



## 104TH GENERAL ASSEMBLY

### State of Illinois

### 2025 and 2026

### HB3500

Introduced 2/18/2025, by Rep. Suzanne M. Ness

#### SYNOPSIS AS INTRODUCED:

5 ILCS 70/1.46 new  
15 ILCS 505/16.5  
15 ILCS 505/16.6  
105 ILCS 5/14-8.02i  
325 ILCS 3/10-65  
325 ILCS 20/11

from Ch. 23, par. 4161

Amends the School Code. Provides that beginning with the 2026-2027 school year, a school district shall provide informational materials about the Illinois Achieving a Better Life Experience (ABLE) account program (rather than the Achieving a Better Life Experience (ABLE) account program) 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. Removes language providing that a school may transmit the informational material to a parent or guardian in the same manner as other documents and information related to an Individualized Education Program meeting are provided to the parent or guardian. Amends the Department of Early Childhood Act and the Early Intervention Services System Act. In provisions requiring individualized family service plans for children receiving early intervention services, provides that during the initial development of an individual family service plan and at each review meeting of the service plan, the regional intake offices shall provide the parent or guardian with informational materials about the Illinois (ABLE) account program. Requires the informational materials to include an overview of the Illinois ABLE account program, eligibility criteria, and other necessary enrollment information. Requires the Office of the State Treasurer to prepare and deliver the informational materials about the Illinois ABLE account for distribution to regional intake offices which shall subsequently disseminate the informational materials to parents and guardians in the same manner as they transmit other documents to families. Makes technical changes to the State Treasurer Act to change the name of the Achieving a Better Life Experience (ABLE) account program to the Illinois Achieving a Better Life Experience (ABLE) account program.

LRB104 10352 KTG 20426 b

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.

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

2 (15 ILCS 505/16.6)

3 Sec. 16.6. Illinois ABLE account program.

4 (a) As used in this Section:

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

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

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

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

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

22 "Contracting state" means a state without a qualified  
23 Illinois ABLE program which has entered into a contract with  
24 Illinois to provide residents of the contracting state access  
25 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.

1 (Source: P.A. 102-392, eff. 8-16-21; 102-1024, eff. 5-27-22;  
2 103-256, eff. 6-30-23.)

3 Section 10. The School Code is amended by changing Section  
4 14-8.02i as follows:

5 (105 ILCS 5/14-8.02i)

6 Sec. 14-8.02i. Illinois ABLE account program information.  
7 Beginning with the 2026-2027 school year ~~Beginning with the~~  
8 ~~2023-2024 school year~~, a school district shall provide  
9 informational materials ~~material~~ about the Illinois Achieving  
10 a Better Life Experience (ABLE) account program established  
11 under Section 16.6 of the State Treasurer Act:

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

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

24 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 as part of the Individual Family  
16 Service Plan process. The regional intake offices shall  
17 document the transmission of informational materials about the  
18 Illinois ABLE account program in each child's Individual  
19 Family Service Plan.

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

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

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

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

1           Sec. 11. Individualized Family Service Plans.

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

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

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

1 services plan must be justified by the multidisciplinary  
2 assessment of the unique strengths and needs of the infant  
3 or toddler and must be appropriate to meet those needs. At  
4 the periodic reviews, the team shall determine whether  
5 modification or revision of the outcomes or services is  
6 necessary.

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

15 (c) The initial evaluation and initial assessment and  
16 initial Plan meeting must be held within 45 days after the  
17 initial contact with the early intervention services system.  
18 The 45-day timeline does not apply for any period when the  
19 child or parent is unavailable to complete the initial  
20 evaluation, the initial assessments of the child and family,  
21 or the initial Plan meeting, due to exceptional family  
22 circumstances that are documented in the child's early  
23 intervention records, or when the parent has not provided  
24 consent for the initial evaluation or the initial assessment  
25 of the child despite documented, repeated attempts to obtain  
26 parental consent. As soon as exceptional family circumstances

1 no longer exist or parental consent has been obtained, the  
2 initial evaluation, the initial assessment, and the initial  
3 Plan meeting must be completed as soon as possible. With  
4 parental consent, early intervention services may commence  
5 before the completion of the comprehensive assessment and  
6 development of the Plan. All early intervention services shall  
7 be initiated as soon as possible but not later than 30 calendar  
8 days after the consent of the parent or guardian has been  
9 obtained for the individualized family service plan, in  
10 accordance with rules adopted by the Department of Human  
11 Services.

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

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

1           (1) That the early intervention program will pay for  
2           all early intervention services set forth in the  
3           individualized family service plan that are not covered or  
4           paid under the family's public or private insurance plan  
5           or policy and not eligible for payment through any other  
6           third party payor.

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

10          (3) That the family may request, with appropriate  
11          documentation supporting the request, a determination of  
12          an exemption from private insurance use under Section  
13          13.25.

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

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

1           (f) The individualized family service plan must state  
2 whether the family has private insurance coverage and, if the  
3 family has such coverage, must have attached to it a copy of  
4 the family's insurance identification card or otherwise  
5 include all of the following information:

6           (1) The name, address, and telephone number of the  
7 insurance carrier.

8           (2) The contract number and policy number of the  
9 insurance plan.

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

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

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

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

1 continue to receive early intervention services until the  
2 beginning of the school year following their third birthday in  
3 order to minimize gaps in services, ensure better continuity  
4 of care, and align practices for the enrollment of preschool  
5 children with special needs to the enrollment practices of  
6 typically developing preschool children.

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

22 The Office of the State Treasurer shall prepare and  
23 deliver the informational materials about the Illinois ABLE  
24 account program to the lead agency, which shall distribute the  
25 materials to regional intake offices. The regional intake  
26 offices shall disseminate the informational materials to

1 parents and guardians in the same manner as they transmit  
2 other documents to families as part of the Individual Family  
3 Service Plan process. The regional intake offices shall  
4 document the transmission of informational materials about the  
5 Illinois ABLE account program in each child's Individual  
6 Family Service Plan.

7 (Source: P.A. 101-654, eff. 3-8-21; 102-104, eff. 7-22-21;  
8 102-209, eff. 11-30-21 (See Section 5 of P.A. 102-671 for  
9 effective date of P.A. 102-209); 102-813, eff. 5-13-22;  
10 102-962, eff. 7-1-22.)