



NATIONAL RESOURCE CENTER
ACHIEVING A BETTER LIFE EXPERIENCE ACT



The ABLE Act: A Progress Report

December 4, 2017

Host by: The ABLE National Resource Center

Sponsored by: Senator Casey, Senator Burr, Representative McMorris Rodgers,
Representative Sessions, and Representative Cardenas

In Collaboration with: CCD Financial Security Taskforce and NAST ABLE Committee



Opening Remarks

- Michael Morris, Executive Director, National Disability Institute
- Michael W. Frerichs, Illinois State Treasurer, Co-Chair NAST ABLE Committee
- Special Guests

Presentation: ABLÉ by the Numbers

- Andrea Feirstein, Managing Director, AKF Consulting
- Paul Curley, CFA, Director of Savings Research, Strategic Insight



The ABLE Act: A Progress Report

ABLE by the Numbers

December 4, 2017

Today's Discussion

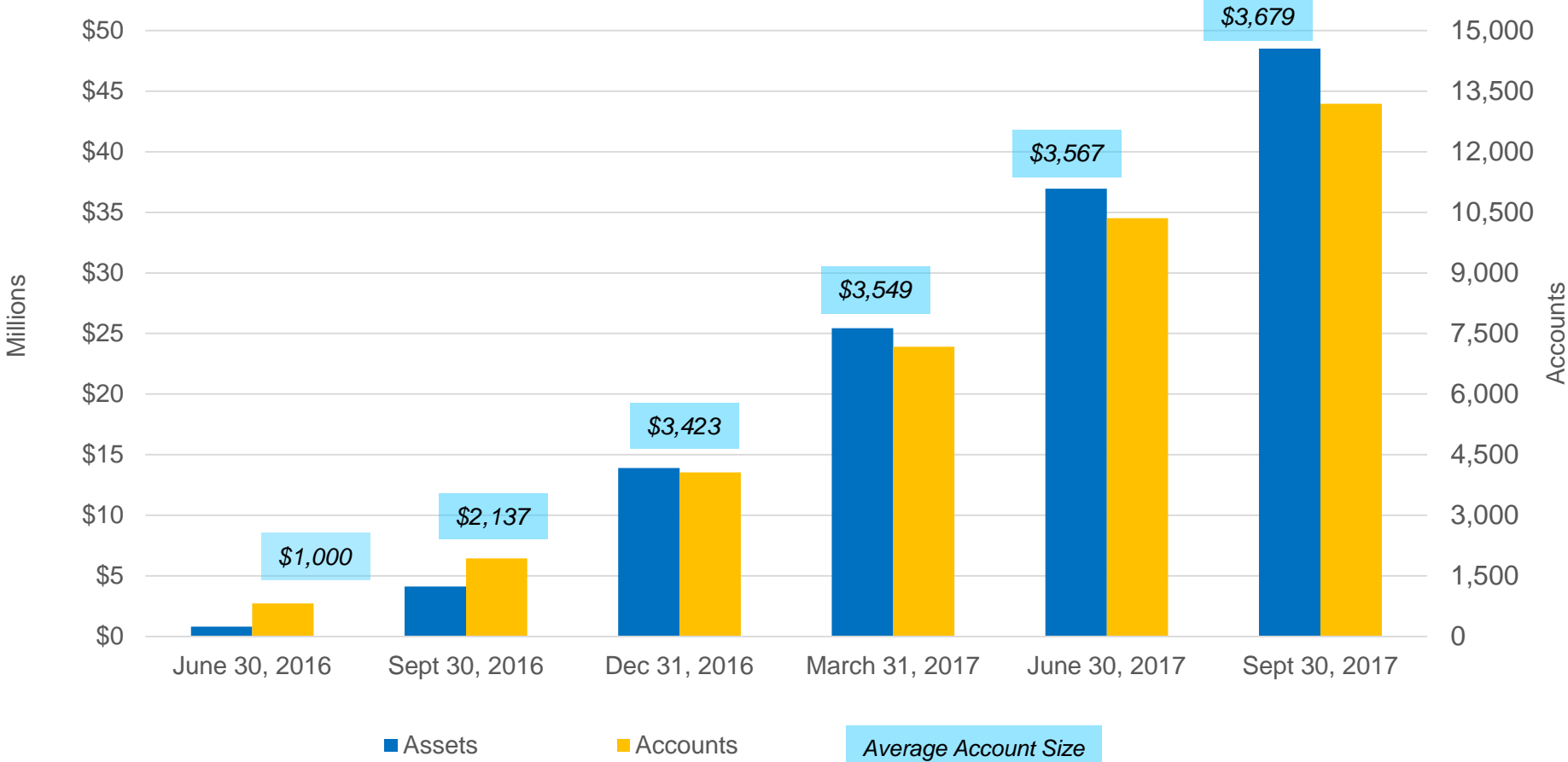
- **The ABLE Landscape**
- **ABLE Market Data**

Section 1.

The ABLE Landscape

**Andrea Feirstein
AKF Consulting Group**

Growth of ABLE Market

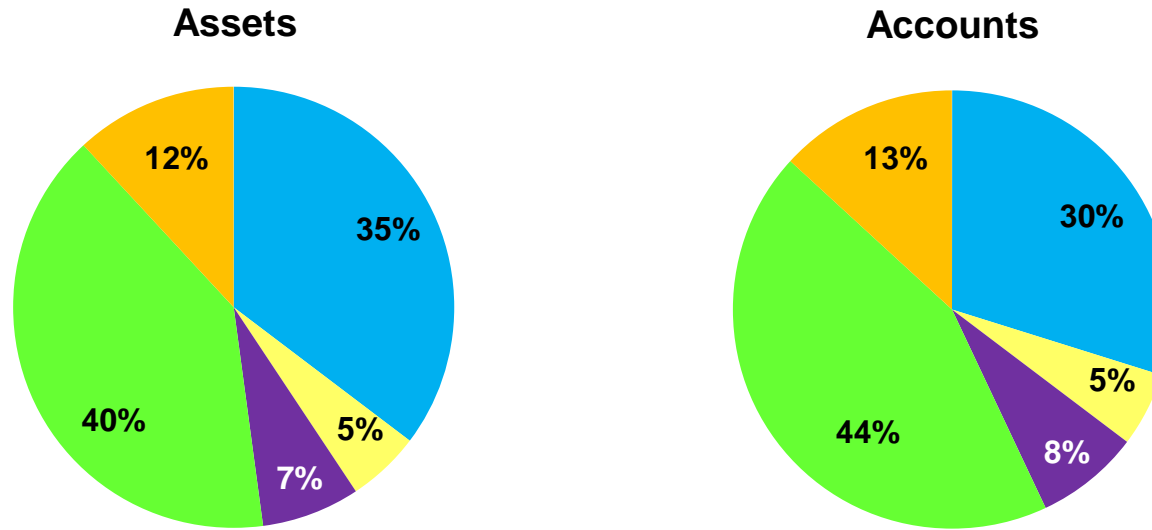


Source: Strategic Insight as of September 30, 2017

Available ABLE Plans as of December 1, 2017

	Ohio Partner States	Oregon Partner States	Nebraska Partner States	ABLE Alliance	Independent Plans
States	Ohio Georgia Kentucky Missouri South Carolina Vermont	Oregon Maryland	Nebraska Alabama	Alaska Colorado District of Columbia Illinois Indiana Iowa Kansas Minnesota Montana Nevada North Carolina Pennsylvania Rhode Island	Florida Louisiana Massachusetts Michigan New York Tennessee Virginia
Total	6 States	2 States	2 States	13 States	7 States
Expected Launches	New Hampshire	Washington	--	Arizona New Jersey	California Texas

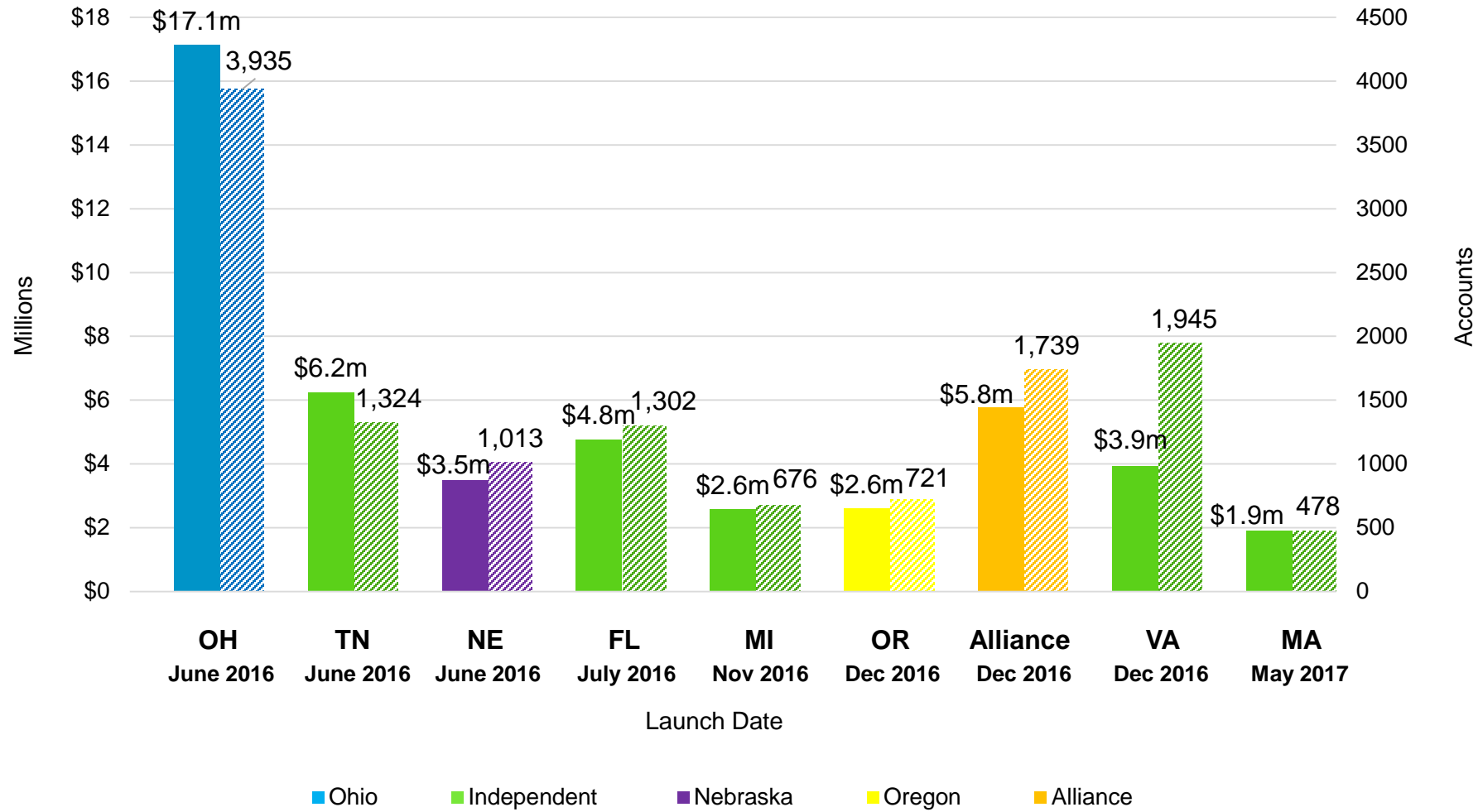
ABLE Market as of September 30, 2017



	Assets	Accounts	Average Account Size
Ohio Partner States	\$17,134,704	3,935	\$4,354
Oregon Partner States	\$2,600,046	721	\$3,606
Nebraska Partner States	\$3,492,973	1,013	\$3,448
Independent Plans	\$19,519,644	5,782	\$3,376
ABLE Alliance	\$5,772,802	1,739	\$3,320
Industry Total	\$48,520,170	13,190	\$3,679

Source: Strategic Insight as of September 30, 2017

Timing View of the Market



Source: Strategic Insight as of September 30, 2017

Concentration of Program Managers

Service Provider	States	% of Plans	% of Assets
Ascensus	National ABLI Alliance (13 States) New York	47%	12%
Intuition	OH Partnership (6 States) Florida*	23%	45%
First National Bank of Omaha	NE Partnership (2 States)	7%	7%
BNY Mellon	OR Partnership (2 States)	7%	5%
Fidelity	Massachusetts	3%	4%
PNC Bank	Virginia	3%	8%
Envision	Tennessee	3%	13%
TSA Consulting	Michigan	3%	5%
State	Louisiana	3%	0.1%

Source: Program Disclosure Statements available as of November 27, 2017

Percentages do not = 100% due to rounding

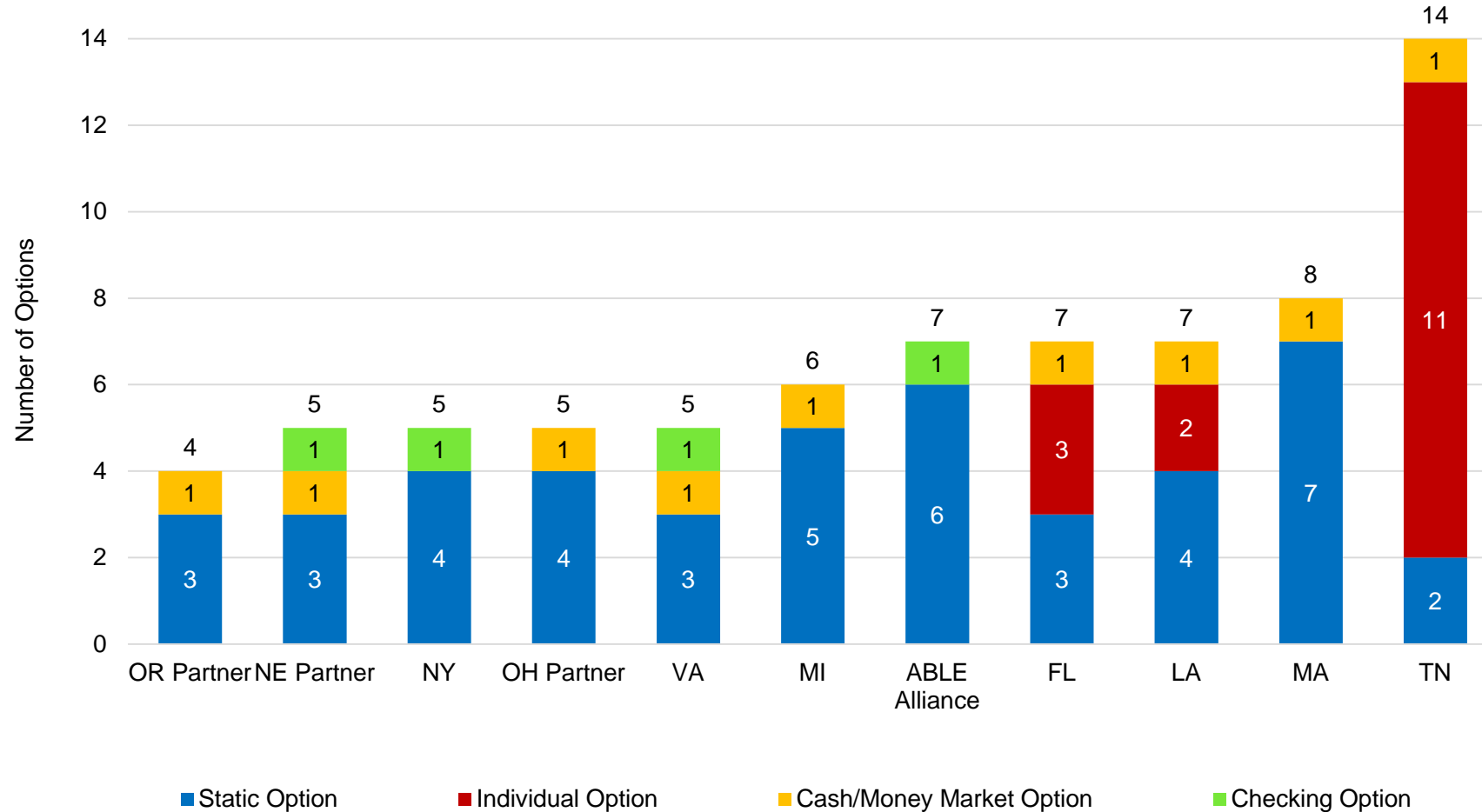
*Services rebid; new engagement not finalized

Presence of Investment Managers

Investment Manager	States
Vanguard	National ABLE Alliance (13 Plans) NE Partnership (2 Plans) OH Partnership (6 Plans) OR Partnership (2 Plans) FL LA MI NY TN VA
BlackRock	National ABLE Alliance FL
Schwab	National ABLE Alliance
DFA	OR Partnership (2 Plans) MI TN
Fidelity	MA VA

Source: Program Disclosure Statements available as of November 27, 2017

Overview of Investment Options



Source: Program Disclosure Statements available as of November 27, 2017

Comparison: Minimum Contributions

Initial Minimum Contribution	Contribution	State
	\$0	FL VA
	\$10	LA
	\$25	National ABLE Alliance OR Partnership MI ¹ NY ¹ TN
	\$50	OH Partnership MA ¹ NE Partnership ²

Subsequent Minimum Contribution	Contribution	State
	\$0	FL LA TN VA
	\$1	OH Partnership
	\$10	OR Partnership
\$25	National ABLE Alliance MA ¹ MI ³ NE ³ NY ¹	

Source: Program Disclosure Statements available as of November 27, 2017

¹ \$15 for AIP

² \$25 for AIP

³ \$0 for AIP

Comparison: Card Features

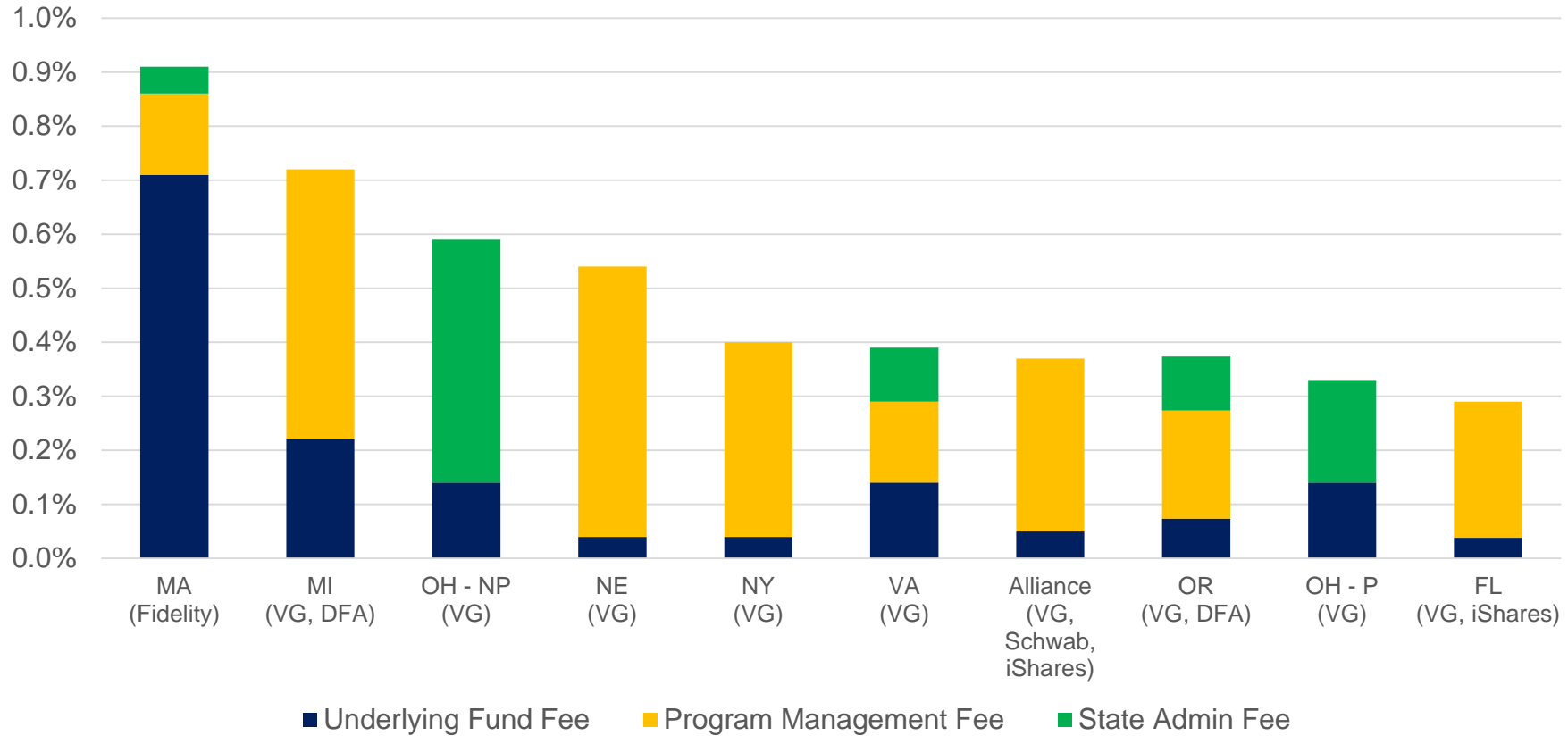
State	Card Type	Investment Option Directly Linked To:	Service Fees
ABLE Alliance	Debit	Checking	\$2 per month \$2.75 for non-network ATMs
Nebraska Partnership	Debit	Checking	\$2 per month
Ohio Partnership	Prepaid	Not Linked	\$0.49 per transaction with a PIN None without a PIN
Oregon Partnership	Prepaid	Not Linked	\$1.25 per month
Massachusetts	Debit	Not Linked	None
New York	Debit	Checking	Same as Alliance
Virginia	Debit	FDIC-insured	None

Source: Program Disclosure Statements available as of November 27, 2017

Florida, Louisiana and Tennessee do not offer a card option; Michigan is expected to launch one in late 2017

Example: Asset-Based Total Fee Comparison

60/40 Static Allocation Portfolio



Source: Program Disclosure Statements available as of November 27, 2017

Notes: (i) Does not include Louisiana and Tennessee. (ii) Used 50/50 static allocation portfolio for Oregon because 60/40 is not offered. (iii) Florida State Administrative Fee is assumed to be 0%. (iv) (P) represents Partner States and (NP) represents Non-Partner States

Dollar-Based Annual Account Maintenance Fees

Plan		Residents	Non-Residents	Fee Recipient
National ABLE Alliance ¹		\$55-60	\$60	Ascensus State
Partnerships	NE	\$45	Same	Unclear
	OH	\$30	\$42 ²	Intuition
	OR	\$22.50 - through 2017 \$45 - beyond 2017	\$35	Unclear
Independent	FL	--	--	--
	LA	--	--	--
	MA	\$30	\$30	Fidelity
	MI	\$45	\$45	Unclear
	NY	\$55	Same	--
	TN	--	--	--
	VA	\$39	\$39	Appears to go to State

Source: Program Disclosure Statements available as of November 27, 2017

¹ Assuming \$60 fee, split would be \$5 to State and \$55 to Ascensus. Account maintenance fees reduced by \$15 for e-delivery

² Non-Ohio residents pay \$3.50 monthly regardless of whether their State of residency is a Partner State

Section 2.

ABLE Market Data

Paul Curley, CFA
Strategic Insight

Table of Contents

- **Gross Contributions**
- **Gross Distributions**
- **Net Flows**
- **Automatic Contributions**
- **Checking or Investing**

Benchmarking By the Numbers

Gross Contributions

- **\$2,559: Average New Account Size (3Q 2017)**
- **\$2,199: Average Contribution Size (3Q 2017)**

Financially Accessible

Gross Distributions

- **\$1,911: Average Size of Distribution (3Q 2017)**

Modest Usage Size

Net Flows

- **+\$48M (2Q 2016-3Q 2017)**
 - Contributions minus Distributions
- **10.1% (3Q 2017)**
 - Distributions divided by Contributions

Growth to Continue

Automatic Contributions

- **25% of accounts (3Q 2017)**
- **\$132 per month (3Q 2017)**

Key Indicator on Usage

Checking or Investing

- **22% of accounts in checking investment options**
- **78% of accounts in long-term investment options**

Versatile: Indicator of How Used

Recap

- **Gross Sales**
- **Gross Distributions**
- **Net Flows**
- **Automatic Contributions**
- **Checking or Investing**

Thank you

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Panel Discussion

- Michael Hamm, Ohio STABLE Account Owner
- Rob Percival, Sr. Vice President, Strategic Products, Ascensus
 - Program Manager for ABLE: NY, PA, AK, CO, DC, IL, IA, IN, KS, MN, MT, NC, NV, RI
- Maria Padin, Program Manager, Intuition ABLE Solutions
 - Program Manager for ABLE: TX, OH, KY, VT, MO, GA, SC
- Jim Balsan, Managing Director, BNY Mellon/Sumday
 - Program Manager for ABLE: WA, OR, MD

Presentation: Summary of Legislative Proposals

- Christopher J. Rodriguez, Director of Public Policy, National Disability Institute/Director, ABLE National Resource Center

ABLE Improvement Bills

- In April 2017, 3 ABLE improvement bills were reintroduced by a bipartisan group of Members of Congress:
 - Senators Richard Burr (R-NC), Bob Casey (D-PA), Jerry Moran (R-KS), Chris Van Hollen (D-MD)
 - Representatives Pete Sessions (R-TX), Cathy McMorris Rodgers (R-WA), Tony Cardenas (D-CA) and Mike Doyle (D-PA)
- Bills were introduced as a package (ABLE 2.0) but were filed independently
 - ABLE Age Adjustment Act (S. 817/HR 1874)
 - ABLE Financial Planning Act (S. 816/HR 1897)
 - ABLE to Work Act (S. 818/HR 1896)

ABLE Age Adjustment Act

S. 817/HR 1874

- Bill would raise the age of onset for ABLE accounts to age 46
- Currently, ABLE accounts are only available to qualified individuals who became disabled prior to age 26
 - Many debilitating conditions and diseases can occur later in life (e.g., multiple sclerosis, Lou Gehrig's disease, etc.)
 - Many military veterans are not covered under the current ABLE bill if they are disabled after age 26
- Bill would allow more individuals to save money to help cover the costs of short, medium and long-term disability-related expenses
- Majority of disability groups support passage of this bill before or at the same time as the other 2 ABLE improvement bills
- Many ABLE administrators believe this bill has the greatest potential to increase the amount of ABLE accounts and thus strengthen the ABLE program

ABLE Financial Planning Act

S. 816/HR 1874

- Bill would allow families to rollover savings from a regular 529 college savings plan into a 529A ABLE account
- Many families start saving for a child's future while they are pregnant or when the child is very young, before the child is diagnosed with a severe disability.
 - These families have funds trapped in a 529 that they could use to help cover the child's disability expenses, but they will incur penalties for withdrawing them for non-educational purposes
 - If the 529 account remains in the child's name, it would be a countable resource against the SSI asset limitation
- The rollover from a 529 to a 529A under this bill would still be subject to the annual contribution limit
- Bill has been attached as an amendment by Senators Burr (R-NC) and Roberts (R-KS) to the Senate version of Tax Reform and Jobs Act

ABLE to Work Act

S. 818/HR 1896

- Bill would allow ABLE account holders who work and earn income to contribute more than \$14,000 annual contribution limit to their ABLE account
 - Could contribute compensation up to the Federal Poverty Level (currently \$11,770), potentially raising allowable annual contributions to \$25,770).
 - Only applies to beneficiaries who are not participating in their employer's retirement plan
 - Also allows ABLE beneficiaries to qualify for the Saver's Credit
- Beneficiaries would still be subject to the caps related to earned income and substantial gainful employment (SGA)
 - This bill would **not** allow ABLE beneficiaries to disregard earned income for purposes of eligibility for SSI and Medicaid
- Bill has been attached as an amendment by Senators Burr (R-NC) and Roberts (R-KS) to the Senate version of Tax Reform and Jobs Act

Panel Discussion

- Kelly Buckland, Executive Director, National Council on Independent Living
- Mary Morris, Chief Executive Officer, Virginia 529/ABLEnow
- J.J. Hanley, Director, Illinois ABLE
- Marty Ford, Senior Executive Officer, Public Policy, The Arc of the United States
- Lisa Churchville, Director of College & Retirement Savings Plans, RI Treasure's Office

Thank You

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