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## Senate File 494 Impact on IAble Accounts 5/1/2023

### Summary

The treatment of IAble account will not change under Senate File 494.

### History

[Senate File 494](#) makes various changes related to public assistance programs under the Department of Health and Human Services. Pursuant to Senate File 494, Iowans on Supplemental Nutrition Assistance Programs (SNAP) have a maximum of \$15,000 in household assets to remain eligible. The bill also creates a new system for the Iowa Health and Human Services Department to verify families' income, asset and identities in order to apply and remain eligible for these benefits.

### Impact on IAble Accounts

In determining if an IAble Account is considered an "asset" for purposes of the Senate File 494, section 4 of the bill is most instructive:

Sec. 4. NEW SECTION. 239.4 Asset test for supplemental nutrition assistance program.

1. For the purposes of determining eligibility for receipt of SNAP benefits, the department shall conduct an asset test on all members of the applicant's household. The allowable financial resources to be included in or excluded from a determination of eligibility for SNAP shall be those specified in 7 U.S.C. §2014 (g)(1) to the extent consistent with the term "asset" as defined in this chapter.

In referencing the US Code, the State incorporates the federal protection for both 529 and 529A (ABLE) accounts.

(8) Exclusion of education accounts from allowable financial resources. -

(A) Mandatory exclusions. - The Secretary shall exclude from financial resources under this subsection the value of any funds in a qualified tuition program described in section 529 of title 26 or in a Coverdell education savings account under section 530 of that title.

(B) Discretionary exclusions. - The Secretary may exclude from financial resources under this subsection the value of any other education programs, contracts, or accounts (as determined by the Secretary).

529 Accounts are expressly excluded, and ABLE accounts fall under the discretionary exclusion. The [USDA released written guidance](#) on ABLE accounts in 2016, which is still current and in force today.

The issue of 529 accounts was raised in the debate in the House. The discussion begins at 2:39:00 PM on the [recording](#), and Representative Fry acknowledges that 529 accounts are expressly excluded under federal law at 2:42:00 PM. ABLE accounts were not discussed, but because their exception comes from the same subsection of the federal law, the same exclusion would apply.

*This Fact Sheet is not intended to constitute, nor does it constitute, legal or tax advice.*