

The logo graphic consists of a stylized, flowing shape on the left side, resembling a flame or a ribbon, with a gradient from dark blue to light blue and orange. It curves upwards and then downwards, framing the text.

# ABLE

Achieving A Better  
Life Experience

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**ABLE Consortium**  
**California ABLE Board Presentation**  
**October 4<sup>th</sup>, 2016**

# CHALLENGES WITH ABLE

Structurally, 529 ABLE and 529 College Savings plans have numerous similarities. However, ABLE program features create challenges for states:

- ABLE accounts will be lower dollar, higher transaction compared to College Savings,
- The smaller population of people with blindness or disability create a smaller pool size,
- Unlike College Savings, ABLE accounts have a wide variety of investment date ranges.

# CONSORTIUM SOLUTION

In order to create the best possible programming for its residents, eleven states have explored a consortium model for ABLE. The consortium will:

- Issue RFPs for services on behalf of members,
- Share common administrative, or “back-end” services,
- Ensure states maintain ownership of accounts, and
- Lead to more efficient scalability.

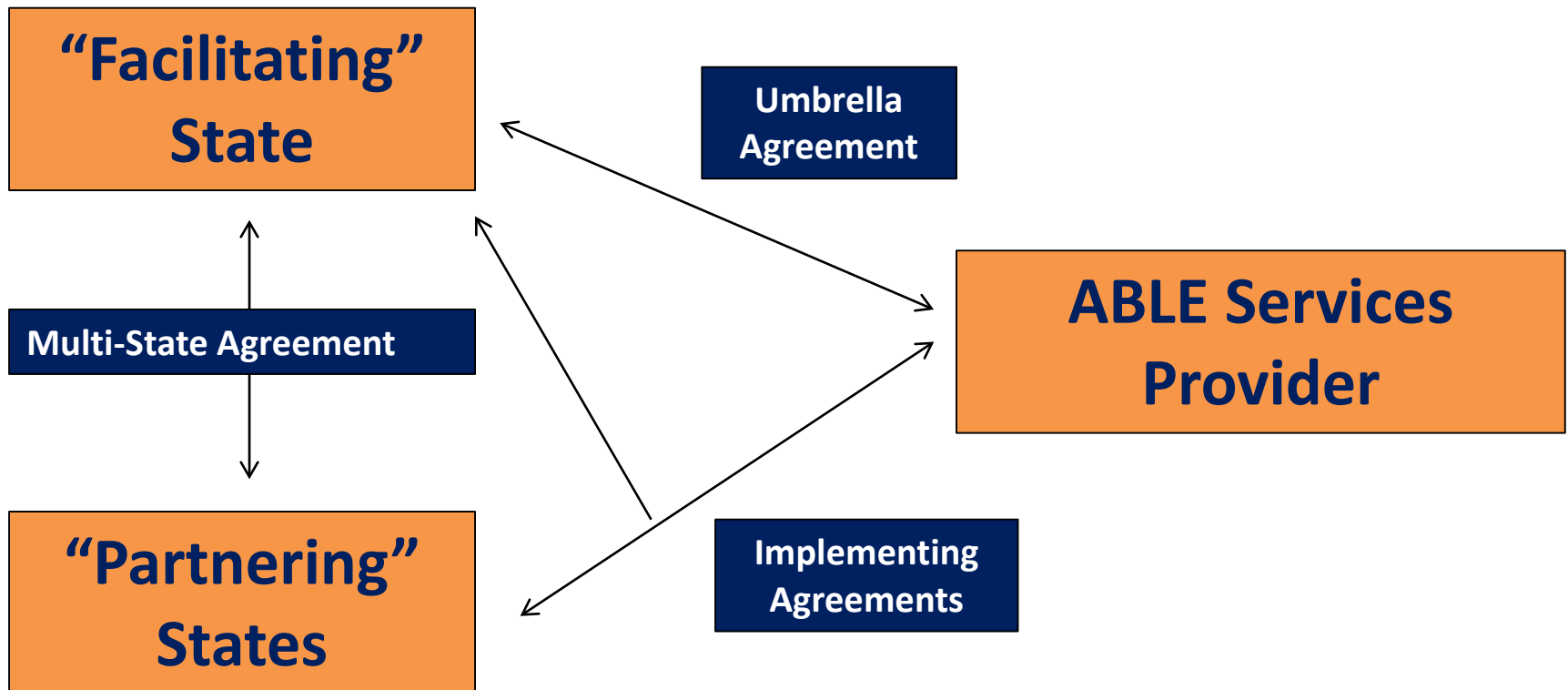
By pooling resources, this model is projected to realize various cost savings, thereby driving down fees.

# ABLE CONSORTIUM

A group of eleven like-minded states have signed an interstate agreement, pledging to work with each other on establishing an ABLE Consortium that will offer best in-class services at the lowest possible pricing.

State	Population
Alaska	738,432
Illinois	12,859,995
Iowa	3,123,899
Kansas	2,911,641
Minnesota	5,489,594
Missouri	6,083,672
New Jersey	8,938,175
Nevada	2,890,845
North Carolina	10,042,802
Pennsylvania	12,802,503
Rhode Island	1,056,298
<b>TOTAL</b>	<b>66,937,856</b>

# UMBRELLA IMPLEMENTING AGREEMENT



# CONSORTIUM VENDOR

In August the Consortium selected a vendor to provide complete ABLÉ programming services.

Services include:

- Easy to understand investment services;
- An FDIC insured banking option;
- Robust recordkeeping services;
- A third party vetted call center; and,
- And custom marketing materials.

# INVESTMENT SERVICES

The Consortium ABLÉ Program offers Member States and open architecture investment platform, with flexible investment options determined by the States.

The investment lineup will consist of equity and fixed income portfolios, using professionally managed mutual funds and exchanged traded funds from band name, time-tested investment managers.

The investment framework will be subject to Consortium approval.

# BANKING OPTION

In addition to traditional investment services, the Consortium vendor will provide a secure banking option with the following functions:

- FDIC insured up to the maximum amount permitted by law
- Access cash at an ATM for qualified purposes, including over 43,000+ fee-free ATMs
- Has check writing capabilities, including guideline checks for the visually impaired
- No overdraft fees
- Allows for money to be moved to and from the checking account and remain sheltered in the ABLÉ plan
- No card issuance fees



# NATIONWIDE FREE ATM ACCESS



# ADMINISTRATIVE SERVICES

The Consortium's program manager is an experienced firm in both the College Savings and retirement savings space, with existing relationships with 18 states.

Covered in the administrative services will be a robust and tested record keeping platform, as well as auditing services, and a proved gift-giving program.

# CUSTOMER AND OUTREACH SERVICES

Both customer and outreach material services are opt-out services in the contract:

**Customer Service** – Includes call centers and general fulfillment responsibilities. These services will be similar to that of College Savings, but will have a focus on expertise with disability benefits, both on the state and federal level.

**Outreach Material Services** – Includes creation of the program's brand, the frontend website, creation of the enrollment kit, creation of the enrollment brochure, and webinar services.

# PRICING

- Best-in-nation market pricing
- Low account fee, with numerous state population-based breakpoint pricing
- Asset based breakpoint pricing
- Guaranteed renegotiation of fees with addition of new member states
- No transfer fees

# CALIFORNIA

By joining the Consortium, California would be able to provide its disability community an unmatched level of service at least half the price of current national ABLE programs — all while the board maintains autonomy in account and investment line-up decisions.

In working with the Consortium, California could grow its ABLE market share by over 171 percent, driving down pricing, and enhancing services for California's disability community.