, 2026, revises the definition of "eligible individual" under the Qualified ABLE Program by increasing the age limit for when an eligible individual's blindness or disability occurred to 46 years of age to conform with the federal ABLE Act.

AB 2216 (Irwin, Chapter 896, Statutes of 2022) made technical changes to the CalABLE Act to better align with the Federal ABLE Act.

AB 91 (Burke, Chapter 39, Statutes of 2019) eliminated differences in qualification criteria for ABLE accounts between federal and California tax law to increase contribution limits to up to the federal poverty level and allow taxpayers to roll-over Section 529 plans to ABLE accounts.

**FISCAL EFFECT:** Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- Unknown potential General Fund cost pressures to provide additional funding for public awareness activities.
- The State Treasurer's Office indicates minor and absorbable costs for state operations.

- The Franchise Tax Board anticipates minimal costs for implementation.

**SUPPORT:** (Verified 8/29/25)

California State Treasurer (source)  
California Advocates for Nursing Home Reform  
Easterseals Northern California

**OPPOSITION:** (Verified 8/29/25)

None received

**ASSEMBLY FLOOR:** 79-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

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8/30/25 18:58:38

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