

114TH CONGRESS  
2D SESSION

# H. R. 5214

To amend the Social Security Act, the Food and Nutrition Act of 2008, and the Low-Income Home Energy Assistance Act of 1981 to require that the value of child's savings accounts be disregarded for the purpose of determining eligibility to receive benefits under such Acts; and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2016

Mr. CARTWRIGHT (for himself, Mr. RIBBLE, Ms. NORTON, Mr. GRIJALVA, Mr. SMITH of Washington, Ms. TSONGAS, Mr. HASTINGS, Mr. HINOJOSA, and Ms. TITUS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Social Security Act, the Food and Nutrition Act of 2008, and the Low-Income Home Energy Assistance Act of 1981 to require that the value of child's savings accounts be disregarded for the purpose of determining eligibility to receive benefits under such Acts; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Children’s Savings Ac-  
3 counts Offer Parents Plenty Of Reasons To Understand  
4 and Invest in Tuition Yearly Act” or the “CSA OPPOR-  
5 TUNITY Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) CHILD’S SAVINGS ACCOUNT.—The term  
9 “child’s savings account” means a trust created or  
10 organized exclusively for the purpose of paying the  
11 qualified expenses of only an individual who, when  
12 the trust is created or organized, has not attained  
13 18 years of age, if the written governing instrument  
14 creating the trust contains the following require-  
15 ments:

16 (A) The trustee is a federally insured fi-  
17 nancial institution, or a State insured financial  
18 institution if a federally insured financial insti-  
19 tution is not available.

20 (B) The assets of the trust will be invested  
21 in accordance with the direction of the indi-  
22 vidual or of a parent or guardian of the indi-  
23 vidual, after consultation with the entity pro-  
24 viding the initial contribution to the trust or, if  
25 applicable, a matching or other contribution for  
26 the individual.

1           (C) The assets of the trust will not be  
2 commingled with other property except in a  
3 common trust fund or common investment  
4 fund.

5           (D) Any amount in the trust that is attrib-  
6 utable to an account seed or matched deposit  
7 may be paid or distributed from the trust only  
8 for the purpose of paying qualified expenses of  
9 the individual.

10           (2) QUALIFIED EXPENSES.—The term “quali-  
11 fied expenses” means, with respect to an individual,  
12 expenses that—

13           (A) are incurred after the individual re-  
14 ceives a secondary school diploma or its recog-  
15 nized equivalent; and

16           (B) are—

17           (i) postsecondary educational expenses  
18 (as defined in section 529 of the Internal  
19 Revenue Code of 1986) of the individual;

20           (ii) for the purchase of a first home  
21 by the individual; or

22           (iii) for the capitalization of a busi-  
23 ness owned by the individual.

1 **TITLE I—AMENDMENTS TO THE**  
2 **SOCIAL SECURITY ACT**

3 **SEC. 101. INTEREST IN, AND DISTRIBUTION FROM, A QUALI-**  
4 **FIED TUITION PROGRAM REQUIRED TO BE**  
5 **DISREGARDED UNDER THE TANF PROGRAM.**

6 (a) IN GENERAL.—Section 408(a) of the Social Secu-  
7 rity Act (42 U.S.C. 608(a)) is amended by adding at the  
8 end the following:

9 “(13) REQUIREMENT TO DISREGARD INTEREST  
10 IN AND DISTRIBUTION FROM, A QUALIFIED TUITION  
11 PROGRAM.—A State to which a grant is made under  
12 section 403 shall disregard the value of any interest  
13 in, or distribution from, a qualified tuition program  
14 (as defined in section 529(b) of the Internal Rev-  
15 enue Code of 1986), in determining the eligibility of,  
16 and the amount or type of assistance to be provided  
17 to an individual or family under the State program  
18 funded under this part.”.

19 (b) PENALTY FOR NONCOMPLIANCE.—

20 (1) IN GENERAL.—Section 409(a) of such Act  
21 (42 U.S.C. 609(a)) is amended by adding at the end  
22 the following:

23 “(17) PENALTY FOR FAILURE TO DISREGARD  
24 INTEREST IN, OR DISTRIBUTION FROM, A QUALIFIED  
25 TUITION PROGRAM.—

1           “(A) IN GENERAL.—If the Secretary finds  
2           that a State to which a grant is made under  
3           section 403 for a fiscal year has failed to com-  
4           ply with section 408(a)(13) during the fiscal  
5           year, the Secretary shall reduce the grant oth-  
6           erwise payable to the State under section  
7           403(a)(1) for the succeeding fiscal year by the  
8           percentage specified in subparagraph (B) of  
9           this paragraph.

10           “(B) AMOUNT OF REDUCTION.—The re-  
11           duction required under subparagraph (A) shall  
12           be—

13                   “(i) not less than 1 nor more than 2  
14                   percent;

15                   “(ii) not less than 2 nor more than 3  
16                   percent, if the finding is the 2nd consecu-  
17                   tive finding made pursuant to subpara-  
18                   graph (A); or

19                   “(iii) not less than 3 nor more than 5  
20                   percent, if the finding is the 3rd or a sub-  
21                   sequent consecutive such finding.”.

22           (2) NO EXCEPTION FOR REASONABLE CAUSE.—  
23           Section 409(b)(2) of such Act (42 U.S.C. 609(b)(2))  
24           is amended by striking “or (13)” and inserting  
25           “(13), or (17)”.

1 **SEC. 102. EXCLUSION OF INTEREST IN, AND DISTRIBUTION**  
2 **FROM, A QUALIFIED TUITION PROGRAM**  
3 **FROM RESOURCES UNDER THE SSI PRO-**  
4 **GRAM.**

5 Section 1613(a) of the Social Security Act (42 U.S.C.  
6 1382b(a)) is amended—

7 (1) by striking “and” at the end of paragraph  
8 (16);

9 (2) by striking the period at the end of para-  
10 graph (17) and inserting “; and”; and

11 (3) by inserting after paragraph (17) the fol-  
12 lowing:

13 “(18) the value of any interest in, or distribu-  
14 tion from, a qualified tuition program (as defined in  
15 section 529(b) of the Internal Revenue Code of  
16 1986).”.

17 **SEC. 103. CHILD’S SAVINGS ACCOUNT REQUIRED TO BE**  
18 **DISREGARDED UNDER THE TANF PROGRAM.**

19 (a) IN GENERAL.—Section 408(a)(13) of the Social  
20 Security Act (42 U.S.C. 608(a)), as amended by section  
21 101(a) of this Act, is amended—

22 (1) by striking “(13)” and all that follows  
23 through “A State” and inserting the following:

24 “(13) REQUIREMENT TO DISREGARD INTEREST  
25 IN, AND DISTRIBUTION FROM, A QUALIFIED TUITION

1 PROGRAM, AND VALUE OF A CHILD'S SAVINGS AC-  
2 COUNT.—

3 “(A) IN GENERAL.—A State”; and

4 (2) by inserting “and the value of any child’s  
5 savings account (as defined in section 2 of the CSA  
6 OPPORTUNITY Act)” after “1986”).

7 (b) PENALTY FOR NONCOMPLIANCE.—Section  
8 409(a)(17) of such Act (42 U.S.C. 609(a)(17)), as added  
9 by section 101(b)(1) of this Act, is amended in the para-  
10 graph heading, by inserting “OR VALUE OF A CHILD’S SAV-  
11 INGS ACCOUNT” after “PROGRAM”.

12 **SEC. 104. EXCLUSION OF CHILD’S SAVINGS ACCOUNT FROM**  
13 **RESOURCES UNDER THE SSI PROGRAM.**

14 (a) IN GENERAL.—Section 1613(a) of the Social Se-  
15 curity Act (42 U.S.C. 1382b(a)), as amended by section  
16 102 of this Act, is amended—

17 (1) by striking “and” at the end of paragraph  
18 (17);

19 (2) by striking the period at the end of para-  
20 graph (18) and inserting “; and”; and

21 (3) by inserting after paragraph (18) the fol-  
22 lowing:

23 “(19) any child’s savings account (as defined in  
24 section 2 of the CSA OPPORTUNITY Act), includ-  
25 ing accrued interest or other earnings thereon.”.

1 (b) CONFORMING AMENDMENT.—Section 1613(e)(5)  
 2 of such Act (42 U.S.C. 1382b(e)(5)) is amended by insert-  
 3 ing “of this Act or section 2 of the CSA OPPORTUNITY  
 4 Act” before the period.

5 **TITLE II—AMENDMENT TO THE**  
 6 **FOOD AND NUTRITION ACT**  
 7 **OF 2008**

8 **SEC. 201. EXCLUSION OF CHILD’S SAVINGS ACCOUNTS**  
 9 **FROM RESOURCES UNDER THE SUPPLE-**  
 10 **MENTAL NUTRITION ASSISTANCE PROGRAM.**

11 Section 5(g) of the Food and Nutrition Act of 2008  
 12 (7 U.S.C. 2014(g)) is amended by adding at the end the  
 13 following:

14 “(9) EXCLUSION OF CHILD’S SAVINGS AC-  
 15 COUNTS FROM ALLOWABLE FINANCIAL RE-  
 16 SOURCES.—

17 “(A) EXCLUSION.—The Secretary shall ex-  
 18 clude from financial resources under this sub-  
 19 section the value of funds in any child’s savings  
 20 account.

21 “(B) CHILD’S SAVINGS ACCOUNT.—For  
 22 purposes of subparagraph (A), the term ‘child’s  
 23 savings account’ has the meaning given such  
 24 term in section 2 of the CSA OPPORTUNITY  
 25 Act.”.



1 **TITLE III—AMENDMENT TO LOW-**  
2 **INCOME HOME ENERGY AS-**  
3 **SISTANCE ACT OF 1981**

4 **SEC. 201. EXCLUSION OF CHILD’S SAVINGS ACCOUNTS**  
5 **FROM RESOURCES UNDER THE LOW-INCOME**  
6 **HOME ENERGY ASSISTANCE PROGRAM.**

7 Section 2605(f) of the Low-Income Home Energy As-  
8 sistance Act of 1981 (42 U.S.C. 8624(f)) is amended by  
9 adding at the end the following:

10 “(3) EXCLUSION OF CHILD’S SAVINGS ACCOUNTS  
11 FROM ALLOWABLE FINANCIAL RESOURCES.—

12 “(A) EXCLUSION.—The income of a household  
13 shall be determined under this section without re-  
14 gard to the value of funds in any child’s savings ac-  
15 count.

16 “(B) CHILD’S SAVINGS ACCOUNT.—For pur-  
17 poses of subparagraph (A), the term ‘child’s savings  
18 account’ has the meaning given such term in section  
19 2 of the CSA OPPORTUNITY Act.”.

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