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CALABLE SPOTLIGHT WEBINAR-(ZOOM)

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>> Thank you for joining us. The webinar will begin in a few minutes. hello everyone. I see it is the top of the hour so we are going to go ahead and get started with our CalABLE spotlight today. This monthly ABLE resource center is showcasing as part of the ongoing spotlight series California's qualified ABLE program. California is one of the nation's most populous states it's one of the country's newest and fastest growing ABLE programs with a program launching in December 2018. Cal ABLE offers low-cost and investment savings plans eligible to individuals nationwide and the presenters today are going to be telling you more about that. Keeping in mind of course there are many factors to consider when choosing which ABLE program is best for you. Thank you for joining us for what we know will be an informative session today. My name is Brenda Kennedy and I'm the director of the able national resource center. The national resource Center for those of you who it might be our first opportunity to join us here to let you know we also go by the acronym ABLE NRC. And the website is ablenrc.org. We are the leading objective source of independent information by federal ABLE programs and activities including guidance on tax-advantaged savings accounts. Our mission is to educate, promote and support the positive impact ABLE can make in the lives of millions of Americans with disabilities and their families part of why we are providing the spotlight series in our program and the pioneering work in this area and subject matter expertise is really what makes us the foremost authority on topics related to achieving a better life experience for ABLE act, ABLE accounts, developments and comprehend integration of ABLE and financial strategies for people with disabilities into public service delivery systems. I'm going to hand things over and out to my colleague, Hope Price who is going to walk us through logistics to listen to the webinar and where you can find a webinar on our website and such when we are done. So hope, go ahead and take it away.

>> Thank you, Miranda. The audio for today's meeting can be accessed using computer audio or by calling and by phone. If you select computer audio please make sure your speakers are turned on or your headphones are plugged in. If you do not have sound capabilities on your computer or prefer to listen by phone, please dial 192-920-5099. Our meeting code is 506920343.

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For submitting questions please use the Q and a box to submit any questions you have during the webinar. Please do not use the chat box. We will try to answer all questions. Please explore the ABLE national resource center website for answers to all your questions and for additional information within our archived webinars, resources and newsletters at ablenrc.org.

If you experience any technical difficulties during the webinar please use the chat box to send a message to the NDI host or email hprice@ndi-inc.org. please note this webinar is being recorded and the materials will be placed on the ABLE national center website along with all the other ABLE webinars at ablenrc.org/resources/webinars. Thank you, Miranda.

>> Thank you Hope. I will also point out in addition to hope and mag you helping us with the webinar we also have our colleagues [indiscernible] Lori who will be responding to questions in the Q and A that are general to ABLE as we go along as well we will collecting questions to ask at the end. You know me my name is Brenda Kennedy I'm director of the ABLE national resource Center I'm joined today by our presenters, Dante Allen who is the executive director of CaABLE and Glenn Friedman who is manager of asset allocation with TIAA-CREF talking about the management piece around that. And we will also have Katie Metz who is manager of employer empowerment and inclusion with national disability Institute, who will be talking about the achievable corner. So with that let's go ahead and talk about our agenda. We have a lot we are covering so this is on two slides. First we are going to introducing the ABLE NRC spotlight series on programs briefly introducing what that is and where you can find information on other spotlights we have done and we will be diving into helping people understand and become familiar with ABLE and the similarities and differences among ABLE programs. Cal ABLE program basics as well as saving and investing with CalABLE. The next agenda items will be getting into more specific CalABLE details as well as state-level information that people will be interested in hearing about as well as the unique tool, the achievable corner that was a collaboration between national that disability Institute and CalABLE, that Katie will be presenting and then we will be taking some time for questions so feel free to submit the questions as we go along. We might be answering them throughout the course of the presentation. If we don't get to your question during the course of the presentation we always do a top question document that we post along with the archive at the end. So please do submit any questions you have. If it's not answer during the course of the presentation we will post the questions and get answers from the presenters

as we move forward. So let's go to the next slide and talk about the ABLE program spotlight webinar series. These spotlights, these ABLE program spotlight archive webinars we have in the webinar we are holding today, they are intended for those who already have a basic understanding of ABLE. The programs that are part of multistate collaborations as well as multistate programs that are open nationally, provide a program specific details on the webinars as well as general guidance and best practices. Each spotlight covers a range of investment options that are offered, which is often a confusing aspect for individuals who want to make the most of their ABLE account but are new to the concept of investing and saving so I know Glenn Friedman will have guidance for us during that portion of today's presentation. You can also see here the link to the archives, where you can find other individual state programs that are open nationally and part of any ABLE programs that are part of multistate collaborations. We have those if you want to check out others. Maybe this is the first one you're hopping on with CalABLE and you want to see what some of the others are, check out the link ablenrc.org/resources/webinars/program-highlights/. And you will see those archives there and a wealth of information.

So let's go to the next slide and take a look because we do talk about wanting of course, hoping you are coming here with some basic understanding about able. If you are not that's fine. We have great resources and tools for you available at the ABLE national resource center. We are showcasing two of those here located on our website. You can find them on the top toolbar. They are also listed here. Our roadmap to enrollment which can be found at ablenrc.org/get-started/print and the roadmap to enrollment is going to cover things like what is ABLE, who is eligible, how can funds be used how to manage my account and how do I enroll. We have short videos and guidance on there. Once folks have opened their able account we have a roadmap to independence, which is ablenrc.org/manage-account/and that roadmap to independence is going to include things such as setting my financial goals, how to build that circle of support, how to make smart financial decisions, monitor your able account and celebrate your financial independence. These resources are also available in Spanish so that you know.

Finally I want to show you this is a map that shows the ABLE programs available across the country. We have comprehensive comparison tools on our website that you can click on and learn more about and compare ABLE programs to begin to differentiate and start heading down the path of choosing which ABLE program might be right for you. We also have a mailing list where you can get information on our achievable newsletters and news items that come out. So we encourage you to sign up for that. And with that I would like to handed over to Dante Allen as we started the focus on CalABLE. And Dante will be introducing himself as well as Glenn Friedman and Katie Metz in getting us started so we are learning more about the CalABLE able program we are glad you're here Dante and the floor is yours.

>> Thank you so much, brand I wanted to say good afternoon or good morning depending on where you are viewing today's webinar from. Also wanted to extend my thanks to the ABLE national resource Center and the national disability Institute and we are very pleased to be a part of today's ABLE spotlight. We feel like the ABLE national resource center is an incredible tool for people who are considering ABLE programs and want to be able to make the nuts and bolts comparisons between the various programs. This information is essential. You're doing great work so please keep that up.

Just to give you a little bit of update on who I am, next slide please. My name is again, Dante Allen. I'm the Executive Director for CalABLE. CalABLE is actually a board of the state of California government. We are operated through the state treasurer's office. And so I am a treasurers appointee. I've been in this role for the past two years and actually brought the program to the launch that Miranda mentioned in December 2018. Prior to joining the state treasurer's office I have been involved in healthcare communications as well as diversity and equity across a number of organizations large and small. I will also be joined today by Glenn Friedman. Glenn is a manager of asset allocations with TIAA-CREF. And TIAA serves as the program administrator for CalABLE. Glenn has spent quite a bit of time as a manager of assets. He has created investment design for state clients like California and has managed billions of dollars in active equity products and implement a daily training decisions across a broad number of organizations. Next slide. Katie Metz is the manager of financial empowerment and inclusion at the national disability Institute. For the last few years so Katie and I have been working very closely on the achievable corner which is our unique partnership that she will be here to talk a little bit about later. But Katie's work definitely centers around diversity and inclusion. She is focused on people with disabilities, military veterans and their families and has done a great job in those roles. I want to make sure that today we have enough time to get to any questions. So I will go over just the very basics of ABLE really quickly but wanted to make you aware of the understanding for today's presentation and this is a rare treat for me where I'm not going to spend a lot of time focusing on the basics but really get into what makes the California program differently. So the first thing I will start off with is why ABLE. The ABLE act is meant to be an empowerment tool to help people with disabilities to help them save the additional cost of living lives with a disability. ABLE has the potential to support the financial well-being of people with disabilities to provide not only for themselves but for the families that are with them and it also includes the proponent of allowing people with disabilities to save money but still maintain their public disability benefits even above and beyond the established resource limits of those programs. Next slide.

And again I'm going to go over this really quickly, but who is eligible to open an ABLE account? First and foremost the individual must have a disability and of those disabilities that are included within the Social Security Administration list of the compassionate allowances or the blue book. But moreover, the onset of that disability needed to occur before age 26. If the individuals meet the eligibility criteria for disability programs like SSI or SSDI and their disability began before age 26, then they are automatically eligible to open an ABLE account but that's not to say that the individual has to be receiving benefits in order to be eligible to open an ABLE account. If you have never been qualified for those disability benefits you can do what we call a self certification process and that means that you are willing to attest under penalty of perjury that the beneficiary in question has a physical or mental disability as a result of a marked or severe functional limitation that is expected to last a year or longer. In addition, most programs and CalABLE being one of them asked for the beneficiary to get a letter from a licensed physician that would attest to those same things. That the individual does have a disability that it does serve as a limitation that the likely onset of the disability before age 26 and that it is expected to last a year or longer. Now with CalABLE we don't ask that you turn in that letter, we ask that you only keep it in case you are one day asked to deliver that and whether that is to the IRS, or your state tax organization or even to those benefit providers when they are doing a recertification.

The next thing I wanted to do is give you an idea of what are the similarities across ABLE programs. And so as we do a deeper dive on California's program I thought it might be worthwhile to just take a quick look to see what are the things that are the same for all ABLE programs across the board and in the next slide I will offer some of the differences. First and foremost the things that will be the same no matter which ABLE program you belong to, the eligibility requirements. Because this is based on the federal ABLE act that all states must adhere to in order to be a qualified program the eligibility from program to program is going to be exactly the same. You're going to have to have that disability and the onset of the disability will have needed to occur before age 26. Another thing that may be similar for most programs is that they are either national programs or state-based programs. For national programs like California and many others, it means that you don't have to be a resident of that state in order to participate in that states program. Now there are some programs that are state based that you must be a resident of that state and typically they will let you know right when you get to the state that you must be a resident in order to participate. The other place that you can always go to see which programs are national programs would be to the ablenrc website and we recommend that is a great source to do comparisons. With all ABLE programs you have the opportunity to save or invest which means you can put your money in secure options that are guaranteed not to lose principle or you can elect to choose through investments that will allow you to grow your savings over time. All the programs offer similar benefits protection in that the money that you put into your ABLE account will not necessarily count against you for those resource limits of programs like SSI or Medicaid. At least provided up to $100,000 that you put into your ABLE account. Each program will have the same as far as contribution limits. Most ABLE contributors will only be able to provide up to $15,000 per year in contributions to their ABLE account. There are some circumstances where individuals can contribute more. And those typically are when the individual is working, contributing a portion of their own income and not actively participating in an employer-sponsored retirement program. The tax advantage status that you receive with an ABLE program will be the same across all programs except for the cases in some states where they have added some additional tax benefits for individual contributors to an ABLE account but for the most part all ABLE programs the withdrawals are tax-exempt, provided they are for qualified disability expenses. And those qualified disability expenses will be the same across all ABLE programs as well. So will the fact that you can rollover your account from one state to another. The affordability of these ABLE accounts that is something that should be the same wherever you go. And then finally again like I said, the opportunity to save or invest even though there may be different vehicles to do that within, you will have those opportunities across all ABLE programs.

So if we talk quickly about some of the differences in the main thing I can look at, there are some features to programs that may be different. Some programs offer a debit card. Others offer a prepaid card. So there are differences in the delay from when you actually deposit money to when you actually can access or withdraw that money. Customer service hours may be different among the programs or even the way that you address those programs. some of the rules of the program, the rules of participation may vary and we will talk in detail about what CalABLEs' differences may be about the one thing that may garner most attention is the program fees. Yes, the fees related to these programs will vary from program to program. Some may be less expensive than others and some may offer some greater consumer protections. The investment options like I said there are different vehicles. All of our investment options are managed by TIAA-CREF. And programs with different program administrators may offer different investment portfolios. So being familiar and aware of what those differences are could be of great benefit to you. And then the final thing that could be a significant difference among these programs are the state laws that have been passed to enhance the federal ABLE act and those will vary from state to state and moreover those benefits may be only available if you are a resident of the state and you are participating in that states program and I can talk to you in a little bit about California's enhancements that we make.

If you go to the next slide, I can talk a little bit about CalABLE. CalABLE is California's qualified ABLE program. As Miranda mentioned we launched in December 2018 and the California ABLE act generally mirrors the federal act. So all of the things that I said are similar across the ABLE programs are very relevant for California's program. We are an online -based savings and investment program for people with disabilities. In fact to the primary way that you interact with your account is online. You enroll online. You schedule deposits and withdrawals online. We do have some additional resources if we need questions answered. We have consumer hotlines as you can recall or an email whenever you want to and as I mentioned the program is administered through the California state treasurer's office. One thing that I would like to mention is since December 2018 when we first launched we've actually opened more than 3500 CalABLE accounts with just under 17 1/2 million dollars in assets under management

[indiscernible background voice]

>>... As Miranda mentioned we are one of the fastest growing ABLE programs and I feel like we are just scratching the surface for California residents who would like to join. And as I mentioned we are a national program so no matter where you live in the US CalABLE is available if you are interested. Next slide.

I'm going to talk about the basics of the program. We offer very low fees and later on in the presentation I'm going to walk you through exactly what those fees are including showing you a scenario depending on the options that you choose exactly how much it would cost you to run or manage your CalABLE for a full year.

Online enrollment is easy. It's also free. The only thing that you need to get a program started is that $25 minimum contribution. Contributions or deposits and withdrawals can be made either through electronic fund transfers or through the good old-fashioned paper checks sent through U.S. Postal Service. We do offer a prepaid debit card and you can transfer money to that card and use the card everywhere that Visa debit cards are accepted. Next slide.

Now I mentioned that CalABLE is guided by the CalABLE act board. I am, I report to the board. And also serve at the pleasure of state treasurer Fiona Ma. The meetings for the CalABLE board where we discuss operations and actually go over the program performance are held on a quarterly basis and they are open to the public so you can attend those either in person here in Sacramento or live wherever you happen to be over the phone. Next slide?

The main way to interact with CalABLE is through our website for it so if you have heard enough and are already ready to open your CalABLE account all you have to do is go to CalABLE.ca.gov and it will walk you right through what you need to get started. There are only a few things that are needed to enroll. If you are enrolling either as the beneficiary or as someone who is signing up as the authorized legal representative there are just a few elements of documentation that we need. We need your Social Security number or the taxpayer ID number for both the beneficiary and if you are signing up as an authorized legal representative we need that for you as well. We also need that $25 initial deposit. And if you are planning on linking a bank account to your CalABLE account to be able to make those fund transfers between the two, we need the routing number and the account number for that bank account that you plan to link.

Next slide.

As a quick walk-through through the application you will go through the personal information segment and that is where you will create your unique user ID and set up your own password. We ask that you provide the information for the beneficiary and or, and the authorized legal representative. You will select the delivery options of how you would like to receive your statements and other information, you can then choose your investment options and how you would like to allocate through those investment options, you will be able to link your bank account to make the flow of money to and from your ABLE account just a little more convenient. You can use the prepaid card to add an additional layer convenience and you will make a additional certification like I mentioned the certification previously if you have not been previously qualified or certified for benefits through programs like SSI or SSDI.

Now I mentioned that getting money into your ABLE account can happen in a couple of ways. Specifically here at CalABLE the thing that you would do is log into your CalABLE account at CalABLE.ca.gov. Your deposits or contributions can be made at any time either by sending a check through the U.S. Postal Service or by requesting an ACH transfer to your linked bank account. Now we ask that you allow 10 business days for contributions made by check or ACH transfer to actually be visible and accessible through your CalABLE account.

And then moving over to the next slide , receiving money from your CalABLE account happens in a very similar way. You would log into CalABLE.ca.gov and you can either ask for a check to be sent to you as the beneficiary or to the authorized legal representative or even through, or even to a third-party payee. Now there is a, an additional fee for checks. That are cut to the beneficiary or whomever they designate. That is a five dollar per check fee. But funds can also be loaded directly from the CalABLE account onto the optional prepaid card, which can be used everywhere that Visa cards are accepted. And there's no fee for this. Or CalABLE, distributions can be sent directly to a linked account that you set up with your account to any bank and there's no fee associated with those. We also ask that you allow 10 business days for those from the time that you make the distribution to when you actually have that cash distribution in hand. And the one thing that is important that you should know is that CalABLE does not check and we do not track whether the distributions are qualified disability expense. We feel those are the responsibility of the beneficiary or their authorized legal representative and so at the same time we recommend that you keep records, including receipts and any notes that you need to do to ensure that if you are ever asked, whether by the Internal Revenue Service or by your benefits providers whether you are asked whether those were qualified disability expenses or not you will have those records in hand to assist you in moving through that process.

Now I mentioned a couple of times, next slide, the CalABLE Visa prepaid card. You can load and reload to your car directly from the CalABLE web portal. You can use the card everywhere that Visa debit cards are accepted and that is whether online or in store. And I must note that you cannot get cash from your visa prepaid card from an ATM machine. And there are low fees or actually the CalABLE visa prepaid card is issued by a meta-bank member FDIC pursuant to a license from Visa USA. But it does add a new layer of convenience for accessing the funds that are in your CalABLE account. I mentioned that CalABLE is a savings and investment mechanism. It is managed by TIAA-CREF. They are one of the largest fund managers and financial investment firms. They manage over $1 trillion in assets and we have a number of portfolios where your money can be deposited. We have an FDIC insured portfolio where you are guaranteed not to lose principle. Or we also have three target risk investment options and the fees for these options vary depending on what options you choose. And the funds may be transferred between the portfolios two times per year and for a little bit more detail on those investment portfolios I'm going to turn things over to Glenn.

>> Thank you. And thank you for having me. So I think to start off we are going to talk about the core beliefs that guide the investment menu. And I think it is really apropos that we are actually starting to talk about diversification to start, just because that is something you might see in the headlines nowadays. There has been a lot of volatility in the markets, in the risk markets particularly. And diversification is a key pillar that we believe in when investing for the long term. Investment options should contain multiple components that are highly diversified and include all asset classes. This follows trends in college savings plans, other 529 accounts as well as defined contribution plans. We are no longer in a time when we are using one stock fund and one bond fund but investment options are now much more diversified and incorporated number of asset and sub asset classes to help mitigate some of the volatility over the long run. Simplicity is another pillar. Investment options should not be overwhelming to participants. They should be easily identifiable. And this is pretty straightforward. Option names should reflect the specific objective of that option or its long-term goal. It should not be confusing when individuals are choosing between them. And this speaks to the standardized naming conventions that we selected for each of the investment options and I will get to that in just a moment.

Third is choice. Investment options should span the risk spectrum, and we fully recognize that everyone may have a different investment goal for this specific account. For some people they may just want a bank account to use for transactional purposes. For others, they might want the long-term growth potential and they are comfortable with some of the volatility that is possible in their portfolio.

So we have a spectrum of different investment options that span all of those investment goals and to meet those goals. And then finally, cost. Think we mentioned a few different times all things equal, investment options that are cheaper or more attractive. There is an old saying that the one thing you can be sure of in investing his fees. Over time more expensive options will eat into returns. So we try to minimize, we try to minimize that to the extent possible. So if we go to the next slide we can talk about those four investment choices that all investors have to choose from when they are opening a CalABLE account. First we have the FDIC insured portfolio. This seeks a very stable conservative return and it is a bank account. It is exactly like a bank account that you can go down the street and open one. The difference is that this is actually in the ABLE program so your ABLE benefits while not being invested in the capital markets for this is the FDIC insured portfolio that has a principal and some interest as well.

The next three are what we call the target risk investment options. The conservative portfolio, the moderate portfolio and the growth portfolio pretty conservative portfolio has long-term socks as well as funding agreement from the funding company which is a cash like vehicle in the conservative option. The conservative portfolio targets about 20% of its total allocation to the global equity market. In contrast, the moderate portfolio allocates approximately 50% of its total allocation to the global equity market. So it's a little bit more aggressive than the conservative and has a mixture of both stock and bond funds.

The aggressive portfolio, or sorry, the aggressive growth portfolio seeks a more aggressive, ask more aggressive growth and long-term growth potential by allocating about 80% of its total allocation to the global equity market.

One note about transfers between options, I think we had mentioned it just a moment ago you may transfer funds in your account between investment options only twice per calendar year. And that is a limit of the Internal Revenue Code. However you may change the investment options to which future contributions will be allocated at any time.

On the next flight you see a graphical representation of what I just spoke about. The FDIC insured portfolio is its own asset class. If you invest in that investment option you are basically investing in a bank account. The conservative portfolio, the moderate portfolio and the aggressive growth portfolio are the three target options and they contain a mixture of stocks, bonds, as well as a guaranteed crediting rate from the funding agreement in the conservative portfolio and the moderate portfolio.

So if we move to the next slide I will speak a little bit more in detail on those four different investment buckets, I will call them. The interest-bearing account obviously is for the FDIC insured investment option that is sponsored by TIAA bank. That is a savings account that includes interest payments and it is also FDIC insured up to FDIC permitted limits. That's pretty straightforward. For the other three, for the stocks to build a diversified selection of mutual funds, we have three funds from TIAA, namely the TIAA-CREF equity index funds, the TIAA-CREF international equity fund as well as the TIAA-CREF emerging markets equity index fund. Collectively, those three form the global equity base from which three of the four investment options can be built with.

I will also mention that these three funds are index funds and as index funds they track as closely as possible the respective market segments. They are not overweighted in one part of the market versus another. They contain a balanced mixture of both value and growth investment styles. They contain various sectors. They are balanced with regard to exposure to cyclical defensive as well as growth areas of the market. They are a holistic way to invest in the global stock market. For bonds, we have a diversified mix of fixed income funds from TIAA. They cover what's known as the Bloomberg Barclays aggregate, US aggregate index which means it includes treasury issues, so government issue bonds, highly rated corporate securities, securitized assets, and we also have an allocation to the TIAA-CREF inflation linked bond fund which is a treasury protected securities portfolio also known as TIPS we hold that inflation is one of the biggest risks to growth and we hold that portfolio is included as part of the bond allocation.

For the funding agreement, like I said this is a cash like investment. This is an insurance agreement with TIAA-CREF life insurance that guarantees a minimum crediting rate of return between one and 3% and that is reset annually. TFI which is tuition financing Inc. as well as the parent company TIAA and TIAA-CREF life insurance company are one of the only three insurance groups in the US to currently hold the highest possible ratings from three of the four leading insurance rating agencies. And those are AM best, Fitz ratings, Moody's and S&P. And that really validates the financial strength and the claims paying ability of TIAA which is important for a product like this. I will also just take a moment to talk about TFI, tuition financing Inc. as the program manager for CalABLE because this is something that sets CalABLE apart from other ABLE programs. We have a fairly unique structure. We view the 529 industry as a unique business. What that means is I do not divide my time between the 529 work and the fine contributions for examples or pensions or endowments. Ashley do asset allocation work specifically for 529. What that means is 529 plans that we have the benefit... I'm sorry what that means is that 529 plans that we manage have the benefit of having dedicated professionals, myself included, my team included that are acutely aware of the 529 industry. So CalABLE has the benefit of having a long-standing program manager which has been in the 529 market for over 20 years. And we are aware of the 529 world possibly more so than other programs.

If we can go to the next slide I will cover really quickly what it looks like when you actually try to enroll in an account. This is what the online enrollment page looks like. The prompt is how would you like the money in your CalABLE account to be invested and it gives you a few other tips. Your choices must total 100% before you move on to the next page. So does it need to account for every penny that you're going to be allocating in the CalABLE account. It's a pretty straight for process produce pretty much industry-standard. There is one note there that says read the program disclosure statement, and that really leads into the next slide, if you can move to the next slide, which is more of a disclosure statement, but I will end here because I think it's a really important note. Investing comes with risks. Your account value can go down for a number of different reasons. Right now it is because there is a global epidemic currently that might be affecting global supply chains and they may have economic impacts on a variety of different businesses. So that is something to keep into account when you are investing because this is an investment account. Apart from the FDIC insured option you are investing in risk assets so you need to be aware of that. The program disclosure statement contains a list of risks that should be reviewed before investing. I'm not going to go through each one of them right now, but a few of them that you may or may not be aware of is currency risk. If you are investing in an aggressive investment option you are subject to international equity markets, which come with currency risks. There's credit risk. Even though the fixed income issues that are in this program are of very high quality, they still have credit risk. So that is something you need to be aware of in terms of how interest rates move so on and so forth. So that is all really important information to know before you actually open an account and establish your CalABLE account. So with that I will turn it back over to Dante to discuss a little bit more about some of the details of the CalABLE program. Dante?

>> Thank you so much, Glenn. You have done an excellent job in talking about those investment opportunities that exist with CalABLE. Now I want to walk you through a little bit more of the detailed information about the program. Specifically related to fees. And so this current slide shows you that there are a number of fees and some of those fees are time-based fees. And others are based on a percentage of your average daily balance and others are occasional fees, and I want to be able to walk you through all of them so you can fully understand what the cost of operating a CalABLE account will be. And so the first that I want to point out is that each account is assessed an annual account maintenance fee. The fee for all accounts is $37 per year. Now it is taken out in monthly installments so that is just a little bit over three dollars per month. The next couple of fees that I will talk about are those fees that are based on a percentage of your average daily balance. The first is an underlying investment fee. And it is dependent upon which choices that you make. Some, for some of the choices we have waived any fees related to it. So it is 0% of your average daily allowance. And then it can go up to .09% of your average daily balance depending on your investment choice. We also have a state administrative fee, and that can be just a little bit less then one half of percent of your average daily balance. And those, depending on your choices there's potential for that fee to be waived as well.

There is a paper statement mail delivery fee. It is $10 annually. If you choose to receive your CalABLE statements via the U.S. Postal Service. If you want to receive your statement via email that $10 per year fee is waived completely. There's also an insufficient funds fee, and that is $20 per occurrence for that fee. And then I already mentioned a little bit earlier that there is a check issuance fee if you are requesting a distribution from your ABLE account and want to receive a check for the U.S. Postal Service and that includes a check to the beneficiary or to the authorized legal representative or to any payee, there is a five dollar per check fee for that. But again, electronics fund transfers as well as transfers from your ABLE account to the CalABLE debit card there are no charges associated with those kinds of distributions.

Once again, enrollment in CalABLE is free and the minimum deposit is just $25.

Now when we take a look at the next slide, this is a real world example of if you were operating a CalABLE account with $3000 in assumed assets. And so what you will see here is across the board, no matter what you, no matter how you allocate your money whether you put it into the FDIC insured portfolio or any of the target risk portfolios you will be charged a $37 annual account maintenance fee. And that is just one fee. So it doesn't matter if you divide some of your money into the various investment portfolios, you are still only going to be charged one $37 annual account maintenance fee.

Now it gets a little bit different when you make your choices among the investment options. If you elect to only place your money in the FDIC insured portfolio there is no underlying investment fee. We also ways the state administrative fee. So if you are operating your CalABLE account and putting 100% of your assets into the FDIC insured portfolio, the only thing that you will be charged for a year to operate the account is the $37 annual account maintenance fee. Now keep in mind that if you do choose to receive your statements by the mail you will also be charged the $10 paper mail statement delivery fee.

If you choose from any of the portfolios you will pay anywhere from $2.40 to three dollars in the underlying investment fee. And again it is important to note that you wouldn't be charged if you had $3000 and you divided it equally among the different investment portfolios you wouldn't be charged this amount for each portfolio. It really is only the portion of your $3000 account balance times the underlying investment rates. So it is not a compounded fee. It will only be the percentage-based on what you have in each of those portfolios.

And then if you are investing in any of the options, you will also incur the state administrative fee and those fees go to pay for things like the development of materials, the promotion of the program and even like the salaries of CalABLE staff and any expenses related to that staff. And so, for $3000 balanced account the fees for that would be roughly $13.20 per year. And so at the minimum a CalABLE account will cost you about $37 per year at the maximum. It could cost you up to $53.20. And so if you do a comparison of CalABLE across the other ABLE programs you will see that CalABLE is not the most expensive. We are also not the least expensive. Our fees fall somewhere within the middle of the pack, but we do feel like we offer exceptional value, especially when you consider that $53 a year you can invest in some of CalABLE's investment portfolios in a way that would be cheaper than managing just a simple savings or checking account through most commercial bankers.

The other thing that is important to note is that the additional $10 fee if you elect to have paper statements.

Now in addition at the beginning I mentioned that there are ways that the states have made enhancements or improvements upon the federal ABLE act and California has done that as well. In 2017 we actually passed to laws that should make a CalABLE account very attractive especially for California residents. We passed a law that said that Medi-Cal, California's version of Medicaid will not file a claim directly on ABLE accounts. You may be aware that Medicaid has the ability to tap into ABLE accounts upon the death of the beneficiary for any of the care that the Medicaid program has spent on the individual's health care either over the course of their lifetime or sent to the ABLE account that was opened. While California has said that Medi-Cal will not seek, they will not ask to recover from the ABLE account of a California resident with a CalABLE account.

We also passed a law that says that ABLE accounts are exempt from the enforcement of money judgment. So if an individual is ever sued or has an extensive debt from a creditor, their ABLE accounts can be tapped involuntarily in order to satisfy those debts. Which we see as incredibly valuable consumer protection for California residents with a CalABLE account.

So the next slide please?

The next thing that I will talk about is what happens when an account owner passes away? I mentioned that Medi-Cal will not to directly recover from a CalABLE account upon the death of a beneficiary. But that doesn't mean that money in a CalABLE account is completely excluded from this opportunity for Medicaid recovery. So what happens when an account owner passes away? The first thing that happens is any outstanding qualified disability expenses can be paid using funds from an ABLE account. Typically when I give this presentation and I go over the basics of qualified disability expenses I include that full range of categories that would be considered as qualified disability expenses. And that includes those things that impact the health quality-of-life or independence of the beneficiary. And there are broader categories that look at things like legal expenses, educational expenses, assistive technology. But one of the things that I am sure to note is that the expenses associated with the death and burial of a beneficiary would also be included as a qualified disability expense. So in those circumstances we are an authorized legal representative has been set up for the account that representative can make those payments for any outstanding qualified disability expenses even after the death of the beneficiary. So after those expenses have been taken care of, the account is then transferred into the deceased individual's estate.

Now you may know that that would then give Medicaid or Medi-Cal a second opportunity to attempt to recover from the deceased beneficiary's estate. So our Medi-Cal has taken a second step to say here are the exact circumstances in which we would seek to do that secondary recovery from an individual's estate. And so all of these next bullets must apply in order for Medi-Cal to attempt that recovery. Now, the deceased individual must be age 55 or older. They also must be a user of comprehensive Medicaid services, things like in-home support, skilled nursing services, prescription drugs, all those things that are above and beyond the standard Medi-Cal services. The individual is not survived by a spouse. A child under the age of 18 or a child with a disability of any age. So again, unless all four of those bulleted items apply, then the estate would not be subjected to Medicaid recovery. Now the thing that I want to turn your attention over to, and Katie is on the line to talk a little bit about achievable corner, and this is a special collaboration between the national disability Institute and CalABLE and it allows us to provide some additional resources for folks. And we understand that enrollees in CalABLE accounts many times, under many circumstances may be saving and investing for the first time in their lives. After all, the rules and regulations around some of the disability programs say that you are only allowed to have a very nominal amount in savings and so therefore it would exclude the capability of investing. But now that the ABLE act does allow for such things we want to make sure that in addition to providing a product for individuals to be able to save and invest, we also want to make sure that there are resources so you can understand what are the basics of saving and investing and how can you make the most of your ABLE account so with that said I will turn things over to Katie now to give us a little more insight into the AchievABLE corner.

>> Thank you so much, Dante. You are right there is so much wonderful information out there about ABLE and financial education and the resources that we have but how do we find it? So it's really my pleasure to talk to you today about this really exciting opportunity that NDI was presented within 2019 to collaborate with Dante and his team at CalABLE. With the generous support of our funder, the Wells Fargo foundation, NDI was able to launch a pilot project to really test the benefits of providing just in time financial resources to potential and current ABLE account holders. We really hoped we could determine if this method of presenting real-time financial education would in fact assist individuals to better understand and manage their ABLE accounts. We also hope that our outcomes would help us to determine if these types of resources would be effective for ABLE users across the country. So the objectives of the AchievABLE corner are to provide information, resources and answers to common questions that many individuals encounter that when they are either thinking about opening an ABLE account or if they have an account. Questions that arise to manage their accounts effectively. ABLE accounts are an exceptional resource for individuals with disabilities and their families and we want to make sure they have access to the tools and resources that help them best understand and manage accounts which will essentially lead them to a more financially successful future. In the AchievABLE corner we work to dispel the myths that many individuals and their families encounter while opening or managing their account. We worked really closely with the ABLE NRC experts and technical assistance staff to determine what were the most frequently asked questions for both individuals in California and really across the country. By providing answers to these questions, providing various financial tools and resources we truly helped to increase the enrollment and the usage of CalABLE accounts. The information we provide in the AchievABLE corner is provided by our teams of subject matter experts on ABLE financial education and disability so we could really help increase the knowledge and skills of potential and current CalABLE account holders by providing these tools we hope to increase individuals knowledge and skills around money management, setting financial goals, creating regular savings habits so these individuals can open and again effectively manage their accounts. We have also developed and are utilizing the corner to help us test and measure individuals’ perceptions of their knowledge gains. And changes in their financial capability. We do this through a self-reported--- that appears on the corner. Additionally we measure the number of times that resources are access and utilized to help us determine what resources are the most helpful for users as we build and adjust the site so we meet the need of the users. We collect and utilize all this information and feedback to adjust... Excuse me and add additional information as we need it on the site. We work closely with the CalABLE team to see what information needs to be adjusted and updated and as such it is growing as we correct data from our users. Next slide please?

So how do we find the achievable corner.? The corner are webpages that you live on the NDI website however they can be accessed through banner linkages on CalABLE website. Each of the banner linkages have customized questions based on the content of the webpage user is currently viewing within the CalABLE websites of the questions on the help to spur user interest and develop strategies and resources relevant to where they are in their journey so they can learn about opening a CalABLE account or better manage the account there are five locations throughout the CalABLE website on various pages the team worked together so we could identify the different areas of the CalABLE website where based on the previous and multiple interactions with ABLE users across the country we determined that users might have questions. So the users can then click on the learn more about in and then we take them to the section of the AchievABLE corner site that correlates to the question in the banner they are asking.

So the homepage of the AchievABLE Corner asks individuals where they are in the CalABLE account process. Directing users to the right questions, answers and resources for wherever they might be in their process. As you can see it says here where are you in the CalABLE account process. So individuals are then asked to choose I am either thinking about opening a CalABLE account, ready to open a CalABLE account or currently using my CalABLE account. Users can then choose the category that best fits the current chain of thought and helps them quickly and efficiently locate answers to the questions that are at the top of their mind. Each question provides answers crafted by national subject matter experts. It lets them take action steps for users to review and determine what their best next steps might be for them. Then it provides additional resources to help them in their process. During the process we hope individuals will explore additional tools and resources available to better use and manage their ABLE accounts. Next slide please? As I mentioned previously the questions were developed based on interactions and questions ABLE users have asked NDI through either the BLE national resource Center or of CalABLE as well as her many years of experience in the field providing technical assistance. All the questions and answers on the AchievABLE corner site are real questions asked by account holders. They are all meant to be interacted with individuals. Real facts that people need to know about their ABLE accounts, their answer crafted by subject matter experts. They are always take action steps clearly laid out for each section so the user can decide and create their own action plan. And finally there's multiple links to activities and resources for individuals who explore and navigate just taking a pledge with the America saves campaign, completing a budget worksheet watching videos and several other interactive resources and tools. Next slide please?

so at the bottom of each page we really wanted to motivate individuals to be able to save so we did that by making sure that there were two consistencies throughout the website pages. There are did you know facts that are provided to help motivate individuals to take action toward saving for their future, and either opening or better managing their CalABLE account and then there is an option to return to CalABLE at their enrollment page so individuals can automatically go back and they can begin or complete the process of opening their CalABLE account. If you have any additional regarding the AchievABLE corner you are more than welcome to contact me and I will provide my contact information in the chat box. And with that I will as we do on as we do on every page on the webpage return it to you, don't take

>> Thank you very much for that Katie. An excellent resource for those who have those kinds of questions and we want to continue to build and add upon what we have started with the AchievABLE corner. I want to wrap things up here. The first thing I wanted to say I pointed out that we do have a customer engagement center. And it is open 9 AM to 5 PM Pacific standard time Monday through Friday. And customer service is something that we truly do pride ourselves on at CalABLE, both when you call the engagement center or when you interact with us as a staff we really want to go that extra effort and make sure that we are meeting all of your needs. So please do not hesitate to reach out to us and just like Katie just extended, I'm happy to share my contact information for anyone who wants to interact with me directly. There's also an email address you can send information to that is CalABLEsupport@CalABLE.ca.gov.

This is something you can potentially be of help to all ABLE recipients of federal government there are two bills right now in both the House of Representatives and in the Senate that are looking to increase the age of onset for ABLE eligibility from 26 to 46. If that happens, it is estimated an additional 6 million people nationwide will be able to benefit from the ABLE program. If you are so inclined, you can reach out to your representatives to make sure that they are aware and are supportive of these bills and to ensure that they pass.

The other thing, next slide please, that we are looking at here in California is to further enhance ABLE we have pursued in previous years a tax deduction or tax credit for third parties contributors to an ABLE account as an extra incentive we are hoping to get something passed that would say that you would be able to do, make a tax deductible when it contributes to an individual beneficiaries ABLE account so please state and for that information. And then the last bit of info that I wanted to share with you is that CalABLE we have our own webinar series. If you weeks ago we did the first in the series which was a CalABLE 101 where he went through all the details about the ABLE act and the specifics about CalABLE we will then have that archived and available on our website but please visit us. We have another one coming up in June. And this will add some additional specificity to what we have already done. And please feel free to contact us for in person educational opportunities and we go up and down the state to do that. And then if you want to connect with us on any of your favorite social media networks, those are listed here. Or you can enjoy our email distribution list. Then our final slide is once again pointing to the fine print that Glenn mentioned. This is an investment opportunity and as with all investment opportunities there is a potential for risk. So please review our disclosure statement if you would like to explore that in more depth. Since we are right at time I think I will turn it over to Miranda to talk about how we will respond to any questions that you may have. Miranda?

>> All right thank you so much down to and thank you to you and to Glen and Katie for sharing this information and our spotlight on CalABLE. We are going to go ahead and go to the next slide. I do want to mention thank you to Marlene and Lori who on the side have answered 50 questions that came in from the chat and Q and a and they were great questions. But it looks like there were only about eight that we were not able to answer that were specific to CalABLE and I think Katie met a lot of those questions in her presentation, that could be answered there but one of the questions Dante was asking but if there's anybody with disabilities on the CalABLE board.?

>> That's an excellent question and as a matter of fact there are, it's a seven member board and it is encompassed by members from the state financial apparatus as well as our disability services organization and so the Department of rehabilitation, the director of that department and board member is a person with a disability as well as the State Council for Independent living, our representative is an individual with a disability and with our State Council for developmental disabilities, that individual is a person with a disability and I myself as executive director of the program have had a lifelong disability as well. And I feel like that, it colors every decision that we make about the programs. So excellent question. And glad to say that we are inclusive.

>> Okay great. Thank you, Dante. The other seven questions are important as well. We will submit those to you and Katie and Glenn and get the answers posted to the archive although I would also encourage folks to ask the question, though seven of you who did not get the answers in the AchievABLE corner as well it's a great resource. Here on the slide you see more of the resources. We referenced the roadmap to enrollment. The comparison tools, we have the case summary series can we have federal guidance on ABLE, ABLE account and tax time savings as we go into time to file our taxes. We also have ABLE toolkits and vaguely asked questions. Our employee toolkit was shared January to be shared with employers. Frequently asked questions, we just updated that and that's a comprehensive resource available on the website and that is new as of last month so we are constantly building out new tools.

Let's go ahead to go to the next slide and I will share really quick, we hope you will help us spread the word and share information about ABLE accounts with your family and friends and community you are involved with and as a topic to inform people of the new opportunity for people to help the lift them out of poverty and enhance their even for current and future needs.

So let's go ahead and go to the final slide in addition to joining CalABLE's newsletter we also have our AchievABLE newsletter and you can connect on social media via Facebook and twitter and we encourage you to stay posted and join future webinars and check out the archives as well. Check out the Spotlight archives and finally the final flight thank you to the ABLE National Resource Center sponsors, the gold sponsor Prudential as well as all the others. We would not be here without them and we greatly appreciate their support and we appreciate all of you being here with us today and thank you again to our presenters and also to the team providing support on today's call. If you could take just one minute and respond to the few post training survey questions that really helps to inform us around how useful today's webinar was to you and what you might like to see in the future as well. And with that, thank you everyone. We hope you have a great rest of your day.