

1 AN ACT concerning children.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. The Statute on Statutes is amended by adding
5 Section 1.46 as follows:

6 (5 ILCS 70/1.46 new)

7 Sec. 1.46. References to the ABLE account. Except where
8 the context indicates otherwise, a reference in any Act to the
9 Achieving a Better Life Experience (ABLE) account program or a
10 similar reference shall be considered to be a reference to the
11 Illinois Achieving a Better Life Experience (ABLE) account
12 program.

13 Section 5. The State Treasurer Act is amended by changing
14 Sections 16.5 and 16.6 as follows:

15 (15 ILCS 505/16.5)

16 Sec. 16.5. College Savings Pool.

17 (a) Definitions. As used in this Section:

18 "Account owner" means any person or entity who has opened
19 an account or to whom ownership of an account has been
20 transferred, as allowed by the Internal Revenue Code, and who
21 has authority to withdraw funds, direct withdrawal of funds,

1 change the designated beneficiary, or otherwise exercise
2 control over an account in the College Savings Pool.

3 "Donor" means any person or entity who makes contributions
4 to an account in the College Savings Pool.

5 "Designated beneficiary" means any individual designated
6 as the beneficiary of an account in the College Savings Pool by
7 an account owner. A designated beneficiary must have a valid
8 social security number or taxpayer identification number. In
9 the case of an account established as part of a scholarship
10 program permitted under Section 529 of the Internal Revenue
11 Code, the designated beneficiary is any individual receiving
12 benefits accumulated in the account as a scholarship.

13 "Eligible educational institution" means public and
14 private colleges, junior colleges, graduate schools, and
15 certain vocational institutions that are described in Section
16 1001 of the Higher Education Resource and Student Assistance
17 Chapter of Title 20 of the United States Code (20 U.S.C. 1001)
18 and that are eligible to participate in Department of
19 Education student aid programs.

20 "Member of the family" has the same meaning ascribed to
21 that term under Section 529 of the Internal Revenue Code.

22 "Nonqualified withdrawal" means a distribution from an
23 account other than a distribution that (i) is used for the
24 qualified expenses of the designated beneficiary; (ii) results
25 from the beneficiary's death or disability; (iii) is a
26 rollover to another account in the College Savings Pool; (iv)

1 is a rollover to an Illinois ABLE account, as defined in
2 Section 16.6 of this Act, or any distribution that, within 60
3 days after such distribution, is transferred to an Illinois
4 ABLE account of the designated beneficiary or a member of the
5 family of the designated beneficiary to the extent that the
6 distribution, when added to all other contributions made to
7 the Illinois ABLE account for the taxable year, does not
8 exceed the limitation under Section 529A(b) of the Internal
9 Revenue Code; or (v) is a rollover to a Roth IRA account to the
10 extent permitted by Section 529 of the Internal Revenue Code.

11 "Qualified expenses" means: (i) tuition, fees, and the
12 costs of books, supplies, and equipment required for
13 enrollment or attendance at an eligible educational
14 institution; (ii) expenses for special needs services, in the
15 case of a special needs beneficiary, which are incurred in
16 connection with such enrollment or attendance; (iii) certain
17 expenses, to the extent they qualify as qualified higher
18 education expenses under Section 529 of the Internal Revenue
19 Code, for the purchase of computer or peripheral equipment or
20 Internet access and related services, if such equipment,
21 software, or services are to be used primarily by the
22 beneficiary during any of the years the beneficiary is
23 enrolled at an eligible educational institution, except that,
24 such expenses shall not include expenses for computer software
25 designed for sports, games, or hobbies, unless the software is
26 predominantly educational in nature; (iv) room and board

1 expenses incurred while attending an eligible educational
2 institution at least half-time; (v) expenses for fees, books,
3 supplies, and equipment required for the participation of a
4 designated beneficiary in an apprenticeship program registered
5 and certified with the Secretary of Labor under the National
6 Apprenticeship Act (29 U.S.C. 50); and (vi) amounts paid as
7 principal or interest on any qualified education loan of the
8 designated beneficiary or a sibling of the designated
9 beneficiary, as allowed under Section 529 of the Internal
10 Revenue Code. A student shall be considered to be enrolled at
11 least half-time if the student is enrolled for at least half
12 the full-time academic workload for the course of study the
13 student is pursuing as determined under the standards of the
14 institution at which the student is enrolled.

15 (b) Establishment of the Pool. The State Treasurer may
16 establish and administer the College Savings Pool as a
17 qualified tuition program under Section 529 of the Internal
18 Revenue Code. The Pool may consist of one or more college
19 savings programs. The State Treasurer, in administering the
20 College Savings Pool, may: (1) receive, hold, and invest
21 moneys paid into the Pool; and (2) perform any other action he
22 or she deems necessary to administer the Pool, including any
23 other actions necessary to ensure that the Pool operates as a
24 qualified tuition program in accordance with Section 529 of
25 the Internal Revenue Code.

26 (c) Administration of the College Savings Pool. The State

1 Treasurer may delegate duties related to the College Savings
2 Pool to one or more contractors. The contributions deposited
3 in the Pool, and any earnings thereon, shall not constitute
4 property of the State or be commingled with State funds and the
5 State shall have no claim to or against, or interest in, such
6 funds; provided that the fees collected by the State Treasurer
7 in accordance with this Act, scholarship programs administered
8 by the State Treasurer, and seed funds deposited by the State
9 Treasurer under Section 16.8 of the Act are State funds.

10 (c-5) College Savings Pool Account Summaries. The State
11 Treasurer shall provide a separate accounting for each
12 designated beneficiary. The separate accounting shall be
13 provided to the account owner of the account for the
14 designated beneficiary at least annually and shall show the
15 account balance, the investment in the account, the investment
16 earnings, and the distributions from the account.

17 (d) Availability of the College Savings Pool. The State
18 Treasurer may permit persons, including trustees of trusts and
19 custodians under a Uniform Transfers to Minors Act or Uniform
20 Gifts to Minors Act account, and certain legal entities to be
21 account owners, including as part of a scholarship program,
22 provided that: (1) an individual, trustee or custodian must
23 have a valid social security number or taxpayer identification
24 number, be at least 18 years of age, and have a valid United
25 States street address; and (2) a legal entity must have a valid
26 taxpayer identification number and a valid United States

1 street address. In-state and out-of-state persons, trustees,
2 custodians, and legal entities may be account owners and
3 donors, and both in-state and out-of-state individuals may be
4 designated beneficiaries in the College Savings Pool.

5 (e) Fees. Any fees, costs, and expenses, including
6 investment fees and expenses and payments to third parties,
7 related to the College Savings Pool, shall be paid from the
8 assets of the College Savings Pool. The State Treasurer shall
9 establish fees to be imposed on accounts to cover such fees,
10 costs, and expenses, to the extent not paid directly out of the
11 investments of the College Savings Pool, and to maintain an
12 adequate reserve fund in line with industry standards for
13 government operated funds. The Treasurer must use his or her
14 best efforts to keep these fees as low as possible and
15 consistent with administration of high quality competitive
16 college savings programs.

17 (f) Investments in the State. To enhance the safety and
18 liquidity of the College Savings Pool, to ensure the
19 diversification of the investment portfolio of the College
20 Savings Pool, and in an effort to keep investment dollars in
21 the State of Illinois, the State Treasurer may make a
22 percentage of each account available for investment in
23 participating financial institutions doing business in the
24 State.

25 (g) Investment policy. The Treasurer shall develop,
26 publish, and implement an investment policy covering the

1 investment of the moneys in each of the programs in the College
2 Savings Pool. The policy shall be published each year as part
3 of the audit of the College Savings Pool by the Auditor
4 General, which shall be distributed to all account owners in
5 such program. The Treasurer shall notify all account owners in
6 such program in writing, and the Treasurer shall publish in a
7 newspaper of general circulation in both Chicago and
8 Springfield, any changes to the previously published
9 investment policy at least 30 calendar days before
10 implementing the policy. Any investment policy adopted by the
11 Treasurer shall be reviewed and updated if necessary within 90
12 days following the date that the State Treasurer takes office.

13 (h) Investment restrictions. An account owner may,
14 directly or indirectly, direct the investment of his or her
15 account only as provided in Section 529(b)(4) of the Internal
16 Revenue Code. Donors and designated beneficiaries, in those
17 capacities, may not, directly or indirectly, direct the
18 investment of an account.

19 (i) Distributions. Distributions from an account in the
20 College Savings Pool may be used for the designated
21 beneficiary's qualified expenses, and if not used in that
22 manner, may be considered a nonqualified withdrawal. Funds
23 contained in a College Savings Pool account may be rolled over
24 into:

25 (1) an eligible Illinois ABLE account, as defined in
26 Section 16.6 of this Act to the extent permitted by

1 Section 529 of the Internal Revenue Code;

2 (2) another qualified tuition program, to the extent
3 permitted by Section 529 of the Internal Revenue Code; or

4 (3) a Roth IRA account, to the extent permitted by
5 Section 529 of the Internal Revenue Code.

6 Distributions made from the College Savings Pool may be
7 made directly to the eligible educational institution,
8 directly to a vendor, in the form of a check payable to both
9 the designated beneficiary and the institution or vendor,
10 directly to the designated beneficiary or account owner, or in
11 any other manner that is permissible under Section 529 of the
12 Internal Revenue Code.

13 (j) Contributions. Contributions to the College Savings
14 Pool shall be as follows:

15 (1) Contributions to an account in the College Savings
16 Pool may be made only in cash.

17 (2) The Treasurer shall limit the contributions that
18 may be made to the College Savings Pool on behalf of a
19 designated beneficiary, as required under Section 529 of
20 the Internal Revenue Code, to prevent contributions for
21 the benefit of a designated beneficiary in excess of those
22 necessary to provide for the qualified expenses of the
23 designated beneficiary. The Pool shall not permit any
24 additional contributions to an account as soon as the sum
25 of (i) the aggregate balance in all accounts in the Pool
26 for the designated beneficiary and (ii) the aggregate

1 contributions in the Illinois Prepaid Tuition Program for
2 the designated beneficiary reaches the specified balance
3 limit established from time to time by the Treasurer.

4 (k) Illinois Student Assistance Commission. The Treasurer
5 and the Illinois Student Assistance Commission shall each
6 cooperate in providing each other with account information, as
7 necessary, to prevent contributions in excess of those
8 necessary to provide for the qualified expenses of the
9 designated beneficiary, as described in subsection (j).

10 The Treasurer shall work with the Illinois Student
11 Assistance Commission to coordinate the marketing of the
12 College Savings Pool and the Illinois Prepaid Tuition Program
13 when considered beneficial by the Treasurer and the Director
14 of the Illinois Student Assistance Commission.

15 (l) Prohibition; exemption. No interest in the program, or
16 any portion thereof, may be used as security for a loan. Moneys
17 held in an account invested in the College Savings Pool shall
18 be exempt from all claims of the creditors of the account
19 owner, donor, or designated beneficiary of that account,
20 except for the non-exempt College Savings Pool transfers to or
21 from the account as defined under subsection (j) of Section
22 12-1001 of the Code of Civil Procedure.

23 (m) Taxation. The assets of the College Savings Pool and
24 its income and operation shall be exempt from all taxation by
25 the State of Illinois and any of its subdivisions. The accrued
26 earnings on investments in the Pool once disbursed on behalf

1 of a designated beneficiary shall be similarly exempt from all
2 taxation by the State of Illinois and its subdivisions, so
3 long as they are used for qualified expenses. Contributions to
4 a College Savings Pool account during the taxable year may be
5 deducted from adjusted gross income as provided in Section 203
6 of the Illinois Income Tax Act. The provisions of this
7 paragraph are exempt from Section 250 of the Illinois Income
8 Tax Act.

9 (n) Rules. The Treasurer shall adopt rules he or she
10 considers necessary for the efficient administration of the
11 College Savings Pool. The rules shall provide whatever
12 additional parameters and restrictions are necessary to ensure
13 that the College Savings Pool meets all the requirements for a
14 qualified tuition program under Section 529 of the Internal
15 Revenue Code.

16 Notice of any proposed amendments to the rules and
17 regulations shall be provided to all account owners prior to
18 adoption.

19 (o) Bond. The State Treasurer shall give bond with at
20 least one surety, payable to and for the benefit of the account
21 owners in the College Savings Pool, in the penal sum of
22 \$10,000,000, conditioned upon the faithful discharge of his or
23 her duties in relation to the College Savings Pool.

24 (p) The changes made to subsections (c) and (e) of this
25 Section by Public Act 101-26 are intended to be a restatement
26 and clarification of existing law.

(Source: P.A. 102-186, eff. 7-30-21; 103-778, eff. 8-2-24.)

(15 ILCS 505/16.6)

Sec. 16.6. Illinois ABLE account program.

(a) As used in this Section:

"Illinois ABLE account" or "account" means an account established for the purpose of financing certain qualified expenses of eligible individuals as specifically provided for in this Section and authorized by Section 529A of the Internal Revenue Code.

"Illinois ABLE account plan" or "plan" means the savings account plan provided for in this Section.

"Account administrator" means the person or entity selected by the State Treasurer to administer the daily operations of the Illinois ABLE account plan and provide marketing, recordkeeping, investment management, and other services for the plan.

"Aggregate account balance" means the amount in an account on a particular date or the fair market value of an account on a particular date.

"Beneficiary" or "designated beneficiary" means the Illinois ABLE account owner.

"Contracting state" means a state without a qualified Illinois ABLE program which has entered into a contract with Illinois to provide residents of the contracting state access to a qualified Illinois ABLE program.

1 "Designated representative" means a person or entity who
2 is authorized to act on behalf of a "designated beneficiary".
3 A designated beneficiary is authorized to act on his or her own
4 behalf unless the designated beneficiary is a minor or the
5 designated beneficiary has been adjudicated to have a
6 disability so that a guardian has been appointed. A designated
7 representative acts in a fiduciary capacity to the designated
8 beneficiary. A person or entity seeking to open an Illinois
9 ABLE account on behalf of a designated beneficiary must
10 provide certification, subject to penalties of perjury, of the
11 basis for the person's or entity's authority to act as a
12 designated representative and that there is no other person or
13 entity with higher priority to establish the Illinois ABLE
14 account under Section 529A of the Internal Revenue Code and
15 federal regulations.

16 "Disability certification" has the meaning given to that
17 term under Section 529A of the Internal Revenue Code.

18 "Eligible individual" has the meaning given to that term
19 under Section 529A of the Internal Revenue Code.

20 "Internal Revenue Code" means the federal Internal Revenue
21 Code.

22 "Participation agreement" means an agreement to
23 participate in the Illinois ABLE account plan between a
24 designated beneficiary and the State, through its agencies and
25 the State Treasurer.

26 "Qualified disability expenses" has the meaning given to

1 that term under Section 529A of the Internal Revenue Code.

2 "Qualified withdrawal" or "qualified distribution" means a
3 withdrawal from an Illinois ABLE account to pay the qualified
4 disability expenses of the beneficiary of the account.

5 (b) Establishment of the Illinois ABLE Program. The
6 "Illinois Achieving a Better Life Experience" or "Illinois
7 ABLE" account program is hereby created and shall be
8 administered by the State Treasurer. The purpose of the
9 Illinois ABLE program is to encourage and assist individuals
10 and families in saving private funds for the purpose of
11 supporting individuals with disabilities to maintain health,
12 independence, and quality of life, and to provide secure
13 funding for disability-related expenses on behalf of
14 designated beneficiaries with disabilities that will
15 supplement, but not supplant, benefits provided through
16 private insurance, federal and State medical and disability
17 insurance, the beneficiary's employment, and other sources.
18 Under the plan, a person or entity may make contributions to an
19 Illinois ABLE account to meet the qualified disability
20 expenses of the designated beneficiary of the account. The
21 plan must be operated as an accounts-type plan that permits
22 saving for qualified disability expenses incurred by or on
23 behalf of an eligible individual.

24 (c) Promotion of the Illinois ABLE Program. The State
25 Treasurer shall promote awareness of the availability and
26 advantages of the Illinois ABLE account plan as a way to assist

1 individuals and families in saving private funds for the
2 purpose of supporting individuals with disabilities.

3 (d) Availability of the ABLE Program. An Illinois ABLE
4 account may be established under this Section for a designated
5 beneficiary who is a resident of Illinois, a resident of a
6 contracting state, or a resident of any other state.

7 Annual contributions to an Illinois ABLE account on behalf
8 of a beneficiary are subject to the requirements of subsection
9 (b) of Section 529A of the Internal Revenue Code. No person or
10 entity may make a contribution to an Illinois ABLE account if
11 such a contribution would result in the aggregate account
12 balance of an ABLE account exceeding the account balance limit
13 authorized under Section 529A of the Internal Revenue Code.
14 The Treasurer shall review the contribution limit at least
15 annually. A separate account must be maintained for each
16 beneficiary for whom contributions are made, and no more than
17 one account shall be established per beneficiary. If an
18 Illinois ABLE account is established for a designated
19 beneficiary, no account subsequently established for such
20 beneficiary shall be treated as an Illinois ABLE account. The
21 preceding sentence shall not apply in the case of an Illinois
22 ABLE account established for purposes of a rollover as
23 permitted under Sections 529 and 529A of the Internal Revenue
24 Code.

25 (e) Administration of the Illinois ABLE Program. The State
26 Treasurer shall administer the plan, including accepting and

1 processing applications, maintaining account records, making
2 payments, and undertaking any other necessary tasks to
3 administer the plan, including the appointment of an account
4 administrator. The State Treasurer may contract with one or
5 more third parties to carry out some or all of these
6 administrative duties, including, but not limited to,
7 providing investment management services, incentives, and
8 marketing the plan. The State Treasurer may enter into
9 agreements with other states to either allow Illinois
10 residents to participate in a plan operated by another state
11 or to allow residents of other states to participate in the
12 Illinois ABLE plan. The State Treasurer may require any
13 certifications that he or she deems necessary to implement the
14 program, including oaths or affirmations made under penalties
15 of perjury.

16 (f) Fees. The State Treasurer may establish fees to be
17 imposed on participants to cover the costs of administration,
18 recordkeeping, and investment management. The State Treasurer
19 must use his or her best efforts to keep these fees as low as
20 possible, consistent with efficient administration.

21 (g) The Illinois ABLE Accounts Administrative Fund. The
22 Illinois ABLE Accounts Administrative Fund is created as a
23 nonappropriated trust fund in the State treasury. The State
24 Treasurer shall use moneys in the Administrative Fund to cover
25 administrative expenses incurred under this Section. The
26 Administrative Fund may receive any grants or other moneys

1 designated for administrative purposes from the State, or any
2 unit of federal, state, or local government, or any other
3 person, firm, partnership, or corporation. Any interest
4 earnings that are attributable to moneys in the Administrative
5 Fund must be deposited into the Administrative Fund. Any fees
6 established by the State Treasurer to cover the costs of
7 administration, recordkeeping, and investment management shall
8 be deposited into the Administrative Fund.

9 Subject to appropriation, the State Treasurer may pay
10 administrative costs associated with the creation and
11 management of the plan until sufficient assets are available
12 in the Administrative Fund for that purpose.

13 (h) Privacy. Applications for accounts and other records
14 obtained or compiled by the Treasurer or the Treasurer's
15 agents reflecting designated beneficiary information, account
16 information, or designated representative information are
17 confidential and exempt from disclosure under the Freedom of
18 Information Act.

19 (i) Investment Policy. The Treasurer shall prepare and
20 adopt a written statement of investment policy that includes a
21 risk management and oversight program which shall be reviewed
22 annually and posted on the Treasurer's website prior to
23 implementation. The risk management and oversight program
24 shall be designed to ensure that an effective risk management
25 system is in place to monitor the risk levels of the Illinois
26 ABLE plan, to ensure that the risks taken are prudent and

1 properly managed, to provide an integrated process for overall
2 risk management, and to assess investment returns as well as
3 risk to determine if the risks taken are adequately
4 compensated compared to applicable performance benchmarks and
5 standards. To enhance the safety and liquidity of Illinois
6 ABLE accounts, to ensure the diversification of the investment
7 portfolio of accounts, and in an effort to keep investment
8 dollars in the State, the State Treasurer may make a
9 percentage of each account available for investment in
10 participating financial institutions doing business in the
11 State, except that the accounts may be invested without limit
12 in investment options from open-ended investment companies
13 registered under Section 80a of the federal Investment Company
14 Act of 1940. The State Treasurer may contract with one or more
15 third parties for investment management, recordkeeping, or
16 other services in connection with investing the accounts.

17 (j) Investment restrictions. The State Treasurer shall
18 ensure that the plan meets the requirements for an Illinois
19 ABLE account under Section 529A of the Internal Revenue Code.
20 The State Treasurer may request a private letter ruling or
21 rulings from the Internal Revenue Service and must take any
22 necessary steps to ensure that the plan qualifies under
23 relevant provisions of federal law. Notwithstanding the
24 foregoing, any determination by the Secretary of the Treasury
25 of the United States that an account was utilized to make
26 non-qualified distributions shall not result in an Illinois

1 ABLE account being disregarded as a resource.

2 (k) Contributions. A person or entity may make
3 contributions to an Illinois ABLE account on behalf of a
4 beneficiary. Contributions to an account made by persons or
5 entities other than the designated beneficiary become the
6 property of the designated beneficiary. Contributions to an
7 account shall be considered as a transfer of assets for fair
8 market value. A person or entity does not acquire an interest
9 in an Illinois ABLE account by making contributions to an
10 account. A contribution to any account for a beneficiary must
11 be rejected if the contribution would cause either the
12 aggregate or annual account balance of the account to exceed
13 the limits imposed by Section 529A of the Internal Revenue
14 Code.

15 Any change in designated beneficiary must be done in a
16 manner consistent with Section 529A of the Internal Revenue
17 Code.

18 (l) Notice. Notice of any proposed amendments to the rules
19 and regulations shall be provided to all designated
20 beneficiaries or their designated representatives prior to
21 adoption. Amendments to rules and regulations shall apply only
22 to contributions made after the adoption of the amendment.
23 Amendments to this Section automatically amend the
24 participation agreement. Any amendments to the operating
25 procedures and policies of the plan shall automatically amend
26 the participation agreement after adoption by the State

1 Treasurer.

2 (m) Plan assets. All assets of the plan, including any
3 contributions to accounts, are held in trust for the exclusive
4 benefit of the designated beneficiary and shall be considered
5 spendthrift accounts exempt from all of the designated
6 beneficiary's creditors. The plan shall provide separate
7 accounting for each designated beneficiary sufficient to
8 satisfy the requirements of paragraph (3) of subsection (b) of
9 Section 529A of the Internal Revenue Code. Assets must be held
10 in either a state trust fund outside the State treasury, to be
11 known as the Illinois ABLE plan trust fund, or in accounts with
12 a third-party provider selected pursuant to this Section.
13 Amounts contributed to Illinois ABLE accounts shall not be
14 commingled with State funds and the State shall have no claim
15 to or against, or interest in, such funds.

16 Plan assets are not subject to claims by creditors of the
17 State and are not subject to appropriation by the State.
18 Payments from the Illinois ABLE account plan shall be made
19 under this Section.

20 The assets of Illinois ABLE accounts and their income may
21 not be used as security for a loan.

22 (n) Taxation. The assets of Illinois ABLE accounts and
23 their income and operation shall be exempt from all taxation
24 by the State of Illinois and any of its subdivisions to the
25 extent exempt from federal income taxation. The accrued
26 earnings on investments in an Illinois ABLE account once

1 disbursed on behalf of a designated beneficiary shall be
2 similarly exempt from all taxation by the State of Illinois
3 and its subdivisions to the extent exempt from federal income
4 taxation, so long as they are used for qualified expenses.

5 Notwithstanding any other provision of law that requires
6 consideration of one or more financial circumstances of an
7 individual, for the purpose of determining eligibility to
8 receive, or the amount of, any assistance or benefit
9 authorized by such provision to be provided to or for the
10 benefit of such individual, any amount, including earnings
11 thereon, in the Illinois ABLE account of such individual, any
12 contributions to the Illinois ABLE account of the individual,
13 and any distribution for qualified disability expenses shall
14 be disregarded for such purpose with respect to any period
15 during which such individual maintains, makes contributions
16 to, or receives distributions from such Illinois ABLE account.

17 (o) Distributions. The designated beneficiary or the
18 designated representative of the designated beneficiary may
19 make a qualified distribution for the benefit of the
20 designated beneficiary. Qualified distributions shall be made
21 for qualified disability expenses allowed pursuant to Section
22 529A of the Internal Revenue Code. Qualified distributions
23 must be withdrawn proportionally from contributions and
24 earnings in a designated beneficiary's account on the date of
25 distribution as provided in Section 529A of the Internal
26 Revenue Code. Unless prohibited by federal law, upon the death

1 of a designated beneficiary, proceeds from an account may be
2 transferred to the estate of a designated beneficiary, or to
3 an account for another eligible individual specified by the
4 designated beneficiary or the estate of the designated
5 beneficiary, or transferred pursuant to a payable on death
6 account agreement. A payable on death account agreement may be
7 executed by the designated beneficiary or a designated
8 representative who has been granted such power. Upon the death
9 of a designated beneficiary, prior to distribution of the
10 balance to the estate, account for another eligible
11 individual, or transfer pursuant to a payable on death account
12 agreement, the State Treasurer may require verification that
13 the funeral and burial expenses of the designated beneficiary
14 have been paid. An agency or instrumentality of the State may
15 not seek payment under subsection (f) of Section 529A of the
16 federal Internal Revenue Code from the account or its proceeds
17 for benefits provided to a designated beneficiary.

18 (p) Rules. The State Treasurer may adopt rules to carry
19 out the purposes of this Section. The State Treasurer shall
20 further have the power to issue peremptory rules necessary to
21 ensure that Illinois ABLE accounts meet all of the
22 requirements for a qualified state Illinois ABLE program under
23 Section 529A of the Internal Revenue Code and any regulations
24 issued by the Internal Revenue Service.

25 (q) Name. The Illinois ABLE Account Program may also be
26 referred to as the Senator Scott Bennett ABLE Program.

(Source: P.A. 102-392, eff. 8-16-21; 102-1024, eff. 5-27-22;
103-256, eff. 6-30-23.)

Section 10. The School Code is amended by changing Section
14-8.02i as follows:

(105 ILCS 5/14-8.02i)

Sec. 14-8.02i. Illinois ABLE account program information.
Beginning with the 2026-2027 school year ~~Beginning with the~~
~~2023-2024 school year~~, a school district shall provide
informational materials ~~material~~ about the Illinois Achieving
a Better Life Experience (ABLE) account program established
under Section 16.6 of the State Treasurer Act:

(1) to the parent or guardian of a student at the
student's annual individualized education program (IEP)
review meeting, whether the annual review meeting is held
in person, convened remotely, or convened in any other
manner, using the same distribution methods employed to
transmit other documents and information related to an IEP
meeting to the parent or guardian; and -

(2) annually to the parent or guardian of a student
who has a section 504 Plan under the federal
Rehabilitation Act of 1973, using the same distribution
methods employed for other communications related to the
student's section 504 Plan.

The Office of the State Treasurer shall prepare and

1 deliver the informational materials ~~material~~ to the State
2 Board of Education, and the State Board of Education shall
3 distribute the materials ~~informational material~~ to school
4 districts.

5 ~~A school may transmit the informational material to a~~
6 ~~parent or guardian in the same manner as other documents and~~
7 ~~information related to an IEP meeting are provided to the~~
8 ~~parent or guardian.~~

9 (Source: P.A. 102-841, eff. 5-13-22.)

10 Section 15. The Department of Early Childhood Act is
11 amended by changing Section 10-65 as follows:

12 (325 ILCS 3/10-65)

13 Sec. 10-65. Individualized Family Service Plans.

14 (a) Each eligible infant or toddler and that infant's or
15 toddler's family shall receive:

16 (1) timely, comprehensive, multidisciplinary
17 assessment of the unique strengths and needs of each
18 eligible infant and toddler, and assessment of the
19 concerns and priorities of the families to appropriately
20 assist them in meeting their needs and identify supports
21 and services to meet those needs; and

22 (2) a written Individualized Family Service Plan
23 developed by a multidisciplinary team which includes the
24 parent or guardian. The individualized family service plan

1 shall be based on the multidisciplinary team's assessment
2 of the resources, priorities, and concerns of the family
3 and its identification of the supports and services
4 necessary to enhance the family's capacity to meet the
5 developmental needs of the infant or toddler, and shall
6 include the identification of services appropriate to meet
7 those needs, including the frequency, intensity, and
8 method of delivering services. During and as part of the
9 initial development of the individualized family services
10 plan, and any periodic reviews of the plan, the
11 multidisciplinary team may seek consultation from the lead
12 agency's designated experts, if any, to help determine
13 appropriate services and the frequency and intensity of
14 those services. All services in the individualized family
15 services plan must be justified by the multidisciplinary
16 assessment of the unique strengths and needs of the infant
17 or toddler and must be appropriate to meet those needs. At
18 the periodic reviews, the team shall determine whether
19 modification or revision of the outcomes or services is
20 necessary.

21 (b) The Individualized Family Service Plan shall be
22 evaluated once a year and the family shall be provided a review
23 of the Plan at 6-month intervals or more often where
24 appropriate based on infant or toddler and family needs. The
25 lead agency shall create a quality review process regarding
26 Individualized Family Service Plan development and changes

1 thereto, to monitor and help ensure that resources are being
2 used to provide appropriate early intervention services.

3 (c) The initial evaluation and initial assessment and
4 initial Plan meeting must be held within 45 days after the
5 initial contact with the early intervention services system.
6 The 45-day timeline does not apply for any period when the
7 child or parent is unavailable to complete the initial
8 evaluation, the initial assessments of the child and family,
9 or the initial Plan meeting, due to exceptional family
10 circumstances that are documented in the child's early
11 intervention records, or when the parent has not provided
12 consent for the initial evaluation or the initial assessment
13 of the child despite documented, repeated attempts to obtain
14 parental consent. As soon as exceptional family circumstances
15 no longer exist or parental consent has been obtained, the
16 initial evaluation, the initial assessment, and the initial
17 Plan meeting must be completed as soon as possible. With
18 parental consent, early intervention services may commence
19 before the completion of the comprehensive assessment and
20 development of the Plan. All early intervention services shall
21 be initiated as soon as possible but not later than 30 calendar
22 days after the consent of the parent or guardian has been
23 obtained for the individualized family service plan, in
24 accordance with rules adopted by the lead agency.

25 (d) Parents must be informed that early intervention
26 services shall be provided to each eligible infant and

1 toddler, to the maximum extent appropriate, in the natural
2 environment, which may include the home or other community
3 settings. Parents must also be informed of the availability of
4 early intervention services provided through telehealth
5 services. Parents shall make the final decision to accept or
6 decline early intervention services, including whether
7 accepted services are delivered in person or via telehealth
8 services. A decision to decline such services shall not be a
9 basis for administrative determination of parental fitness, or
10 other findings or sanctions against the parents. Parameters of
11 the Plan shall be set forth in rules.

12 (e) The regional intake offices shall explain to each
13 family, orally and in writing, all of the following:

14 (1) That the early intervention program will pay for
15 all early intervention services set forth in the
16 individualized family service plan that are not covered or
17 paid under the family's public or private insurance plan
18 or policy and not eligible for payment through any other
19 third party payor.

20 (2) That services will not be delayed due to any rules
21 or restrictions under the family's insurance plan or
22 policy.

23 (3) That the family may request, with appropriate
24 documentation supporting the request, a determination of
25 an exemption from private insurance use under Section
26 10-100.

1 (4) That responsibility for co-payments or
2 co-insurance under a family's private insurance plan or
3 policy will be transferred to the lead agency's central
4 billing office.

5 (5) That families will be responsible for payments of
6 family fees, which will be based on a sliding scale
7 according to the State's definition of ability to pay
8 which is comparing household size and income to the
9 sliding scale and considering out-of-pocket medical or
10 disaster expenses, and that these fees are payable to the
11 central billing office. Families who fail to provide
12 income information shall be charged the maximum amount on
13 the sliding scale.

14 (f) The individualized family service plan must state
15 whether the family has private insurance coverage and, if the
16 family has such coverage, must have attached to it a copy of
17 the family's insurance identification card or otherwise
18 include all of the following information:

19 (1) The name, address, and telephone number of the
20 insurance carrier.

21 (2) The contract number and policy number of the
22 insurance plan.

23 (3) The name, address, and social security number of
24 the primary insured.

25 (4) The beginning date of the insurance benefit year.

26 (g) A copy of the individualized family service plan must

1 be provided to each enrolled provider who is providing early
2 intervention services to the child who is the subject of that
3 plan.

4 (h) Children receiving services under this Act shall
5 receive a smooth and effective transition by their third
6 birthday consistent with federal regulations adopted pursuant
7 to Sections 1431 through 1444 of Title 20 of the United States
8 Code. Beginning January 1, 2022, children who receive early
9 intervention services prior to their third birthday and are
10 found eligible for an individualized education program under
11 the Individuals with Disabilities Education Act, 20 U.S.C.
12 1414(d)(1)(A), and under Section 14-8.02 of the School Code
13 and whose birthday falls between May 1 and August 31 may
14 continue to receive early intervention services until the
15 beginning of the school year following their third birthday in
16 order to minimize gaps in services, ensure better continuity
17 of care, and align practices for the enrollment of preschool
18 children with special needs to the enrollment practices of
19 typically developing preschool children.

20 (i) The requirement under this subsection is intended to
21 ensure that families of infants and toddlers with disabilities
22 are informed about the Illinois Achieving a Better Life
23 Experience (ABLE) account program, a financial tool that may
24 assist families in meeting the long-term disability-related
25 expenses of their children and improving opportunities for
26 economic independence for their children. During the initial

1 development of the Individual Family Service Plan and at each
2 review meeting of the plan, the regional intake offices shall
3 provide the parent or guardian with informational materials
4 about the Illinois (ABLE) account program established under
5 Section 16.6 of the State Treasurer Act. The informational
6 materials shall include an overview of the program,
7 eligibility criteria, and other necessary information for
8 enrollment in the Illinois ABLE program.

9 The Office of the State Treasurer shall prepare and
10 deliver the informational materials about the Illinois ABLE
11 account program to the lead agency, which shall distribute the
12 materials to regional intake offices. The regional intake
13 offices shall disseminate the informational materials to
14 parents and guardians in the same manner as they transmit
15 other documents to families. The regional intake offices shall
16 document the transmission of informational materials about the
17 Illinois ABLE account program.

18 (Source: P.A. 103-594, eff. 6-25-24.)

19 Section 20. The Early Intervention Services System Act is
20 amended by changing Section 11 as follows:

21 (325 ILCS 20/11) (from Ch. 23, par. 4161)

22 (Section scheduled to be repealed on July 1, 2026)

23 Sec. 11. Individualized Family Service Plans.

24 (a) Each eligible infant or toddler and that infant's or

1 toddler's family shall receive:

2 (1) timely, comprehensive, multidisciplinary
3 assessment of the unique strengths and needs of each
4 eligible infant and toddler, and assessment of the
5 concerns and priorities of the families to appropriately
6 assist them in meeting their needs and identify supports
7 and services to meet those needs; and

8 (2) a written Individualized Family Service Plan
9 developed by a multidisciplinary team which includes the
10 parent or guardian. The individualized family service plan
11 shall be based on the multidisciplinary team's assessment
12 of the resources, priorities, and concerns of the family
13 and its identification of the supports and services
14 necessary to enhance the family's capacity to meet the
15 developmental needs of the infant or toddler, and shall
16 include the identification of services appropriate to meet
17 those needs, including the frequency, intensity, and
18 method of delivering services. During and as part of the
19 initial development of the individualized family services
20 plan, and any periodic reviews of the plan, the
21 multidisciplinary team may seek consultation from the lead
22 agency's designated experts, if any, to help determine
23 appropriate services and the frequency and intensity of
24 those services. All services in the individualized family
25 services plan must be justified by the multidisciplinary
26 assessment of the unique strengths and needs of the infant

1 or toddler and must be appropriate to meet those needs. At
2 the periodic reviews, the team shall determine whether
3 modification or revision of the outcomes or services is
4 necessary.

5 (b) The Individualized Family Service Plan shall be
6 evaluated once a year and the family shall be provided a review
7 of the Plan at 6-month intervals or more often where
8 appropriate based on infant or toddler and family needs. The
9 lead agency shall create a quality review process regarding
10 Individualized Family Service Plan development and changes
11 thereto, to monitor and help ensure that resources are being
12 used to provide appropriate early intervention services.

13 (c) The initial evaluation and initial assessment and
14 initial Plan meeting must be held within 45 days after the
15 initial contact with the early intervention services system.
16 The 45-day timeline does not apply for any period when the
17 child or parent is unavailable to complete the initial
18 evaluation, the initial assessments of the child and family,
19 or the initial Plan meeting, due to exceptional family
20 circumstances that are documented in the child's early
21 intervention records, or when the parent has not provided
22 consent for the initial evaluation or the initial assessment
23 of the child despite documented, repeated attempts to obtain
24 parental consent. As soon as exceptional family circumstances
25 no longer exist or parental consent has been obtained, the
26 initial evaluation, the initial assessment, and the initial

1 Plan meeting must be completed as soon as possible. With
2 parental consent, early intervention services may commence
3 before the completion of the comprehensive assessment and
4 development of the Plan. All early intervention services shall
5 be initiated as soon as possible but not later than 30 calendar
6 days after the consent of the parent or guardian has been
7 obtained for the individualized family service plan, in
8 accordance with rules adopted by the Department of Human
9 Services.

10 (d) Parents must be informed that early intervention
11 services shall be provided to each eligible infant and
12 toddler, to the maximum extent appropriate, in the natural
13 environment, which may include the home or other community
14 settings. Parents must also be informed of the availability of
15 early intervention services provided through telehealth
16 services. Parents shall make the final decision to accept or
17 decline early intervention services, including whether
18 accepted services are delivered in person or via telehealth
19 services. A decision to decline such services shall not be a
20 basis for administrative determination of parental fitness, or
21 other findings or sanctions against the parents. Parameters of
22 the Plan shall be set forth in rules.

23 (e) The regional intake offices shall explain to each
24 family, orally and in writing, all of the following:

25 (1) That the early intervention program will pay for
26 all early intervention services set forth in the

1 individualized family service plan that are not covered or
2 paid under the family's public or private insurance plan
3 or policy and not eligible for payment through any other
4 third party payor.

5 (2) That services will not be delayed due to any rules
6 or restrictions under the family's insurance plan or
7 policy.

8 (3) That the family may request, with appropriate
9 documentation supporting the request, a determination of
10 an exemption from private insurance use under Section
11 13.25.

12 (4) That responsibility for co-payments or
13 co-insurance under a family's private insurance plan or
14 policy will be transferred to the lead agency's central
15 billing office.

16 (5) That families will be responsible for payments of
17 family fees, which will be based on a sliding scale
18 according to the State's definition of ability to pay
19 which is comparing household size and income to the
20 sliding scale and considering out-of-pocket medical or
21 disaster expenses, and that these fees are payable to the
22 central billing office. Families who fail to provide
23 income information shall be charged the maximum amount on
24 the sliding scale.

25 (f) The individualized family service plan must state
26 whether the family has private insurance coverage and, if the

1 family has such coverage, must have attached to it a copy of
2 the family's insurance identification card or otherwise
3 include all of the following information:

4 (1) The name, address, and telephone number of the
5 insurance carrier.

6 (2) The contract number and policy number of the
7 insurance plan.

8 (3) The name, address, and social security number of
9 the primary insured.

10 (4) The beginning date of the insurance benefit year.

11 (g) A copy of the individualized family service plan must
12 be provided to each enrolled provider who is providing early
13 intervention services to the child who is the subject of that
14 plan.

15 (h) Children receiving services under this Act shall
16 receive a smooth and effective transition by their third
17 birthday consistent with federal regulations adopted pursuant
18 to Sections 1431 through 1444 of Title 20 of the United States
19 Code. Beginning January 1, 2022, children who receive early
20 intervention services prior to their third birthday and are
21 found eligible for an individualized education program under
22 the Individuals with Disabilities Education Act, 20 U.S.C.
23 1414(d)(1)(A), and under Section 14-8.02 of the School Code
24 and whose birthday falls between May 1 and August 31 may
25 continue to receive early intervention services until the
26 beginning of the school year following their third birthday in

1 order to minimize gaps in services, ensure better continuity
2 of care, and align practices for the enrollment of preschool
3 children with special needs to the enrollment practices of
4 typically developing preschool children.

5 (i) The requirement under this subsection is intended to
6 ensure that families of infants and toddlers with disabilities
7 are informed about the Illinois Achieving a Better Life
8 Experience (ABLE) account program, a financial tool that may
9 assist families in meeting the long-term disability-related
10 expenses of their children and improving opportunities for
11 economic independence for their children. During the initial
12 development of the Individual Family Service Plan and at each
13 review meeting of the plan, the regional intake offices shall
14 provide the parent or guardian with informational materials
15 about the Illinois (ABLE) account program established under
16 Section 16.6 of the State Treasurer Act. The informational
17 materials shall include an overview of the program,
18 eligibility criteria, and other necessary information for
19 enrollment in the Illinois ABLE program.

20 The Office of the State Treasurer shall prepare and
21 deliver the informational materials about the Illinois ABLE
22 account program to the lead agency, which shall distribute the
23 materials to regional intake offices. The regional intake
24 offices shall disseminate the informational materials to
25 parents and guardians in the same manner as they transmit
26 other documents to families. The regional intake offices shall

1 document the transmission of informational materials about the
2 Illinois ABLE account program.

3 (Source: P.A. 101-654, eff. 3-8-21; 102-104, eff. 7-22-21;
4 102-209, eff. 11-30-21 (See Section 5 of P.A. 102-671 for
5 effective date of P.A. 102-209); 102-813, eff. 5-13-22;
6 102-962, eff. 7-1-22.)