



Tips for Opening a CalABLE Account

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SANDRA KENT: All right. Good afternoon and welcome to CalABLE's webinar series. Today, we are going to be talking about tips for opening a CalABLE account. My name is Sandra Kent and I am an analyst with CalABLE. Before we begin the presentation today, I want to go over a few housekeeping items for you.

First, the presentation slides are available. The reminder email that you received about an hour ago has a link to the slides at the bottom of that email. You may have to scroll to find it, but the link is there at the bottom. If you do not have that email, the slides are also available on the Treasurer's website at www.treasurer.ca.gov/able, and at the top of that webpage you will see a tab that's called Webinars. And under that tab, you can find links to all of the webinars in our series, as well as the presentation slides and transcripts of past broadcasts.

We also have two ASL interpreters with us today, and you should be able to see their video feeds in the gallery of presenters. If you are joining us on your computer, you can adjust the format of your screen to increase or decrease the size of the presenter video feeds. If you hover your mouse over the edge of the slides until a bar appears, you click and hold your mouse button and slide the bar to adjust the size. If doing that causes some of the slides to be cut off, go to View Options in the webinar controls and change the Zoom Ratio to Fit to Window and that should resolve the problem. You can also use this View Options to increase the size of the slides if you need to.

We also have live captioning provided. To turn on that option, look for the CC icon in the webinar controls. You may adjust the settings for that if you need larger captions, and they should also be a transcript option available for you, which is a longer running text if you prefer that.

There are two audio options available today. The first is via your computer speakers, but please make sure your speakers are turned on or your headphones are plugged in. Or you can call us on the telephone at 1-669-900-6833, and you will need the webinar ID number, which is 984 8314 6264.

We will be taking questions at the end of the presentation so please submit your questions using the Q&A box. You can do that at any time during the presentation, and we will address them at the end.

A replay of this webinar will be available on our YouTube channel in about two weeks. We also have other videos available on our YouTube channel, and these videos cover other topics such as special needs trusts, rollovers, investments, and more. So please feel free to check out our YouTube channel.

And before we get underway, one more thing: the California State Treasurer, Fiona Ma, has prepared some opening remarks for us that I would like to share with you.

CALIFORNIA STATE TREASURER FIONA MA: Good afternoon, everyone. I am California State Treasurer Fiona Ma, and I would like to welcome you to the CalABLE webinar series. Today's webinar will guide you through opening a CalABLE account online, a fast and easy process that can help you on the road to financial wellness. CalABLE staff have invited Malcolm Harmon from Intuition ABLE Solutions to show you what to expect, give you tips for opening a CalABLE account, and tell you how to avoid some of the common account pitfalls. As always, we encourage you to ask questions so that you can take advantage of all that CalABLE has to offer.

As State Treasurer, I am committed to promoting CalABLE, which is an important tool designed to enable people with disabilities to reach their financial goals and achieve a better life experience. Thank you for joining us today and for your continued support of the program. Now, I would like to turn things over to CalABLE Program Manager Anne Osborne.

ANNE OSBORNE: Thank you for those tips and the introduction, Treasurer Ma. Today's topics are going to be CalABLE background, ABLE basics, how do ABLE programs work, investment options, opening an account. We are going to hear from Malcolm Harmon on this. He is going to give us a nice tutorial on how to open up your ABLE account. Then, we will come back and we will discuss some resources and contacts, and we will take some Q&A. Next slide, please.

So, some basic background about ABLE. ABLE was established in 2014. It was part of the ABLE Age Adjustment Act, and it empowers people living with a disability to help them save and to cover the additional costs of living with a disability. This is part of the 529A portion of the Internal Revenue Code. It also allowed states to create tax-advantaged savings and investment programs for people with disabilities. Next slide.

An ABLE account will not affect eligibility for means-tested benefits like SSI or Medi-Cal. It also allows individuals with disabilities to maintain their public benefit status even while saving and investing above the established resource limit of \$2,000. The assets in your ABLE account are protected, so people with disabilities can provide financial support for themselves and their families. Next slide.

CalABLE is the California version of the ABLE Act. It's a national program, and we also follow the laws of the federal program. Our program is an online-based savings and investment

program. We are administered by the State Treasurer, and we have a seven member board, and we actually launched our program in December 2018. Next slide, please.

This currently is the map of all of the ABLE programs in the United States. As you can see, the states highlighted in green are states that accept out of state residents. So, if you live in the state of Kansas, and you would like to have a CalABLE account, you can have a CalABLE account in the state of Kansas. We do caution you that if you are having a CalABLE account in different states, that you do look at the benefits offered to you. In California, we do have some extra benefits available to residents of California with CalABLE accounts. So, we do recommend that you do look at your state to see if there are benefits available to you as residents of that state. The states highlighted in orange, you can only have an ABLE account in those particular states. For example, in the state of Texas, they have their own ABLE program. The states highlighted in gray currently do not have ABLE accounts.

CalABLE right now has over 5,000 accounts, and we are over \$50 million in assets under management. So, we are very proud of that. We are one of the fastest-growing ABLE programs in the nation. Next slide, please.

So, we are going to talk about ABLE basics. Next slide.

And who is eligible? So, when you open an ABLE account, first and foremost you must be an individual with a disability, and the onset of that disability needed to occur before your 26th birthday. If you meet the eligibility criteria for disability benefit programs like SSI or SSDI and your disability began before age 26, then you are automatically eligible to open an ABLE account.

Self-certification. That is when you certify under penalty of perjury that you have been diagnosed by a qualified physician with a physical or mental disability that results in a marked and severe functional limitation that is expected to last at least a year or longer. Now, along with that we ask that you get a letter from your physician, and that letter should include information regarding your disability. It should state that that the disability likely began before your 26th birthday, and we ask for you to hold onto that letter. CalABLE does not require you to submit that letter, but we do ask that you have it in case you were audited by the IRS, or your Social Security office asks you for proof that you are eligible to open an ABLE account. If you are unsure if your disability would qualify, we ask that you review the Social Security List of Compassionate Allowances or the Blue Book listings. Next slide, please.

Some ABLE basics. The first thing: there can only be one ABLE account holder. You can only have one ABLE account. The Beneficiary is always the account owner. And the account can be opened by the Beneficiary or the Authorized Legal Representative. Next slide, please.

CalABLE's definition of the Authorized Legal Representative includes a parent, conservator or legal guardian, or power of attorney. This definition was updated with the final IRS regulations, which were passed in November 2020, and it expanded the definition to include a spouse, parent, sibling, grandparent, or a representative payee. Currently, the representative payee functionality is not available with CalABLE, but we are currently working on this. And states do have two years from when the regulations were passed to institute this. So, this is an upgrade we are currently working on. Next slide, please.

How do ABLE accounts work? Depending on where you get that money from, it can be counted as income. So, if you earned it on a job or if you received some type of stipend or anything that could be regularly considered as income, putting that money in the ABLE account doesn't change that. It does protect your assets, meaning that you can exclude those asset limitations. So, ABLE accounts function like a savings or investment account. Anyone can contribute to your CalABLE account, and funds are tax-exempt as long as they are spent on Qualified Disability Expenses. Next slide, please.

So, as we mentioned earlier, before the ABLE Act, if a person had a disability, they could not save more than \$2,000 without impacting their SSI. With ABLE, you are now able to save \$15,000 per calendar year, and that is January through December. And you can continue to save until you reach the \$100,000 limit. Once you reach \$100,000, your benefits would be impacted. So, you would need to either do a spend down to maintain your benefits, or you could continue to save until you reach the \$529,000 limit. At that time, you would not be allowed to make any additional contributions to your CalABLE account. Your CalABLE account would continue to grow in interest, but once you have contributed up to \$529,000, you would not be able to do that. If you try to make any contributions above these limits of \$15,000 as the annual contribution, your contribution would not be accepted. Keep that in mind. Next slide, please.

So ABLE to Work. This is a program that is available for ABLE account owners that are working, and how this works is if you are working, you can make a contribution to your CalABLE account as long as your employer does not have a retirement plan. And as we mentioned earlier, there is that \$15,000 annual contribution limit. And the way these contributions are tracked through CalABLE is there are two boxes. There is the general contribution limit, which is limited to \$15,000, and if you are putting any income in from your job, you would want to select the work box. And that is how they track the different sources of income. So, if you are doing both, if you are doing a general contribution up to \$15,000, and then you do an additional contribution of \$12,760 from your work, you could potentially save up to \$27,760 per year. So, this is a really nice benefit that CalABLE has available for their account holders. Next slide, please.

So, what is a Qualified Disability Expense? The federal government defines it as any expense related to the designated Beneficiary as a result of living a life with disabilities that helps maintain or improve your health, independence, or quality of life. These categories are intentionally broad. They include education, housing, transportation, health care expenses, and more. And we do have a slide that we will share with you.

I do want to touch on what is a Non-Qualified Disability Expense, and this is if the money is used for an expense that is not considered a qualified expense, it is subject to regular income taxes plus a 10 percent tax penalty on account earnings, and benefits may be at risk. Money used for Non-Qualified Disability Expenses may be considered as a resource. We get asked this question quite often: what is considered a Non-Qualified Disability Expense? The example we like to use is gambling. Next slide, please.

Again, these are some examples of Qualified Disability Expenses. I touched on those earlier in a previous slide. I do want to just mention housing here. There are a few little things you need to know about housing. The first thing is that if you are using your CalABLE account to pay for housing, you do need to withdraw that in the same calendar month that you are going to make that payment. A good example would be rent. If you were to pay for your August rent, you would want to withdraw that money between August 1 and August 31 to pay for that rent. If you withdrew it on July 31, that would be counted as a resource. So, any expenses related to housing -- rent, utilities, anything of that sort -- you want to make sure you withdraw those in the same month that you were going to pay for those expenses. Next slide, please.

Investment options. Next slide. First thing is, our investments are managed by TIAA-CREF. TIAA-CREF was selected by our Board of Directors in 2018. They went through a competitive bidding process. Money can be deposited into an FDIC-Insured Portfolio or invested in any of the three target risk investment options. There are fees and the fees are based on the savings or investment options that you have selected. And the last thing is you can transfer your money between your portfolios twice a year. Next slide, please.

This particular slide is what you would see if you were on our CalABLE website, and this is a very helpful slide as you are trying to make your investment selections. The first slide you see is the FDIC-Insured Portfolio. Again, that one is the 100% interest-bearing. Your target risk portfolios are part of the conservative portfolio. This has stocks and bonds and a funding agreement as part of this. And the funding agreement, this is actually based on an insurance product, and it does have a minimum interest rate that is guaranteed, but this is part of the portfolio for conservative. And the moderate, again it is stocks and bonds with a smaller funding agreement. And in the aggressive portfolio it is just stocks and bonds. If you do go on our website, you would be able to see more information related to these portfolios, so I would encourage you to view those as you are making your selections. Next slide, please.

This is our fee schedule, and this is based on if you had \$3,000 in your account. The first fee here is the account maintenance fee, and that is a \$37 annual fee. If you have an FDIC-Insured Portfolio, you would see a three dollar monthly fee. Again, this is based on a \$37 annual fee. So, you would see that three dollar monthly fee being withdrawn from your CalABLE account. If you decide to have investment as part of your portfolio, then you would still have the account maintenance fee, but then you would have the additional fees with the investment portfolio.

The first one is the underlying investment fee, and this again -- this example is based on a \$3,000 account balance, and depending on which portfolio option you selected, those fees would vary. So, in this particular example, we have investment fees would be between \$2.40 to \$2.70. The state administrative fee, again, that is based on the percentage of the account balance, and in this particular example, the state administrative fee is \$13.20. So, this annual fee for this particular account ranges from \$52.60 to \$52.90, which roughly breaks out to five dollars a month you would see as a fee that you would be paying. And that would be withdrawn from your account.

There are paper statements and if you want paper statements there is an annual fee of \$10. Next slide, please.

Opening an account. Next slide. This is our account CalABLE homepage and you are going to learn a lot about this page today as Malcolm is going to be taking the lead from here. Next slide.

And this is Malcolm. Malcolm Harmon is our service delivery and engagement manager. He has 20 years of experience in the financial services industry, with a primary focus on developing and managing operational processes and teams. Malcolm was the first operations employee hired by Intuition ABLE Solutions in 2015 and has been an integral part of the successful launch and continuous growth of several ABLE programs. He is currently responsible for oversight and development of the Customer Engagement Center and Operations. Malcolm also serves as the day-to-day contact for IAS clients.

And Malcolm is our go to guy. He takes care of all of our customers when there are questions and concerns. Malcolm is the guy that we talked to, so you are in good hands with Malcolm today. He is going to give us a great tutorial on how to open this account, and so Malcolm, I turn this over to you. Thank you so much for being here.

MALCOLM HARMON: Thank you so much. You are way too kind. And I can tell you there are a lot of people at Intuition ABLE Solutions that support our customers and of course our clients. We love being a part of the ABLE community.

Today, we are going to go over opening up an account, and once we have finished going over the opening of an account, we will navigate through the different features on the site. So, once

you go and you do your research and read about the program and you are at the point when you are ready to enroll, you simply just click on Enroll Now. And you will get to the welcome screen. It's very important that you read through this page. The welcome screen is going to give you a lot of different information about who can open an account, the Beneficiary, who is the individual with a disability that meets different eligibility guidelines; and must be a US citizen; must be 18 years of age or older; and also have the legal capacity to contract on the account; have a Social Security number or taxpayer identification number; and have a US permanent address that is not a Post Office Box. Please do not use a Post Office Box or try to attempt to use a Post Office Box. That could have downstream implications, and I will get to that a little later.

So, in addition to the person with a disability that can open an account, an Authorized Legal Representative can open an account on behalf of the individual with a disability. That could be a parent, a legal guardian, or someone with power of attorney.

Eligibility requirements. As Anne mentioned earlier, there is a variety of different eligibility requirements. The Beneficiary, the onset of the disability must have occurred prior to the age of 26. They should be entitled to the benefits based on blindness or disability. The Beneficiary has a condition listed on the Social Security administration List of Compassionate Allowance conditions. The Beneficiary has a disability certification – basically, a written diagnosis that you could access from a licensed physician. The blindness or disability was present before the eligible individuals attained the age of 26.

In addition, the Beneficiary must not have any other ABLE accounts. I want to make sure that everyone understands there is one situation – I mean you could currently have an account with a different ABLE program, and you may not be satisfied with your return on investment or just the products and features that they offer. What you can do at that point is roll funds over from an ABLE plan into the CalABLE program. That process would take up to 60 days potentially. So, what you would do is just go out to the marketing website, the CalABLE website, and get a form, complete that form, and you will establish the CalABLE account, get that account number, and while you are in the process of transferring those funds, you can have those two accounts open. So, that's the only way you could have two accounts open.

The person completing the application must also certify that the information provided in the application is true and correct and be able to provide supporting documentation upon request. CalABLE is not going to ask for that information. We are not going to ask for a medical diagnosis, but if Social Security, or if you are being audited by the IRS and they want some type of proof, just please make sure you have all of that readily available and you are able to provide it to them so you won't have any issues.

Please read the terms and conditions of the [Program Disclosure Statement](#). The Program Disclosure Statement is quite a large document, but it is what governs the program. It provides all of the rules, the ins and outs of the program, and that's how we manage our processes and we are able to really offer up the program and all the benefits to it.

Make sure that you review the investment options. It could be quite daunting if you are not well-versed in investments. We would highly suggest that you seek out a financial advisor to assist you with that. TIAA has great information and very detailed information on all of the investment options on the marketing website. In addition to that, the Program Disclosure Statement provides very detailed information as well on all of the different options CalABLE has to offer.

Keep copies of all documents establishing eligibility and furnish to CalABLE and the IRS upon request. If you have any questions about these requirements, you could always give us a call. The Engagement Center is open every single day except for holidays and on the weekends. Monday through Friday, 9 AM to 5 PM Pacific.

So, before you get started – the information that you are going to need – you will need a variety of different things. You will need the Social Security number of the person opening up the account. That could be the Authorized Legal Representative, which could be the parent, guardian, or person with power of attorney, and of the Beneficiary. You will need your date of birth, you will need a permanent address, a primary telephone number, and an email address.

The CalABLE account is totally an online solution. The enrollment is done online and all transactions occur online. There are very limited things that will require paperwork for. One, right off the bat that I just alluded to earlier, is the rollover process, and that will help you be able to communicate with your prior plan or a college savings plan if you are moving funds from a college savings plan to CalABLE.

In addition to that, you will also need banking information. We highly recommend making contributions online in our secure environment. You can also contribute by check as well. Just note as an added security measure, if you choose to make electronic contributions and make withdrawals as well, CalABLE will perform a micro deposit method of verification for any bank account that you enter into the system.

Once you have all of that information, and again just before you get started, that first page, that landing page is very important. Please go through that. Gather your information. Once you have all of that information, you can select Begin.

All right. So, as soon as you select begin, you are going to enter the email address that you are going to use to receive program correspondence and also tax documents. You will enter your email address, confirm that email address, and at this point you were also going to establish

your username. Once you do that, you would click on to Accept Terms of the Website. You will read through that and once you read through that, you would Click to Accept and move forward.

At this point, you are going to create your password. Please make sure your password is strong and something that you and only you will be able to use. We want to make sure that your account is secure, and we don't want a password that somebody could basically hack into your account. So, make sure you use that password and that it is very specific to you.

All right. Here, you are also going to create security questions so if you ever get locked out of your account, if you forget your password for whatever reason, we have security questions that you can answer in order to go through that reset password process. We have a variety of different questions you could choose from. Select those and I would suggest making sure as well you keep that somewhere close and tight so if you have any issues, you can reset that password. And then you will select Next.

All right. Now, we are going to start getting into the application and telling us about yourself. So, here we are going to identify who the person is that is opening the account. Here, you will see that you could select the Beneficiary, the person with the disability, is opening up the account on behalf of their self, or the person opening the account is an Authorized Legal Representative – a parent, a guardian, or someone with power of attorney. For this example, we will use Authorized Legal Representative. Select Next.

All right. For the Authorized Legal Representative information, we get a lot of questions on this from time to time. And some of the Authorized Legal Representatives are under the assumption that we are going to use their data to report to the IRS. Well, this account belongs to the Beneficiary, the person that is opening up this account. The only reason why we are asking for this data is for security purposes. So, we want to make sure if you call into the Engagement Center that we know who we are talking to, so we are going to ask you some very specific questions.

So, you will go ahead and go through and you will notice as you are going to the application there is a variety of different asterisks which means that they are required fields. We will not let you move forward in the application unless all of those mandatory fields are complete. This allows for an error-free process, meaning you may potentially put in with fat fingers, say, a birthdate. We can always correct that at one point, but as far as the application is concerned and making sure it is complete, this will prevent any gaps. It won't allow you to enter a Social Security number with only seven digits, or it won't allow you to not have a permanent address on file so we can reach out to you. It won't allow you to not have a primary telephone number. Once you enter that information, you can select Next.

All right. So, here we are trying to figure out how you want to be contacted. If you select e-delivery, you will avoid a \$10 fee. This is where you will select how you want plan documents and tax forms delivered to you. Plan documents could be quarterly statements. CalABLE provides quarterly statements the first 10 days of the month following the end of the quarter. We actually just delivered quarterly statements out a couple of days ago. So, here you will go ahead and click – well, first you will Accept the Terms and Conditions for the Delivery Options, and then you would click Next to continue.

All right. So, the ALR has set up the initial information and now, we are going to have the Beneficiary information. The Beneficiary is the person that owns the CalABLE account and who the funds in the account belong to. All right, same information pretty much we are asking here: salutation, first name, last name, Social Security number, date of birth, permanent address, city, state, ZIP, primary telephone number, and alternative phone number, if you choose, and an email address as well.

Down below, since CalABLE is a national program, it is important for us to know who is signing up. And here, you will be able to select California or wherever you reside, the state you reside in. Here, you can select Next.

Beneficiary eligibility. All right, we went into the different reasons why a Beneficiary could be eligible for a CalABLE account. Here, we are going to indicate how you are authorized to act on behalf of the Beneficiary. So, this is for the Authorized Legal Representative. This individual could be the parent, again, legal guardian, or someone with power of attorney, or they are the Beneficiary. So, here it's an Authorized Legal Representative. I believe we selected it was a parent.

All right. Next, we are going to check what the basis of the eligibility is. We will click on Basis of Eligibility. And here, we will select the reason why we are eligible for a CalABLE account. Next, we are going to look at the Beneficiary's disability type. Click and it will give you seven different options. You will select one of those options. And move forward to the next slide.

All right. Beneficiary eligibility. So, we are still on the Eligibility screen, and this is where Anne talked a little earlier about ABL to Work. So, here you are going to be able to select – and read this closely – who is eligible for ABL to Work. So, if the Beneficiary will have earned income but will not contribute to an employer retirement plan this year, that would make them eligible to make ABL to Work contributions. The other two options will not allow for the individual, meaning that they are receiving earned income and will contribute to an employer retirement plan, or the Beneficiary will simply not have earned income this year which will not make them eligible. And in this, I believe, we may have selected that the Beneficiary will not be eligible. Next.

All right, so here we have our different investment options. At this point in time, you're going to have to have your total allocations add up to 100 percent. Again, before making these investment options, we would advise you to read the [Program Disclosure Statement](#) and look at the different options that CalABLE has to offer. And then once you are satisfied with the elections, you will enter them into the system. Those total allocations need to be 100 percent, and then we can move forward.

All right, so now we are into the contribution options. In order to start making contributions, we are going to either select we will make initial contributions via ACH, which is automated clearinghouse. That is by bank transfer. So, your personal bank information you would be entering into the system at this point in time, as soon as you select that it will ask for that information on the next slide. But you could also check that you want to set up recurring contributions as well. And if you don't want to set up your bank at this time you could also say that you want to contribute by check, which is fine as well. Keep in mind if you do decide to initiate your first contribution by check, that would have to be sent in the mail to the PO Box, and that could be a lengthy process. Mail, we have seen over the last several months, it has been quite slow. So, we would encourage you to contribute via ACH. Go ahead and select Next.

All right, your contribution options here. We have selected that we want to contribute for a bank transfer, ACH transfer, and we will put in our initial contribution. We are going to nickname our bank account that we are going to use. We will use our bank routing number – make sure you have that readily available – and you're going to enter your account number twice. Then, you are going to select whether it is your checking account or a savings account. From there, we would like you to read the ACH Terms and Conditions and make sure you agree to them. If you don't, well, we can't move forward with the application, but if you do, you will Click to Accept, and then we will move forward.

You can see here, as you enter your bank information, as an added security feature we have what is called the micro deposit process. It's a bank account verification process. We have provided a link. That process, as soon you add it, it will take 1 to 2 business days for you to complete. Once you add the bank, the following day or the next day, depending on what time you do your enrollment or add the bank, we will send you two small deposits to your bank account. The reason why we do that is because we are trying to verify and understand who is logging into that bank account to obtain those two small amounts. We are making sure that it is actually your bank account. We have specific directions on how to do that if you click on Bank Account [Verification Process]. This is the step-by-step procedure on how to do that. You can download this if you like ,or we could just go back into the system after you complete the enrollment and bring this document up, and it will show you exactly how to verify your bank account. You will not be able to make contributions to the CalABLE account or make withdrawals until your bank has been verified.

All right. Once you set up your bank, now you want to set that maybe some automatic recurring contributions. We like to call it “set it and forget it.” Some people like to set up contributions on a monthly basis and want to contribute \$50 a month. Maybe they want to do it on a quarterly basis and put a little more in, or on an annual basis. We have those three different options. If you would like to do that, just select that you would like to set up recurring contributions and select Next. If you don't want to do it at that time, we can always do it post-enrollment down the road.

Here, you have your monthly, your quarterly, or yearly. If you select monthly for this example, we are going to go ahead and put in how much we want to contribute on a repeating basis. We also give you the option to select what day of the month you would like that automatic contribution to happen on. And we also have the ability to put start and stop dates on there. You can just leave it open-ended and have it go month in and month out, and if you ever decide to stop it's very, very simple, and we can show you how to do that later on. Again, you can use the same bank information or you can add an additional bank at this time. Here again, you are going to agree to the online banking ACH Terms and Conditions before you can move forward.

All right, this is the optional information page – exactly what it is, optional. Again, this is just some questions that the program likes to gather so we know our customers and the demographics of our client base. It really helps us out but if you choose not to answer the questions, you don't have to, and you can just move right through to the next screen.

All right, so we are almost done. And now we are ready to complete the application. We have dotted all of the I's and crossed the T's, and we are ready to proceed.

Okay, so considering CalABLE is an online solution here, we want to make sure that we are going through our Certifications and Attestations. Based on all of the information you provided we just need to review and make sure that you are attesting to the following information: that you are certifying under the penalties of perjury that the Beneficiary's disability information is true and accurate and will report any change in disability status that could affect the eligibility; you are certifying under the penalties of perjury that the Beneficiary's disability onset occurred prior to the Beneficiary turning age 26; applicable only if you are the Authorized Legal Representative opening an account on behalf of someone other than yourself, you are certifying under the penalties of perjury that you are authorized to open the account on behalf of the Beneficiary because you are either the Beneficiary's parent, guardian, or someone with power of attorney; you are certifying under the penalties of perjury that you understand the maximum CalABLE account limits; that there are consequences for excess contributions and account values in excess of \$100,000 may hurt the Beneficiary's eligibility for the Supplement Security Income program; and you are certifying under the penalties of perjury that all the information above contained in the application is true and correct.

I can tell you that CalABLE has done a great job of safeguarding against some of those account limits. The \$15,000 limit, we will not allow you to exceed that \$15,000 limit on an annual basis based on just different settings we have in our system. In addition to that, we also implemented in the fourth quarter of last year now that ABLE accounts have been around for five years, the ability for customers to as they are approaching \$100,000 be notified by email and disallow any contributions that would exceed the \$100,000 limit. We feel it's a great feature and it helps the customers manage their account so it does not impact their benefits. And of course, we would never let you get over the total value of the account. So, once you have certified and attested, you will check the box, and you will click Next. We will not allow you to move forward unless you certify and attest.

So here, we give you the opportunity to review your information. You can go back and if you need to make edits, you feel like you may want to review, you can certainly do that. Please keep in mind if you do go back, you potentially may have to reenter some data. Some screens rely on some of the prior data from the prior screen. So, you click on Review Information, and here you will have all of the information that you have just entered into the system. You have the ability here to print out this information. We wouldn't recommend necessarily printing it just because of the information. You can also edit as well from here, and again as I alluded to, it will bring you back to the screen and you may have to re-enter some information. But this is great, it allows you to go through and see if you set up everything correctly. Again, this is your personal information so we would not recommend printing hard copies. You could print to PDF and save it to your computer. That is probably the best way to go in my opinion.

From here, you can scroll down and if you are satisfied, we are going to go ahead and select Next. And we are going to go and submit our application. Again, before you submit your application, you are going to have to acknowledge and agree to the Terms and Conditions of the [Program Disclosure Statement and Participation Agreement](#) and all of the Terms and Conditions of the Website. And once you do you are ready to move forward and submit your application. All right, congratulations. Your CalABLE account has now been established.

I want to point out right off the bat, this is going to be the first area – and I don't want you to focus in on the CalABLE card, this is where we first present that prepaid card, that's a feature – but down below, very important information, is where you are first going to see your username and your account number. That is your personal account number, your CalABLE account number, and if you ever call us or need any information or assistance on managing your account, if you have any general program questions or account specific questions, you are going to need that account number before we are going to discuss any account specific information. Now, you have the ability to print that out as well, save that down into your computer as well, but just please make sure you keep that in a very safe place.

I want to say the CalABLE card is a great feature. It's wonderful. In order to be able to use it in conjunction with the CalABLE card, that is not the only way to be able to take funds or load that card and get funds for the card for Qualified Disability Expenses. You can also withdraw funds back to the bank account that you have established, and we talked about that micro deposit process. You could also cut checks out of the account. There are fees associated with those processes, very small minimal fees, but it helps you pay bills. You can send a check actually to a third party for rent or something of that nature, but electronic transfers are the norm for the most part.

I also want to mention regarding the card, if you do elect to order a card at enrollment, please make sure if you haven't received your card within 10 business days to call Card Services at 1-888-853-5316. I want to make sure that I am clear. Card Services, it's a different website. The CalABLE Engagement Center and where your CalABLE account is, is different than the CalABLE card. They have their processes and the CalABLE program has some processes as well. If you have not received your card within 10 business days, the reason behind that potentially could be because Card Services is asking for identification.

We potentially may ask for some identification as well just to make sure that for security purposes that there's no bad actors in play and that we are dealing with the person that said they established the account. You may receive an email from Card Services. Make sure you check your junk email. Make sure you check spam folders. Please make sure. They have a hard and fast rule, if you do not respond to their personal information request and provide those ID verification documents, that you will not be able to get a card if it is past 60 days. So, please make sure you are looking for that email, and if you don't receive your card within that 10 days.

All right. So, here we are going to show that we have requested a card. Once you request a card, please note was the CalABLE Visa prepaid card has been received and activated, the card needs to be funded within 180 days or it will be deactivated. Go ahead and click Submit, and your prepaid card request was successful. And that prepaid card request will go to Card Services that evening, and the fulfillment process would start. If you don't receive your card within 10 business days, again, please give them a call at Card Services.

All right, and that's the enrollment process. Again, the enrollment process is in my opinion not too difficult. The website is ADA Section 508 compliant. We don't have many calls regarding the navigation of the site or how intuitive it is. I think it's a very, very fluid site and easy to use. If you do need help with enrollment or are having any issues whatsoever, feel free to give us a call. We would be happy to help you walk through the process. Our engagement representatives are well-versed on the site. They will walk you through step-by-step until we get a successful enrollment.

Again, I want to make sure as well, our website is up to date. We have the latest technology. Most of the time when we run into different situations, if there is technical situations, I will say it will be on the user's end. First and foremost, the first thing you should do is probably make sure that you refresh your cache on your computer. Sometimes, if you do that, it will allow the website to interact better with your operating system.

A couple of other helpful hints. As you are going through, make sure that whatever device you are using, that you are on the latest version of that device, whether it is an iPad, a cell phone, your computer, whatever browser you are using, if it's Google or Firefox or Internet Explorer, whatever Windows version you are using, or if you are using a Mac or Chrome or Safari, make sure you're using the latest version. And when you do that if you make those updates, the system should be compatible, and you should have no issues navigating the site, and it should solve any of the issues. If you need help knowing or understanding how to do those certain activities, you can feel free to give us a call and we can walk you through those processes as well.

So, from here, you have completed your enrollment. Congratulations. And what we are going to do now, we are going to go back to the Home screen. And today what I am going to do, we are going to put a little extra effort in today and go through some of the different options that you now have now that you have established a CalABLE account.

All right, so we are going to log into our testing site, and please bear with us. If you do see some errors, this is just because we are on a test site. All right. So, here is your Home screen. On your Home screen, you will have a variety of different information – it's your account, what your account status is. If you can scroll down a little bit, here you will have your account summary. It will show your account number, and if you need to make a contribution, you can make a contribution as well right from your Home screen.

If you move up – all right, so up top here you will go to Your Account. What's in Your Account? Here, we have Account Details. If you select Account Details, again, it will show you what your account number is. It will show you your home address. You can also edit your home address from this page. Keep in mind if you do edit your address there will be holds on any withdrawal requests for 10 business days.

Here, you will see your investment options. It will show your account status. It will show your work status. If you selected that you are eligible to work, it will show that. If you are not eligible, it will show that as well. You will have the ability to update that information as well and we will show you how to do that.

Here, it will show you your different Account Investment Summary and the current value of your account. That will fluctuate and change from day-to-day potentially. And here is your Annual Contribution Summary. We really like this page. And it allows you to manage your

account, and you can see that the annual limit is set at \$15,000. So, if you make a contribution, we show how much you have left to contribute for the calendar year. And we also display it below as well. And from this screen as well you can say okay, well, I have \$14,200 that I'm still able to contribute, I am going to go ahead and make a contribution. And we bring you to the one-time contribution screen and you can make your contribution.

Can we go back to Your Account? All right. Here, if you are an organization or an entity that has power of attorney or guardianship, you can manage multiple Beneficiaries under one user sign in credentials. It makes it very easy to use. That is the way that you should do it if you are an organization or an entity. You shouldn't open up multiple accounts. You won't be able to. If you are entering your information as the ALR, you would to simply add new Beneficiaries, and you can add as many as you would like at your convenience as well.

Let's go back to Your Account. All right, Transaction History. This is an important page. This page is great. It will show all of the various transactions: when you have made contributions, fees, withdrawals from the account. You can export all of this information down into a PDF version, an Excel version, CSV, and you can provide that if anybody is asking for different information regarding your account. It will show if you have a general contribution or a work contribution. Just another way to manage your account. Scroll down a little bit, please.

All right, here as well, when you have scheduled contributions, future contributions, we would also display that there as well. And from this page you can always make a contribution, make a withdrawal, or view your investment options.

All right. EGift. EGift is a great tool if you have family or friends or people that want to contribute to your CalABLE account. You have the ability to send an eGift out and people can make contributions via ACH through their personal bank information securely. We will send a secure link. It's great, you can go ahead and click on Create an Event, and here, if you go down, we will be able to select an event type. And there is a variety of different choices that we provide: birthday, congratulations, graduation, holiday, just because, a special occasion. And we can set start dates of when you want that to happen. You can start those for today or anytime in the future.

From there you would have to select the Beneficiary, so if you have multiple Beneficiaries you can set up multiple eGifts for individual Beneficiaries, or if it is the one individual, you will still select that Beneficiary.

And then the different contacts. Here, Manage Contacts, you have the ability to import or manually enter contacts that you would like to send out these eGifts to. So, you'll put their first name, last name and their email address, and once they are in there, you can send them the secure link.

All right. So now, this individual wants me to send them a contribution. They will then have the ability to go ahead and create the invite. And here, the subject that you selected above will be in the subject line. We have some text that we have already placed into the email for you. Now, you have the ability to edit that and put in any message you would like in this area. And then once you have created your email, you will scroll down, you will be able to view that email and what it's going to look like, and then you'll create that event.

And then from there, the person will receive an email. You have the ability to look and view and make sure it is good to go, and you have the opportunity to edit it as well if you don't like what it looks like. And then you Continue.

All right, so now we say okay, yup, all of my invitees are there. That is the reason why I want to send it out. There is my email. Okay, it's good to go. Let's confirm that. And if this is a recurring eGift, it will give you that message, and here you will have the opportunity, the email will be sent to the individual, but in addition to that, you have the ability to share the link. You can copy and paste that link and put it onto different social media platforms, almost like a GoFundMe. So, you have the ability to do that on Facebook, Instagram, Twitter – wherever you would like to post that – and you can even send it in an email as well.

So, from there, one more thing: once you send out that eGift, you may want to know okay, who is sending me contributions? You have the ability to look and see what is going on with that event. You will have the ability to run a report. We can't run it here now, but if you go ahead and click View at the event details, it will show the name of the person that made the contribution and that email address and the amount that they gifted. So, it's a great way to track and to be able to then go back and say thank you to that individual for making a contribution to the CalABLE account.

All right, so now we are going to select Financials. All right, so from your Financials screen here, you have the ability to click on One-Time Contribution. And this is our Contribution screen. Here, you would have to select the Beneficiary you are making the contribution to. You will have the amount. You type in the amount. You will select your bank if you have added a bank. Again, you can add multiple banks and just select Next. You will preview it. We will always give you the opportunity to make sure all of the information you added is correct. You will have to Accept the Terms and Conditions and Submit. It's a simple as that. And then you could also print out your success screen and save that for your records.

All right, let's go back up to Financials. And then you have Automatic Recurring. Again, if you didn't want to set up automatic recurring contributions during enrollment, you can certainly do it post enrollment. You just select how often you would like to make that contribution, enter the amount, the date that you would like that contribution, the month you would like to set that contribution for to pull from your bank account, and if you want to start it – say you want

to do it for three months and then stop it – you have the ability to put in end date there. If three months turns out to be too long and you only needed for two months, you have the ability to go in and adjust and stop those recurring contributions at any point in time. Then, you will select the bank account that you want those funds to come through. All right, you have your success screen there.

Go back to Home, but we will go back to our Financials. All right, Account Limits. I spoke little bit about this earlier. What we did, we thought it would be very beneficial to our customers to help manage the account, is the account limits. You have the ability here to go in and make sure if the balance is exceeding \$100,000.... Any balance exceeding \$100,000 may be regarded for purposes of determining the Beneficiary's eligibility to receive benefits under the Supplemental Security Income program. The default limitation feature is a courtesy reminder to assist you in maintaining eligibility of federal means-tested government benefits such as SSI. So, if you would like to do that, you have a couple of options here.

You can limit contributions to prevent the account balance from exceeding \$100,000. If you select that, if you try to make a contribution – say, if you were sitting at \$98,000 and an eGift comes in for \$2,500 – we will not accept that contribution. It will be rejected. If you try to make a contribution to the CalABLE account, it will not allow you to make that contribution simply because you have told us not to.

Or you have the option to just allow contributions to flow-through. You may not be receiving federal government benefits such as SSI, and that will not impact you. So, you could certainly choose not to limit the contributions. We default it to limit it, so if you want to exceed it, you would go in and simply click to not limit contributions to prevent account balance from exceeding \$100,000. Select Save and that will be the setting. And you can toggle and make that change any time.

All right. So, now we go to Withdrawals. Once you have established your account and made contributions, you may want to withdraw some funds for Qualified Disability Expenses. I want to make sure that you are fully aware, again, this is where it's real important. The CalABLE account at its very essence is a savings and investment account. It is not like a bank account. It is transactional in nature based on the population of people that we service, but the rules regarding funds are similar to a 401(k) account or an investment account which requires trading and different transactions that needed to occur. So, funds that go into the account, there is a 10-day contribution maturity period where funds, once you contribute them, are not eligible for withdrawal. You can request a withdrawal. However, funds will not be released for at least 10 business days. That's 14 calendar days. So, when you are managing your account, when you are managing your day-to-day expenses, monthly expenses, make sure you keep that in mind.

I always like to tell people to try if they can to get into a rhythm and have matured funds in the account, so as you are making contributions, it will not impact your ability to make withdrawals and pay for certain Qualified Disability Expenses you are responsible for on a monthly basis. So, make sure there is matured funds in the account. I think probably our number one question is: where is my money? When am I going to get my funds? Again, the program has certain safeguards and rules in order to protect your account and the program, and this is standard in the industry. It is not a bank account where if you put a check in, say, today, and you are going to have access to those funds the next day. It does not work like that. Please keep that in mind. If you know that and you understand that, it will eliminate, I believe, a lot of potential frustration and a phone call to us. We will obviously explain the situation to you, but please make sure you understand there are certain security features and holds that will happen on the account just based on the different transactions that are occurring.

All right, now if you want to request a withdrawal, it's very simple to do. You will select the recipient of that withdrawal, which could be the Authorized Legal Representative or the Beneficiary. The reason why funds may go back to the Authorized Representative, maybe they have paid for an expense in advance before being able to take out the funds, and they are reimbursing themselves. Again, keep good records. You will have that transaction history if you are ever asked. Just make sure you are keeping good records of your account. Funds could just be going to the Beneficiary, a third party. A third party is what I spoke to a little bit earlier. You have the ability to add third parties if you have a recurring bill – rent, for example. You can go ahead and set up and add the information for the renter and the payee there. So, you just put in the payee name, their address, the city, the state, the ZIP, and a memo. It could be for "For John's rent, Apt. 601. Monthly rent." You could put that message in there. Please keep in mind any checks that you decide to send out from the account, there is a \$5 fee for each check that is sent out.

Once you have selected who it's going to, the method – is it going to be by ACH or a check. We will go with ACH in this matter – what account we are going to send it to. Here as well, I just want to make sure you are aware if you have a CalABLE card, that will be presented there as well if you select ACH. This is where you will load your card. You select ACH and here it will say your CalABLE prepaid card. You will be able to select that and load that card. Here, we are going to choose the bank account. And we never want you to take out the total account balance, and of course, we don't want you to close the account. Take out funds for what you need, right? So, you will select Partial Account Balance. And here, most people select a pro-rated account. Right here, for this account, all the funds are coming out of the Moderate option, and we are asking that \$200 is taken out. If you have multiple options, it would be spread or pro-rated across all the different investment options that you selected previously. You also have the ability to designate a withdrawal as well from a specific option. So, if you selected the FDIC-Insured option and of the Moderate option, but you only wanted to take

funds out of the FDIC-Insured option, you can certainly designate that withdrawal. All right. Select Next. And I know we are coming up on time. Well, that's the beta site for you.

I am going to go over a few more features, and I am probably not going to go into as much detail just in consideration of time, but some more features that I feel that are important to share.

All right. Documents. Actually, Cole, go back to Financials. Here, you have the ability to change your allocations, where your future funds will be allocated to. So, you may change how future contributions are invested by entering the desired percentage for each investment option below. Please note these changes will only affect future contributions. So, if you have \$1,000 that was invested in the Moderate account, and you are changing your future allocations to say Aggressive Growth or FDIC-Insured, only future contributions will be affected. That's where those funds will trade on a daily basis. Your prior funds will still be trading in that Moderate investment option. Please refer to the [Program Disclosure Statement](#) for more information on that.

All right, let's go to Transfer of Investment Options real quick. Okay, so here you are able to transfer between investment options twice per calendar year. You may change the investment options to which future contributions will be allocated at any time. And you are transferring basically your entire portfolio to a new investment lineup in portfolio options. You are only allowed to do that two times a year. If you would like to transfer your funds, choose how you would like to transfer your balance, your entire account balance will be transferred over. The entire percentage. Enter the entire percentage next to the option you would like to move the funds to. Your total account balance will then be transferred into new investment options according to these percentages. If you choose transfer based on my current investment allocation percentages, these allocations will be pre-filled for you. These represent your current choices for how to invest new contributions. You just select what you would like to choose and then you move forward.

All right, let's go to the Profile section. On your Profile section there is a variety of different things. What we mentioned earlier is if your eligibility ever changes, if you are no longer eligible, you can click on that, Cole. You can make an update here. If you select Ineligible, we will prevent contributions from entering the system, but you will still have access to your funds and be able to withdraw funds.

Go ahead and go to Profile, Cole. You can change your work status. Maybe you got a job and you are not contributing to a retirement plan. You know that at that job, you are going to make some money and you are receiving Social Security income, and you want to deposit those funds into your CalABLE account. You can certainly do that. You simply just click on the Beneficiary will have earned income but will not contribute to an employee retirement plan.

Go ahead and click on that, Cole. Select Submit and that will give you eligibility for ABLE to Work contributions, and that will allow you to exceed the \$15,000 limit. Keep in mind, you should only contribute funds up to the income that you have earned, or the work contribution limit. All right. You will get a success screen to show that your work status has been updated.

You have the ability here to update your bank information. If you wanted to add another bank, you can certainly do that. If you wanted to delete the bank, you could certainly do that. Again, you would go through the micro deposit process. You will add all of the information, agree to the terms and conditions, and move forward.

Go back to the Profile. You have the ability to order a prepaid card. If you didn't choose to order a prepaid card – you say, “You know what – that's pretty cool. I think this feature will help me manage my account.” – you can certainly request that card from the prepaid card request screen. Again, please, if you don't receive that card within 10 business days after you have ordered it, check your email. Make sure they are not requesting some additional information in order to verify who you are before they fulfill that card request.

Go ahead up. All right. You could add third-party payees here. We talked about that a little earlier. You can update your email address. If you have a change in email, you can update that there. If you want to change your password to your account, you can make that update there. The security questions you went through in the enrollment process, you can make changes there.

Update authentication method. I want to talk a little bit about that. Once you establish your account, you are going to be required on your next login to update your authentication method. We have MFA [*multi-factor authentication*]. This is standard in any type of financial service or banking type of product. You could either get an email address or you could get codes in order to enter your account via text. Most people, I think, transact these days using phones. Everybody seems to have a phone in their hand and have easy access to text messages, but that will be required for certain transactions that you do on the account. If you make a withdrawal, they may require you to – actually every withdrawal, you will be required to authenticate.

This is something that comes up from time to time as well. Make sure the email address that you are using, you are going to have access to. It's a challenging process for us to get involved on the back end, and it could cause delays for you to access your money. So, we have seen from time to time where people have entered their work email addresses as the authentication method, and then move onto another job and no longer have access to that email. If that happens that may become problematic for you and, again, cause delays in being able to access your account. We would be able to help you with that. However, that could be a lengthy process. I would hate for you to have any type of frustration.

Also, you have the ability to add a phone, and we highly recommend you do that as well. Phone is probably the best way to go so the texts come directly to your phone, and you are able to integrate into the system and move through a transaction.

All right. Let's go to Profile. One more, Documents. I want to make sure we hit that and that will be the last piece. Here, in your Documents section, Account Documents, you have the access to all of the account statements, program correspondence, and tax documents from the time that you entered the program. So, it will have all of your quarterly statements. If you ever needed to print it to bring it to anyone, you can certainly access it here to show that you have established a CalABLE account.

In addition, in the Documents section, if you click on Documents, Cole, we have the ability to upload documents. So, if we request certain information from you – ID verification, we may request after you finish enrollment – this is where you would upload your documents. We don't want you to waste time or money opening up the account by having to snail mail it in, and again, I think I mentioned it earlier, it takes some time now it appears for us to get mail and receive mail. It can take upwards of 30 days. We don't want to have any delays. You have the ability to upload. You can take a picture of the different proof documents we require in order to remove the flags from the account in order for you to transact. Great tool. Secure. All of your documents are here and not in the mail somewhere.

Go ahead and take a look at the different types of files we accept: JPEG, GIF, PDF, and PNG files. Again, you can take pictures, PDFs, however you need to take those images and just simply upload them from your computer into our system.

All right, I think that is it. Let me go back to the Home page. All right. Sandra? Anne?

ANNE OSBORNE: All right. Well, thank you, Malcolm. I know that that was a lot of information, and we did get a lot of questions that we will share with you in just a moment. I do want to remind everyone that this will be available in replay in probably about two weeks, and I know that there was a lot of information that Malcolm covered, so if you do have some questions you can certainly visit that back in replay.

This slide is our resources and contacts, and we will go through these quickly here. The CalABLE resources that we have. The [AchievABLE Corner](#), this is available through our website on the www.CalABLE.ca.gov homepage. This is a really nice resource if you just have questions about how do I open an account? What are the steps I go through? This is a step-by-step instruction question and answer that is really helpful. The [Treasurer's website](#) – we mentioned this before – this is where all of our webinars are housed. So, if you are looking for previous webinars, this is a great place to go. The [ABLE National Resource Center](#). This is a nice website to go if you want to do comparison shopping as far as looking at fees. In California, our fees are very competitive, they are right in the middle, but if you are interested in what other states have as

far as their fees are what other benefits, this is a great place to go. [Disability Benefits 101](#) is another website you can look at to review any additional benefits that you may be looking to see if you are eligible for. And the last one here is our [POMS](#). This is what is issued by Social Security. These are basically the rules that we have to follow. And if you are having any questions, I have had people call me asking about Social Security, so this is a great resource for you to have if you are having any issues with your Social Security office. Look at this, but then also you can reach out to us and we will work on your behalf to help with that. Next slide, please.

This is the staff at CalABLE. Dante Allen is our executive director, and he is out of the office today. I am the program manager, Anne Osborne. Sandra Kent has been behind the scenes, and Alyssa Delacruz is our program support, and she has been behind the scenes. If you need to contact us, our email is here and our phone number is also here. That's if you have any questions about the program. Please feel free to contact us. Next slide.

This is if you have any questions about what Malcolm covered today. This is really the best place to call. They are the ones that can see your account, they can help you, they can assist you if you have any problems logging in, did my deposit come through, how do I do a withdrawal. This is the number you want to call and that is 833-225-2253. You can [email](#) them and they are open Monday through Friday, 9 o'clock to 5 o'clock. They are extremely helpful. I just get positive response comments all the time on how helpful the Customer Call Center is, so I encourage you to call them. Next slide.

We are also on social media. This is how we communicate with people interested in CalABLE. I would encourage you to visit our email distribution list. This is how we communicate with people letting them know any updates to the ABL program, ABL Age Adjustment – there was a question about that. We certainly send out updates regarding that, and it is definitely being reviewed right now, so I just want to mention that real quick as we did have a question on that. Next slide.

Again, we have been looking at all of your questions so we are going to take the ones that relate to Malcolm first since he is our guest, and we would like you to hear those questions from him. And if we have time, we will answer was about the program.

This is our disclaimer that we are required to provide as being part of the Securities and Exchange Commission.

So, with that Malcolm are you ready for some questions?

MALCOLM HARMON: I am as ready as I'm ever going to be, so let's do it.

ANNE OSBORNE: All right. So, the first one and I think I already know the answer to this, Malcolm, but is the application available in Spanish?

MALCOLM HARMON: It is not. It is not available in Spanish. However, we do have Spanish engagement representatives, so if you need any assistance in going to the enrollment process, and it is not just Spanish-speaking as well. Anybody can call us and we will take the time to get you from the beginning of the application all the way to the successful completion of that application. Just give us a call. Happy to walk you through it.

ANNE OSBORNE: Great, that's what I thought. I will also mention you that we do have ABLE 101 on our website, and we do have a tutorial in Spanish, so if you need that assistance as well that is available through the CalABLE website. So, we do have resources for people looking for Spanish.

Can clients do automatic deposits with their paycheck if they are working?

MALCOLM HARMON: They cannot do it directly electronically. However, they can send a check directly from the employer to CalABLE, to the PO Box. Or if the individual is receiving a check, what they can do is get that check and instead of depositing it into the bank account, they can just simply turn over that check, endorse that check to the CalABLE program for deposit only to the CalABLE program, mail that to us – sign and date it, of course – mail it to us and we will put that into their CalABLE account.

ANNE OSBORNE: Okay. Let's see. Okay, can this be for children? If the parent is opening the account for the child, but the parent does not have a Social Security number. Can they use the child's Social Security number?

MALCOLM HARMON: The person opening up the account must have a Social Security number.

ANNE OSBORNE: Okay. Let's see, next question. If the account holder is on SSDI, not SSI, and receives \$2,000 in SSI, not earned income, what are the advantages of CalABLE if they receive inheritance money. Can this go on CalABLE and does it mean there is no tax on it? So, if they are receiving an inheritance, can they deposit that into CalABLE.

MALCOLM HARMON: Absolutely. You can contribute up to \$15,000 annually into a CalABLE account. So, if it exceeds that, unfortunately, we can only accept \$15,000.

ANNE OSBORNE: Right, and as I know, Malcolm, we have had customers that have gotten these inheritances, and a lot of times they will set up a special needs trust. And a lot of those special needs trusts we have seen those being transferred incrementally into CalABLE. So that is another way that you can fund your CalABLE account if you've got that excess money because of our \$15,000 limit.

MALCOLM HARMON: Yes, that's really the only choice when that situation arises. You need to put the funds somewhere so it doesn't impact your benefits. So, CalABLE accounts can work in conjunction with a special needs trust, and then it is just a matter of depending on how much money is in that inheritance, moving those funds over every January 1 into the CalABLE account.

ANNE OSBORNE: We did get a question and I know this is something that we deal with here at CalABLE a lot, the advantage of having a CalABLE account versus a special needs trust. What we have always been telling people is that with your special needs trust you have the trustee that manages your account. As a CalABLE account holder, you are the one that is managing your account. So, that is how they tend to work together is we've got one person managing the larger account and then you as the Beneficiary can manage the smaller account. So, we have had that question come through today. Another question here is: if I set up an account that I would administer for my adult daughter, would I use her bank account information or mine?

MALCOLM HARMON: It's your choice. You can use both if you would like, add both of them. So, if she has income and has funds in there that you want to make contributions from, she can certainly do that, and if you want to add a bank account and make contributions as well – I think I gave the example little earlier – you may want to add your bank account just for the simple fact that if you pay for some expense and need to be reimbursed, you will have that bank account, and you could easily make a withdrawal and send money back to you.

ANNE OSBORNE: Okay. And I do know that we get a lot of customers that tend to have those multiple bank accounts, and they are pretty easy to manage.

MALCOLM HARMON: Once you get to the micro deposit process, that's it. The bank account is active and you can transact and contribute and make withdrawals.

ANNE OSBORNE: Okay. The question is: it was mentioned to me that a PO Box could not be used as a home address. But what about a UPS store address, which is not the same as a PO Box? It is considered a physical address.

MALCOLM HARMON: The question that you need to ask yourself is: is that your permanent address? A permanent address is a residence. In those situations, you could be flagged. You may not be eligible to get a prepaid card. I can tell you if you add those addresses, you will automatically not be able to get a prepaid card. They do not accept PO Boxes. According to the program, you should not be entering PO Boxes as an address. It should be your residence.

ANNE OSBORNE: Okay. And I know you touched on this, Malcolm, about people when they want to use their CalABLE account to withdraw for rent. This person was not able to withdraw for the June rent but they wanted to withdraw for June and July and withdraw that in June. That we cannot do, correct?

MALCOLM HARMON: We have no real control over that. You can certainly do it. However, we cannot say that those funds will not be counted as an asset and count against you if you are receiving benefits.

ANNE OSBORNE: So, Malcolm, I know you have mentioned this before. If somebody wants some assistance in trying to maybe plan those withdrawals, at the Customer Engagement Center, is there someone that could help somebody, walk them through maybe get them on a schedule so they aren't impacting their benefits? Is that something that you guys could do there?

MALCOLM HARMON: You know, we are not financial advisors, so that's a challenging question there. We can give examples. Again, if you look at a calendar and say you put in \$100 today. I'm just going to bring up my calendar real quick. And you need those funds tomorrow, you probably don't want to put it in the account because you will not be able to access those funds. Today is the 14th. Those funds will not start moving to your bank account or by check until the 29th. It goes to new funds. If you have matured funds in your account already, it only takes 3 to 5 business days to get to your account, and that is on the lower end. Just a couple of days if you have matured funds in your account.

So, it's really all about planning and how much money you have in your account. If you are using it as a transactional account, make sure that you know when the due dates are, when you need to make these commitments, these bill commitments, rent, etc., and that you were not going to be late because funds haven't fully matured. And then, you are up against it and you're calling us every day and asking, "When am I going to get my money?" There are no exceptions. This is a security feature and it is part of the fund maturity process as these funds are trading in the stock market every day.

ANNE OSBORNE: So, really the takeaway is, you want to make sure that your funds are mature before you can do any withdrawals, and once they are mature than the turnaround is how many days again?

MALCOLM HARMON: It is 3 to 5 business days standard. I can say from our experience, we usually see that on the lower end. Again, we don't want to under deliver, so we have no control over what other banks do. We just know how long our processes take. So, if you have fully matured funds, typically at this time and age, it's a couple of days, and it all depends on the timing of when you did that transaction. If you didn't before 4 o'clock, potentially it is two days, but if you do it after 4 o'clock that is Eastern Time as well, that's when the stock market closes, and that transaction is done after 4 o'clock, it could go to the following day and it may take an extra day. So, you just need to keep that in mind when you're making that transaction.

ANNE OSBORNE: And Malcolm, I know this is probably a really simple question, but can you describe what mature funds are?

MALCOLM HARMON: Sure. So basically, when you put \$100 in, we are making sure that those funds are in good order. And the program has chosen to have certain dates on when we will consider those funds in good order, meaning sometimes people make mistakes, right? So, they may make a contribution for \$100 – we will continue using that example – and they may not have \$100 in their account. Maybe they have \$98 and they just miscalculated. What will happen is, we accept contributions in good faith. We trust our customers. However, if they make a mistake and it's only \$98, your bank is going to notify us and say hey, by the way, there wasn't enough money in this account so we can't honor that transaction. Those funds are going to get pulled back out of the CalABLE account. So, then those funds would not be eligible for withdrawal, right, because there is no funds. That's the primary reason. We need to make sure that the funds are in good order.

ANNE OSBORNE: Okay. Because I know sometimes, we think we have that and then something, like you said, there was an error somewhere, so we just need to make sure that the funds are actually there, and that's why we have that mature fund grace period before we can do anything.

MALCOLM HARMON: Yes, absolutely.

ANNE OSBORNE: I have some CalABLE questions here. Let me just go here and you can chime in on this. What happens to an ABLE account when a Beneficiary passes away? The account goes into their estate, right?

MALCOLM HARMON: Say that again?

ANNE OSBORNE: The account goes into the Beneficiary's estate.

MALCOLM HARMON: I guess it all depends on the situation. There could be a variety of different state situations. What we will do as an Engagement Center is guide you through that process. We have very specific steps on what you will need to do is the Authorized Legal Representative or the conservator of the account, of the Beneficiary. So, we will guide you through that situation. We aren't going to do anything to that account until we receive a death certificate. Once the death certificate is received by the program, we will then start the process with you and help you to that very difficult time.

ANNE OSBORNE: Okay. And if you are receiving any unemployment money, you can deposit that into your CalABLE account, correct?

MALCOLM HARMON: We aren't going to ask where those funds come from. You may have some tax implications. Don't quote me on that, but contributions received, we are not going to question where they came from. You are sending them in. They are going into your account. I

would suggest maybe talking to a financial advisor about that one as well or maybe even the unemployment office.

ANNE OSBORNE: All right, and again, we did say that if you haven't received your prepaid card within 10 days that they should be looking in their emails.

MALCOLM HARMON: Absolutely. Look in your email. Check your junk email. Again, with security the way it is these days with our email servers, if somebody is requesting personal information, it could potentially go into your junk email thinking it is some type of spam or solicitation. So, check there, and first and foremost, call. Call the card company and find out hey, what's going on? I haven't received my card in 10 days. And that will expedite the process and give you the answers you need.

ANNE OSBORNE: If a client is not conserved, can somebody else withdraw money on the client's behalf?

MALCOLM HARMON: Are we saying that there is not an Authorized Legal Representative on the account?

ANNE OSBORNE: I think that is what this question is about.

MALCOLM HARMON: Okay, well self-administrating accounts, the person that is transacting – whoever is the person that is transacting on the account, whether it is the Authorized Legal Representative or the self-admin – is the person responsible for funds. They have the username and password, all the login credentials, that individual is the one that withdraws funds from the account. All transactions, financial transactions are done online. An individual can't just call the Engagement Center and say, “I need to withdraw funds.” We are not going to be able to do the transaction for you. So, based on what you are saying, I would say, probably, no is the answer to that question. If the way I am hearing it and the way it sounds, I would say no. The ALR or the self-admin needs to make those transactions.

ANNE OSBORNE: I think that's it, Malcolm. I don't see any other questions here, and I know we are getting close on time. So, I know I have my other ladies looking at the questions. Is there something else I missed, ladies – Sandra or Alyssa – that we could take?

MALCOLM HARMON: I would love to make a comment as well just for engagement purposes. Any questions that anyone has that is out there, please do not hesitate to give us a call. And a really great tool as well is our [customer service email](#) box, I really like to encourage people to use that email box because this way you will get a response in writing. Now, I will tell you that if it's not in the [Program Disclosure Statement](#), we may have to reach out for guidance from the State on answers to certain questions. But most instances I think we can resolve most of

your questions. So, give us a call, send us an email. We will be happy to answer any questions you may have.

ANNE OSBORNE: Yeah. And like I said, they have always been extremely helpful. We just get positive comments all the time from people sending comments in saying how appreciative they are that somebody was there to answer their questions. So, on that note, Malcolm.... Sandra?

SANDRA KENT: I'm sorry. I just wanted to say we do have somebody with her hand raised, and we have four more minutes, so if you would like to take a question verbally, we can do that. Mariana, I see that your hand is raised, I am going to allow you to talk. So, if you would like to ask your question, please unmute yourself and ask your question.

MARIANA (CALLER): Okay, thank you. Yes, there is two questions in the same question. What happens if the representative dies? I understand it's not possible to be two representatives, right?

MALCOLM HARMON: That is correct. And it's nice to meet you, ma'am. What would happen in that situation is, somebody would need to contact us, whether it's the Beneficiary or the person that potentially may be the next Authorized Legal Representative. So, what would happen, we have a process in place. The person that is now going to be assisting the person who is the Beneficiary would send in the death certificate of the current Authorized Legal Representative on the account, and then from there we would reach out to you and contact you and provide you with what is called of the Authorized Legal Representative Change Form. And there's a whole change process that goes into place. There is some specific information that we will be asking of the new Authorized Legal Representative. We will also be asking for some proof documentation since we are going to be adding you to the system not through the automated enrollment process. It's on the back end. So, we would ask you again for picture ID, birth certificate, Social Security card, certain items, right, so we can make sure that you are who you say you are and how you have the ability to act on behalf of the Beneficiary, whether it is power of attorney or you are the legal guardian. We would need that paperwork as well in those situations.

MARIANA (CALLER): Okay, thank you so much. And the last question: can SSI benefits be transferred to CalABLE directly?

MALCOLM HARMON: Electronically?

MARIANA (CALLER): Yes.

MALCOLM HARMON: No, they cannot. The only way you are able to transfer funds is if you have banking information in the system that you were able to log into that bank account and verify.

MARIANA (CALLER): Yes, but I can transfer from my son's benefits to the CalABLE, right?

MALCOLM HARMON: You can. You certainly can.

MARIANA (CALLER): Okay, thank you so much.

SANDRA KENT: All right, and that was the only hand we had raised and we are at time, so Anne if you want to say a few words.... You are muted, so unmute yourself.

ANNE OSBORNE: Sorry. Again, I just want to thank everybody that was here today. I want to thank our interpreters, our captioner, and especially our staff here at CalABLE. Sandra and Alyssa, thank you so much for your technical support. And a big thank you to Malcolm. And I know Cole was your technical support. So again, I just really appreciate everyone's time today. And I want to thank our audience for staying on with us. I hope that they got some useful information, and I really think this was just a wonderful webinar that we can have for our account holders and for people that are opening up new accounts. We hope you will review this and ask questions when you need to ask them. And I just say thank you again to everybody that was here with us today.

MALCOLM HARMON: Thanks so much for the opportunity. It's my pleasure.

SANDRA KENT: All right. Goodbye, everyone.

For more information, please contact CalABLE at (916) 653-1728 or CalABLE@treasurer.ca.gov.

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