



**ENable**<sup>®</sup>

**SAVINGS PLAN**

**ALABAMA**

Plan Information Guide

In December 2014, the Achieving a Better Life Experience (ABLE) Act was signed into law authorizing individuals with disabilities to open tax-exempt savings accounts to save for disability-related expenses without impacting current or future eligibility for resource-based benefits.

As a result, individuals with disabilities can save more than a total of \$2,000 in assets in their name in a qualified ABLE account.

Enable Savings Plan Alabama is a qualified ABLE program offered nationwide.



# Affordable Fees

## Annual Account Fee

There is a quarterly charge per account of \$11.25 (\$45 annually) regardless of the number of Investment Options or which Investment Option you invest in.

## Total Asset-Based Fees

Total Asset-Based fees for the Target-Risk or Bank Savings Options range from 0.50% to 0.55%.<sup>e.1</sup>

The Total Annual Asset-Based fees include the amount charged by the underlying fund and the fee paid to manage the Plan, including costs for forms, website, processing, legal, and marketing. This fee is incorporated into the price of each Investment Option.

This fee<sup>e.2</sup> is not deducted from your account.

There are no Asset-Based fees for the Checking Option.

## No Other Account or Transaction Fees

There are no other fees—no fees to enroll, withdraw, change Investment Options, or to transact online.

There may be additional convenience fees such as a fee due to a returned check with insufficient funds, or to pay for a withdrawal check that you request to be sent via overnight mail.

For the Checking Option, there is no charge to receive a debit card. Additional service fees may be charged; please see the Enable Savings Plan Alabama Program Disclosure Statement available at the Plan's website for more information about fees or charges for the Checking Option.



# Benefits

## Keep What's Yours

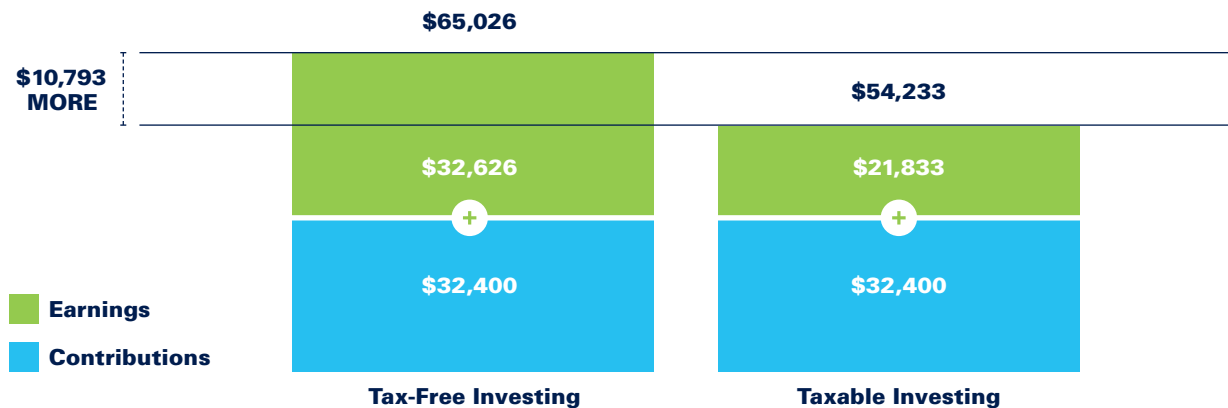
It wouldn't make sense to invest in a plan if it affected your existing benefits. Any amount of assets in an Enable Alabama account is an excluded resource for Medicaid. And account balances up to and including \$100,000 will be disregarded for purposes of determining eligibility to receive resource-based benefits.<sup>1</sup>

Contributions to, and money taken out of an Enable Alabama account are not in the calculation that determines eligibility for certain resource-based benefits, like SSI, SNAP and Medicaid.

## Save on Taxes

### Tax-Free Earnings

The earnings on contributions grow tax-free while invested, and tax-free if withdrawn for Qualified Disability Expenses.<sup>2</sup> That means your money may grow more quickly than assets in a taxable account.<sup>3</sup>



Keep in mind that this is a hypothetical example and its intention is to illustrate the difference between tax-free and taxed accounts. Lower maximum tax rates on capital gains and dividends would make the return of the taxable investment more favorable, reducing the difference in growth.

### State tax benefits

Contributions made into an Enable Alabama account may be eligible for state tax benefits.<sup>4</sup> Contributions are not deductible from Alabama state income tax. Contributions by anyone who files a Nebraska state income tax return is eligible to receive a Nebraska state income tax deduction for his/her own contributions up to \$10,000 (\$5,000 if married, filing separately)<sup>5</sup>

### Estate tax benefits

Contributors (other than by the account owner) can lessen the value of a person's taxable estate. Contributions to an account are considered a completed gift from the contributor to the account owner. Contributions up to \$15,000 per year are eligible for the gift tax annual exclusion. Speak to your advisor for more information.

<sup>1</sup> When the total account balance exceeds \$100,000, the amount over \$100,000 will count towards the SSI resource limit of \$2,000. If the resource limit is exceeded, because of funds in an Enable Alabama account, the account owner will enter an indefinite benefit suspension until the resource limit is below \$2,000. This suspension does not impact the account owner's eligibility for Medicaid.

<sup>2</sup> The earnings portion of a withdrawal not used for Qualified Disability Expenses are subject to federal and state tax and may be subject to an additional 10% federal tax.

<sup>3</sup> The amount assumes an annual investment return of 7% and monthly contributions of \$150 per month for 18 years. This hypothetical does not reflect an actual investment in any particular qualified ABLE plan or in Enable Alabama or any taxes payable upon withdrawal.

<sup>4</sup> Investors should consider before investing whether their home state offers any state tax or other benefits that are only available for investment in such state's ABLE program and should consult their tax advisor, attorney and/or other advisor regarding their specific legal, investment or tax situation.

<sup>5</sup> Nebraska state income tax deductions are subject to recapture to the extent previously deducted if funds are not used for Qualified Disability Expenses.

# Open

## Eligibility

An Eligible Individual<sup>e.1</sup> of any age—children, transition-aged youth and adults—can open an Enable Alabama account at any time if the eligible disability exists at the time an account is opened, and the onset of the disability was prior to the individual's 26th birthday. To determine if you are an Eligible Individual, please go to <https://www.ssa.gov>. You do not need to receive public benefits to be eligible.

- The Eligible Individual is the account owner and the beneficiary of the assets in the account.
- There is no age limit to open or use account assets, however, the onset of the disability must have occurred before age 26.

Money in an account is used to pay for future qualified disability expenses.<sup>e.2</sup> Only one ABLE account can be open at a time in any ABLE plan nationwide.

## Opening an Account

Opening an account is simple, and it can be done entirely online or by completing a paper Enrollment Form and mailing it to the Plan. There are some circumstances in which account owners may need others to open and maintain the account on their behalf.

- If the account owner is a minor, a parent or guardian can open an account online or by completing an Enrollment Form.
- If the account owner has a legally authorized representative (guardian, conservator or a legal power of attorney) that has financial responsibility for the account owner, that individual needs to complete and mail a paper Enrollment Form and provide evidence of his or her responsibility.

When an account is opened, you or your legally authorized representative will be asked to indicate your disability and self-certify you are eligible to open an account. Additionally, you will be asked to agree to notify the Plan if you no longer have an eligible disability<sup>6</sup>

## Closing an Account

An account will be automatically closed when all assets are rolled to another qualified ABLE program, if you transfer your entire account balance to another account owner within Enable Alabama who is an Eligible Individual and a Member of your Family, or if the account has a zero balance for 60 calendar days and there are no pending or planned contributions.

An account will also be closed upon notification of the death of the account owner. For those not receiving Medicaid benefits, any funds remaining in the account will be available to the estate. For those receiving Medicaid benefits, a state can file a claim for the amount of total medical assistance paid under a state's Medicaid plan for the account owner during the time the account was established. The amount is paid only after the payment of all outstanding payments due for the Qualified Disability Expenses of the account owner and is reduced by the amount of all premiums paid by or on behalf of the account owner to a Medicaid Buy-In program.

<sup>6</sup> If the account owner is no longer an Eligible Individual, the account can remain open, but no contributions can be accepted and expenses are not considered Qualified Disability Expenses while the account owner is not eligible.





## Manage

Manage your account with the method most convenient for you:

- Log into your account at [EnableAL.com](http://EnableAL.com). After entering your user name and password, you can view account balances and past transactions, contribute or withdraw, view and print account confirmations and statements, and maintain your account.
- Customer service representatives are available 8:00 a.m. to 8:00 p.m. CT, Monday through Friday by calling the toll-free number 1-866-833-7949. At other times, an automated Voice Response System will be available for you to hear balances and recent transactions. Call center representatives will be TRS capable.
- Send us an email to [al.clientservices@enablesavings.com](mailto:al.clientservices@enablesavings.com).

# Withdraw

Withdrawing is simple and flexible.

Money withdrawn from the Growth, Moderate, Conservative or Bank Savings Investment Option can be sent:

- By check to you, the account owner, or to a third party;
- Electronically to your personal bank account on file with the Plan; or
- You can set up pre-scheduled withdrawals to send money systematically to an individual or company (such as to pay for rent).

Money that has been contributed into the Checking Option can be withdrawn by writing a check or using the debit card. You cannot use a check or debit card from the Checking Option to withdraw from any other Investment Option.

## Impact of a Withdrawal to SSI Recipients

Withdrawals from the account for a Qualified Disability Expense (other than housing) will be excluded from the account owner's resources even if it is retained beyond the month received, as long as the account is still open, the withdrawal is unspent, and the use of the withdrawal can be identified.

Withdrawals from the account to pay for housing-related expenses must be spent within the month of the withdrawal. If the housing expense is paid after the month of withdrawal, it will be included as a resource.

You are encouraged to retain receipts for expenses paid from your withdrawal.



## NOTE

- e.1 An individual is eligible to open an account if the disability was present before the age of 26 and is: 1) entitled to benefits based on blindness or disability under Title II (eligible for SSI) or XVI (eligible for SSDI) of the Social Security Act, or 2) has a written diagnosis from a licensed physician that he or she has a medically determinable physical or mental impairment, which results in marked or severe functional limitations, and which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months.
- e.2 Qualified Disability Expenses (QDE) include basic living expenses and are not limited to items for which there is a medical necessity or which solely benefit a disabled individual. QDE include but are not limited to expenses related to the account owner's:
- Education (including tuition for preschool through post-secondary schools);
  - Housing;
  - Transportation;
  - Employment training and support;
  - Assistive technology and related services;
  - Personal support services;
  - Health, prevention and wellness;
  - Financial management and administrative services;
  - Legal fees;
  - Expenses for oversight and monitoring;
  - Funeral and burial expenses, and
  - Other expenses to enhance the account owner's quality of life.





# Invest

Enable Alabama offers you a simple selection of five Investment Options.<sup>7</sup> You choose which are most suitable for you based on when you want to use the money (“time horizon”), your personal financial situation, and what you are saving for (“savings goals”). You can decide to invest in one or more Options within your one Enable Alabama account.

## Three Target-Risk Options

The Growth Option, Moderate Option and Conservative Option can be used for expenses that you might need in the future—greater than five years from now.

For each Investment Option, our professional investment team selected low-cost Vanguard underlying funds from different asset classes—equity, fixed income or cash equivalents. The investment team then determined the appropriate allocation into each underlying fund to provide a balance between investments that have the potential for higher return and higher risk with investments that might have the potential for lower return and less risk.<sup>8</sup>

The allocations to the underlying funds are continually reviewed to ensure that each Option continues to meet its investment goals and balance between performance and risk.

## Bank Savings Option

The Bank Savings Option provides FDIC insurance for your investment.<sup>9</sup> It offers a guaranteed return (earnings) on your investment and the stability of knowing your principal (contribution) may not lose its value. Investments in the Bank Savings Option will earn varying rates of interest. The interest rate generally will be equivalent to short-term deposit rates. The Bank Savings Option does not provide a guarantee of any level of performance or return or offer any additional guarantees. This Option may be appropriate if you want the security of a safe investment and your time horizon is less than five years.

## Checking Option

The Checking Option provides FDIC insurance on your investment and allows you to write a check or use a debit card to withdraw funds from the Checking Option.<sup>10</sup> All deposits must be made directly to the Plan and not through an ATM machine or through a bank. This Option can be used to pay for daily and repetitive expenses. Investments in the Checking Investment Option will earn varying rates of interest.

## Managing Investment Options

You can change the way a contribution is divided among your account’s Investment Options for future contributions. Money previously contributed will not be changed.

To change the amount of money you currently have in an Investment Option to another Option you must request an “Investment Option Change” which, according to federal rules, can only be done twice per calendar year.

Call the Plan for more information.



## Giftng

Engage your circle of friends and family members to help you become more financially secure by letting them know they can give the gift of a contribution to your account by using Enable Alabama gift certificates found at [EnableAL.com](http://EnableAL.com) or by sending a check at anytime. Account owners can also use Ugift®. This convenient online service lets friends, family or anyone securely contribute to a loved one's Enable Alabama Savings Account with a unique code.

# Contribute

Any person can contribute to your account—family, friends, a trust or estate, partnership, association, company or a corporation. No matter who contributes, you (or your legally authorized representative) control the account and the assets in the account belong to you.

Any person can contribute by check, electronic funds transfer from a bank account, or directly from a paycheck. Contributions must be in US dollars and cash is not accepted. You cannot contribute to the Checking Option at a bank or ATM.

Pre-scheduling contributions is a great way to set up a deposit and not worry about having to remember to make future contributions. Set it and forget it! Anyone can pre-schedule contributions, not just the account owner.

- An Automatic Investment Plan (AIP) can be set up on your account. It is an automatic, pre-scheduled way to withdraw from a personal bank account for deposit into an Enable Alabama account. You can set this up to occur any day of any month.
- You can also have a portion of a paycheck sent directly to your account through payroll direct deposit.
- Anyone who wants to contribute to your account from their own bank account can make automatic payments through systems such as bill pay or an electronic, one-time contribution; or they can always contribute by check.

## Low Minimums

*Minimum initial contribution:* **\$50** (\$25 if you establish AIP or payroll deduction at the time of enrollment)

*Minimum subsequent contribution:* **\$25** (waived if you have AIP or contribute through payroll deduction)

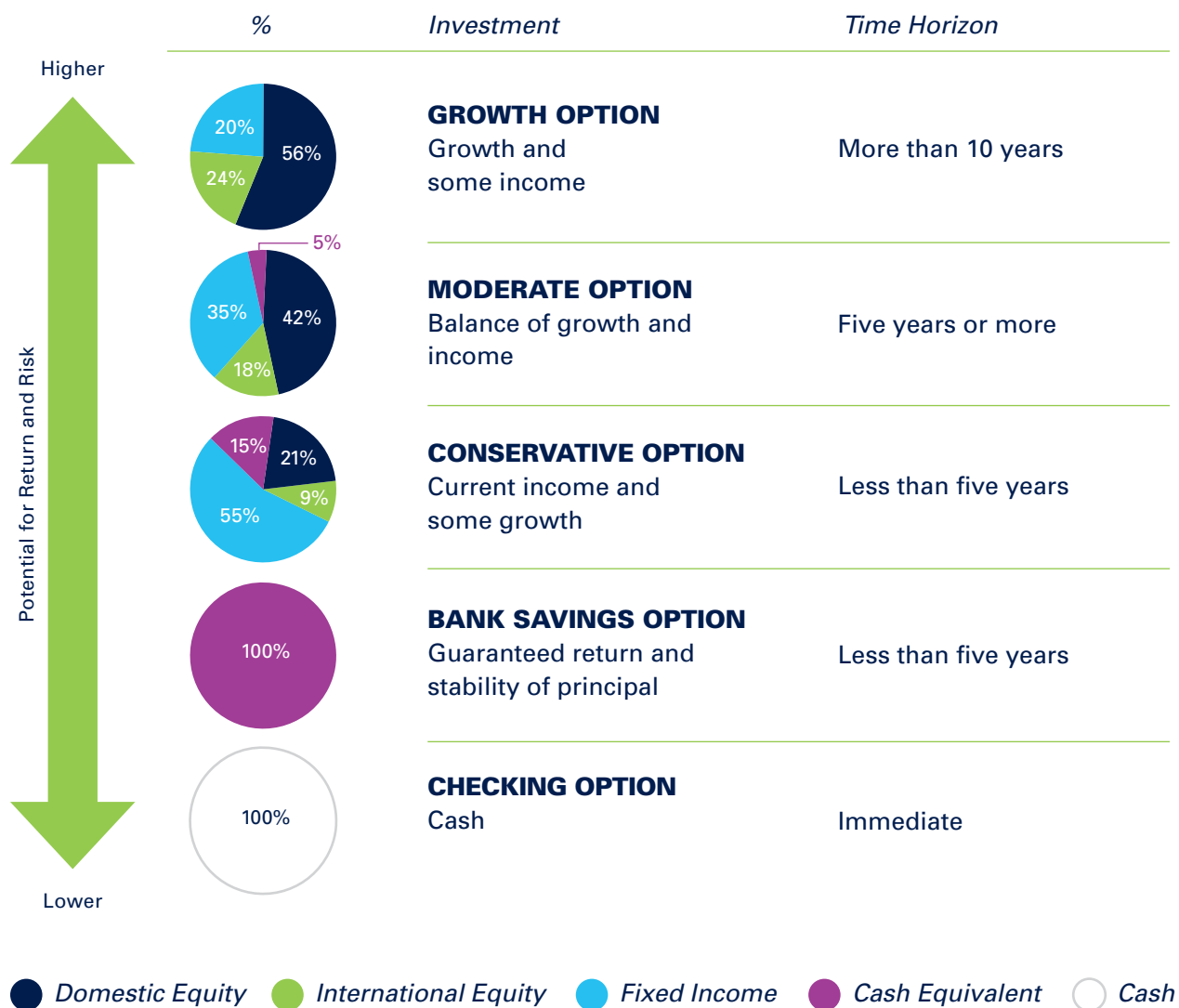
*Minimum account balance:* **\$50**

## Contribution Limits

The ABLE Act places limits on the amount that can be contributed annually and the total account balance.

- Total contributions made into your account, regardless of who made the contribution, cannot exceed \$15,000 per calendar year. In addition, contributions by an employed Account Owner who has earned income during the current calendar year, and has not contributed to an employer-sponsored retirement plan, including a 401(k), 403(b), 457(b) plan, during the current calendar year may exceed the Annual Contribution Limit by the lesser of (a) the compensation included in the Account Owner's gross income for the taxable year, or (b) the federal poverty line for a one-person household as determined for the calendar year preceding the calendar year in which the taxable year begins.
- Amounts from qualified tuition programs (also known as college savings programs or 529 accounts) can be rolled over to a Plan account without federal tax penalties, provided the Plan account is owned by the designated beneficiary of the qualified tuition program account, or a Member of the Family of such designated beneficiary. Rollovers from a qualified tuition program count toward the Annual Contribution Limit and any amount rolled over in excess of that limit is includible in the distributee's gross income.
- A contribution will be rejected when a contribution plus the total account balance exceeds \$400,000. The total account balance, however, can continue to grow beyond \$400,000.





<sup>7</sup> Investments are not FDIC insured\* | No Bank, State or Federal Guarantee | May Lose Value | \*Except the Bank Savings and Checking Investment Options

<sup>8</sup> With the exception of the Bank Savings and the Checking Investment Options, the value of your account could be more or less than the amount you contribute to your account. In short, you could lose money.

<sup>9</sup> Contributions to and earnings on the investments in the Bank Savings Option are insured by the FDIC on a per-participant, pass-through basis to each account owner up to the maximum limit established by federal law, which is currently \$250,000 per depositor. Contributions to and earnings on the investments in the Checking Option are insured by the FDIC up to the maximum limit established by federal law, which is currently \$250,000 per depositor.

<sup>10</sup> Only contributions deposited into the Checking Option can be withdrawn. You cannot use the Checking Option to withdraw funds from any other Investment Option. Contributions will not earn interest until the hold period expires and the funds are deposited to the bank account. The interest rate generally will be equivalent to short-term deposit rates.

## Open an Account





Open a World  
of Possibilities



## eNOTE

e.1 To better understand what this fee means to you:

- Investment of \$1,000
- Total annual asset based fee: 0.55%
- Total cost for one year: \$5.50

e.2 This fee is calculated into the price (or “Unit Value”). When you contribute, the price divided by your contribution equals the portion of the Investment Option you own (called “Unit”). When you request a withdrawal, we divide the requested withdrawal amount by the price to determine the number of Units that will be withdrawn.

Example:

- You contribute \$1,000 when you open an account.
- The price at the time of your contribution is \$10
- The Units you own due to this contribution is: 100
- $\$1,000/\$10=100$

If you don't contribute any more into your account and you want to take a \$300 withdrawal:

- Withdrawal amount: \$300
- Unit price at time of withdrawal: \$15
- The Units withdrawn: 20
- $\$300/\$15=20$
- Units remaining in your account: 80

Enable Savings Plan Alabama (“Enable Alabama” or “Plan”) is sponsored by the State of Nebraska, offered by the State of Alabama and administered by the Nebraska State Treasurer. The State of Alabama, through the Alabama Savings Board, contracted with the Nebraska State Treasurer to participate in and create the Enable Savings Plan Alabama as part of The Nebraska Achieving a Better Life Experience Program Trust (“Trust”) that offers a series of investment portfolios. The Plan is intended to operate as a qualified ABLE program to be used only to save for qualified disability expenses, pursuant to the Achieving a Better Life Experience Act of 2014 and Section 529A of the U.S. Internal Revenue Code.

**An investor should consider the Plan's investment objectives, risks, charges and expenses before investing. The Program Disclosure Statement at [www.EnableAL.com](http://www.EnableAL.com), which contains more information, should be read carefully before investing.**

**Investors should consider before investing whether their home state offers any state tax or other benefits that are only available for investments in such state's qualified ABLE program and should consult their tax advisor, attorney and/or other advisor regarding their specific legal, investment or tax situation.**

This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice, or for use to avoid penalties that may be imposed under U.S. federal tax laws. This material is not an offer to sell or a solicitation of an offer to buy any securities. Any offer to sell units within the Plan may only be made by the Program Disclosure Statement relating to the Plan.

Participation in the Plan does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover future expenses, or that an account owner is eligible to participate in the Plan.

Except for the Bank Savings and Checking Investment Options, investments in Enable Alabama are not guaranteed or insured by the FDIC or any other government agency and are not deposits or other obligations of any depository institution. Investments are not guaranteed or insured by State of Alabama, the State of Nebraska, the Alabama State Treasurer, the Nebraska State Treasurer, the Nebraska Investment Council or First National Bank of Omaha or its authorized agents or their affiliates, and are subject to investment risks, including loss of the principal amount invested. FDIC insurance is provided for the Bank Savings and Checking Investment Options up to the maximum amount set by federal law, currently \$250,000.

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**The Nebraska Achieving a Better Life Experience Program Trust Issuer**

Alabama Participating State

Nebraska State Treasurer Trustee

Nebraska Investment Council Investment Oversight

First National Bank of Omaha Program Manager

First National Capital Markets, Inc. Distributor, Member FINRA, SIPC

First National Capital Markets and First National Bank of Omaha are affiliates.

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