



OFFICE OF ILLINOIS STATE TREASURER

MICHAEL W. FRERICHS

FOR IMMEDIATE RELEASE:

Sept. 26, 2022

CONTACT:

Eric Krol 312.814.1252

Adriana Colindres 217.558.1920

Illinois State Treasurer Michael Frerichs Lowers Fees on IL ABLE Accounts

*Accounts Empower People with Disabilities
to Build Financial Wellness*

SPRINGFIELD – Illinois State Treasurer Michael Frerichs today announced reduced fees for account owners in a program that allows people with disabilities to save their own money for disability-related expenses.

Annual account maintenance fees were lowered approximately 25 percent for Illinois Achieving a Better Life Experience (IL ABLE) account owners who receive their statements electronically. Additionally, program management fees were reduced an average of 6 percent.

The lower fees are the result of a new contract between the Office of the Illinois State Treasurer and Ascensus College Savings, the program manager. The Illinois State Treasurer's Office led the negotiations for the benefit of the National ABLE Alliance, which includes 17 states and Washington, D.C.

"IL ABLE is an important resource for people with disabilities and their families," Frerichs said. "We recognize that lowering fees will empower account owners to save more money and build a more secure financial future."

The Office of the Illinois State Treasurer administers IL ABLE, a tax-advantaged savings and investment program that allows qualified individuals with disabilities to save and invest for disability-related expenses without losing eligibility for federal public benefits such as Supplemental Security Income (SSI) and Medicaid. IL ABLE offers six investment options ranging from conservative to aggressive and an FDIC-insured checking account option. IL ABLE account earnings grow tax-deferred and are tax-free if used for qualified disability-related expenses.

-MORE-

Since the launch of IL ABLE in 2017, more than \$40 million has been contributed to IL ABLE accounts, and account owners maintain an average account balance of \$9,200. Approximately \$340 million has been deposited into accounts in the National ABLE Alliance Program since the first plan launched in 2016. More than 33,000 account owners across the National ABLE Alliance will benefit from the lower fees, including nearly 3,500 in Illinois.

For individuals who receive SSI benefits and have a \$2,000 cap on assets, IL ABLE account assets are not counted against the cap up to \$100,000.

For more information about IL ABLE, call (888) 609-8683 or visit illinoisable.com to obtain plan disclosure documents, which include investment objectives, risks, charges, expenses, and other important information about the program.

About ABLE Accounts

Congress unanimously passed the Stephen Beck Jr. Achieving a Better Life Experience (ABLE) Act in 2014. Earnings in ABLE accounts grow tax-deferred and are tax-free if used for qualified disability-related expenses. To qualify to open an ABLE account, an individual must have acquired the disability before age 26 and meet the Social Security Administration's definition of disability.

Before investing in any ABLE plan, you should consider whether the state in which you reside or pay taxes offers an ABLE plan that provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state's ABLE plan. You also should consult your financial, tax or other adviser to learn more about how state-based benefits, or any limitations, would apply to your specific circumstances.

The Illinois Achieving a Better Life Experience (IL ABLE) plan is sponsored by the State of Illinois and administered by the Office of the Illinois State Treasurer. IL ABLE is designed to be a qualified ABLE plan offered through the National ABLE Alliance. Ascensus College Savings Recordkeeping Services LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping, and administrative services for IL ABLE.

If you use funds in an IL ABLE Account for non-qualified expenses, the earnings portion of the withdrawal will be treated as income, taxed at the state rate and will be subject to a 10% federal tax penalty and applicable state taxes.

About the Illinois Treasurer

As Illinois State Treasurer, Michael Frerichs (FRAIR'-ikz) is the state's Chief Investment and Banking Officer and actively manages approximately \$52 billion. The portfolio includes \$27 billion in state funds, \$16 billion in retirement and college savings plans and \$9 billion on behalf of local and state governments. Frerichs' office protects consumers by safeguarding more than \$3.5 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities to save while preserving their government benefits, and removing barriers to a secure retirement. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

-MORE-

About the National ABLE Alliance

Under the leadership of the Illinois State Treasurer, the National ABLE Alliance is a consortium made up of 17 states plus Washington, D.C. that offers a high-quality, low-cost savings and investment program for people with disabilities who live anywhere in the country. The National ABLE Alliance includes Alaska, Arkansas, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Mississippi, Montana, Nevada, New Jersey, North Carolina, Pennsylvania, Rhode Island, and Washington, D.C.

About Ascensus College Savings

Ascensus helps millions of people save for what matters — retirement, education, and healthcare. Through co-branded, private-labeled, and other governmental partnerships, our technology, market insights, and business knowledge enhance the growth and success of their partners, clients, and savers. Ascensus is the largest independent recordkeeping services provider, third-party administrator, and government savings facilitator in the United States. For more information, visit ascensus.com.

-END-