PENNSYLVANIA ABLE SAVINGS PROGRAM DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION TO BE CONSIDERED BEFORE MAKING A DECISION TO CONTRIBUTE TO THE PENNSYLVANIA ABLE SAVINGS PROGRAM (“PA ABLE”) INCLUDING INFORMATION ABOUT RISKS, FEES, AND EXPENSES. IT SHOULD BE READ THOROUGHLY AND RETAINED FOR FUTURE REFERENCE. NO ONE IS AUTHORIZED TO PROVIDE INFORMATION THAT IS DIFFERENT FROM THE INFORMATION IN THIS DISCLOSURE STATEMENT.

ACCOUNTS NOT INSURED OR GUARANTEED
ACCOUNTS ESTABLISHED UNDER PA ABLE, INCLUDING BOTH CONTRIBUTIONS AND INVESTMENT RETURNS ON THOSE CONTRIBUTIONS, IF ANY, ARE NOT INSURED OR GUARANTEED BY THE COMMONWEALTH OF PENNSYLVANIA, THE PENNSYLVANIA TREASURY DEPARTMENT, PA ABLE, OR ANY CONSULTANT, CONTRACTOR, OR ADVISOR RETAINED BY THE COMMONWEALTH, THE TREASURY DEPARTMENT, OR PA ABLE. ACCOUNT OWNERS IN PA ABLE ASSUME ALL INVESTMENT RISK, INCLUDING THE POTENTIAL LOSS OF CONTRIBUTIONS AND LIABILITY FOR ADDITIONAL INCOME TAXES OR PENALTIES SUCH AS THOSE LEVIED FOR NON-QUALIFIED WITHDRAWALS. NOTWITHSTANDING THE ABOVE, THE CHECKING ACCOUNT OPTION IS FDIC INSURED UP TO $250,000 SUBJECT TO CERTAIN RESTRICTIONS.

SECURITIES NOT REGISTERED
THESE INVESTMENT PRODUCTS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION OR WITH ANY STATE SECURITIES COMMISSION. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED INTERESTS IN PA ABLE OR PASSED ON THE ADEQUACY OF THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TAX AND OTHER ADVANTAGES OF HOME STATE PROGRAMS
FOR RESIDENTS OF STATES OTHER THAN PENNSYLVANIA, IF YOUR STATE OR THE ACCOUNT OWNER’S/BENEFICIARY’S STATE OF RESIDENCY (IF DIFFERENT) SPONSORS AN ABLE PROGRAM, THAT PROGRAM MAY OFFER STATE INCOME TAX AND OTHER BENEFITS NOT AVAILABLE TO YOU THROUGH THE PENNSYLVANIA ABLE SAVINGS PROGRAM. IF YOU ARE NOT A PENNSYLVANIA TAXPAYER OR RESIDENT, PLEASE CONSULT YOUR FINANCIAL ADVISOR, TAX ADVISOR, OTHER ADVISOR, OR YOUR HOME STATE’S ABLE PROGRAM TO LEARN MORE ABOUT HOW STATE-BASED BENEFITS (OR ANY LIMITATIONS) WOULD APPLY TO YOUR SPECIFIC CIRCUMSTANCES.
Information in this disclosure statement is believed to be accurate as of the date of this disclosure statement and is subject to change without notice.
Pennsylvania ABLE Savings Program

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APPENDIX A: Pennsylvania ABLE Savings Program Participation Agreement

APPENDIX B: Fifth Third Bank National Association Terms & Conditions

APPENDIX C: Explanation of Investment Risk Factors

APPENDIX D: Key Terms
**ABLE - AT A GLANCE**

<table>
<thead>
<tr>
<th>Nature of the Pennsylvania ABLE Savings Program</th>
<th>The Pennsylvania ABLE Savings Program (“PA ABLE”) is a tax-advantaged savings program offered by the Commonwealth of Pennsylvania to assist individuals with disabilities and their families in saving for disability-related expenses without jeopardizing their government benefits.</th>
</tr>
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<tr>
<td>Role of the PA Treasury</td>
<td>PA ABLE is administered by the Pennsylvania Treasury Department (the “Department”). In conjunction with a multi-state alliance organized to provide ABLE programs at low cost (the National ABLE Alliance), the Department chooses the underlying funds and the allocations within the Asset-allocation Investment Options, monitors investment performance, and oversees the Checking Account Option. The Department also provides marketing for PA ABLE. Pursuant to a contract expiring on June 30, 2028, unless earlier terminated, Ascensus College Savings Recordkeeping Services, LLC provides recordkeeping and Ascensus Investment Advisors, LLC provides investment management services (collectively “Ascensus”). The investments are made in products offered by The Vanguard Group, Inc., Charles Schwab Investment Management, Inc., dba Schwab Asset Management, iShares by Blackrock Inc., Sallie Mae Bank (collectively, “Investment Firms”) and a Checking Account Option offered by Fifth Third Bank. See Part 2.C.</td>
</tr>
<tr>
<td>Account Owner /Beneficiary</td>
<td>The Account Owner is the person whose disability-related expenses may be paid from the PA ABLE Account. By federal law, the Account Owner and Beneficiary of the Account must be the same person and the two terms may be used interchangeably. The Account Owner must be an “Eligible Individual” as defined in Section 529A of the Internal Revenue Code: that is, he or she must be entitled to benefits based on blindness or disability under Title II or Title XVI of the Social Security Act or certify under penalty of perjury that he or she meets other specified eligibility criteria. Additionally, the blindness or disability must have occurred before the Beneficiary’s 26th birthday. See Part 2.A.</td>
</tr>
<tr>
<td><strong>Authorized Individual</strong></td>
<td>Another person or entity may be designated to open and manage an Account on behalf of the Account Owner (Authorized Individual). An Account Owner, 18 years of age or older who has legal capacity to enter into a contract may select any adult to be an Authorized Individual if they choose. However, if the Account Owner is a minor or lacks legal capacity to contract, federal law provides a hierarchy of individuals who are permitted to be an Authorized Individual. Additionally, documentation is required to prove the Authorized Individual’s relationship to the Account Owner. See Part 2.A.2.a.(ii). Any reference in this Disclosure Statement to actions that must or may be taken by an Account Owner also apply to the Account Owner’s Authorized Individual unless the content clearly indicates otherwise.</td>
</tr>
<tr>
<td><strong>Contributions</strong></td>
<td>Initial and Additional Contribution: Minimum of $25 Current Annual Contribution Limit: $16,000 (increasing to $17,000 on January 1, 2023) Current Account Balance Limit: $511,758</td>
</tr>
<tr>
<td><strong>Investment Options</strong></td>
<td>Investment Options include six Asset-allocation Investment Options ranging from aggressive to conservative as well as a Checking Account Option.</td>
</tr>
<tr>
<td><strong>Risk Factors of the Pennsylvania ABLE Savings Program</strong></td>
<td>Investing in the Pennsylvania ABLE Savings Program involves certain risks, including, but not limited to: (1) the possibility that you may lose money, (2) the risk of federal and/or state law changes, (3) the risk of any Pennsylvania ABLE Savings Program changes, including changes in fees, and (4) the risk that contributions to an Account may adversely affect the Account Owner’s eligibility for federal or state needs-based benefits. See Appendix C.</td>
</tr>
<tr>
<td><strong>Fees and Expenses</strong></td>
<td>There is an Annual Account Maintenance Fee. That fee is $59 which is discounted to $34 for those Account Owners who receive specified Account information electronically. The fee is taken quarterly ($14.75 or $8.50). The Asset-allocation Investment Options have annual asset-based fees ranging from 0.30% to 0.33%. The Checking Account Option has a monthly fee of $2.00, which is waived if bank statements are received electronically or the average monthly account balance is $250. Additional Checking Account Option fees may apply. See Part 2.D and Appendix B.</td>
</tr>
<tr>
<td><strong>Tax Advantages</strong></td>
<td>Earnings accrue free from Pennsylvania and federal income tax and there is no Pennsylvania or federal income tax on Qualified Withdrawals. Contributions up to $16,000 per year (increasing to $17,000 on January 1, 2023) may be deducted from taxable income on Pennsylvania state income tax. This benefit applies only to contributions made to PA ABLE accounts. PA ABLE assets are not subject to Pennsylvania Inheritance Tax.</td>
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<tr>
<td>Other Advantages</td>
<td></td>
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<td>------------------</td>
<td></td>
</tr>
<tr>
<td>ABLE savings are excluded from eligibility determinations for all federal means-tested benefits, including Supplemental Security Income (SSI) benefits (savings up to $100,000), Medicaid (called Medical Assistance in Pennsylvania), and state needs-based disability and health benefits as well as state student financial aid. See Part 1.</td>
<td></td>
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<tr>
<th>Qualified Withdrawals</th>
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<tr>
<td>A Qualified Withdrawal can be taken from a PA ABLE Account to pay for qualified expenses. Such expenses include, but are not limited to: education, housing, transportation, and assistive technology. See Part 2.E.4.a.</td>
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<tr>
<th>Account Control</th>
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<tr>
<td>While the federal ABLE Act requires that the Eligible Individual be the Account Owner of a PA ABLE Account, an Authorized Individual may be designated to open and maintain an Account on behalf of the Account Owner. An Account Owner, 18 years of age or older who has legal capacity to enter into a contract may select another person or entity to be an Authorized Individual if they choose. However, if the Account Owner is a minor or lacks legal capacity to contract, federal law provides a hierarchy of individuals who are permitted to be an Authorized Individual. Additionally, documentation is required to prove the Authorized Individual’s relationship to the Account Owner. See Part 2.A.2.c.iii.</td>
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<th>Online Applications and Account Information</th>
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<tbody>
<tr>
<td>Eligible Individuals may enroll online at PAABLE.gov, or print or call for an Enrollment Form and mail the completed form to:</td>
</tr>
<tr>
<td>PA ABLE</td>
</tr>
<tr>
<td>1001 E 101st Terrace, Suite 200</td>
</tr>
<tr>
<td>Kansas City, MO 64131</td>
</tr>
<tr>
<td>Account Owners may choose to receive some or all Account correspondence electronically, rather than in a paper format. Choosing to receive specified Account correspondence electronically will lower the Annual Account Maintenance fee. Most Account activities can be completed online, including Account maintenance. See Part 2.A.2.</td>
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<tr>
<th>Privacy Policies</th>
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<tbody>
<tr>
<td>All information you provide to PA ABLE is treated confidentially. Ascensus is obligated to treat the information you provide to PA ABLE confidentially. Our Privacy Policies may be found at PAABLE.gov or by calling 855-529-ABLE (2253). Please see Appendix B for Fifth Third Bank’s Privacy Policy.</td>
</tr>
</tbody>
</table>
| Contact Information | Website: [PAABLE.gov](https://PAABLE.gov)  
Email: [info@PAABLE.gov](mailto:info@PAABLE.gov)  
Phone: 855-529-ABLE (2253) |
|---------------------|------------------------|
| **PA ABLE Savings Program:**  
Pennsylvania Treasury  
Bureau of Savings Programs  
613 North Drive  
Room G-06  
Harrisburg, PA 17120 |
| **Processing Center:**  
PA ABLE  
1001 E 101st Terrace, Suite 200  
Kansas City, MO 64131 |
Part 1. General Description of the Pennsylvania ABLE Savings Program

A. Program Summary

This Program Summary provides a general overview of the Pennsylvania ABLE Savings Program (“Program”). The topics discussed in this Program Summary are discussed in more detail later in this Disclosure Statement. Before investing, please read the entire Disclosure Statement carefully to ensure that you fully understand PA ABLE.

What is the PA ABLE Program? PA ABLE is a tax-advantaged savings program authorized by the laws of the Commonwealth of Pennsylvania, Act 17 of 2016, (“Enabling Law”) that is designed to help Eligible Individuals and their families save for disability-related expenses without jeopardizing their federal and state benefits. In accordance with the Enabling Law, the Department administers PA ABLE.

PA ABLE offers investment vehicles that are similar to mutual funds and other investment products. You can choose from among six Asset-allocation Investment Options in which the funds (assets) are in different combinations (allocations) of stock funds, bond funds, and cash. The combinations range from aggressive investments (mostly stocks) to conservative investments (mostly bonds and cash). The asset allocations (combination of stocks, bonds, and cash) are static; that is, they do not change over time. Each of the Asset-allocation Investment Options invests in products from the Investment Firms. The products include mutual funds, Exchange-traded Funds (ETFs), and/or a high yield savings account (“Underlying Funds”).

Although money contributed to PA ABLE that is invested in Asset-allocation Investment Options hold these products, including mutual funds, neither PA ABLE, nor any of the PA ABLE Program’s Asset-allocation Investment Options, are mutual funds. An investment in the Asset-allocation Investment Options is an investment in municipal fund securities that are issued and offered by PA ABLE. You will own units of the Asset-allocation Investment Options, not shares in the Underlying Funds.

PA ABLE also offers an interest-bearing Checking Account Option managed by Fifth Third Bank, National Association. Both checks and a debit card can be used to make withdrawals from this Option.

What are the tax advantages? There are numerous federal and state tax advantages, which are described in more detail later in this Disclosure Statement. Briefly, the federal and Pennsylvania income tax advantages are that the earnings, if any, on contributions are not taxed while the funds are in the account (tax-deferred) and, if used for Qualified Expenses, are not taxed at all
(tax exempt). Additionally, contributions to a PA ABLE account may be deducted from taxable income on Pennsylvania state income taxes, within limits.

What are the means-tested benefits advantages? The federal ABLE Act specifies that assets in and Qualified Withdrawals from an ABLE program are not counted against an individual for determining eligibility for ANY federal means-tested programs – with a limited exception for Supplemental Security Income (SSI) benefits. See Part 3.B. The Pennsylvania ABLE Act specifies that assets in and Qualified Withdrawals from the PA ABLE program shall not be included in the personal assets of the Account Owner when determining eligibility for disability, Medical Assistance (Medicaid) or other health benefits provided by the Commonwealth or for state student financial aid.

What benefits are exclusive to the PA ABLE Program? Several benefits are available only through the PA ABLE Program. In addition to the protection of state means-tested benefits, mentioned above, the Pennsylvania ABLE Program’s exclusive benefits include:

- **Pennsylvania Income Tax Exclusion.** For Pennsylvania taxpayers, the earnings in an Account are tax deferred for state income tax purposes and, if used for Qualified Expenses, tax exempt.
- **Pennsylvania Income Tax Deduction.** Contributions up to $16,000 per year (increasing to $17,000 on January 1, 2023) may be deducted from taxable income on Pennsylvania state income taxes.
- **Pennsylvania Inheritance Tax Exclusion.** Assets held in an Account are not included in a deceased’s assets. Assets held in any other state’s ABLE plan are fully counted – regardless of the size of the deceased’s assets. The inheritance tax rate varies depending on the relationship between the deceased and the heir; for parents, children or grandchildren, it is currently 4.5%, Siblings 12%, and others 15% of the entire value of the asset – not just the earnings.
- **Protection from Creditors.** In Pennsylvania state proceedings, assets held in an Account are protected from creditors of the Account Owner or contributor. Assets in an out-of-state ABLE plan have no such protection.
- **PA ABLE Account Control.** An Authorized Individual who opens an account for a minor child may retain control of the Account until the Account Owner can independently manage his or her own finances or until another person with a higher priority, and who provides required documentation, becomes the named Authorized Individual on an account. The Account Owner does not automatically assume control of the Account at age 18.

Who can own a PA ABLE Account? In order to own an Account, the Account Owner must be an Eligible Individual under Section 529A of the Internal Revenue Code. An individual is an Eligible Individual for a calendar year if, the individual’s blindness or disability occurred before the individual’s 26th birthday and if, during that calendar year, at least one of the following is true:
1. The individual is currently receiving or entitled to SSDI benefits under Title II of the Social Security Act based on blindness or due to a disability;

2. The individual is currently receiving or entitled to SSI benefits under Title XVI of the Social Security Act based on blindness or due to a disability;

3. The individual is entitled to SSI benefits under Title XVI of the Social Security Act due to a disability, but has had that entitlement suspended solely due to excess income or resources;

4. The individual must have a condition on the Social Security Administration’s List of Compassionate Allowances Conditions and can certify that the condition produced marked and severe functional limitations prior to age 26; OR

5. The individual can certify to all of the following:
   a. They are either blind or they have a medically determinable physical or mental impairment that results in marked and severe functional limitations;
   b. Their impairment can be expected to result in death, is terminal, or it has lasted, or it can be expected to last for a continuous period of at least 12 months;
   c. They have a signed diagnosis from a physician and will retain a copy;
   d. Their diagnosis contains the name and address of the physician, as well as the date of diagnosis;
   e. The diagnosing physician meets the criteria of Section 1861(r)(1) of the Social Security Act (e.g., the physician is a Doctor of Medicine or osteopathy and is legally authorized to practice); and
   f. The applicable diagnostic code from those listed on Form 5498–QA (or in the instructions to such form) identifying the type of the individual’s impairment has been provided and is accurate.

Federal law limits the number of accounts an Account Owner may have to just one. Separate accounts cannot be opened in different states or by different people on behalf of the Account Owner unless a second account is opened solely for the purposes of a rollover. In this case the account from which the rollover is being made must be closed within 60 days of the rollover. See Part 2.E.4.b.

If the Account Owner is a minor or lacks legal capacity to contract, federal law provides a hierarchy of individuals who are permitted to be open and/or maintain the Account. An Account Owner who is 18 years of age or older and who has legal capacity to enter into a contract may select another person or persons or entity to open and/or maintain the Account on their behalf. This person is referred to as an “Authorized Individual”. The Authorized Individual acts as a fiduciary, must control the account for the benefit of the Eligible Individual, and may not have a beneficial interest in the account.

Additionally, documentation is required to prove the Authorized Individual’s relationship to the Account Owner. See Part 2.A.2.a.ii.
What expenses can an Account be used for? An Account can be used to pay for the Account Owner’s “Qualified Disability Expenses” which are any expenses that:

- Are incurred at a time when the Account Owner is an Eligible Individual,
- Relate to the blindness or disability of the Account Owner.

Such expenses include expenses related to the Account Owner’s education, housing, transportation, employment training and support, assistive technology and 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 that may be identified from time to time by the Internal Revenue Service (“IRS”). Federal law states that Qualified Disability Expenses include “basic living expenses,” are not limited to items that are “medically necessary” or for the sole benefit of the Beneficiary, and include expenses for maintaining or improving health, independence or quality of life.

Can a PA ABLE Account be used for other purposes? Yes. You can access your Account at any time for any reason; however, there may be federal and state tax and benefit consequences for any use other than Qualified Disability Expenses – called “Non-qualified Withdrawals.” (See Part 2.E.4.e.)

ABLE plans are intended to be used only to save for Qualified Disability Expenses. ABLE plans are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

What are the fees? There is an Annual Account Maintenance Fee of $59, which will be taken quarterly ($14.75 per quarter). This Fee is reduced to $34 for accounts that elect to receive most account communications electronically ($8.50 per quarter). (See Part 2.D.3.) There are additional fees that depend on which Investment Options are chosen. For the Asset-allocation Options there is an annual asset-based fee of 0.30% to 0.33%, depending on the Asset-allocation Option you choose. (See Part 2.D.1.) For the Checking Account Option there is a monthly service charge of $2.00, which is waived if an Account Owner either establishes electronic delivery of statements or maintains an average monthly balance of at least $250.00. Additional Checking Account Option fees may apply. PA ABLE does not charge an enrollment fee.

B. Role of Department

The Pennsylvania ABLE Savings Program is administered by the Department. In conjunction with a multi-state alliance organized to provide ABLE programs at low cost (the National ABLE Alliance), the Department chooses the underlying mutual funds and the allocations within the Asset-allocation Investment Options, monitors investment performance, and oversees the Checking Account Option. The Department also provides marketing for PA ABLE. Pursuant to a contract expiring on June 30, 2028, unless earlier terminated, Ascensus College Savings
Recordkeeping Services, LLC provides recordkeeping and Ascensus Investment Advisors, LLC provides investment management services. The Asset-allocation Investment Options invest in products offered by The Vanguard Group, Inc., Charles Schwab Investment Management, Inc., dba Schwab Asset Management iShares by Blackrock Inc., and Sallie Mae Bank. The Checking Account Option uses a bank product from Fifth Third Bank. (See Part 2.C.2.)

**Part 2. How PA ABLE Works**

**A. Eligibility for, Opening, and Maintaining Your Account**

1. **Eligibility**

   In order to own an Account, you must be an Eligible Individual under Section 529A. An individual is an Eligible Individual if he or she is entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act (“Social Security Disability Eligibility”) or if the individual self-certifies, under penalty of perjury, to PA ABLE that he or she meets specified eligibility requirements. (“Self-certification Eligibility”). In all cases, the blindness or disability must have occurred before the date on which the individual attained age 26.

   You can find an Eligibility Quiz at PAABLE.gov to assist in deciding if an individual is eligible to open an Account. This Quiz is for informational purposes only and should not be considered to be an official determination of eligibility.

   a. **Social Security Disability Eligibility Requirements**

      PA ABLE requires an individual who is claiming eligibility based on entitlement to Social Security Disability to certify in the enrollment process, subject to the penalties of 18 PA. C.S. Section 4904, relating to unsworn falsification to authorities, that he or she has received a benefit verification letter from the Social Security Administration and agrees to retain and provide the letter (or a genuine copy of the letter) to PA ABLE, the IRS, or the U.S. Treasury Department upon request. If the Account Owner fails to provide the benefit verification letter within 30 days of any request, PA ABLE reserves the right to suspend account activity until the requested information is provided or to Involuntarily Terminate the Account. (See Part 2.E.5.). For information about entitlement to benefits under Title II or XVI of the Social Security Act based on blindness or disability, please see https://www.ssa.gov/disability/professionals/bluebook/general-info.htm or contact your local Social Security Field Office.

      The individual must also certify that the blindness or disability occurred before the individual attained age 26.
b. **Self-certification Eligibility Requirements**

PA ABLE requires an individual who is claiming eligibility based on self-certification to certify, in the enrollment process, subject to the penalties of 18 PA. C.S. Section 4904, relating to unsworn falsification to authorities:

1. that he or she has a medically determinable physical or mental impairment which results in marked or severe functional limitations and which (i) can be expected to result in death or (ii) has lasted or can be expected to last for a continuous period of not less than 12 months. [Note: having a condition listed in the “List of Compassionate Allowances Conditions” maintained by the Social Security Administration (at https://www.ssa.gov/compassionateallowances/conditions.htm) satisfies this requirement.]

2. is blind (within the meaning of the Social Security Act).

The individual must also certify that the disability or blindness occurred before the individual attained age 26. Unless you have a condition listed in the “List of Compassionate Allowances Conditions,” PA ABLE requires that you also certify under penalty of perjury that you have received a written diagnosis relating to the disability from a “licensed physician” (as defined in Section 1861(r) of the Social Security Act, 42 U.S.C. 1395x(r)). You must also agree to retain and provide a copy of the written diagnosis (including the name and physical address of the physician and the date of diagnosis) to PA ABLE upon request. If you fail to provide the requested information within 30 days of any request, PA ABLE reserves the right to suspend account activity until the requested information is provided or to Involuntarily Terminate the Account. (See Part 2.E.5.)

c. **Changes in the Eligible Individual’s Condition**

Federal law requires that the person be an Eligible Individual in each taxable year in which the ABLE account is active. Accordingly, PA ABLE requires you to notify PA ABLE if a change in your condition results in your no longer qualifying as an Eligible Individual. You must notify PA ABLE within thirty (30) business days of learning of the change. Failure to do so may result in an Involuntary Termination of your Account. (See Part 2.E.5.)

If a change in your condition results in your no longer qualifying as an Eligible Individual, your Account may remain active until the end of the tax year in which the change occurs. In subsequent years, your Account can remain open but will be in suspension. During the period of suspension no additional contributions will be accepted and any withdrawals made will be Non-qualified Withdrawals. The suspension will be lifted if your condition changes so that you once again qualify as an Eligible Individual.
2. Opening and Maintaining Your PA ABLE Account

a. The Enrollment Process

(i) Who may open an Account. Eligible Individuals who are adults and have the legal capacity to contract, may open an Account or designate an Authorized Individual to open and maintain the account on their behalf. In addition to being an Eligible Individual, to open an Account, you must (1) be a U.S. citizen or resident alien, (2) be 18 years of age or older, (3) have a Social Security Number or other taxpayer identification number, and (4) have a U.S. permanent address that is not a Post Office Box. Additionally, to choose the Checking Account Option you must have a state-issued driver’s license, other government-issued identification, or insurance card.

(ii) Authorized Individuals. An Account Owner who is 18 years of age or older and has legal capacity to contract may designate one or more Authorized Individuals to open and maintain the Account.

However, if the Eligible Individual is a minor or an adult who lacks the capacity to contract, federal law limits who can serve as an Authorized Individual. In that case, the list of permitted Authorized Individuals, in order of priority, is the Account Owner’s:

1. agent under a power of attorney,
2. conservator or legal guardian,
3. spouse,
4. parent,
5.Sibling,
6. grandparent, or
7. representative payee appointed for the Account Owner by the SSA.

The Authorized Individual must (1) be a U.S. citizen or resident alien, (2) be 18 years of age or older, (3) have a Social Security Number or other taxpayer identification number, and (4) have a U.S. permanent address that is not a Post Office Box. Please note that an Authorized Individual may not choose the Checking Account Option if the Eligible Individual is an adult who does not have a state-issued driver’s license, other government-issued identification, or insurance card. If an Authorized Individual is opening an Account for an adult who lacks the capacity to contract, he or she will be required to provide documentation proving the relationship in the list above under which he or she is claiming authority to be an Authorized Individual. Documentation that these Authorized Individuals are required to provide is:

1. **Agent under a power of attorney** - Executed power of attorney. If the power of attorney was executed more than 180 days before being presented to PA ABLE, it must be accompanied by an affidavit attesting that the power of
An Account may have multiple Authorized Individuals. However, each Authorized Individual must have the same level of priority and will be required to provide appropriate documentation as described above.

The Authorized Individual can exercise the same control over the Account as would an adult Account Owner with the capacity to contract. Any references in this Disclosure Statement to actions that must or may be taken by an Account Owner apply as well to an Account Owner’s Authorized Individual – unless the content indicates otherwise. Under Pennsylvania’s ABLE Act, an Authorized Individual who opens an account on behalf of a minor retains control of the Account even after the minor becomes an adult and maintains that control until he or she voluntarily relinquishes it or until another person with a higher priority, and who provides an Account Owner who has reached the age of 21 and has the capacity to contract may request a termination of the account without the consent of the Authorized Individual (see Part 2.E.5.C.).

Please note that federal law requires that an Authorized Individual neither have nor acquire any beneficial interest in the Account during the lifetime of the Account Owner and that he or she administer the Account for the benefit of the Beneficiary.

(iii) Enrollment Form and initial contribution. You may complete an Enrollment Form online at PAABLE.gov or by obtaining and mailing a paper form. A paper Enrollment Form can be obtained by downloading it from the website or by calling 855-529-ABLE (2253). An initial contribution of at least $25.00 must be made at the time of enrollment unless you establish automatic transfers from your checking or savings account (Recurring Contribution), initiate payroll deduction, or indicate you will be making a Rollover from another ABLE account and initiate the Rollover process. (See
Part 2.B.6.f.) If making an initial contribution, it will be credited to your Account when the Enrollment Form is received and all required information, including legal documentation that an Authorized Individual, if any, has authority to act on behalf of an Eligible Individual, has been provided in good order.

By signing and submitting the Enrollment Form, you certify under penalty of perjury that you meet all the requirements to be an Eligible Individual or Authorized Individual, if applicable, and you agree that your Account is subject to the terms and conditions of the PA ABLE Contract, of which this Disclosure Statement, the PA ABLE Savings Program Participation Agreement (Appendix A), and the Enrollment Form are a part.

The information you must provide on the Enrollment Form includes, but is not limited to, the name, address, date of birth, Social Security Number, and the Internal Revenue disability classification code of the Account Owner as well as the name, address, date of birth, and Social Security Number of the Authorized Individual, if any. You must provide a permanent U.S. address, which may not be a Post Office Box. You must also provide a mailing address, which may be different than your permanent address. Finally, you must provide the Account Owner’s state-issued identification number such as a driver’s license number unless the Account Owner is a minor. If the Account Owner is a minor, the Authorized Individual must provide a state-issued identification number. If the Account Owner is an adult but does not have a state-issued identification, the Checking Account Option may not be used. You will also be required to list your selection of Investment Options. Your selections can be changed, subject to some limitations. (See Part 2.B.4.)

b. Updating Account Information
You can update your account information and investment selections by calling 855-529-ABLE (2253), submitting a paper form, or online. To access your Account online, go to PAABLE.gov and click on “My Account.” There you simply register your Account by setting up a user name and password. Once you have registered, you can obtain Account information at any time and make changes to your Account.

On a periodic basis, PA ABLE may utilize the National Change of Address (NCOA) database maintained by the U.S. Postal Service to verify the accuracy of Account addresses. PA ABLE may contact the Account Owner or Authorized Individual in order to verify the correct address and reserves the right to conform the Account record to the NCOA database information.

Whenever a mailing address is changed, a confirmation of the change will be mailed to both the old and new addresses unless the change has been made utilizing NCOA. When NCOA is used, notification of the change will be included with the next quarterly statement. Whenever a permanent address is changed, a confirmation of the change will be mailed to the mailing address of record.

If a mailing to the Account Owner’s or Authorized Individual’s mailing address of record is returned as undeliverable, PA ABLE will send a letter to that address in an attempt to confirm
the mailing address. If the second mailing is returned as undeliverable, an outcall will be made to the telephone number of record. If this outcall is unsuccessful, PA ABLE will place a “stop mail hold” on the Account. An Account on stop mail hold will receive no mailings from PA ABLE until the mailing address of record is corrected.

In the event that the Account Owner’s or Authorized Individual’s mailing address of record becomes invalid, PA ABLE reserves the right to use reasonable methods to find the correct mailing address including, but not limited to, utilizing internet-based informational databases and contacting other individuals whose information has been provided to PA ABLE including the Account Owner, the Authorized Individual, or Authorized Agents. If the current mailing address is found through any of these means, PA ABLE reserves the right to change the Account Owner’s or Authorized Individual’s mailing address of record to the current mailing address.

c. Designating or Changing Individuals with Control of or Access to the Account

(i) Change of Account Owner
The Account Owner may be changed if the new Account Owner is an Eligible Individual and is a Sibling, of the current Account Owner. The Sibling may change their Investment Options up to two times per year, regardless of whether the former Account Owner had already done so that same year. The Sibling may also contribute up to the full Annual Contribution Limit, regardless of the dollar amount of contributions made by the former Account Owner.

If the new Account Owner is not a Sibling of the current Account Owner, the change will be considered a Non-qualified Withdrawal (see Part 2.E.4.e.), any Account earnings may be subject to federal and state taxes and a federal penalty and the contribution into the new Account will be subject to the Annual Contribution Limit (currently $16,000, increasing to $17,000 on January 1, 2023). Additionally, the amount in the Account might be considered an asset of the former Account Owner and could impact that individual’s means-tested benefits. The IRS defines a Sibling as a brother, sister, stepbrother, stepsister, half-brother, and half-sister, whether by blood or adoption.

(ii) Successor Owner
The Account Owner may designate another individual who will become the owner of the Account in the event of the Account Owner’s death. The Successor Owner must be an Eligible Individual at the time that they take ownership of the Account and the Sibling of the Account Owner. The Successor Owner will take ownership of the Account upon submission of documentation of the Account Owner’s death and an Enrollment Application. The Account Owner can change or remove the Successor Owner at any time by completing an Account Information Change Form. If the Account Owner does not name a Successor Owner, Account assets will be paid to the Account Owner’s estate after any outstanding Qualified Withdrawals have been paid.
(iii)  Authorized Individuals

- **Control and relinquishing control.** If an Authorized Individual has opened an account on behalf of an Account Owner, he or she may exercise the same control over the Account as the Account Owner. However, the Authorized Individual must act as a fiduciary for the Account Owner and may not have or acquire any beneficial interest in the Account during the lifetime of the Account Owner and must administer the Account for the benefit of the Account Owner.

An Account Owner who is 18 years of age or older, has legal capacity to enter into a contract and has appointed an Authorized Individual to manage the Account may remove or replace the Authorized Individual at any time.

An Authorized Individual may be removed or replaced by another person with a higher priority, and who provides required documentation.

An Authorized Individual who has opened an Account for a minor may relinquish control of the account to the Account Owner at any time after the Account Owner reaches the age of 18 and has the capacity to contract. Additionally, an Account Owner who has reached the age of 21 and has the capacity to contract may request a termination of the account without the consent of the Authorized Individual. Any person aggrieved by the decision to Involuntarily Terminate the Account may file an appeal.

An Authorized Individual who has opened an Account for someone who lacks capacity to enter into a contract may relinquish control of the Account to an individual listed in Part 2.A.2.a.(ii). The new Authorized Individual must be the highest ranking person on that list who is willing and able to assume management of the Account.

- **Successor Authorized Individual.** An Account Owner or Authorized Individual may designate another individual to be a Successor Authorized Individual in the event that the current Authorized Individual dies or becomes unable or unwilling to continue to serve in the role. The Successor Authorized Individual will be subject to the eligibility requirements in Part 2.A.2.a.(ii).

- **Responsibility of Authorized Individual.** The Authorized Individual is responsible for controlling the account for the benefit of the Account Owner. None of PA ABLE, the Department, Ascensus, the Investment Firms, or any federal or state entity or person will assume responsibility to ensure, or will incur any liability for failing to ensure, that any Authorized
Individual (i) acts within the scope of his or her authority, or (ii) applies assets held on behalf of an Account Owner for proper purposes.

- **Request to remove or change an Authorized Individual Request.** An Account Owner who is 21 years of age or older with capacity to contract that has named an Authorized Individual may remove that Authorized Individual at any time.

Another person who ranks higher on the list in Part 2.A.2.a.(ii). than the current Authorized Individual of an Account Owner who is either under 21 years of age or lacks capacity to contract, is willing and able to act as Authorized Individual, may submit a written request to be named Authorized Individual. The request must include documentation showing the relationship to the Account Owner as listed in Part 2.A.2.a.(ii). Copies of the request shall be provided to the current Authorized Individual.

Objections to any request shall be filed with PA ABLE no more than sixty (60) days after the request. All objections to the request must include a detailed description of the nature of the objection and documentation showing the current Authorized Individual’s relationship to the Account Owner as listed in Part 2.A.2.a.(ii). No withdrawals may be made from the Account while PA ABLE reviews the matter.

(iv) **Interested Party**
While joint ownership of an Account is not permitted, the Account Owner or Authorized Individual, unless prohibited by law or the legal document granting authority, can grant others permission, which is revocable, to receive duplicate statements and access information about the Account.

Before the appointment of an Interested Party becomes effective, the Account Owner or Authorized Individual must complete and submit an Account Information Change Form. This form is available at [PAABLE.gov](http://PAABLE.gov) or by calling 855-529-ABLE (2253).

d. **Account Restrictions**
PA ABLE reserves the right to suspend Account services for an Account for reasons including, but not limited to, receiving notice of a dispute regarding Account assets, Account control, or Account ownership or receiving notice or having reasonable belief that fraud may occur or has occurred.
B. Making Contributions

1. Who Can Contribute
Any person (including your friends and family), corporation, trust, or other legal entity may make a contribution to your Account. Contributions made by anyone other than the Account Owner (third party contributions) are completed gifts to the Account Owner and become the property of the Account Owner. Accordingly, such third party contributions may have federal gift and estate tax consequences.

2. Contribution Amounts and Limitations
An initial contribution of a minimum of $25 is required at the time the account is opened unless one of several funding options is chosen. (See Part 2.B.7.) Additional contributions of $25 or more may be made at any time. You are not required to make a minimum number of contributions. How often you contribute is up to you.

Generally, contributions from all sources may not exceed the annual exclusion for federal gift tax (currently $16,000 per year increasing to $17,000 on January 1, 2023) per Account (the “Annual Contribution Limit”). This amount may be adjusted for inflation from time to time. The current maximum Account Balance Limit is $511,758. Accounts that have reached the Annual Contribution or Account Balance Limit may continue to grow and accrue earnings.

There is an exception to this limitation for contributions made by Account Owners who are employed. Such Account Owners may be able to contribute more than the Annual Contribution Limit to their Accounts. Account Owners who have not made contributions to a defined contribution plan, annuity contract, or deferred compensation plan during a tax year may contribute an amount above the annual ABLE contribution limit up to the lesser of the amount of their compensation or the federal poverty level for the prior year (Current and prior year federal poverty level information may be found at https://www.healthcare.gov/glossary/federal-poverty-level-fpl/) during that tax year. The federal poverty level dollar amount used is based upon the permanent address of the Account Owner. Any contribution above the Annual Contribution Limit may only be made by an Account Owner. In order to take advantage of this exception, Account Owners must complete the ABLE to Work Self Certification Form which may be found at PAABLE.gov or by calling 855-529-ABLE (2253).

PA ABLE will notify you if you or another contributor attempt to make a contribution to an Account that would exceed the Annual Contribution Limit or the Account Balance Limit (“Contribution Limits”). PA ABLE will not knowingly accept and will reject contributions in excess of the Contribution Limits. If PA ABLE determines that a contribution in excess of a Contribution Limit has been accepted (“Excess Contribution”), the Excess Contribution and any earnings thereon will be promptly refunded less any amounts attributable to market losses suffered between the date of the contribution and the date of the refund. If a contribution is applied to an Account and it is later determined that the contribution resulted in exceeding a
Contribution Limit, the Excess Contribution will be refunded to the contributor, or to the Account Owner if the contributor is unknown. Any refund of an Excess Contribution returned before the due date of the Account Owner’s deadline for filing federal tax returns will be treated as an amount not contributed.

Excess Contributions inadvertently applied to an Account and not returned to the contributor on or before the due date (including extensions) of the Account Owner’s income tax return for the year in which the Excess Contributions were made will result in the imposition on the Account Owner of a 6% excise tax on the amount of Excess Contributions. None of the Commonwealth, PA ABLE, Ascensus, or the Management Firms will be responsible for any loss, damage, or expense incurred in connection with a rejected or returned contribution.

3. Pennsylvania Tax Deductibility of Contributions
Contributions made to a PA ABLE account are deductible from the contributor’s Pennsylvania taxable income, within limits. Currently, each taxpayer may deduct up to $16,000 each year (increasing to $17,000 on January 1, 2023). The deductible amount will increase with any changes in the amount excludable for federal gift tax purposes under the Tax Code. There is no limit on the number of Beneficiaries for which one taxpayer may contribute. However, the total deductions taken by one taxpayer cannot exceed $16,000 per year (increasing to $17,000 on January 1, 2023), nor can it reduce the contributor’s taxable income to less than zero.

The deduction may be taken by the contributor regardless of who owns the Account. Deductions can be taken for contributions made by any method listed below (see Part 2.B.7.). The contribution must be made within the tax year or by check dated by December 31 of the tax year in which the deduction is taken. The deduction is claimed on the contributor’s Pennsylvania income tax return (PA-40).

If you are not a Pennsylvania resident, you may want to investigate whether your state offers an ABLE plan with tax advantages and other benefits to its residents.

4. Contribution Date
PA ABLE will credit a contribution to your Account on the business day it is received if received prior to the close of the NYSE and the contribution is in good order. If received in good order after the close of the NYSE, a contribution will be credited on the next succeeding business day on which the NYSE is open. For contributions into the Checking Account Option, funds will be held for six business days if received prior to the close of the New York Stock Exchange (seven if received after the close of the New York Stock Exchange), before they begin accruing interest and become available for withdrawal.

For Annual Contribution Limits and other tax purposes, mailed contributions will generally be treated as having been made in the year the checks are received if received by December 31 and subsequently paid. Electronic Fund Transfer (EFT) contributions will be treated as having been
made in the year you initiate the transfer provided the funds are successfully deducted from your bank account. A Recurring Contribution will generally be considered received in the year the debit has been deducted from your account. Eastern Standard Time will be used in determining the year in which a contribution is made.

In the event of Force Majeure, the Plan may experience processing delays, which may affect your trade date. In those instances, your actual trade date may be after the trade date you would have received, which may negatively affect the value of your Account.

5.  **Directing Contributions to Investment Options**

In the enrollment process you must specify how your contributions are to be distributed among the Investment Options you choose. For example, you could choose three investment options and allocate your contribution 60%, 35%, and 5%. Your designated distribution will apply to each subsequent contribution until you direct otherwise. You may direct otherwise each time you make a contribution to your Account. You can direct that the change in distribution apply only to the contribution you are making, but you can also direct that the change apply to future contributions as well.

You may change the Investment Options in which previous contributions are already invested (including between Asset-allocation Investment Options and the Checking Account Option, if applicable) twice per calendar year (“Investment Exchange Limit”) or at the same time that you change the Account Owner.

Please note that a decision to change the allocation of future contributions will not affect the allocation of assets already in your Account, and vice versa.

6.  **Contributing through the Systematic Exchange Program**

The Systematic Exchange Program is a way to make contributions on a regular basis from one Investment Option in your Account to one or more other Investment Options in your Account. The goal of the Systematic Exchange Program is to allocate contributions across Investment Options over a certain time period instead of making lump sum contributions. You may elect to apply the Systematic Exchange Program to new contributions or contributions already invested in your current Investment Options.

**Here’s how it works:** You contribute a large fixed amount to one Investment Option (“Source Investment Option”) and direct PA ABLE to reallocate portions of that original contribution at regular intervals to other Investment Option(s) (“Target Investment Option(s”)”. Because the amount you allocate is constant, more units in the Target Investment Options will be bought when the price is low and fewer units when the price is high. As a result, the average cost of your units may be lower than the average market price per unit during the time you are contributing. Any Investment Option except the Checking Account Option can serve as the Source Investment Option, and any Investment Option, including the Checking Account Option, can be the Target Investment Option.
To participate in the Systematic Exchange Program, you must have at least $500 in the Source Investment Option. In addition, contributions to the selected Target Investment Option(s) must be made in increments of no less than $50 on a monthly or quarterly basis.

The Systematic Exchange Program does not eliminate the risks of investing in financial markets and may not be appropriate for everyone. It does not ensure a profit or protect you against a loss.

If you establish a Systematic Exchange Program with respect to a new contribution into your Account, the movement from the Source Investment Option to the Target Investment Option will not count towards your twice per calendar year Investment Exchange Limit. However, if you establish a Systematic Exchange Program with respect to money already in your account, that direction will count as one of your two Investment Exchange Limits, but subsequent movement from the Source Investment Option to the Target Investment Option will not. Changes you make to a Systematic Exchange Program already in place (for example, you change the dollar amount transferred each month) will count as one of your twice per calendar year Investment Exchange Limits.

7. Methods of Contributing
Contributions can be made to your Account through any of the methods listed below. They may not be made with cash, stocks, securities, or other nonbank account assets.

a. Checks and Money Orders
Personal checks, cashier’s checks, certified checks, and money orders may be used. Third-party checks up to $10,000 payable to the Account Owner or Authorized Individual and properly endorsed to PA ABLE will be accepted. Checks should be payable to “PA ABLE” and accompanied by an Additional Contribution Form, which may be mailed to you and are available online. As an alternative to including an Additional Contribution Form, you may include the name of the Account Owner and Account number on the check or provide separate written instructions. PA ABLE will not accept the following: starter checks, bank courtesy checks, instant loan checks, credit card checks, traveler’s checks, foreign checks not in U.S. dollars, checks dated more than 180 days before receipt, postdated checks, checks with unclear instructions, or any other check PA ABLE deems unacceptable.

If your check or money order is received at the physical location of our Processing Center (not just at its Post Office Box) in good order on a business day prior to the close of the New York Stock Exchange (NYSE), your contribution will be processed as of that day; if it is received after the close of the NYSE or on a non-business day, it will be processed on the next succeeding business day on which the NYSE is open.

If you make a contribution by check that is returned unpaid by the bank upon which it is drawn, you will be responsible for any losses or expenses incurred by the Investment Options or PA ABLE and PA ABLE may charge your Account a reasonable fee. PA ABLE reserves the right to reject or cancel any contribution due to nonpayment.
b. **Wire Transfer**
Wire transfers are initiated from the contributor’s financial institution. Please call the Customer Service Center at 855-529-ABLE (2253) to obtain information regarding wire transfers.

c. **Electronic Funds Transfer (EFT)**
You may contribute to your Account by making a one-time Electronic Fund Transfer from your bank checking or savings account when you enroll online or any time after that by accessing “My Account” at PAABLE.gov or, if the bank account information has already been established on your Account, by calling our Customer Service Center at 855-529-ABLE (2253). Before making an initial EFT, you must provide certain information about the bank account from which money will be withdrawn.

If the Account Owner or Authorized Individual is not the owner or a joint-owner of the bank account, you must first provide a signature of an individual who is the bank account owner.

Please note that if the Account Owner or Authorized Individual is not the owner or joint-owner of the bank account from which an EFT contribution has been made, PA ABLE reserves the right to provide to the bank account owner(s), information related to contributions from that bank account and/or to remove the bank account information from the Account records upon receiving a request accompanied by a signature guarantee from any owner of the bank account.

If an EFT contribution is returned unpaid by the bank upon which it is drawn, you will be responsible for any losses or expenses incurred by the Investment Options or PA ABLE, and PA ABLE may charge your Account a reasonable fee. We reserve the right to reject or cancel any contribution due to nonpayment. If the EFT contribution cannot be processed because the bank account on which it is drawn contains insufficient funds or because of incomplete or inaccurate information, PA ABLE reserves the right to suspend processing future EFT contributions.

d. **Recurring Contributions**
You may contribute to your Account through periodic automated debits from a bank checking or savings account, if the bank is a member of the Automated Clearing House (ACH), subject to certain processing restrictions. You can initiate a Recurring Contribution during enrollment by completing the appropriate section of the online or paper enrollment. Or, you may set up a Recurring Contribution after enrolling by accessing “My Account” at PAABLE.gov or by submitting an Account Financial Features Form. Your Recurring Contribution can be made on a monthly, quarterly, or custom frequency basis.

Your Recurring Contribution authorization will remain in effect until PA ABLE has received notification from you of its termination and has had a reasonable amount of time to act on it. You may also elect to authorize an annual increase to your Recurring Contribution. You may terminate your Recurring Contribution at any time. For the termination to take effect, the request
must be received at least five business days before the next scheduled Recurring Contribution. Recurring contribution changes are not effective until received and processed by PA ABLE.

Recurring Contribution debits from your bank account will occur on the day you indicate, provided the day is a regular business day. If the day you indicate falls on a weekend or a holiday, the Recurring Contribution debit will occur on the next business day. Quarterly Recurring Contribution debits will be made on the day you indicate (or the next business day, if applicable) every three months, not on a calendar quarter basis. If you do not designate a date, your bank account will be debited on the 15th day of the applicable month. You will receive a trade date of one business day prior to the day the bank debit occurs. If you indicate a start date that is within the first four days of the month, there is a chance that your investment will be credited on the last business day of the previous month.

Please note that recurring contributions with a debit date of January 1st, 2nd, 3rd, or 4th will be credited in the same year as the debit date, which might be the previous year.

Please note that if the Account Owner or Authorized Individual is not the owner or a joint-owner of the bank account from which the Recurring Contribution will be taken, you must first provide a signature of an individual who is the bank account owner. Additionally, if the Account Owner or Authorized Individual is not the owner or joint-owner of the bank account from which a Recurring Contribution has been made, PA ABLE reserves the right to provide to the bank account owner(s), information related to contributions from that bank account and/or to remove the bank account information from the Account records and discontinue the Recurring Contribution upon receiving a request accompanied by a signature guarantee from any owner of the bank account.

If a Recurring Contribution is returned unpaid by the bank upon which it is drawn, you will be responsible for any losses or expenses incurred by the Investment Options or PA ABLE and PA ABLE may charge your Account a reasonable fee. We reserve the right to reject or cancel any contribution due to nonpayment. If the Recurring Contribution cannot be processed because the bank account on which it is drawn contains insufficient funds or because of incomplete or inaccurate information, PA ABLE reserves the right to suspend processing future Recurring Contributions. PA ABLE reserves the right to refuse to allow an Account Owner to establish a Recurring Contribution.

e. **Payroll Deduction**
Depending on your employer, you may be able to have contributions made automatically from your paycheck. To do so, your employer must agree and be able to meet PA ABLE operational and administrative requirements. Most employers agree to process automatic paycheck contributions in the same manner that direct deposit of paychecks to employees’ bank accounts are made. If your employer permits this, you may obtain forms for setting up your payroll deduction at [PAABLE.gov](http://PAABLE.gov) or by calling our Customer Service Center at 855-529-ABLE (2253).
If your employer does not permit direct deposits from your paycheck to the PA ABLE, there may be alternative methods for making payroll deductions; please call Customer Service at 855-529-ABLE (2253) for assistance. Payroll deductions will be credited on the day they are received and in good order if received before the close of the NYSE. If received after the close of the NYSE or on a non-business day, payroll deductions will be credited on the next succeeding business day on which the NYSE is open.

Please note that even when contributions are made by payroll deduction, they are made from your after-tax earnings.

**f. Rollover from another qualified ABLE program**

You can contribute to your Account by moving funds you have in another state’s ABLE plan or funds in another Account Owner’s ABLE Account as long as he or she is an Eligible Individual and your Sibling. If the Rollover is from another state’s plan for the same Account Owner, the entire amount must be transferred and the non-PA ABLE account must be closed within 60 days of the transfer. This type of Rollover may be done only once in a 12-month period without incurring tax consequences. If the Rollover is from a Sibling’s ABLE account, less than the full amount may be transferred and there is no limit on the number of Rollovers.

To initiate a Rollover from another qualified ABLE program into PA ABLE you must open a PA ABLE Account and complete the Incoming Rollover Form. Additionally, PA ABLE must receive an accurate statement issued by the distributing qualified ABLE program that reflects both the principal and earnings attributable to the Rollover amount. Until this documentation is received, the entire amount of the Rollover contribution will be treated as earnings, which is subject to taxation if you take a Non-qualified Withdrawal.

Movement of funds that do not meet the conditions stated above for Rollovers may constitute a Non-qualified Withdrawal from the sending ABLE program account. That account owner’s earnings may be subject to federal and state taxation and a federal penalty. In addition, one or both account owners might be subject to adverse government benefit consequences.

**g. Rollovers from 529 Accounts to ABLE Accounts**

You can contribute to your Account by moving funds you have or a member of your family (as defined by Section 529 of the Tax Code) has in a PA 529 or other state’s 529 account. Funds transferred in this manner, in combination with any contributions made to your PA ABLE account in the then current calendar year, may not exceed the Annual Contribution Limit (See Part 2.B.2.)

To initiate a Rollover from a 529 account into PA ABLE you must already have or open a PA ABLE Account and complete the Incoming Rollover Form. Additionally, PA ABLE must receive an accurate statement issued by the distributing qualified 529 program that reflects both the principal and earnings attributable to the Rollover amount. Until this documentation is received, the entire amount of the Rollover contribution will be treated as earnings, which is subject to taxation if you take a Non-qualified Withdrawal.
Movement of funds that do not meet the conditions stated above for Rollovers may constitute a Non-qualified Withdrawal from the sending 529 account. That account owner’s earnings may be subject to federal and state taxation and a federal penalty. In addition, you might be subject to adverse government benefit consequences. Account Owners who are taxpayers in states other than Pennsylvania should note that those states may not consider such a Rollover from a 529 account to an ABLE account as qualified for state tax purposes. Please consult with the individual state to learn more.

Please note that the ability to make a Rollover from a 529 account to an ABLE Account is set to lapse on December 31, 2025.

h. Transfers between PA ABLE Accounts
You may transfer all or a portion of an Account Owner’s Account balance to another PA ABLE Account. At the time of the transfer, the transferee must be the same Account Owner or an Eligible Individual and a Sibling of the transferor-Account Owner.

To initiate a transfer between PA ABLE Accounts, you must complete and submit the appropriate form or call the Customer Service Center at 855-529-ABLE (2253). The total Account assets held on behalf of the transferee cannot exceed the Account Balance Limit. If the Account Owners are not the same or the transferee-Account Owner is not a Sibling of the transferor-Account Owner, the transfer is considered a Non-qualified Withdrawal.

Transfers into the Checking Account Option require two business days to process. These funds will be available for withdrawal on the second business day.

i. Ugift®
You may invite family and friends to contribute to your Account through Ugift. You provide a unique contribution code to selected family and friends and gift givers can either contribute online through an EFT or by mailing in a gift contribution coupon with a check.

Gift contributions will be processed and transferred to your Account within approximately five (5) business days. There may be potential tax consequences of gift contributions invested in your Account. You and the gift giver should consult a tax advisor for more information.

Ugift is an optional service, is separate from PA ABLE, and is not affiliated with the Commonwealth of Pennsylvania or the Department. For more information, please visit www.PAABLE.gov or call 855-529-ABLE (2253).
C. Choosing your Investment Options

1. Investment Options Summary

PA ABLE offers investment vehicles that are similar to mutual funds and other investment products. You can choose from among six Asset-allocation Investment Options in which the funds (assets) are in different combinations (allocations) of stock funds, bond funds, and cash. The combinations range from aggressive investments (mostly stocks) to conservative investments (mostly bonds and cash). The asset allocations (combination of stocks, bonds, and cash) are static; that is, they do not change over time. Each of the Asset-allocation Investment Options invests in products from The Vanguard Group, Inc., Charles Schwab Investment Management, Inc., dba Schwab Asset Management, iShares by Blackrock Inc., and/or Sallie Mae Bank, (collectively, “Investment Firms”). The products include mutual funds, Exchange Traded Funds (ETFs), and/or a high yield savings account (the “Underlying Funds”).

Although money contributed to PA ABLE will be invested in the Asset-allocation Investment Options that hold these products, including mutual funds, neither PA ABLE, nor any of the PA ABLE Program’s Asset-allocation Investment Options are mutual funds. An investment in PA ABLE is an investment in municipal fund securities that are issued and offered by PA ABLE. You will own Units of the Investment Options, not shares in the Underlying Funds.

PA ABLE also offers an interest bearing Checking Account Option managed by Fifth Third Bank, National Association. See Appendix B for a full description of the Checking Account Option.

There is no limit on the number of the Investment Options you can choose. However, the minimum amount you can contribute per selected Investment Option is 1% of the amount of your contribution. If you make a contribution through the PA ABLE website, it will be distributed according to the allocation on file. If you make a contribution by mail, you may designate a different allocation for that specific contribution.

2. Overview of Investment Options and Underlying Funds

a. Overview of Asset-allocation Investment Option Choices

The Asset-allocation Investment Options maintain a steady distribution (allocation) of funds (assets) among stocks, bonds, and cash. (See the chart below.) The percentage of assets in each of these three types of investments determines how aggressive or conservative the investment option is considered to be. In general, the greater the percentage of assets allocated to stocks, the more aggressive the investment option is. On the other hand, the greater the percentage of assets allocated to bonds and cash, the more conservative the investment option is. While, in general, aggressive options are considered to have higher risks, they also have the potential for greater investment earnings. Conservative options are considered to have lower risk, but also less potential for investment earnings. The six Asset-allocation Investment Options are named the Aggressive Option, the Moderately Aggressive Option, the Growth Option, the Moderate
Option, the Moderately Conservative Option, and the Conservative Option – reflecting their degree of investment risk. Choosing whether and which Asset-allocation Investment Option to use, is a personal decision for each Account Owner. You may wish to consult a financial advisor for guidance. For a full description of the Asset-allocation Investment Options, see Part 2.C.3.

b. Overview of Underlying Funds and Share Classes

Each Asset-allocation Investment Option invests its assets in one or more Underlying Fund(s). Currently these funds and the share class for each are:

- Vanguard Institutional Index Fund (VIIIX)
- Vanguard Extended Market Index Fund (VEMPX)
- Vanguard Total Bond Market Index Fund (VBMPX)
- Vanguard Short-Term Bond Index Fund (VBIPX)
- Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)
- Blackrock iShares Core MSCI EAFE ETF (IEFA)
- Blackrock iShares Core International Aggregate Bond ETF (IAGG)
- Schwab Emerging Markets Equity ETF (SCHE)
- Schwab US REIT ETF (SCHH)
- Sallie Mae High Yield Savings Account

Most of the Underlying Funds are index funds or index ETFs. An index fund or index ETF is composed of a combination of different stocks or bonds chosen to match or track the components of a chosen index, such as the Standard & Poor's 500 Index. These funds adhere to specific rules or standards (e.g. efficient tax management or reducing tracking errors) that stay in place no matter the state of the financial markets.

Each Underlying Fund that is an index fund or index ETF reserves the right to substitute a different index for the index it currently tracks. This could happen if the current index is discontinued, if the index fund’s or index ETF’s agreement with the sponsor of its chosen index is terminated, or for any other reason determined in good faith by the Underlying Fund’s board of trustees. In any such instance, the substitute index would measure the same market segment as the current index.

Other than the Sallie Mae High Yield Savings Account, additional information about the investment strategies and risks of each Underlying Fund is available in its current prospectus and statement of additional information. You can obtain a copy of the current prospectus, the statement of additional information, or the most recent semiannual or annual report of any Underlying Fund by visiting the appropriate Investment Manager’s website or phone number:

- Blackrock [www.ishares.com](http://www.ishares.com) 1-800-474-2737
- Schwab [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com) 1-877-824-5615
- Vanguard [www.vanguard.com](http://www.vanguard.com) 1-866-734-4533
- Fifth Third Bank [www.53.com](http://www.53.com) 1-888-516-2375
Please keep in mind that you will not own shares of the Underlying Funds. You are purchasing Units in PA ABLE, which invests your money in the Underlying Funds. PA ABLE reserves the right to change, at any time, the Asset-allocation Investment Options, the asset allocations within the Options, or the Underlying Funds in which the Asset-allocation Investment Options are invested.

PA ABLE, through Ascensus, monitors and rebalances the Asset-Allocation Investment Options on a quarterly basis. If the target allocation for an Asset-Allocation Investment Option is 5% greater than or less than the intended allocation, Ascensus will rebalance the Investment Option to its target allocations unless prevailing market conditions including market volatility interfere, and such rebalancing would cause adverse effects.

The following table represents the asset allocation targets and asset classes for each of the Asset-allocation Investment Options as of the date of this Disclosure Statement.

<table>
<thead>
<tr>
<th>Underlying Investment (Ticker)</th>
<th>Aggressive</th>
<th>Moderately Aggressive</th>
<th>Growth</th>
<th>Moderate</th>
<th>Moderately Conservative</th>
<th>Conservative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Index Fund (VIIIX)</td>
<td>31.50%</td>
<td>26.25%</td>
<td>21.00%</td>
<td>15.75%</td>
<td>10.50%</td>
<td>3.50%</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund (VEMPX)</td>
<td>27.00%</td>
<td>22.50%</td>
<td>18.00%</td>
<td>13.50%</td>
<td>9.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>iShares Core MSCI EAFE ETF (IEFA)</td>
<td>16.20%</td>
<td>13.50%</td>
<td>10.80%</td>
<td>8.10%</td>
<td>5.40%</td>
<td>1.80%</td>
</tr>
<tr>
<td>Schwab Emerging Markets Equity ETF (SCHE)</td>
<td>6.30%</td>
<td>5.25%</td>
<td>4.20%</td>
<td>3.15%</td>
<td>2.10%</td>
<td>0.70%</td>
</tr>
<tr>
<td>Schwab US REIT ETF (SCHH)</td>
<td>9.00%</td>
<td>7.50%</td>
<td>6.00%</td>
<td>4.50%</td>
<td>3.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td><strong>Total Stocks</strong></td>
<td><strong>90.00%</strong></td>
<td><strong>75.00%</strong></td>
<td><strong>60.00%</strong></td>
<td><strong>45.00%</strong></td>
<td><strong>30.00%</strong></td>
<td><strong>10.00%</strong></td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund (VBMPX)</td>
<td>3.00%</td>
<td>7.50%</td>
<td>12.00%</td>
<td>16.50%</td>
<td>13.50%</td>
<td>9.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund (VBIPX)</td>
<td>2.50%</td>
<td>6.25%</td>
<td>10.00%</td>
<td>13.75%</td>
<td>11.25%</td>
<td>7.50%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)</td>
<td>3.50%</td>
<td>8.75%</td>
<td>14.00%</td>
<td>19.25%</td>
<td>15.75%</td>
<td>10.50%</td>
</tr>
<tr>
<td>iShares Core International Aggregate Bond ETF (IAGG)</td>
<td>1.00%</td>
<td>2.50%</td>
<td>4.00%</td>
<td>5.50%</td>
<td>4.50%</td>
<td>3.00%</td>
</tr>
<tr>
<td><strong>Total Bonds</strong></td>
<td><strong>10.00%</strong></td>
<td><strong>25.00%</strong></td>
<td><strong>40.00%</strong></td>
<td><strong>55.00%</strong></td>
<td><strong>45.00%</strong></td>
<td><strong>30.00%</strong></td>
</tr>
<tr>
<td>Sallie Mae High Yield Savings Account</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>25.00%</td>
<td>60.00%</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td><strong>0.00%</strong></td>
<td><strong>0.00%</strong></td>
<td><strong>0.00%</strong></td>
<td><strong>0.00%</strong></td>
<td><strong>25.00%</strong></td>
<td><strong>60.00%</strong></td>
</tr>
<tr>
<td><strong>Total Allocation</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
c. **Overview of Checking Account Option**

The Checking Account Option invests 100% of its assets in FDIC-insured checking accounts held at Fifth Third Bank, National Association. For each Account Owner invested in the Checking Account Option, the guarantee is up to $250,000. Account Owners who invest in the Checking Account Option are able to write checks or use a debit card to pay for Qualified Expenses. Account Owners should retain documentation (for example, receipts) of all distributions for Qualified Expenses for their records.

Account Owners investing in this option will receive a debit card and checks, if applicable, in their name. For those Account Owners who lack legal capacity to contract and have an Authorized Individual, the debit card will be issued in the name of the Authorized Individual and checks, if applicable, will be issued in the names of the Account Owner by the Authorized Individual. For Accounts with more than one Authorized Individual, only one Authorized Individual will be authorized to write checks or use the debit card.

Please note that the debit card is not available for those Authorized Individuals that are entities.

To invest in the Checking Account Option, either the Account Owner or Authorized Individual must have a government issued identification, such as a driver’s license or insurance card.

You will receive a free debit card within 10 days after the Checking Account Option is funded and you have the option to order checks for a fee. As of the date of this Disclosure Statement, there is a daily withdrawal limit of $5,000 for purchases and $800 for ATM withdrawals. Please note that you may lower these limits by contacting Fifth Third Bank at 888-516-2375.

Included with the debit card will be additional disclosure specific to the Fifth Third Bank debit card, including the MasterCard Zero Liability Protection Program. Please read it carefully.

For Information on the fees associated with this Checking Option, see Appendix B. Please note that contributions may NOT be made directly into the checking account. All contributions intended for the Checking Account Option must be sent to PA ABLE.

3. **Investment Option Descriptions**

The following are descriptions of each of the Investment Options. A description of each of the Underlying Funds in which the Asset-allocation Investment Options invest is in Part 2.C.4. below:

a. **Aggressive Option**

   **Investment Objective:**

   The Investment Option seeks to provide long-term capital appreciation with very low income potential.
**Investment Strategy:**
The Investment Option invests in two Vanguard stock index funds, two Schwab index ETFs, one BlackRock (iShares) stock index fund, three Vanguard bond index funds and one BlackRock (iShares) bond index fund. Through its investment in these Underlying Investments, the Investment Option allocates approximately 90% of its assets to stocks and 10% of its assets to investment-grade bonds. The approximate percentages of the Investment Option’s assets allocated to each Underlying Investment are:

<table>
<thead>
<tr>
<th>Underlying Investment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Index Fund (VIIIX)</td>
<td>31.50%</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund (VEMPX)</td>
<td>27.00%</td>
</tr>
<tr>
<td>iShares Core MSCI EAFE ETF (IEFA)</td>
<td>16.20%</td>
</tr>
<tr>
<td>Schwab Emerging Markets Equity ETF (SCHE)</td>
<td>6.30%</td>
</tr>
<tr>
<td>Schwab U.S. REIT ETF (SCHH)</td>
<td>9.00%</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund (VBMPX)</td>
<td>3.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund (VBIPX)</td>
<td>2.50%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)</td>
<td>3.50%</td>
</tr>
<tr>
<td>iShares Core International Aggregate Bond ETF (IAGG)</td>
<td>1.00%</td>
</tr>
<tr>
<td>Sallie Mae High Yield Savings Account</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Investment Risks:**
The Investment Option has a number of investment related risks. For a list and descriptions of the risks associated with the Vanguard funds, Blackrock funds and Schwab ETFs, see *Explanation of Investment Risk Factors* in Appendix C.

b. **Moderately Aggressive Option**

**Investment Objective:**
The Investment Option seeks to provide long-term capital appreciation with low income potential.

**Investment Strategy:**
The Investment Option invests in two Vanguard stock index funds, two Schwab index ETFs, one BlackRock (iShares) stock index fund, three Vanguard bond index funds and one BlackRock (iShares) bond index fund. Through its investment in these Underlying Investments, the Investment Option allocates approximately 75% of its assets to stocks and 25% of its assets to investment-grade bonds. The approximate percentages of the Investment Option’s assets allocated to each Underlying Investment are:
Investment Risks:
The Investment Option has a number of investment related risks. For a list and descriptions of the risks associated with the Vanguard funds, BlackRock funds and Schwab ETFs, see *Explanation of Investment Risk Factors* in Appendix C.

c. **Growth Option**

**Investment Objective:**
The Investment Option seeks to provide capital appreciation and low current income.

**Investment Strategy:**
The Investment Option invests in two Vanguard stock index funds, two Schwab index ETFs, one BlackRock (iShares) stock index fund, three Vanguard bond index funds and one BlackRock (iShares) bond index fund. Through its investment in these Underlying Investments, the Investment Option allocates approximately 60% of its assets to stocks and 40% of its assets to investment-grade bonds. The approximate percentages of the Investment Option’s assets allocated to each Underlying Investment are:

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Index Fund (VIIIX)</td>
<td>26.25%</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund (VEMPX)</td>
<td>22.50%</td>
</tr>
<tr>
<td>iShares Core MSCI EAFE ETF (IEFA)</td>
<td>13.50%</td>
</tr>
<tr>
<td>Schwab Emerging Markets Equity ETF (SCHE)</td>
<td>5.25%</td>
</tr>
<tr>
<td>Schwab U.S. REIT ETF (SCHH)</td>
<td>7.50%</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund (VBMPX)</td>
<td>7.50%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund (VBIPX)</td>
<td>6.25%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)</td>
<td>8.75%</td>
</tr>
<tr>
<td>iShares Core International Aggregate Bond ETF (IAGG)</td>
<td>2.50%</td>
</tr>
<tr>
<td>Sallie Mae High Yield Savings Account</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Growth Option

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Index Fund (VIIIX)</td>
<td>21.00%</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund (VEMPX)</td>
<td>18.00%</td>
</tr>
<tr>
<td>iShares Core MSCI EAFE ETF (IEFA)</td>
<td>10.80%</td>
</tr>
<tr>
<td>Schwab Emerging Markets Equity ETF (SCHE)</td>
<td>4.20%</td>
</tr>
<tr>
<td>Schwab U.S. REIT ETF (SCHH)</td>
<td>6.00%</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund (VBMPX)</td>
<td>12.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund (VBIPX)</td>
<td>10.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)</td>
<td>14.00%</td>
</tr>
<tr>
<td>iShares Core International Aggregate Bond ETF (IAGG)</td>
<td>4.00%</td>
</tr>
<tr>
<td>Sallie Mae High Yield Savings Account</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Investment Risks:**
The Investment Option has a number of investment related risks. For a list and descriptions of the risks associated with the Vanguard funds, BlackRock funds and Schwab ETFs, see *Explanation of Investment Risk Factors* in Appendix C.

d. **Moderate Option**

**Investment Objective:**
The Investment Option primarily seeks to provide capital appreciation and secondarily provide moderate current income.

**Investment Strategy:**
The Investment Option invests in two Vanguard stock index funds, two Schwab index ETFs, one BlackRock (iShares) stock index fund, three Vanguard bond index funds and one BlackRock (iShares) bond index fund. Through its investment in these Underlying Investments, the Investment Option allocates approximately 45% of its assets to stocks and 55% of its assets to investment-grade bonds. The approximate percentages of the Investment Option’s assets allocated to each Underlying Investment are:
### Moderate Option

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Index Fund (VIIIX)</td>
<td>15.75%</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund (VEMPX)</td>
<td>13.50%</td>
</tr>
<tr>
<td>iShares Core MSCI EAFE ETF (IEFA)</td>
<td>8.10%</td>
</tr>
<tr>
<td>Schwab Emerging Markets Equity ETF (SCHE)</td>
<td>3.15%</td>
</tr>
<tr>
<td>Schwab U.S. REIT ETF (SCHH)</td>
<td>4.50%</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund (VBMPX)</td>
<td>16.50%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund (VBIPX)</td>
<td>13.75%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)</td>
<td>19.25%</td>
</tr>
<tr>
<td>iShares Core International Aggregate Bond ETF (IAGG)</td>
<td>5.50%</td>
</tr>
<tr>
<td>Sallie Mae High Yield Savings Account</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Investment Risks:**
The Investment Option has a number of investment related risks. For a list and descriptions of the risks associated with the Vanguard funds, BlackRock funds and Schwab ETFs, see *Explanation of Investment Risk Factors* in Appendix C.

#### e. Moderately Conservative Option

**Investment Objective:**
The Investment Option seeks to provide moderate current income and low capital appreciation and moderate capital preservation.

**Investment Strategy:**
The Investment Option invests in two Vanguard stock index funds, two Schwab index ETFs, one BlackRock (iShares) stock index fund, three Vanguard bond index funds, one BlackRock (iShares) bond index fund and a Sallie Mae High Yield Savings Account. Through its investment in these Underlying Investments, the Investment Option allocates approximately 30% of its assets to stocks, 45% of its assets to investment-grade bonds and 25% to cash. The approximate percentages of the Investment Option’s assets allocated to each Underlying Investment are:
Moderately Conservative Option

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Index Fund (VIIIX)</td>
<td>10.50%</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund (VEMPX)</td>
<td>9.00%</td>
</tr>
<tr>
<td>iShares Core MSCI EAFE ETF (IEFA)</td>
<td>5.40%</td>
</tr>
<tr>
<td>Schwab Emerging Markets Equity ETF (SCHE)</td>
<td>2.10%</td>
</tr>
<tr>
<td>Schwab U.S. REIT ETF (SCHH)</td>
<td>3.00%</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund (VBMPX)</td>
<td>13.50%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund (VBIPX)</td>
<td>11.25%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)</td>
<td>15.75%</td>
</tr>
<tr>
<td>iShares Core International Aggregate Bond ETF (IAGG)</td>
<td>4.50%</td>
</tr>
<tr>
<td>Sallie Mae High Yield Savings Account</td>
<td>25.00%</td>
</tr>
</tbody>
</table>

**Investment Risks:**
The Investment Option has a number of investment related risks. For a list and descriptions of the risks associated with the Vanguard funds, BlackRock funds and Schwab funds, see *Explanation of Investment Risk Factors* in Appendix C and for a list and descriptions of the risk associated with *Sallie Mae High Yield Savings Account – Investment Risks*, Part 2.C.4.j.

**Conservative Option**

**Investment Objective:**
The Investment Option seeks to provide substantial capital preservation, limited current income and very low capital appreciation.

**Investment Strategy:**
The Investment Option invests in two Vanguard stock index funds, two Schwab index ETFs, one BlackRock (iShares) stock index fund, three Vanguard bond index funds, one BlackRock (iShares) bond index fund and a Sallie Mae High Yield Savings Account. Through its investment in these Underlying Investments, the Investment Option allocates approximately 10% of its assets to stocks, 30% of its assets to investment-grade bonds and 60% to cash. The approximate percentages of the Investment Option’s assets allocated to each Underlying Investment are:
Investment Risks:
The Investment Option has a number of investment related risks. For a list and descriptions of the risks associated with the Vanguard funds, BlackRock funds and Schwab funds, see Explanation of Investment Risk Factors in Appendix C and for a list and descriptions of the risk associated with Sallie Mae High Yield Savings Account – Investment Risks, Part 2.C.4.j.

Checking Account Option Description

Investment Objective:
The Investment Option seeks to provide preservation of principal.

Investment Strategy:
The Investment Option invests all of its assets in a checking account held at Fifth Third Bank, NA.

The Checking Account Option balances are insured up to the maximum amount permitted by law. The standard insurance amount is $250,000 per depositor, for each deposit insurance ownership category. Please visit www.fdic.gov for more information about FDIC insurance coverage. The checking account is opened through and under the restrictions and oversight of PA ABLE and shall be subject to all of the requirements and limitations set forth in this Disclosure Statement, as amended. All assets invested through the Checking Account Option are, and at all times will remain, assets of PA ABLE until withdrawn.

Investments in the Checking Account Option will earn varying rates of interest. Contributions will not earn interest until the hold period expires (see Part 2.B.3.) and

<table>
<thead>
<tr>
<th>Conservative Option</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Index Fund (VIIIX)</td>
<td>3.50%</td>
</tr>
<tr>
<td>Vanguard Extended Market Index Fund (VEMPX)</td>
<td>3.00%</td>
</tr>
<tr>
<td>iShares Core MSCI EAFE ETF (IEFA)</td>
<td>1.80%</td>
</tr>
<tr>
<td>Schwab Emerging Markets Equity ETF (SCHE)</td>
<td>0.70%</td>
</tr>
<tr>
<td>Schwab U.S. REIT ETF (SCHH)</td>
<td>1.00%</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund (VBMPX)</td>
<td>9.00%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund (VBIPX)</td>
<td>7.50%</td>
</tr>
<tr>
<td>Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)</td>
<td>10.50%</td>
</tr>
<tr>
<td>iShares Core International Aggregate Bond ETF (IAGG)</td>
<td>3.00%</td>
</tr>
<tr>
<td>Sallie Mae High Yield Savings Account</td>
<td>60.00%</td>
</tr>
</tbody>
</table>
funds are deposited to the account at Fifth Third Bank. The interest rate generally will be equivalent to short-term deposit rates. Interest will be compounded daily based on the actual number of days in a year (typically 365 days, except for 366 days in leap years) and will be credited to the Checking Account Option on a monthly basis. The interest on the Checking Account Option is expressed as an Annual Percentage Yield ("APY"). The APY on the Checking Account Option will be reviewed by Fifth Third Bank on a periodic basis and may be recalculated as needed at any time. To see the current Checking Account Option APY please go to www.53.com or call toll-free 888-516-2375. The Checking Account Option may not be established if it is determined that distributions from such Account are subject to restrictions by court order or otherwise.

**Investment Risks:**
To the extent that FDIC insurance applies, the Checking Account Option is primarily subject to the risk that the return on the underlying Checking Account will vary because of changing interest rates and that the return on the Checking Account will decline because of falling interest rates. See, Appendix B – Fifth Third Terms and Conditions, for additional terms and conditions applicable to the Checking Account Option.

**FDIC Insurance:**
Subject to the application of Fifth Third Bank (for the Checking Account Option) and FDIC rules and regulations to each Account Owner, funds in the Checking Account Option will retain their value as a result of FDIC insurance.

FDIC insurance is provided for the Checking Account Option which invests in a checking account. Contributions to and earnings on the investments in the Checking Account Option are insured by the FDIC up to the maximum limit established by federal law, which currently is $250,000 per depositor.

The amount of FDIC insurance provided to an Account Owner investing in the Checking Account Option is based on the total of: (1) the value of an Account Owner’s investment in the Checking Account Option, and (2) the value of all other deposits held by the Account Owner at Fifth Third Bank, as determined in accordance with Fifth Third Bank and FDIC rules and regulations. Each Account Owner should determine whether the amount of FDIC insurance available to the Account Owner is sufficient to cover the total of the Account Owner’s investment in the Checking Account Option plus the Account Owner’s other deposits at Fifth Third Bank.

For the Checking Account Option, PA ABLE is not responsible for determining the amount of FDIC insurance provided to an Account Owner.
4. Underlying Funds Descriptions

The following are descriptions of each of the Investment Options. A description of each of the Underlying Funds in which the Asset-allocation Investment Options invest is in Part 2.C.4. below:

a. Vanguard Institutional Index Fund
   Investment Objective:
   The Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.

   Investment Strategy:
   The Fund employs an indexing investment approach designed to track the performance of the S&P 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

   Investment Risks:
   The Fund is subject to Stock Market Risk and Investment Style Risk. These risks are discussed under Vanguard Investment Risks in Appendix C.

b. Vanguard Extended Market Index Fund
   Investment Objective:
   The Fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks.

   Investment Strategy:
   The Fund employs an indexing investment approach designed to track the performance of the Standard & Poor’s Completion Index, a broadly diversified index of stocks of small and mid-size U.S. companies. The S&P Completion Index contains all of the U.S. common stocks regularly traded on the NYSE, CBOE, and the Nasdaq over-the-counter market, except those stocks included in the S&P 500 Index. The Fund invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

   Investment Risks:
   The Fund is subject to Stock Market Risk and Investment Style Risk. The Fund is also subject to a low level of Index Sampling Risk. These risks are discussed under Vanguard Investment Risks in Appendix C.
c. **Vanguard Total Bond Market Index Fund**  
**Investment Objective:**  
The Fund seeks to track the performance of a broad, market-weighted bond index.

**Investment Strategy:**  
The Fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index. This index measures the performance of a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than one (1) year.

The Fund invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. All of the Fund’s investments will be selected through the sampling process, and at least 80% of the Fund’s assets will be invested in bonds held in the index. The Fund maintains a dollar-weighted average maturity consistent with that of the index.

**Investment Risks:**  
The Fund is subject to moderate levels of Interest Rate Risk, Prepayment Risk, Extension Risk, and low levels of Call Risk, Index Sampling Risk and Credit Risk. The Fund is also subject to Income Risk and Liquidity Risk. These risks are discussed under Vanguard Investment Risks in Appendix C.

d. **Vanguard Short-Term Bond Index Fund**  
**Investment Objective:**  
The Fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.

**Investment Strategy:**  
The Fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. 1-5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued.

The Fund invests by sampling the index, meaning that it holds a range of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. All of the Fund’s investments will be selected through the sampling process, and at least 80% of the Fund’s assets will be invested in bonds held in the index. The Fund maintains a dollar-weighted average maturity consistent with that of the index.
Investment Risks:
The Fund is subject to a high level of Income Risk and low levels of Interest Rate Risk, Credit Risk and Index Sampling Risk. The Fund is also subject to Liquidity Risk. These risks are discussed under Vanguard Investment Risks in Appendix C.

e. Vanguard Short-Term Inflation-Protected Securities Index Fund
Investment Objective:
The Fund seeks to track the performance of a benchmark index that measures the investment return of inflation protected public obligations of the U.S. Treasury with remaining maturities of less than 5 years.

Investment Strategy:
The Fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The index is a market- capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years.

The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the index, holding each security in approximately the same proportion as its weighting in the index. The Fund maintains a dollar-weighted average maturity consistent with that of the index.

Investment Risks:
The Fund is subject to a high level of Income Fluctuation Risk and a low level of Real Interest Rate Risk. These risks are discussed under Vanguard Investment Risks in Appendix C.

f. Schwab Emerging Markets Equity ETF
Investment Objective:
The Fund’s goal is to track as closely as possible, before fees and expenses, the total return of the FTSE Emerging Index.

Investment Strategy:
To pursue its goal, the Fund generally invests in stocks that are included in the FTSE Emerging Index. The index is comprised of large and mid-capitalization companies in emerging market countries, as defined by the index provider. The index defines the large and mid-capitalization universe as approximately the top 90% of the eligible universe.

It is the Fund’s policy that under normal circumstances it will invest at least 90% of its net assets (including, for this purpose, any borrowings for investment purposes) in these stocks, including depositary receipts representing securities of the index; such depositary receipts may be in the form of American Depositary Receipts (ADRs), Global
Depositary Receipts (GDRs) and European Depositary Receipts (EDRs). The Fund will notify its shareholders at least 60 days before changing this policy. The Fund may sell securities that are represented in the index in anticipation of their removal from the index, or buy securities that are not yet represented in the index in anticipation of their addition to the index.

Under normal circumstances, the Fund may invest up to 10% of its net assets in securities not included in the index. The principal types of these investments include those that the investment adviser believes will help the Fund track the index, such as investments in (a) securities that are not represented in the index but the investment adviser anticipates will be added to the index or as necessary to reflect various corporate actions (such as mergers and spin-offs); (b) other investment companies; and (c) derivatives, principally futures contracts. The Fund may use futures contracts and other derivatives primarily to seek returns on the Fund’s otherwise uninvested cash assets to help it better track the index. The Fund may also invest in cash and cash equivalents, including money market funds, and may lend its securities to minimize the difference in performance that naturally exists between an index fund and its corresponding index. The Fund does not hedge its exposure to foreign currencies.

Because it may not be possible or practicable to purchase all of the stocks in the index, the investment adviser seeks to track the total return of the index by using sampling techniques. Sampling techniques involve investing in a limited number of index securities which, when taken together, are expected to perform similarly to the index as a whole. These techniques are based on a variety of factors, including performance attributes, tax considerations, country weightings, capitalization, industry factors, risk factors and other characteristics. The Fund generally expects that its portfolio will hold less than the total number of securities in the index, but reserves the right to hold as many securities as it believes necessary to achieve the Fund’s investment objective.

The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry, group of industries or sector to approximately the same extent that the index is so concentrated.

The investment adviser seeks to achieve, over time, a correlation between the Fund’s performance and that of the index, before fees and expenses, of 95% or better. However, there can be no guarantee that the Fund will achieve a high degree of correlation with the index. A number of factors may affect the Fund’s ability to achieve a high correlation with the index, including the degree to which the Fund utilizes a sampling technique (or otherwise gives a different weighting to a security than the index does). The correlation between the performance of the Fund and the index may also diverge due to transaction costs, asset valuations, corporate actions (such as mergers and spin-offs), timing variances, and differences between the Fund’s portfolio and the index resulting from legal restrictions (such as diversification requirements) that apply to the Fund but not to the index.
**Investment Risks:**
The Fund is subject to Market Risk, Investment Style Risk, Equity Risk, Market Capitalization Risk, Large-Cap Company Risk, Mid-Cap Company Risk, Foreign Investment Risk, Emerging Markets Risk, Sampling Index Tracking Risk, Tracking Error Risk, Derivatives Risk, Liquidity Risk, Securities Lending Risk, Concentration Risk, Market Trading Risk and Shares of the Fund May Trade at Prices Other Than NAV. These risks are discussed under *Schwab Investment Risks* in Appendix C.

g. **Schwab US REIT ETF**
**Investment Objective:**
The Fund’s goal is to track as closely as possible, before fees and expenses, the total return of an index composed of U.S. real estate investment trusts classified as equities.

**Investment Strategy:**
To pursue its goal, the Fund generally invests in securities that are included in the Dow Jones Equity All REIT Capped Index. The index is a float-adjusted market capitalization weighted index that is subject to capping constraints at each quarterly rebalancing. The index generally includes all publicly traded equity real estate investment trusts (REITs) with a minimum float-adjusted market capitalization of $200 million and a three-month median daily value traded of at least $5 million. A security becomes ineligible if its float-adjusted market capitalization falls below $100 million for two consecutive quarters. The index excludes mortgage REITs, defined as REITs that lend money directly to real estate owners and/or operators or indirectly through the purchase of mortgages or mortgage-backed securities, and hybrid REITs, defined as REITs that participate both in equity and mortgage investing. The index uses a capping methodology to limit the weight of the securities of any single issuer (as determined by the index provider) to a maximum of 10% of the index. Additionally, the capping methodology limits the sum of the weights of the securities of all issuers that individually constitute more than 4.5% of the weight of the index to a maximum of 22.5% of the weight of the index in the aggregate. In order to implement this capping methodology, the index constrains at quarterly rebalance: (i) the weight of any single issuer to a maximum of 10%, and (ii) the aggregate weight of all issuers that individually exceed 4.5% of the index weight to a maximum of 22.5%. Between scheduled quarterly index reviews, the index is reviewed daily to assess whether the sum of all individual constituents with more than 5% of the weight of the index exceeds more than 25% of the weight of the index in the aggregate. When daily capping is necessary, the changes are announced after the close of the business day on which the daily weight caps are exceeded, with the reference date after the close of that same business day, and changes are effective after the close of the next trading day.

It is the Fund’s policy that under normal circumstances it will invest at least 90% of its net assets (including, for this purpose, any borrowings for investment purposes) in securities included in the index. The Fund will notify its shareholders at least 60 days
before changing this policy. The Fund will generally seek to replicate the performance of the index by giving the same weight to a given security as the index does. However, when the investment adviser believes it is in the best interest of the Fund, such as to avoid purchasing odd-lots (i.e., purchasing less than the usual number of shares traded for a security), for tax considerations, or to address liquidity considerations with respect to a security, the investment adviser may cause the Fund’s weighting of a security to be more or less than the index’s weighting of the security. The Fund may sell securities that are represented in the index in anticipation of their removal from the index, or buy securities that are not yet represented in the index in anticipation of their addition to the index.

Under normal circumstances, the Fund may invest up to 10% of its net assets in securities not included in its index. The principal types of these investments include those that the investment adviser believes will help the Fund track the index, such as investments in (a) securities that are not represented in the index but the investment adviser anticipates will be added to the index; (b) investment companies; and (c) derivatives, principally futures contracts. The Fund may use futures contracts and other derivatives primarily to seek returns on the Fund’s otherwise uninvested cash assets to help it better track the index. The Fund may also invest in cash, cash equivalents and money market funds, and may lend its securities to minimize the difference in performance that naturally exists between an index fund and its corresponding index.

Due to the composition of the index, the Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in real estate companies and companies related to the real estate industry. The Fund may also invest in a particular industry, group of industries or sector to approximately the same extent that its index is so concentrated.

The investment adviser seeks to achieve, over time, a correlation between the Fund’s performance and that of its index, before fees and expenses, of 95% or better. However, there can be no guarantee that the Fund will achieve a high degree of correlation with the index. A number of factors may affect the Fund’s ability to achieve a high correlation with its index, including the degree to which the Fund utilizes a sampling technique. The correlation between the performance of the Fund and its index may also diverge due to transaction costs, asset valuations, timing variances, and differences between the Fund’s portfolio and the index resulting from legal restrictions (such as diversification requirements) that apply to the Fund but not to the index.

**Investment Risks:**
The Fund is subject to Market Risk, Investment Style Risk, Equity Risk, Market Capitalization Risk, Large-Cap Company Risk, Mid-Cap Company Risk, Small-Cap Company Risk, Real Estate Investment Risk, REITs Risk, Tracking Error Risk, Derivatives Risk, Concentration Risk, Liquidity Risk, Securities Lending Risk, Market Trading Risk, and Shares of the Fund May Trade at Prices Other Than NAV. These risks are discussed under *Schwab Investment Risks* in Appendix C.
h. **iShares Core MSCI EAFE ETF**  
**Investment Objective:**  
The Fund seeks to track the investment results of an index composed of large-, mid- and small- capitalization developed market equities, excluding the U.S. and Canada.

**Investment Strategy:**  
The Fund seeks to track the investment results of the MSCI EAFE IMI Index (the “Underlying Index”), which has been developed by MSCI Inc. (the “Index Provider” or “MSCI”). The Underlying Index is a free float-adjusted, market capitalization-weighted index designed to measure large-, mid- and small- capitalization equity market performance and includes stocks from Europe, Australasia and the Far East.

**Investment Risks:**  
The Fund is subject to Asset Class Risk, Authorized Participant Concentration Risk, Concentration Risk, Currency Risk, Cybersecurity Risk, Equity Securities Risk, Financials Sector Risk, Geographic Risk, Index-Related Risk, Industrials Sector Risk, Infectious Illness Risk, Issuer Risk, Large-Capitalization Companies Risk, Large Shareholder and Large-Scale Redemption Risk, Market Risk, Market Trading Risk, National Closed Market Trading Risk, Non-U.S. Securities Risk, Operational Risk, Passive Investment Risk, Risk of Investing in Developed Countries, Risk of Investing in Japan, Securities Lending Risk, Tracking Error Risk and Valuation Risk. These risks are discussed under *BlackRock Investment Risks* in Appendix C.

i. **iShares Core International Aggregate Bond ETF**  
**Investment Objective:**  
The Fund seeks to track the investment results of an index composed of global non-U.S. dollar- denominated investment-grade bonds that mitigates exposure to fluctuations between the value of the component currencies and the U.S. dollar.

**Investment Strategy:**  
The Fund seeks to track the investment results of the Bloomberg Global Aggregate ex USD 10% Issuer Capped (Hedged) Index (the “Underlying Index”), which measures the performance of the global investment-grade (as determined by Bloomberg Index Services Limited (the “Index Provider” or “Bloomberg”)) bond market. The Underlying Index includes investment-grade fixed-rate sovereign and government-related debt, corporate and securitized bonds from both developed and emerging market issuers. Securities included in the Underlying Index are issued in currencies other than the U.S. dollar, must have maturities of at least one year and are required to meet minimum outstanding issue size criteria. The Underlying Index is market capitalization-weighted with a cap on each issuer of 10%. Debt that is publicly issued in the global and regional markets is included in the Underlying Index.
Certain types of securities, such as USD-denominated bonds, contingent capital securities, inflation-linked bonds, floating-rate issues, fixed-rate perpetuals, retail bonds, structured notes, pass-through certificates, private placements (other than those offered pursuant to Rule 144A or Regulation S promulgated under the Securities Act of 1933, as amended (the “1933 Act”)) and securities where reliable pricing is unavailable are excluded from the Underlying Index. The securities in the Underlying Index are updated on the last business day of each month, and the currency risk of the securities in the Underlying Index are hedged to the U.S. dollar on a monthly basis. The components of the Underlying Index are likely to change over time.

**Investment Risks:**

**j. Sallie Mae High Yield Savings Account**

**Investment Objective:**
The Underlying Investment seeks income consistent with the preservation of principal.

**Investment Strategy:**
The assets in the Underlying Investment are held in an omnibus savings account, which is held in trust by PA ABLE at Sallie Mae Bank. Investments in the savings account earn a variable rate of interest. Interest will be compounded daily on a 365/365 basis (366/366 in leap years) and will be credited on a monthly basis. The total amount of interest paid on the account is expressed as an Annual Percentage Yield (“APY”). The interest rate and APY rate are established at the discretion of Sallie Mae Bank and are subject to change at any time without notice. The APY rates assume that interest earned in the account remains on deposit. A withdrawal from the account will reduce earnings.

**No Guarantees:**
There are no guarantees for the Underlying Investment. Neither the Investment Option’s investment into the savings account nor any investment return earned on such investment is guaranteed by the Plan Administrators. In addition, the Underlying Investment does not provide a guarantee of any level of performance or return.
**Investment Risks:**
The Underlying Investment is primarily subject to the risk that the return on the savings account will vary because of changing interest rates and that the return on the savings account will decline because of falling interest rates.

5. **Additional Investment Information**
   a. **How Your Units Are Valued**
   The Unit Value of each Asset-allocation Investment Option is normally calculated as of the close of the NYSE each day. If securities held by an Underlying Fund in your Asset–allocation Investment Option are traded in other markets on days when the NYSE is closed, that Asset-allocation Investment Option’s value may fluctuate on days when you do not have access to purchase or redeem Units. If events that are expected to materially affect the value of securities traded in other markets occur between the close of those markets and the close of business on the NYSE, those securities may be valued at their fair value. The Unit Value of an Asset-allocation Investment Option is determined by dividing the dollar value of that Asset-allocation Investment Option’s net assets (i.e., total Asset-allocation Investment Option assets minus total Asset-allocation Investment Option liabilities) by the number of Units of the Asset-allocation Investment Option outstanding.

   When you purchase, redeem, or exchange Units of an Asset-allocation Investment Option, you will do so at the Unit Value on the trade date. Your trade date will be determined as follows:

   - If PA ABLE receives your transaction request (whether to contribute money, withdraw money, or exchange money between Asset-allocation Investment Options) in good order on a business day prior to the close of trading on the NYSE, your transaction will receive that day’s trade date.

   - If PA ABLE receives your transaction request in good order on a business day after the close of trading on the NYSE or at any time on a non-business day, your transaction will receive the next succeeding business day’s trade date on which the NYSE is open.

   b. **Treatment of Dividends and Capital Gains**
   Some Underlying Investments may distribute dividends and capital gains. Any dividends and capital gains will be reinvested into the Asset-allocation Investment Options containing the Underlying Funds and will be reflected as increases or decreases in the Asset-allocation Investment Option’s Unit Value.

   c. **Requesting Additional Information about certain Underlying Investments**
   Additional information about the investment strategies and risks of each Underlying Investment is available in its current prospectus and Statement of Additional Information (SAI). You can request a copy of the current prospectus, the SAI, or the most recent semiannual or annual report
of any Fund by visiting the Investment Firms’ websites or calling the numbers referenced above (see Part 2.C.2.a.)

d. Individual Investment Option Performance

The following table shows the investment performance of the Investment Options over various time periods, as indicated. Except for the Checking Account Option, which is not subject to an asset-based fee, the performance data is net of the annual asset-based fee; that is, the returns have already been reduced by the amount of the annual asset-based fee for each Investment Option, but does not include other charges associated with an investment such as the Annual Account Maintenance Fee. The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors’ Investment Option Units, when sold, may be worth more or less than their original cost. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit us at paable.gov. The performance of the Investment Options will differ from the performance of the Underlying Funds. Because the Investment Options have higher expenses than the Underlying Funds, over comparable periods of time, all other things being equal, an Investment Option would have lower performance than its comparable Underlying Fund. (Of course, the Underlying Funds do not offer the same tax advantages as the Investment Options.) Performance differences also are caused by differences in the trade dates of Investment Option purchases. When you invest money in an Investment Option, you will receive Investment Option Units as of the trade date noted in Part 2.C.5.a. The Investment Option will use your money to purchase shares of an Underlying Fund. However, the trade date for the Investment Option purchase of the Underlying Fund shares typically will be one business day after the trade date for your purchase of Investment Option Units. Contributions to the Checking Account Option will not earn interest until the hold period expires and funds are posted. Investments in the Checking Account Option will earn varying rates of interest expressed as an annual percentage yield. Depending on the amount of cash flow into or out of the Investment Option and whether the Underlying Fund is going up or down in value, this timing difference will cause the Investment Option’s performance either to trail or exceed the Underlying Fund’s performance. See the Current Interest Rates for the ABLE Checking Account Option section of the Fifth Third Terms and Conditions for annual percentage yield information for the Checking Account Option.

Investment Performance\(^1\) as of September 30, 2022

\(^1\) The returns are net of asset-based fees. However, the Annual Account Maintenance Fee of $14.75 charged to each Account is not reflected in the performance data. The fee is discounted to $8.50 if you elect electronic delivery notification for statements, confirmations and disclosure documents.
D. Fees and Expenses

The Department, in its sole discretion, will establish, and may change at any time, the fees and expenses it deems appropriate for PA ABLE. In the future, PA ABLE’s fees and expenses could be higher or lower than those discussed in this Disclosure Statement.

1. Asset-allocation Investment Options Asset-based Fees

PA ABLE charges a total annual asset-based fee for each Asset-allocation Investment Option, which ranges from 0.30% to 0.33%, which varies because of the different expenses of the Underlying Funds (the “Underlying Fund Expenses”). The Underlying Fund Expenses are received by the Investment Firms and include the expense ratio of the mutual funds used in each Asset-allocation Investment Option. Expenses for multiple-fund Asset-allocation Investment Options represent a weighted average of the expenses of the Underlying Fund Expenses. The Underlying Fund Expenses included in the chart below reflect expenses as of the date of this Disclosure Statement, but may change in the future. If a change in an Underlying Fund Expense occurs, a change in the expense ratio of the Asset-allocation Investment Option might also change, depending on factors that include, but are not limited to, the amount of the change and the portion of the Underlying Fund contained in the Asset-allocation Investment Options. In addition to the Underlying Fund Expenses, the total annual asset-based fees of an Asset-allocation Investment Option includes an Operational Support Fee. The Operational Support Fee of 0.28% is allocated between Ascensus and the Investment Firms, and covers additional administrative and operational costs. The Operational Support Fee may be lowered without prior notification. The total annual asset-based fee is charged daily against the assets of each Option at an annualized rate approximately equal to the total annual asset-based fee.

The chart below provides the total annual asset-based fee for each Asset-allocation Investment Option. The chart also provides you a way to compare the cost of investing in the Asset-allocation Investment Options over different time periods. It illustrates the hypothetical expenses that you would incur over various periods if you invest $10,000 in an Option, including the total annual asset-based fee, which differs depending on if you have established electronic delivery of statements, confirms, and disclosure documents, and the Annual Account Maintenance Fee. This example assumes that each Option provides a return of 5% a year and that the Option’s total annual asset-based fee remains the same, excluding the difference in fees resulting from paper and electronic delivery of statements, confirms, and disclosure documents.
The results apply whether or not the investment is redeemed at the end of the period, but they do not take into consideration any withdrawals that are Non-qualified or otherwise subject to state or federal income taxes, or any penalties.

### FEE STRUCTURE TABLE

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Estimated Underlying Fund Expense¹</th>
<th>Operational Support Fee</th>
<th>Total Annual Asset-Based Fees²</th>
<th>Annual Account Maintenance Fee³</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggressive Option</td>
<td>0.05%</td>
<td>0.28%</td>
<td>0.33%</td>
<td>$59</td>
<td>$92</td>
<td>$281</td>
<td>$476</td>
<td>$993</td>
<td>$67</td>
<td>$206</td>
<td>$352</td>
<td>$747</td>
</tr>
<tr>
<td>Moderately Aggressive Option</td>
<td>0.04%</td>
<td>0.28%</td>
<td>0.32%</td>
<td>$59</td>
<td>$92</td>
<td>$281</td>
<td>$475</td>
<td>$992</td>
<td>$67</td>
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<td>$351</td>
<td>$746</td>
</tr>
<tr>
<td>Growth Option</td>
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<td>0.28%</td>
<td>0.32%</td>
<td>$59</td>
<td>$92</td>
<td>$281</td>
<td>$475</td>
<td>$991</td>
<td>$67</td>
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<td>$351</td>
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<tr>
<td>Moderate Option</td>
<td>0.04%</td>
<td>0.28%</td>
<td>0.32%</td>
<td>$59</td>
<td>$92</td>
<td>$280</td>
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<tr>
<td>Moderately Conservative Option</td>
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<td>0.31%</td>
<td>$59</td>
<td>$91</td>
<td>$277</td>
<td>$468</td>
<td>$976</td>
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<td>$202</td>
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<td>$730</td>
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<td>Conservative Option</td>
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<td>0.30%</td>
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<td>$89</td>
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<td>$197</td>
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<td>$711</td>
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<tr>
<td>Checking Account Option</td>
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<td>N/A</td>
<td>N/A</td>
<td>$59</td>
<td>$83</td>
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<td>$415</td>
<td>$830</td>
<td>$34</td>
<td>$102</td>
<td>$170</td>
<td>$340</td>
</tr>
</tbody>
</table>

1 Expressed as an annual percentage of the average daily net assets of each Investment Option.

For each Investment Option, other than the Checking Account Option, the Estimated Underlying Investment Expenses in this column is derived from the expense ratio reported in each Underlying Investment’s most recent prospectus as of July 29, 2022 and is based on a weighted average of the expenses of each Underlying Investment’s expense ratio, in accordance with the Investment Option’s asset allocation among its Underlying Investments. Each Investment Option indirectly bears the expenses of the Underlying Investments; so when fees are deducted from an Underlying Investment’s assets, the value of the Underlying Investment’s shares is reduced. Actual Underlying Investment expenses may vary.

2 Investment’s assets, the value of the Underlying Investment’s shares is reduced. Actual Underlying Investment expenses may vary.

The Total Annual Asset-Based Fee is assessed against assets over the course of the year. It includes the Underlying Investment Expenses plus the Program Management Fee, but does not include the Annual Account Maintenance Fee. Please refer to the Illustration of Investment Costs, below, for the total assumed cost for a $10,000 investment over 1-, 3-, 5-, and 10-year periods.

3 Annual Account Maintenance Fee. Please refer to the Illustration of Investment Costs, below, for the total assumed cost for a $10,000 investment over 1-, 3-, 5-, and 10-year periods.

4 The Annual Account Maintenance Fee ($24.75 taken quarterly) will be reduced to $34 if you sign up for electronic delivery of statements and confirmations ($8.50 taken quarterly).

An investment in the Checking Account Option will be assessed a monthly service charge of $2.00 as set forth in the Fifth Third Terms and Conditions in the Plan Disclosure Statement. This fee is waived if the Checking Account Option has an average daily balance over $250 or if enrolled in electronic statement delivery.

### 2. Checking Account Option Fees

There is a $2.00 per month fee for the Checking Account Option. However, the fee is waived if you agree to receive checking account statements electronically by logging into your checking account at 53.com/ABLE or if you have an average monthly balance of $250 or more. Please note that even if you have selected electronic delivery for your Asset-allocation Investment Options, you will not receive the fee waiver for the Checking Account Option if you do not separately choose electronic delivery on the Fifth Third website (or have an average monthly balance of $250 or more). Additionally, there are customary banking fees such as non-network ATM fees, check purchase fees, and fees for receiving copies of canceled checks. For details of all the fees see Appendix B.
3. **Account Maintenance Fee**

PA ABLE charges an Annual Account Maintenance Fee of $59 ($14.75 taken quarterly) to all funded Accounts that do not have a stop mail hold (see Part 2.A.2.b.) of which $54 will go to Ascensus and $5 will go to PA ABLE. This fee will be reduced to $34 ($8.50 taken quarterly), with $29 going to Ascensus and $5 to the Department, for those Accounts that have elected electronic delivery for all categories of items listed on the “Delivery Preferences” page of the account access section of [PAABLE.gov](http://PAABLE.gov) except the “Tax Forms” category (these include quarterly statements and, PA ABLE Disclosure Statement updates, and transaction and profile change confirmations). The Account Maintenance Fee will be deducted from the account quarterly on the 20th day (if the 20th day is not a business day, the next business day) of the first month of each calendar quarter (January 20, April 20, July 20, October 20) and will be taken proportionally from each portfolio in the Account. The fee will not be deducted from those accounts that have a zero balance as of the 20th day of the quarter. If the amount remaining in an Account is less than the fee amount, the fee will be assessed against the remaining funds.

4. **Other Charges**

PA ABLE reserves the right to assess the following charges on Asset-allocation Investment Option transactions:

<table>
<thead>
<tr>
<th>Charge Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution checks returned for insufficient funds</td>
<td>$25</td>
</tr>
<tr>
<td>Contributions made by ACH which fail</td>
<td>$25</td>
</tr>
<tr>
<td>Outgoing Wire</td>
<td>$25</td>
</tr>
<tr>
<td>Overnight Delivery</td>
<td>$25</td>
</tr>
</tbody>
</table>

E. **Making Withdrawals**

1. **In General**

Only you, as the Account Owner (if you are an adult with the capacity to contract) or your Authorized Individual may direct withdrawals from your Account. Withdrawals may be made at any time for any reason, but there may be tax and benefit consequences for withdrawals not used for Qualified Disability Expenses.

Withdrawal requests that do not specify the Investment Options from which the Withdrawal should be taken and are received in good order before the close of the NYSE on any day the NYSE is open for business are processed that day based on the Unit Values of your Asset-allocation Investment Options in your Account for that day and the cash value of your Checking Account Option. Requests received after the close of the NYSE are processed the next business day using the Unit Values on that day. Withdrawal requests from specific Investment Options received in good order before the close of the NYSE on any day the NYSE is open for business are processed that day based on the Unit Values of the selected Asset-allocation Investment...
Option(s) in your Account for that day and/or the cash value of your Checking Account Option, if applicable. Requests received after the close of the NYSE are processed the next business day using the Unit Values on that day.

Please generally allow up to 10 business days for the proceeds to reach the payee. PA ABLE generally processes withdrawals within three business days of accepting the request. During periods of market volatility and at year-end, withdrawal requests may take up to five business days to process. Withdrawals of contributions made by check, Recurring Contribution, or Electronic Fund Transfers (EFTs) will not be available for withdrawal for five business days from the day the contribution is received, if received prior to the close of the New York Stock Exchange (six business days if the contribution is received after the close of the New York Stock Exchange). New contributions into the Checking Account Option will not be available for withdrawal for six business days from the day the contribution is received, if received prior to the close of the New York Stock Exchange (seven business days if the contribution is received after the close of the New York Stock Exchange).

Please note that PA ABLE has not established a minimum withdrawal amount but reserves the right to do so.

2. Re CONTRIBUTIon of Withdrawals
With the exception of investments in the Checking Account Option, withdrawals cannot be recontributed back into the Account, even if you placed the withdrawal by mistake. If you attempt to re contribut e money that you previously withdrew, the re contribution will be treated as a new and separate contribution. The withdrawal may also be treated as a Non-Qualified Withdrawal, which could subject the Account Owner to tax consequences and have adverse effects on the Account Owner’s eligibility for means-tested benefits.

For investments in the Checking Account Option, PA ABLE currently processes refunds or adjustments for purchases made with the debit card automatically and does not treat these adjustments as contributions to the Account. Currently, neither federal law nor federal regulations explicitly address the treatment of refunds and adjustments to the Checking Account Option. Should the IRS issue future guidance that requires some of any of these adjustments to be considered contributions to the Account, any such adjustments may subject the Account Owner to tax consequences and adverse effects on the Account Owner’s eligibility for means-tested benefits.

PA ABLE does not consider adjustments resulting from its error or an error by any of its vendors or fraudulent Account activity to be contributions. PA ABLE, in its sole discretion, will determine if an entered withdrawal request or amount of the withdrawal is due to a mistake by PA ABLE or its vendors or to circumstances beyond the control of the Account Owner or Authorized Individual and may require documentation from the Account Owner or Authorized Individual in support of a request to rescind or void a withdrawal or portion of a withdrawal. An Account Owner or Authorized Individual may re-contribute a withdrawal or portion of a
withdrawal that cannot be rescinded or voided; however, it will be treated as a new contribution as of the date the request to recontribute is received.

Any withdrawal that is recontributed, including a withdrawal that was rescinded or voided, might be considered a Non-qualified Withdrawal subject to income tax and an additional federal tax of 10% (see Part 2.E.4.e.) unless the re-contribution qualifies as a Rollover from the Account (see Part 2.E.4.c.). Such a withdrawal may also have adverse effects on the Account Owner’s eligibility for means-tested benefits (see Part 3).

3. Withdrawal Payment Methods
You may designate one of several payment methods. Withdrawals may be sent electronically (by ACH) using the Account Owner’s bank information on the Account record, by check to the Account Owner or Authorized Individual at the mailing address on the Account record, or by check to a third party designated by the Account Owner or Authorized Individual. Please note that electronic (ACH) withdrawals will be held for 15 calendar days after any addition to or change of banking information, and checks to the Account Owner or Authorized Individual will be held for 10 business days after any change in the mailing address of record.

Withdrawals from the Checking Account Option may also be made by using your debit card, taking a withdrawal at an ATM or by writing a check. If you have more than one Authorized Individual on the Account, only one will be authorized to write checks and use the debit card. To order checks, your Checking Account Option balance must be at least $25. However, once you have checks, if your Checking Account Option balance falls below $25, PA ABLE will still process checks that you have written as long as a sufficient balance is available to cover the amount of the check when presented.

4. Systematic Withdrawal Program
You may also establish a Systematic Withdrawal Program, which are periodic, pre-scheduled Withdrawals from any of your Asset-allocation or Checking Account Options. You can have up to two Systematic Withdrawal Programs on your Account. If the balance in your Investment Option is less than the amount specified on your Systematic Withdrawal Program, the Systematic Withdrawal Program instructions will be stopped. Systematic Withdrawal Programs are subject to the processing times and hold periods specified above. (See Part 2.E.1.)

5. Types of Withdrawals
There are several different types of withdrawals, which are determined by the purpose of the withdrawal, each may have different tax and benefit consequences. These are as follows:

- **Qualified Withdrawals**: Withdrawals taken to pay for Qualified Disability Expenses.
- **Rollovers**: Withdrawals that are deposited into:
An account in another qualified ABLE program of which you are the Account Owner (provided that you have not made a similar Rollover to a qualified ABLE program within the previous 12 months), or

An account in another qualified ABLE program of which your Sibling who is an Eligible Individual is the Account Owner.

There are two types of Rollovers. **Direct Rollovers** are ones in which you request PA ABLE to transfer your funds directly to the other ABLE program. **Indirect Rollovers** are ones in which you request PA ABLE to pay the funds to you and you contribute the withdrawn amount in the other state’s ABLE program.

Please note that if the Rollover (whether Direct or Indirect) is to an account of which you are the Account Owner, you must roll over the entire amount and close your PA ABLE Account within 60 days of the transfer of funds.

- **Transfers between PA ABLE Accounts:** Withdrawals taken from one PA ABLE Account and deposited into another PA ABLE Account for a Sibling, who is also an Eligible Individual of the Account Owner of the transferring Account, withdrawals taken from the PA ABLE Account whose Account Owner is deceased and deposited into the Successor Owner’s PA ABLE Account, or withdrawals made as a result of an Involuntary Termination and transferred to a new PA ABLE Account for the same Account Owner, if permitted.

- **Non-qualified Withdrawals:** Withdrawals taken for any purpose or reason that are not Qualified Withdrawals, Rollovers, or Transfers between PA ABLE Accounts, as described above.

The necessary forms, needed documentation, permissible payees, limitations, the federal and Pennsylvania state tax consequences, and the impact on government benefits may depend on which type of withdrawal is being taken.

a. **Qualified Withdrawals**
   i. **How to Request**
      A Qualified Withdrawal may be requested by phone, online, or by obtaining and submitting a Withdrawal Request Form. To make the request by phone, call the Customer Service Center at 855-529-ABLE (2253). To make the request online, log into your account from PAABLE.gov, by clicking on “My Account,” then “Make a Withdrawal.” To use the paper Withdrawal Request Form, download it from the website or request it by calling the Customer Service Center. Additionally, Qualified Withdrawals from the Checking Account Option may be made by check, ATM withdrawals or your debit card.
Your Qualified Withdrawal may be paid directly to you or to a third party you designate, such as a medical services provider. While the PA ABLE Program will not routinely require documentation that shows the withdrawal is for Qualified Disability Expenses, PA ABLE reserves the right to do so.

ii. Tax Consequences
When withdrawn and used for Qualified Disability Expenses, the earnings on contributions to your Account are exempt from both federal and Pennsylvania state income tax as long as the funds withdrawn are used within the same calendar year or within sixty days of the last day of the same calendar year as the withdrawal. Nevertheless, PA ABLE is required by federal law to issue an IRS Form 1099-QA for the withdrawal. The 1099-QA specifies the principal and earnings breakdown of the withdrawal amount. The 1099-QA will be issued to the Account Owner. You should keep appropriate records to substantiate to the Internal Revenue Service and/or the Pennsylvania Department of Revenue that the withdrawal was used for Qualified Disability Expenses.

iii. Government Benefit Consequences
A Qualified Withdrawal will not have any impact on your federal needs-based benefits, with the possible exception that Qualified Withdrawals for housing expenses might affect your SSI benefits if not used in the same month the withdrawal is taken. For SSI purposes, withdrawals taken with the intent of using them for non-housing Qualified Disability Expenses may be used at any time. However, if they are subsequently used for non-qualified purposes, your benefits may be affected. For further information see Part 3.B. For IRS income tax purposes, however, Qualified Withdrawals might need to be used in the same tax year that they are taken in order to be tax exempt. A Qualified Withdrawal will not have any impact on your Pennsylvania needs-based benefits related to health (including Medical Assistance), disability, or student financial aid.

b. Direct Rollovers
i. How to Request
You may directly roll over the funds in your PA ABLE Account to another state’s ABLE program by obtaining a form from the ABLE plan that will receive the funds. This form should indicate that you (or the new Account Owner) have an account in the other state’s ABLE program and wish the PA ABLE Program to transmit your funds to that account. The non-Pennsylvania ABLE program will send that form to the PA ABLE Program and, once the form is received, PA ABLE will send the funds directly to the non-Pennsylvania ABLE program. When the PA ABLE Program sends your funds to the receiving plan, it will include notification of the principal and earnings portions of the total amount. The payee will be the receiving plan “for the benefit of” you.
ii. **Tax Consequences**

If a Direct Rollover for the same Account Owner is made only once in a 12-month period or when the Account Owner is changed, it is not a taxable event for federal or Pennsylvania income tax purposes. Nevertheless, PA ABLE is required by federal law to issue you an IRS Form 1099-QA for the withdrawal. The 1099-QA specifies the principal and earnings breakdown of the withdrawal amount. You should keep appropriate records to substantiate to the Internal Revenue Service and/or the Pennsylvania Department of Revenue that the above requirements were met. If the Rollover is to an account for a new Account Owner, it may be considered a gift from the old Account Owner to the new Account Owner for federal gift and generation-skipping transfer tax purposes. Before making such a Direct Rollover, you may wish to consult a tax advisor.

iii. **Government Benefit Consequences**

A Direct Rollover for the same Account Owner will not have any impact on your federal needs-based benefits or your Pennsylvania benefits related to health (including Medical Assistance), disability, or student financial need. It is not clear whether or how a Direct Rollover to a new Account Owner will impact your government benefits. You may wish to consult your benefits counselor before making such a Rollover.

c. **Indirect Rollovers**

i. **How to Request**

You may make an Indirect Rollover from your PA ABLE Account to another state’s ABLE program by making a withdrawal payable to yourself. To request the withdrawal by phone call the Customer Service Center at 855-529-ABLE (2253). To make the request online, go to [PAABLE.gov](http://PAABLE.gov), click on “My Account,” then “Asset Manager,” and then “Make a Withdrawal.” To use the paper Withdrawal Request Form, download it from the website or request it by calling the Customer Service Center. Once you receive the funds, contribute them to the non-Pennsylvania ABLE program.

You must contribute the funds to the non-Pennsylvania ABLE program within 60 days of the withdrawal. Unless you provide the receiving program with documentation of the principal and earnings breakdown, that program will treat the entire Indirect Rollover amount as earnings. This means that if you subsequently take a Non-qualified Withdrawal you may owe taxes on the entire amount rolled over. When making an Indirect Rollover from PA ABLE be sure to contact the Customer Service Center 855-529-ABLE (2253) to obtain documentation of the contributions and earnings.

ii. **Tax Consequences**

The tax consequences for an Indirect Rollover are the same as for a Direct Rollover. See Part 2.E.4.b (ii).
iii. Government Benefit Consequences
The government benefit consequences for an Indirect Rollover are the same as a Direct Rollover. See Part 2.E.4.b (iii).

d. Transfers between PA ABLE Accounts
i. How to Request
You may withdraw assets from your PA ABLE Account and transfer them to another PA ABLE Account for a different Account Owner, including a Successor Owner (“Transfer”). However, the Account Owner of the Account to which the assets are going must be an Eligible Individual and be a Sibling of the Account Owner of the Account from which they are transferred. An Account Information Change Form must be completed and the new Account Owner must complete an Enrollment Form. Both forms are available at PAABLE.gov or by calling 855-529-ABLE (2253).

ii. Tax Consequences
The tax consequences for a Transfer between PA ABLE Accounts are the same as a Direct Rollover. See Part 2.E.4.b (ii).

iii. Government Benefit Consequences
The government benefit consequences for a Transfer between PA ABLE Accounts are the same as a Direct Rollover. See Part 2.E.4.b (iii).

e. Non-qualified Withdrawals
i. How to Request
A request for a withdrawal other than for the purposes or reasons discussed above (a Non-qualified Withdrawal) from your Account may be requested by phone, or online, or by obtaining and submitting a Withdrawal Request Form. To request by phone, call the Customer Service Center at 855-529-ABLE (2253). To make the request online, go to PAABLE.gov, click on “My Account,” then “Asset Manager,” and then “Make a Withdrawal.” To use the paper Withdrawal Request Form, download it from the website or request it by calling the Customer Service Center.

Additionally, to make a Non-qualified Withdrawal from your Checking Account Option, you may write a check, use an ATM, or use your debit card.

ii. Tax Consequences
Generally the earnings portion of a Non-qualified Withdrawal will be subject to federal income taxes at the ordinary income tax rate of the Account Owner and an additional federal tax of 10%. Additionally, Account Owners who are Pennsylvania taxpayers will be subject to state income taxes. PA ABLE will issue to the Account Owner a Form 1099-QA for the withdrawal that will specify the principal and earnings portions of the total withdrawal. In the event of a return of Excess Contributions (see Part 2.B.2.), the Form 1099-QA will be issued to the contributor.
There are a number of exceptions to the federal 10% penalty. They are:

- Withdrawals paid to the estate of an Account Owner on or after the Account Owner’s death;
- Withdrawals paid to an heir or legatee of the Account Owner on or after the Account Owner’s death;
- Withdrawals paid as any part of a claim filed against the Account Owner or the Account by a state under a state Medicaid (Medical Assistance) plan;
- Earnings on contributions returned because they would have exceeded the Annual Contributions Limit;
- Earnings on contributions returned because they would have exceeded the total Account Balance Limit; or
- Earnings on contributions to additional purported ABLE accounts withdrawn by the due date (including extensions) of the Account Owner’s tax return for the year in which the relevant contributions were made.

5. Withdrawal upon Termination

a. General
The Pennsylvania Enabling law specifies that the Department may close an account without being directed to do so by the Account Owner or Authorized Individual if necessary to comply with federal law or, if the Department determines in its sole discretion that closing the account is in the best interest of PA ABLE or the Account Owner. Anyone aggrieved by the Department’s decision to close an account may file an administrative appeal.

b. Causes for Termination
Examples of circumstances that might cause the Department to terminate an Account include but are not limited to (1) the Account must be closed in order to comply with Federal or Pennsylvania law, (2) PA ABLE finds that the Account Owner or Authorized Individual has provided false or misleading information, (3) the Account Owner or Authorized Individual has violated the terms of the PA ABLE Contract — for example, by failing to advise PA ABLE of a change in the Account Owner’s disability that would make him or her no longer an “Eligible Individual” or by failing to produce documentation when requested to, (4) the Account does not contain any funds and maintains a “zero balance” for a period of six continuous months or (5) PA ABLE may be required to close an Account deemed by the laws of the state of the Account
Owner’s residence to be abandoned or unclaimed and relinquish the assets to that state. (See Part 6.G. for more information.)

An Account Owner or Authorized Individual whose Account has been terminated may appeal that action to the State Treasurer by filing a Petition for Review within 30 days of the mailing date of the notice of termination. Petitions shall be filed with the Prothonotary, Office of Chief Counsel, Room 127, Finance Building, Harrisburg, Pennsylvania 17120. Petitions must be in writing, be signed by the petitioner and contain the following:

1. The petitioner’s name, address and telephone number;
2. The name, address and telephone number of the authorized representative, if any;
3. A detailed statement in separate numbered paragraphs of the facts and grounds relied upon. If based upon a written document, a copy of the document, or the material part of the document, shall be attached;
4. A statement specifying the relief to which the petitioner deems itself entitled, which cites the legal authority relied upon;
5. A statement that either a hearing is requested or the right to a hearing is waived and the petitioner is resting the case on the petition and record, with or without a brief;
6. A signed statement certifying that the facts contained in the petition are true and correct to the petitioner’s knowledge and belief, and that the petition is not made for the purposes of delay.

Upon receipt of a timely filed appeal, the Department will designate a presiding officer to exercise the powers and duties of the State Treasurer with respect to all matters concerning the Petition for Review. A final determination of the presiding officer will be considered the final decision of the State Treasurer and may be appealed to the Pennsylvania Commonwealth Court. An appeal to Commonwealth Court must be filed within 30 days of the mailing date of the final decision of the State Treasurer.

c. Written Request for Termination

The Department may terminate an account upon receipt of a written request for termination by the Account Owner of an Account for which there is an Authorized Individual, if, in its sole discretion, the Department deems the termination to be in the best interest of the Account Owner and if:

The Account Owner has reached age 21 and is not subject to a valid judicial guardianship order or other court order granting to another person or entity authority over the finances of the Account Owner, and no written objection has been timely filed by the Authorized Individual after having received notice of the petition for termination.

The Department will not terminate an account upon the petition of an Account Owner that is the subject of a valid guardianship order or other court order granting to another person or entity
authority over the finances of the Account Owner unless the guardian has provided his or her written consent.

Copies of the request for termination shall be provided to the Authorized Individual and to the guardian of the Account Owner if applicable. Objections to any termination petition shall be filed with PA ABLE no more than sixty (60) days after the filing of the termination petition. All objections to terminations must include a verified copy of a petition that has been filed with a court of competent jurisdiction seeking authority over the finances of the Account Owner. Failure to provide timely proof that such petition has been filed with a court of competent jurisdiction will be deemed a waiver of the objection.

If the Department receives a timely written objection to the termination request, the Department will refrain from acting on the request to terminate until the court issues its decision. From the time a request to terminate is presented to the Department until the Department grants or denies the petition, no withdrawals may be made from the Account.

d. Value of Account Upon Termination

In the case of a termination because the Account Owner or Authorized Individual has provided false or misleading information or has violated the terms of the PA ABLE Contract, the market value of the Account on the date of the termination will be paid to the Account Owner as a Non-qualified Withdrawal except that PA ABLE may, in its discretion, withhold, and the Account Owner shall forfeit, all earnings on contributions, if any, accumulated in the Account, or such lesser amount as PA ABLE deems necessary in PA ABLE’s discretion in light of such false or misleading information or violation of the terms of the PA ABLE Contract. In addition to any withholding, any fees paid on the Account will not be refunded and will be forfeited by the Account Owner.

In all other terminations, the Account will be paid to the Account Owner in the amount of its market value on the date of the termination. Such terminations shall not preclude the Account Owner or an Authorized Individual from contributing the amount paid to the Account Owner as a Transfer to a different PA ABLE Account or an Indirect Rollover to another state’s ABLE account.
F. Account Security

1. In General
Contact Customer Service at 855-529-ABLE (2253) immediately if you believe that your Account has been accessed in an unauthorized manner or your Account information has been released to an unauthorized individual.

2. Online Account Security
If you choose to access your Account online, please keep your username and password confidential. Please note that each Account may only have one set of login credentials. PA ABLE will honor instructions from any person who provides correct identifying information, and is not responsible for fraudulent transactions it believes to be genuine according to these procedures. Accordingly, Account Owners bear the risk of loss if unauthorized persons obtain their username and password and conduct any transaction on their behalf. Account Owners can reduce this risk by checking their account information regularly which will give them an opportunity to prevent multiple fraudulent transactions.

Account Owners should avoid using passwords that can be guessed and should consider changing their password frequently. PA ABLE employees or representatives will not ask Account Owners for their password. Contact Customer Service at 855-529-ABLE (2253) immediately if you believe that your online account has been accessed in an unauthorized manner or your username and/or password have been released to an unauthorized individual.

Part 3. Your Account’s Effect on Means-Tested Benefits

A. In General
The federal ABLE Act specifies that assets in and Qualified Withdrawals from an ABLE account may not be considered in determining eligibility for any federal means-tested benefits – with a limited exception for Supplemental Security Income (see Part 3.B.).

While neither the ABLE Act nor any federal regulatory guidance further elaborates, the statute appears to be broad enough to cover such other programs as Medicaid (Medical Assistance), TANF, and federal student loan programs, for example. However, you should check with your benefits counselor to determine the impact in your particular situation.

B. Supplemental Security Income
Supplemental Security Income (SSI) is a federal program administered by the Social Security Administration (SSA) that provides cash benefits to individuals with qualifying disabilities or blindness who have limited incomes and resources. The SSA has issued guidance on how ABLE accounts will be treated for the purposes of SSI. The information presented in this Pennsylvania
ABLE Program Disclosure Statement is based on that guidance and other information provided by SSA. It is included here for informational purposes only. The authority for determining the impact of an ABLE Account on the Account Owner’s SSI entitlement rests solely with the SSA and is subject to change without notice.

Guidance from the SSA states that Social Security and SSI monthly benefit payments can be directly deposited into ABLE accounts because they are considered acceptable types of financial accounts. PA ABLE has notified the SSA that it believes this statement applies whether or not an eligible individual has a representative payee.

Further guidance from SSA sets forth the requirements for SSA funds not needed for the beneficiary’s current maintenance to be deposited in a financial account. PA ABLE has notified the SSA that it believes the Checking Option meets those requirements.

The SSA has not provided conclusive guidance on these issues, and SSA’s position on these issues are subject to change at any time. You should consult with your own legal and financial advisors and the SSA regarding your specific situation.

1. Income Exclusions
Contributions made directly to an Account from anyone other than the Account Owner are excluded from the income of the Account Owner for purposes of determining entitlement to SSI benefits. This includes Rollovers between states’ ABLE programs for the same Account Owner, Rollovers from a Sibling’s ABLE account, and Rollovers from a 529 account as described in Part 2.B.6.g., above. It is important to note that the contributions must be made directly into the Account and not be given to the Account Owner with the direction to deposit them into the ABLE account. If given to the Account Owner rather than directly contributed to the Account, the contribution will be considered income to the Account Owner and may impact his or her entitlement to SSI benefits.

Additionally, the impact on the SSI benefits of an Account Owner who rolls over or transfers his or her ABLE account to an ABLE account for a Sibling is uncertain. You may wish to check with your SSI benefits counselor before making such a Rollover or Transfer.

Income earned by an SSI recipient is counted as income for SSI purposes even if it is directly contributed to his or her account. For example, while an Account Owner can have contributions automatically deducted from his or her paycheck and deposited into his or her own Account, the income used to make the Account contributions would still be included in the Account Owner’s countable income.

The earnings on contributions held in the Account as well as withdrawals for Qualified Disability Expenses are not included in an SSI recipient’s countable income. And, Qualified Withdrawals are not counted as income.
2. **Resources Exclusions**

a. **ABLE Account values up to $100,000**

Resources in an ABLE account are excluded from countable resources up to $100,000. Any amount over $100,000 is considered a resource and is counted toward the SSI resource limit, which is currently $2,000. If the excess over $100,000 in your ABLE account puts you above the SSI non-ABLE resource limit, your SSI benefits will be suspended, but not terminated. During suspension, the Account Owner will continue to be eligible for Medical Assistance (Medicaid) (See Part 3.C.) and his or her SSI eligibility will not terminate even after SSI benefits have been suspended for 12 continuous months. The suspension is lifted when resources fall below the SSI non-ABLE resource limit.

For example, if your ABLE account has $101,000 and you have no other countable resources, your SSI will not be suspended because the excess over $100,000 is only $1,000 and does not exceed the $2,000 limit. However, if your account has $101,000 and you have $2,000 in other resources, your SSI will be suspended because the $1,000 ABLE excess plus the $2,000 in other resources is $3,000 and exceeds the $2,000 limit.

It is important to remember that only the $100,000 in your ABLE account is not counted as a resource. For example, if you have $3,000 in non-ABLE resources and $90,000 in your ABLE account, your SSI benefits may be suspended then terminated and your Medical Assistance (Medicaid) benefits might be impacted because your $3,000 in non-ABLE assets exceeds the $2,000 non-ABLE resource limit.

b. **Qualified and Non-qualified Withdrawals**

All Qualified Withdrawals from an Account will be excluded from an Account Owner’s countable resources when determining eligibility for SSI benefits except those used to pay for housing if the housing expense is not paid in the same month in which the amount was withdrawn from the Account. For example, if an Account Owner withdrew $500 for rent in November but did not make the rent payment until December, the $500 withdrawal would be considered a countable resource for the purposes of determining eligibility for SSI benefits.

Withdrawals, other than for housing, that are taken with the intention of using them for Qualified Disability Expenses, are excluded from an Account Owner’s resources even if he or she retains it after the month in which it is taken -- as long as it is used to pay for a Qualified Disability Expense eventually. For SSI purposes, there is no time limit on when a withdrawal intended to be used for Qualified Disability Expenses is actually used. (There may, however, be federal tax implications for withdrawals not used in the tax year in which they were taken). For example, a Beneficiary may take a Qualified Withdrawal for a wheelchair in January and retain it until he or she pays for the wheelchair in March. However, if the withdrawal is not ultimately used for Qualified Disability Expenses, SSI benefits might be impacted retroactively.
Once an ABLE account is used to pay for an item that is a Qualified Disability Expense, that item is no longer protected as an ABLE resource and it may be counted in determining whether the $2,000 resource limit is exceeded. However, there are many SSI resource exclusions so that most items purchased with ABLE account funds would be covered by the normal SSI resource exclusions. One notable exception is a second vehicle. The SSI resource exclusions allow a recipient to have one vehicle. If, for example, an ABLE Account Owner uses funds in their ABLE Account to purchase a second vehicle that is a handicap accessible van, the van would not be a resource exclusion and might impact the Account Owner’s entitlement to SSI benefits.

Non-qualified Withdrawals not used in the month they are taken will be considered countable resources.

3. Reporting to SSA
Under general SSI rules, a SSI recipient must report changes in his or her finances that could impact SSI eligibility. This would include any ABLE account activity that is not excluded from countable income or resources. Additionally, federal law requires PA ABLE to report to the SSA, on a monthly basis, the balance of and withdrawals from each Account. The SSA may use this data to assist in determining a SSI recipient’s eligibility for SSI.

C. Medicaid (Medical Assistance)
1. In General
While Medicaid (Medical Assistance) eligibility is not impacted by an ABLE account, the federal ABLE Act does contain a provision permitting states to seek reimbursement for Medicaid payments following the death of the Account Owner. A state may file a claim for any amounts remaining in the ABLE Account up to the amount of the total Medicaid (Medical Assistance) paid for the Account Owner under the state’s Medicaid plan after the establishment of the Account (or any ABLE account from which amounts were rolled or transferred to the current Account). The amount paid in satisfaction of such a claim is not a taxable withdrawal from the Account. Further, any outstanding payments due for Qualified Disability Expenses may be paid first.

Additionally, the amount paid is to be reduced by the amount of all premiums paid by or on behalf of the Account Owner to a Medicaid Buy-In program under that state’s Medicaid plan. Procedures for filing claims may vary from state to state. Authorized Individuals and executors and administrators should consider seeking legal counsel on the applicability of, and any available exceptions to, Medicaid recapture under applicable law and regulation. The Center for Medicare & Medicaid Services has not yet provided guidance on how Account funds will be treated for purposes of determining Medicaid eligibility. Please consult with your state’s Medicaid office for questions.
2. **In Pennsylvania**

Pennsylvania’s Enabling Law prohibits the Pennsylvania Department of Human Services (“DHS”), the state agency responsible for administering Medicaid (Medical Assistance), from filing a claim (described in Part 3.B.1.) against a PA ABLE Account or its proceeds. However, federal Medicaid regulations override the state law’s prohibition on filing a claim against the proceeds once they are transferred to the Account Owner’s estate. Accordingly, DHS may file such a claim against the estate but only if the Account Owner was 55 or older when he or she died. And, the claim may be only for nursing facility services, home and community-based services and related hospital and prescription drug services provided from the time the individual was 55 years of age and thereafter. Payment of the claim may be postponed if it can be shown that the Account Owner is survived by:

- A spouse
- A child under the age of 21
- A child of any age with disabilities

Once the condition for which the postponement was granted is no longer valid, e.g., a surviving child reaches the age of 21, DHS may then seek payment of the claim. During the period of postponement, the proceeds of the account may be used for limited purposes.

Please contact DHS, Office of General Counsel at 215-560-2192 for more information.

**D. Other Means-Tested Benefit Programs**

1. **Supplemental Nutrition Assistance Program ("SNAP").** In April 2016, the U.S. Department of Agriculture released a statement reporting that funds in ABLE accounts should be excluded as both income and resources in determining SNAP eligibility.

2. **U.S. Department of Housing and Urban Development ("HUD").** In April 2019, the U.S. Department of Housing and Urban Development released a notice that HUD program administrators and public housing directors will disregard amounts in an individual's ABLE account when determining eligibility and continued occupancy.

3. **Potential Impact on State or Local Benefits.** Contributions to an Account, along with withdrawals from an Account, could affect the Account Owner’s eligibility for state or local benefits programs or the amount you receive under those programs. Please consult with your state or local benefits agency or advisor for more information.

4. **Potential Impact on Private Benefits.** Balances in an Account, along with withdrawals from an Account, could affect the Account Owner’s eligibility for private benefits or the amount of benefits you receive, such as benefit amounts payable under a long-term disability insurance policy. Please consult with your private insurer for more information.
E. Additional Social Security Information

The Social Security Administration (“SSA”) publishes and regularly updates additional guidance on ABLE accounts through the SSA Program Operational Manual System (“POMS”) at https://secure.ssa.gov/poms.nsf/lnx/0501130740.

For SSA POMS guidance related to general information about ABLE accounts, visit: https://secure.ssa.gov/poms.nsf/lnx/0501130740.

For SSA POMS guidance related to SSA representative payees and ABLE accounts, visit: https://www.ssa.gov/payee/able_accounts.htm.

For SSA POMS guidance related to representative payee and direct deposit of SSI benefits into an ABLE account, visit: https://secure.ssa.gov/poms.nsf/lnx/0202402055.

You should consult with your own legal and financial advisors and closely review all relevant guidance available on SSA.gov regarding your specific situation.

Part 4. Tax Information

The federal tax treatment of an Account depends on PA ABLE being a “qualified ABLE program” under Section 529A of the Internal Revenue Code. The tax rules applicable to ABLE plans are complex, are, in some respects, open to different interpretations. The discussion of the federal tax treatment in this Disclosure Statement is not exhaustive; it is intended to provide general information as understood by PA ABLE based on the Internal Revenue Code, and Internal Revenue Service announcements. The discussion of the Pennsylvania tax treatment is based on PA ABLE’s understanding of the Pennsylvania ABLE Act and Pennsylvania tax law.

In addition, Section 529A and federal and Pennsylvania tax laws in general are subject to legislative changes, regulatory changes, and court interpretations. Any of these could eliminate, reduce, or improve the tax advantages of PA ABLE or require changes in the structure of PA ABLE that may restrict or otherwise affect the use of your Account.

A. Federal Tax Treatment

1. Tax Provisions Related to Contributions

Generally, for federal tax purposes, contributions to an Account are made on an after-tax basis. That is, in the year the contribution is made, a contributor may not deduct the contribution from income for purposes of determining federal income taxes. However, contributions made by the beneficiary to his or her Account before January 1, 2026 may be eligible for a federal tax credit.
To learn more about this tax credit and its requirements, please see Section 25B of the Internal Revenue Code or consult with a qualified tax advisor.

Contributions to an Account are not taxable income to the Account Owner. However, they may be considered gifts to the Account Owner subject to the federal gift and generation-skipping transfer taxes discussed below.

For federal tax purposes, contributions from someone, other than the Account Owner, to an Account are generally considered completed gifts to the Account Owner. This means contributions are potentially subject to federal gift tax. Additionally, if the Account Owner is two or more generations below the contributor, federal generation-skipping transfer taxes might also apply. Generally, if a contributor’s contributions, together with all other gifts by that contributor to the Account Owner during a calendar year, are less than the gift tax annual exclusion amount, no federal gift tax or generation-skipping transfer tax will be imposed. The gift tax annual exclusion is currently $16,000 for an individual (increasing to $17,000 on January 1, 2023) and $32,000 for a married couple that elects to split gifts (increasing to $34,000 on January 1, 2023) and is periodically adjusted for inflation. If all gifts to the Account Owner (including the contribution to the Account) are that amount or less, the contributor is not required to file a federal gift tax return, unless an election to split gifts is to be made.

Even if a contribution exceeds the gift tax annual exclusion, gift and generation-skipping taxes might not be owed. As of 2022 the unified gift and estate tax exclusion was increased to $12.06 million, by the 2017 Tax Cuts and Jobs Act and is set to expire after December 31, 2025. This means that if gifts given during the contributor’s lifetime combined with the value of his or her estate upon death are less than $12.06 million, they are not subject to transfer taxes. Accordingly, while gift tax returns are required for gifts in excess of the $16,000 (subject to adjustment for inflation) gift tax annual exclusion (increasing to $17,000 on January 1, 2023), no actual gift tax will be due until the applicable exemption amounts have been exhausted.

Federal law requires PA ABLE to report annually to the IRS contributions, withdrawals and other matters for each Account, using IRS Form 5498-Q. Copies will also be sent to the Account Owner, and other persons, if any, to the extent required pursuant to law.

2. Taxation on Earnings
During the time contributions are held in an Account, their earnings are not subject to federal taxes; that is, they are tax deferred.

Whether and how the earnings are taxed when a withdrawal is made depends on the type of withdrawal being made (see Part 2.E.4.). The earnings portion of a Qualified Withdrawal is not subject to federal taxes; that is, Qualified Withdrawals are tax exempt. If applicable requirements are met, the earnings portion of Rollovers (Direct and Indirect) and Transfer with PA ABLE are exempt from federal taxation. The earnings portion of Non-qualified Withdrawals is subject to federal income tax as ordinary income (not capital gains) and, with limited
exceptions an additional 10% federal tax. Federal law requires that the calculation of taxes be taken ratably over all the Investment Options used in the Account and also be prorated between contributions and earnings.

The Internal Revenue Service currently requires PA ABLE to issue a Form 1099-QA for all withdrawals (excluding changing the Account Owner), regardless of whether the earnings are taxable. The Form 1099-QA will be issued to the Account Owner or to the Account Owner’s estate if the withdrawal was paid to the estate. If the withdrawal was made as a result of Excess Contributions, the Form 1099-QA will be sent to the contributor(s) who made the excess contribution, reflecting, among other information, the earnings portion withdrawn during the calendar year. (See Part 2.B.2.).

IRS Form 1099-QA will be filed by PA ABLE with the IRS reporting withdrawals, whether taxable or tax-exempt (excluding changes of Beneficiaries and Transfers between PA ABLE accounts). The form will also be sent to the Account Owner and in the case of refunded excess contributions to the contributor of the excess contribution.

**B. Pennsylvania Tax Treatment**

1. **Tax Provisions Related to Contributions**

   Pennsylvania law provides that, for individuals subject to Pennsylvania income tax, contributions made to an Account may be deducted from taxable income on the contributor’s annual personal income tax return for the year in which the contribution was made. The maximum annual amount that may be deducted is limited to the amount of the federal gift tax annual exclusion, which is currently $16,000 per taxpayer (increasing to $17,000 on January 1, 2023). The deductible amount will increase with any changes in the federal gift tax annual exclusion. The deduction cannot result in the taxable income being less than zero.

2. **Taxation of Earnings**

   During the time contributions are held in an Account, their earnings are not subject to Pennsylvania income taxes; that is, the earnings are tax deferred. Additionally, when withdrawn, the earnings are exempt from Pennsylvania income tax if they are used for Qualified Disability Expenses or are Rollovers or Transfers between PA ABLE Accounts, whether to the same Account Owner or a new Account Owner, the earnings portion of Non-qualified Withdrawals are subject to Pennsylvania income tax. Unlike federal taxation, Pennsylvania uses a cash-basis for calculating tax on earnings. That is, withdrawals are deemed to be taken first from contributions and only when the contribution portion is exhausted from earnings.

3. **Taxation of Transfers including Inheritance Tax**

   The transfer of any legal interest in an Account, whether during life or as a result of the death of the Account Owner is exempt from all Pennsylvania taxation. This means that the assets in an Account are generally not subject to Pennsylvania inheritance tax. Additionally, the designation
of a new Account Owner is not subject to Pennsylvania state or local taxes provided that the
requirements for changing an Account Owner are met.

4. Other States’ Tax Treatment
This Disclosure Statement summarizes the federal and Pennsylvania tax laws applicable to PA
ABLE. Other states’ tax treatment may differ based on the state or states in which you pay taxes.
You should consult with your tax advisor about any state or local taxes, including income, gift,
estate, inheritance, and generation-skipping transfer taxes. If you are not a Pennsylvania
taxpayer, consider before investing whether the Account Owner’s home state offers a qualified
ABLE program that provides its taxpayers with favorable state tax or other benefits that may
only be available through investment in the home state’s ABLE plan. Please consult your
financial, tax, or other advisor to learn more about how state-based benefits (or any limitations)
would apply to your specific circumstances. You also may wish to contact your home state’s
qualified ABLE program, or any other qualified ABLE program, to learn more about those
plans’ features, benefits, and limitations. Keep in mind that state-based benefits should be one of
many appropriately weighted factors to be considered when making an investment decision.

Part 5. Risk Factors
PA ABLE is designed to help families save for Qualified Disability Expenses in a tax-
advantaged way without jeopardizing entitlement to government benefits. However, as is the
case with most financial products, there are various risks associated with making contributions to
an Account. In addition to the investment risks, described in Appendix C., this section describes
some of the other risks, but does not constitute an exhaustive list of the factors you should
consider before making a contribution. Additional risks not discussed in the Plan Disclosure
Booklet may arise, and you must be willing and able to accept those risks. You may wish to
consult your financial advisor before making a contribution.

A. Status of PA ABLE as a Qualified ABLE Program
The Department intends to run PA ABLE in accordance with the requirements of Section 529A
of the Internal Revenue Code. However, in the event that PA ABLE does not meet the
requirements of Section 529A, the tax advantages and benefit protections described in this
Disclosure Statement may not be available to Account Owners, and there may be other adverse
tax and benefit consequences as well. A potential Account Owner may wish to consult with a
tax advisor.

B. Investment Risks
If you invest in PA ABLE, you may lose money, including your principal. The value of your
Account may increase or decrease over time based on the performance of the Investment
Option(s) you select. It is possible that, at any given time, your Account’s value may be less
than the total amount contributed. None of PA ABLE, the Department, the Commonwealth of
Pennsylvania, Ascensus, or the Investment Firms makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. An investment in PA ABLE is not a bank deposit, and it is not insured or guaranteed by the federal government, the FDIC (with the exception of the Checking Account Option), the Commonwealth of Pennsylvania, or any other government agency.

C. Cybersecurity Risk

With the increased use of technologies such as the Internet to conduct business, the Plan, the Investment Options and the Underlying Investments are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Plan’s or an Underlying Investment’s manager(s) and other service providers (including, but not limited to, accountants, custodians, transfer agents, and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with an Investment Option’s or Underlying Investment’s ability to calculate its net asset value impediments to trading, the inability of Account Owners or Underlying Investment shareholders (including the Trust) to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which an Underlying Investment invests, counterparties with which an Underlying Investment engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. Although the Plan Administrators have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified.

D. Force Majeure

Due to financial market uncertainties, the overall market value of your Account may exhibit volatility and could be subject to wide fluctuations in the event of Force Majeure (See Appendix D). All of these factors may cause the value of your Account to decrease (realized or unrealized losses) regardless of our performance or any systematic investing on your part. There is no assurance that any Investment Option will achieve its goals.
E. Program Structure Risks

Federal law restricts the frequency with which you may reallocate existing contributions in your Account or make a Rollover. Other than choosing among the offered Investment Options, you do not control the investment instruments or asset allocation used. Other than the Checking Account Option, your savings are considered less liquid than some other types of investments (for example, bank savings accounts or mutual funds) because the circumstances in which you may withdraw funds without a penalty or adverse tax consequences are more limited.

Even if you have reached the Maximum Account Balance Limit, the balance in your Account may not be enough to cover all of the Account Owner’s Qualified Disability Expenses.

If you take a Non-qualified Withdrawal, for federal tax purposes the earnings will be taxable as ordinary income plus an additional federal tax of 10%, with some exceptions (See Part 2.E.4.e (ii)). For Pennsylvania tax purposes, the earnings will be taxable as ordinary income.

The amount of Qualified Expenses incurred by the Account Owner could be less than the total value of the Account. If so, and if the Account is not rolled over or transferred to another Eligible Individual who is a Sibling of the Account Owner, you will only be able to access the remaining value of your account through a Non-qualified Withdrawal, and thus incur the adverse tax consequences noted in the previous paragraph.

The Department has the right to change your PA ABLE Participation Agreement unilaterally and, in some instances, without prior notice to you, which could result in terms and conditions less favorable to the Account Owner.

The Department reserves the right, in its sole discretion, to discontinue PA ABLE or to change any aspect of PA ABLE. For example, the Department may change PA ABLE’s fees and charges; add, subtract, or merge Investment Options; close an Investment Option to new investors; or change the Underlying Fund(s) of a Investment Option. Depending on the nature of the change, Account Owners may be required to participate in, or be prohibited from participating in, the change with respect to Accounts established before the change. In addition, Ascensus, and the Investment Firms may not necessarily remain in their current roles.

F. Risk of Changes in Federal and State Law

Federal and state law and regulations governing ABLE programs could change in the future. In addition, federal and state laws on related matters, such as the treatment for Medicaid and bankruptcy, are subject to change. It is unknown what effect any future changes could have on an Account. PA ABLE reserves the right to make modifications as it deems necessary in its sole discretion, for such reasons as, but not limited to, ensuring compliance with state or federal laws and regulations, and preserving its status as a qualified ABLE program.
G. No Indemnification

The Commonwealth, Treasury Department, PA ABLE, the Investment Firms, or Ascensus or any of their affiliates, will not indemnify any Account Owner against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of a Commonwealth employee or arising from the acts, negligent or otherwise, of an Investment Firm, or Ascensus or any service providers authorized by PA ABLE and retained by an Investment Firm, or Ascensus.

H. No Security Registration

There has been no registration in connection with PA ABLE with the U.S. Securities and Exchange Commission or with any state securities commission.

Part 6. Additional Legal and Administrative Information

A. The Investment Guidelines

The Investment Guidelines applicable to PA ABLE may be changed at any time. The current Investment Guidelines are available by calling our Customer Service Center at 855-529-ABLE (2253).

B. PA ABLE Procedures and Requirements

Your Account and your Pennsylvania ABLE Savings Program Contract are subject to all procedures and requirements adopted by PA ABLE from time to time. Additionally, PA ABLE reserves the right to:

- Refuse, change, discontinue, or temporarily suspend Account services, including accepting contributions and processing withdrawal requests, for any reason.
- Delay sending out the proceeds of a withdrawal request.
- Refuse, following receipt of a contribution, withdrawal requests relating to that contribution for up to 13 days.
- Suspend the processing of withdrawal requests or postpone sending out the proceeds of a withdrawal request under any emergency circumstances.

C. Availability of Financial Statements and Other Reports

Upon request, Account Owners will be sent financial reports of PA ABLE as well as any other official documents and reports issued by PA ABLE. These may also be available at PAABLE.gov.

D. Suitability

PA ABLE, the Department, the Commonwealth of Pennsylvania, Ascensus, and the Investment Firms make no representations regarding the suitability of PA ABLE’s Investment Options for any particular investor. Other types of investments and other types of savings vehicles may be
more appropriate depending upon your personal circumstances. Please consult your tax or investment advisor for more information.

E. Not an Offer to Sell
This Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security issued by PA ABLE by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

F. Federal Bankruptcy Exemption for Certain Contributions to Accounts
Federal bankruptcy laws exempt from certain contributors’ creditors certain funds contributed to an account under a qualified ABLE program. The exemption protects (i) up to $6,425 contributed to the Account at least 365 days and within 720 days before the bankruptcy filing and (ii) all contributions and associated earnings (up to the maximum contribution amount which is currently $511,758) made more than 720 days before the bankruptcy filing, providing in both cases that during the tax year in which the contribution was made the Account Owner was a child, stepchild, grandchild, or stepgrandchild of the individual filing for bankruptcy.

G. Abandoned and Unclaimed Accounts
States’ unclaimed property laws may require PA ABLE to turn over certain Accounts deemed to be abandoned or unclaimed to the custody and control of the state of the last known residence of the Account Owner. Unclaimed property laws vary by state including the circumstances under which an Account is deemed to be abandoned or unclaimed and the consequences of such a designation. If PA ABLE is required to turn over an Account as abandoned or unclaimed property, depending on the law of the applicable state, PA ABLE or the receiving state may need to liquidate the Account, and, once liquidated, there might be no additional earnings on the Account. If an Account is turned over, in order to reclaim the Account, the Account Owner or Authorized Individual would need to follow the receiving state’s procedures for claiming abandoned or unclaimed property.

H. Limitation on Pledges, Assignments, and Loans
Your Account may not be pledged as security for a loan or debt. You may not borrow amounts in your Account.

I. Information Subject to Change
The information in this Disclosure Statement is believed to be accurate as of the cover date but is subject to change without notice. No one is authorized to provide information that is different from the information in the most current form of this Disclosure Statement and any amendments to this Disclosure Statement.
J. Important Reference Material

Please keep this Disclosure Statement for future reference. This document gives you important information about PA ABLE, including information about investment risks, and the terms under which you agree to participate in PA ABLE.

K. Conflicts

In the event of any conflicts, the Pennsylvania Statutes, the U.S. Internal Revenue Code, and any regulations promulgated pursuant to those laws shall prevail over this Disclosure Statement.
Appendix A: Pennsylvania ABLE Savings Program Participation Agreement

1. I hereby agree that by opening a Pennsylvania ABLE Savings Account, I am entering into a contract (the “Contract”) with the Commonwealth of Pennsylvania, Treasury Department (the “Department”), and the Pennsylvania ABLE Savings Program (“PA ABLE”) as authorized by the Pennsylvania ABLE Act, Act of 2016, April 18, P.L. 128, No. 17 (the “Enabling Law”). The Contract includes this Participation Agreement, the PA ABLE Program Disclosure Statement, and the Enrollment Application. By signing and submitting the Enrollment Application, I am agreeing to the terms and conditions set forth in these documents. I acknowledge that each capitalized term used but not defined in this Participation Agreement has the same meaning as it has in the PA ABLE Disclosure Statement (“Disclosure Statement”) and/or the Enabling Law.

2. I have received and have had an opportunity to read the Disclosure Statement. I have been given the opportunity to obtain answers to all of my questions concerning PA ABLE, my Account, and the Contract. I understand that the Contract shall become effective upon the opening of the Account. In making a decision to open an Account and enter into this Contract, I have not relied upon any representations or other information, whether oral or written, other than as set forth in this Contract.

3. I understand that, subject to all applicable state and federal laws, rules, and regulations, the Contract is the complete and exclusive statement of the agreement between the Department, PA ABLE, and me. I understand that the Contract supersedes any prior agreement, oral or written, and any other communications between the Department (through any means and by any individuals) relating to the subject matter of PA ABLE. The Department and PA ABLE make every effort to ensure that all documentation about PA ABLE is accurate. If, however, there is a conflict between any such documentation and the Contract, the terms described in the Disclosure Statement shall take precedence followed by the PA ABLE Participation Agreement.

4. I understand that the qualification of PA ABLE as a “qualified ABLE plan” under Section 529A of the Internal Revenue Code is critical to PA ABLE and its participants, and agree that the Contract may be amended by the Department or PA ABLE at any time without my consent or prior notice if the Department or PA ABLE determines that such an amendment is required for PA ABLE to be qualified.

6. I understand and agree that the Department and PA ABLE reserve the right, upon written notice and without my consent, to modify the Contract, as deemed necessary
by the Department in its sole discretion, for such reasons as, but not limited to, ensuring compliance with state or federal laws and regulations and ensuring the proper administration of PA ABLE. To the extent, if any, that the Contract references procedures, the Department and PA ABLE reserve the right to change those procedures.

7. I certify that I am opening and contributing to my Account to provide funds for the Qualified Disability Expenses of the Account Owner. I understand that taking a withdrawal for any reason other than the payment of Qualified Disability Expenses may subject that withdrawal to federal and Pennsylvania state taxes and penalties. Furthermore, I understand that:

   a. Any contribution, or portion of such contribution, that causes the total Account balance to exceed the applicable Maximum Account Value Limit (currently $511,758 but subject to change) will be rejected and returned.

   b. Any contribution, or portion of such contribution, that causes total contributions to my Account to exceed the Annual Contribution Limit, currently $16,000 (increasing to $17,000 on January 1, 2023) but subject to change (see Part 2.B.2. for an important exception to the Annual Contribution Limit), will be rejected and returned.

8. I recognize that saving in PA ABLE involves certain risks, and I have taken into consideration and understand the risks including, but not limited to, those set forth in the Disclosure Statement.

9. With respect to each Investment Option other than the Checking Account Option (see Appendix B for more information), I understand and acknowledge that neither my contributions nor investment returns so allocated to my Account are guaranteed or insured by any person or entity. I understand that there is no guarantee that PA ABLE’s investment objectives will be achieved. I further acknowledge that neither the Department nor PA ABLE may pledge the credit or taxing power of the Commonwealth. Nothing in the Contract shall be deemed or construed as an express or implied waiver of the sovereign immunity of the Commonwealth of Pennsylvania, the Department, or PA ABLE, or as a pledge of the full faith and credit of the Commonwealth.

10. I understand that none of the Commonwealth, the Department, or any consultant, advisor, or other entity retained by the Commonwealth or the Department has any debt to the Account Owner, an Authorized Individual, a contributor to an Account, or any other person as a result of the establishment of a PA ABLE Account, and that none of such parties assumes any risk or liability for funds contributed to PA ABLE.
11. I understand that, other than directing new contributions among the Investment Options, I have no authority to direct the investment of any assets in my PA ABLE Account and that, while I may move my assets to other ABLE plans and between PA ABLE Accounts for different Account Owners, without incurring federal and/or Pennsylvania tax consequences and penalties, there are restrictions and limitations on my doing so.

12. I acknowledge and agree that no PA ABLE Account may be used as collateral for any loan. Any attempted use of a PA ABLE Account as collateral for a loan shall be void.

13. I acknowledge and agree that I may not assign or transfer any interest in any PA ABLE Account except as provided in the Contract or as permitted by law. Any other attempted assignment or transfer of such interest shall be void.

14. I acknowledge and agree that PA ABLE is established and maintained by the Commonwealth and the Department pursuant to the Enabling Law and other applicable laws and is intended to qualify for certain federal income tax and government needs-based benefits consequences under Section 529A of the Internal Revenue Code. I further acknowledge that such federal and state laws are subject to change, sometimes with retroactive effect, and that none of the Commonwealth, the Department, PA ABLE, contractor, or any advisor, consultant, or other entity retained by any such party makes any representation that such state or federal laws will not be changed or repealed or that the terms and conditions of PA ABLE will remain as currently described in the Contract.

15. I certify that all information provided by me or on my behalf in the Enrollment Application, any supplement thereto, or to any other portion of the PA ABLE Plan Contract, and in any documents, notices, or certifications delivered under the PA ABLE Plan Contract, is and will be true and correct. I will promptly notify PA ABLE of any changes, including changes in my condition that would cause me to cease being an Eligible Individual, to any such information.

16. To the extent, if any, that I am entering into the Contract as an Authorized Individual, I have full power and authority to enter into and perform the Contract.

17. I understand that I may cancel the Contract at any time by written notice to PA ABLE and that if, in doing so, I take a Qualified Withdrawal or Non-qualified Withdrawal, the provisions governing those will be applicable.

18. I understand that any contractor engaged by the Department or PA ABLE in fulfillment of its powers and duties under the Enabling Law is a third-party
beneficiary of my statements, agreements, representations, warranties, and covenants in the Contract.

19. I recognize that the establishment of any PA ABLE Account will be based upon my statements, agreements, representations, warranties, and covenants set forth in the Contract, and I agree to indemnify and hold harmless the Commonwealth, the Department, PA ABLE, a contractor, and any representatives or contractors of any such party from and against any and all loss, damage, liability, or expense, including costs of reasonable attorney’s fees, to which they may be put or which they may incur by reason of, or in connection with, any misstatement or misrepresentation made by me or an Authorized Individual, any breach by me of the acknowledgments, representations, or warranties contained in the PA ABLE Participation Agreement, any failure to fulfill any covenants or agreements set forth herein, or any action taken by such party in accordance with the terms of the Contract. If the indemnification provided for in this paragraph is unavailable, in whole or in part, or is insufficient to hold an indemnitee harmless, then I agree to contribute to the amount paid or payable by the indemnitee in such proportion as is appropriate to reflect the relative benefits received by the indemnitee and me in connection with my PA ABLE Account or, if such allocation is not permitted by applicable law, in such proportion to reflect not only the relative benefits received but also the relative fault of the indemnitee and me. The relative benefits received by a party shall be the total revenue derived by each party from the transaction(s) underlying the claim subject to indemnification or contribution. The relative fault shall be determined by reference to the act or acts committed by each party in the transaction(s) underlying the claim subject to indemnification or contribution and the parties’ relative intent, knowledge, access to information, and opportunity to prevent or correct the act or acts committed by each party in the transaction(s) underlying the claim subject to indemnification or contribution. All of my statements, representations, warranties, or covenants, and this paragraph, shall survive the termination of the Contract.

20. I acknowledge and agree that PA ABLE may at any time, and from time to time, be suspended or terminated. But, except as otherwise expressly provided herein, the Account may not be diverted from the Account Owner’s exclusive benefit. Nothing contained in the Contract shall constitute an agreement or representation by the Department, PA ABLE, or any other party that PA ABLE will be maintained indefinitely. Any amendments to statutes or regulations governing PA ABLE automatically amend the Contract, and any amendments to operating procedures and policies of PA ABLE will amend the Contract when such amendments become effective.

21. All factual determinations regarding an Account Owner’s Disability, Family Members, Material Misrepresentations, and any other factual determinations regarding the Contract will be at the sole discretion of the Department or PA ABLE.
22. The Contract will be construed in accordance with the laws of the Commonwealth of Pennsylvania.

23. The Commonwealth, Treasury Department, PA ABLE, the Investment Firms, and Ascensus, are not liable for: (i) a failure of PA ABLE to qualify or to remain a qualified ABLE program under the Code including any subsequent loss of favorable tax treatment under state or federal law; (ii) any loss of funds contributed to my Account or for the denial to me of a perceived tax or other benefit under PA ABLE, the Disclosure Statement or the Enrollment Form; or (iii) loss, failure or delay in performance of each of their obligations related to your Account or any diminution in the value of your Account arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control in the event of Force Majeure.

24. In the event that any clause or portion of the Contract is found to be invalid or unenforceable by a court of competent jurisdiction, at the option of the Department or PA ABLE, the Contract may be deemed void, or that clause or portion found to be invalid will be severed from the Contract and the remainder of the Contract will continue in full force and effect as if such clause or portion had never been included.

25. Any controversy or claim arising out of or relating to PA ABLE or the Enrollment Application, or the breach, termination, or validity of PA ABLE or the Enrollment Application, to the extent allowed under the Commonwealth’s statutory waiver of Sovereign Immunity, shall be brought via a Petition for Review before a Pennsylvania Treasury Hearing Officer. A Petition for Review may be filed with the Prothonotary of the Pennsylvania Treasury Department via email at prothonotary@patreasury.gov or via mail at:

Prothonotary
Office of Chief Counsel
Pennsylvania Treasury Department
127 Finance Building
Harrisburg, PA 17120

Please be advised email is preferred.

If you file a Petition for Review, an administrative hearing will be scheduled with a Treasury hearing officer. You may present your case pro se (represent yourself) or have an attorney represent you at the hearing. Petitions must contain your PA ABLE account number and the following information: 1. The petitioner’s name, address, and telephone number (where you can be reached between 9:00am and 5:00pm). 2. The name, address, and telephone number of the authorized representative, if any. 3. A detailed statement in separately numbered paragraphs of the facts and grounds relied
upon. If based upon a written document, a copy of document, or material part of the
document shall be attached. 4. A statement specifying the relief to which the
petitioner deems itself entitled, which shall cite the legal authority relied upon. 5. A
statement that either (A) a hearing is requested or (B) the right to a hearing is waived
and the petitioner is resting the case on the petition and record, with or without a
brief. 6. A signed statement certifying that the facts contained in the petition are true
and correct to the petitioner’s knowledge and belief, and that the petition is not made
for purposes of delay. If the matter is not able to be resolved by a Pennsylvania
Treasury Hearing Officer, you may appeal to the Commonwealth Court of
Pennsylvania
Appendix B: Fifth Third Bank, National Association Terms & Conditions

PRICING & SERVICES APPLICABLE TO THE CHECKING ACCOUNT OPTION

Have questions about the Checking Account Option? Call us at 1-888-516-2375.

<table>
<thead>
<tr>
<th>Opening and Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Deposit Needed to Open</td>
</tr>
<tr>
<td>Monthly Service Charge</td>
</tr>
</tbody>
</table>

Requirements to Waive Monthly Service Charge

Meet either of the following:

- Enroll in electronic statement delivery. To enroll in electronic statement delivery for the Checking Account Option, once you receive your debit card, visit www.53.com, register the checking account, and click on Documents to select your delivery preferences.
- Maintain an average monthly balance of at least $250.

In-Network ATM Fees

$0 – No charge to use Fifth Third ATMs or partner network ATMs

Out of Network ATM Fees

$3.00 for U.S. transactions
$5.00 for International transactions

Other ATM network owners may also assess a usage fee. No charge to use partner network ATMs.

Checkbook Fee

If ordering a starter pack checkbook, a fee of $6.00 will be deducted from the Checking Account Option. The checkbook will be shipped when the balance of the Checking Account Option is at least $25.00.

International POS/ATM Transaction Fee

3% of transaction amount

Currency Conversion Fee

0.20% of transaction amount

<table>
<thead>
<tr>
<th>Overdraft Fees and Returned Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overdraft Fee</td>
</tr>
<tr>
<td>Returned Item Fee Per Item</td>
</tr>
</tbody>
</table>
1. Fifth Third Bank, National Association is part of the Allpoint®, Presto!, and 7-Eleven® network of ATMs, which features more than 50,000 fee-free ATMs nation-wide. Customers of Fifth Third Bank can use their Fifth Third debit or prepaid card to withdraw cash fee-free from any domestic Allpoint® ATM in addition to Presto! ATMs located in Publix stores, and 7-Eleven® ATMs listed on our ATM locator on 53.com or on our Mobile Banking app. Fees will apply when using your credit card at any ATM to perform a cash advance or when using a credit card to withdraw cash at any Presto! ATM. ATM fees may apply to certain 7-Eleven® locations in Oklahoma, Hawaii, and Alaska. Any 7-Eleven® location listed on our ATM locator is fee-free. See the Deposit Account Rules & Regulations for additional information on ATM fees and services. ATM network is fee free for Fifth Third Bank customers when using their debit or prepaid card to withdraw cash. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer). Non-Fifth Third ATM Transaction: $3.00 per transaction; International Point of Sale/ATM Transaction Fee: 3.00% of Transaction Amount; Currency Conversion Fee: 0.20% of the Transaction Amount; International ATM Withdrawal: $5.00; Non-Fifth Third Cash Advance Debit Card Fee: Greater of $5 or 3.00% of the transaction amount up to a maximum of $10.

2. See Debit Card Disclosure and Card Agreement.

3. Exchange rates, other bank fees, and taxes may apply.

<table>
<thead>
<tr>
<th>Current Interest Rates for the ABLE Checking Account Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking Account Balance</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>$0.01 - $9,999</td>
</tr>
<tr>
<td>$10,000 - $24,999</td>
</tr>
<tr>
<td>$25,000 - $49,999</td>
</tr>
<tr>
<td>$50,000 and greater</td>
</tr>
</tbody>
</table>

* The checking account earns interest. Please visit the Plan’s website for the interest rates and annual percentage yields (APY). At the Bank’s discretion, the Bank may change the interest rate and APY at any time on the checking account without notice. Interest begins to accrue no later than the business day funds from the Plan Administrator post to the checking account. Interest on the checking account will be compounded continuously and credited monthly. The Bank uses the daily balance method to calculate interest on the checking account. This method applies a daily periodic rate to the balance in the checking account each day. When the checking account is closed you will forfeit any accrued interest.
Checking Account Option for Plan provided by Fifth Third Bank, National Association, Member FDIC. The standard deposit insurance amount is $250,000 per depositor. Please see www.fdic.gov for insurance coverage. Fifth Third and Fifth Third Bank, National Association are registered service marks of Fifth Third Bancorp. Equal Housing Lender.

GENERAL TERMS & CONDITIONS APPLICABLE TO THE CHECKING ACCOUNT OPTION

The Checking Account Option is offered as an Investment Option under the Plan and administered by Fifth Third Bank, National Association. Checking accounts are owned by the Plan for the benefit of the Account Owner. Account Owners who select the Checking Account Option may access checking account information and authorize withdrawals from the checking account, subject to these Terms and Conditions with Fifth Third Bank, National Association. Under no circumstances may any interest in the checking account be sold, exchanged, or used as security or collateral for a loan. In addition, the checking account is subject to the terms and conditions of the Plan as set forth in the Plan Disclosure Booklet which contain important information about the Plan and the Checking Account Option, and limitations on your ability to contribute, withdraw, or transfer funds to and from the checking account.

Transactions

1. Deposits to the Checking Account Option are limited to contributions made through your Plan. Banking Center, ATM, and mobile deposits, Direct Deposits, and any other Automated Clearing House (ACH) credits are not permitted on the checking account.

2. The Bank may refuse at any time to accept any deposit and it may, at any time, close the checking account of any Customer at the direction of the Plan Administrator.

3. Customer understands and agrees that the Bank will not accept a substitute check that was created by a person or entity other than a bank, which has not yet been transferred by a bank, unless otherwise agreed to by the Bank under separate written agreement.

4. The Bank assumes no liability for the payment of a post-dated check, unless notice of such post-dated check is given to the Bank in the form of a stop payment request as described below. If sufficient notice is received, the request will be treated as a stop payment request in accordance with the below stop payment provisions for all purposes including its effective period. It is the Customer’s obligation to remove a stop payment order for a post-dated item once the item is no longer post-dated.

5. The Bank is under no obligation to honor a check presented more than six months after date of issuance, but may charge Customer’s checking account for payment made thereafter in good faith.
6. Customer agrees that the Bank can disregard any information on an item other than MICR encoded data, amount, signature of drawer, and identity of payee.

7. Customer authorizes the Bank to honor any items bearing Customer’s checking account number if Customer has disclosed that account number to the payee or any representative, affiliate, or party associated with the payee, whether or not the item is signed by the Customer. Customer further agrees that the Bank may presume that authorization was obtained by the issuer of the item. For example, if Customer voluntarily gives information about their checking account (such as the routing number and account number) to a party who is seeking to sell Customer goods or services, and Customer does not physically deliver a check to the party, any debit to the checking account initiated by the party to whom you gave the information is deemed authorized. Customer is responsible for all properly payable items.

8. If the Bank cannot locate an item in the collection process and Customer suffers a loss, Bank will be liable up to the amount of the item only.

9. **Stop Payment**: A fee may be charged for any stop payment order. A stop payment order will be accepted only if sufficient information is given at the same time of request to reasonably allow the Bank to honor the request. The Bank will honor only the exact information given us; otherwise, the Bank is not responsible. A stop payment is effective for six months. Stop payment orders will not be effective until the Bank has recorded the information on the checking account and has had sufficient time to enforce the order. If Bank re-credits the checking account after payment over a verbal and timely stop payment order, Customer agrees to transfer all rights against payee or other holder of the item to Bank and will assist Bank in legal action taken against such person. Customer agrees that the Bank will not be obligated to re-credit the checking account if Customer received anything of value for the check. Computer generated checks without MICR line cannot be stopped.

10. Customer agrees that the Bank may charge a fee to anyone presenting an item for payment from Account Owner’s checking account if such person does not have an account with the Bank.

11. **Right to Stop Payment of Pre-Authorized Transfers**: If you have told us in advance to make regular payments from the checking account, you can stop any of these payments.

**Procedure to Stop Payment**: Contact us in time for us to receive your request three Business Days or more before the payment is scheduled to be made. To do so, you can call us at 1-888-516-2375 or write to: Customer Service Department, Fifth Third Bank Madisonville Operations Center - MD 1M0C3A, Cincinnati, OH 45263. If you call, we may also require that you put your request in writing and get it to us within fourteen (14) days after your telephone call. We will charge you a fee for each stop payment order you give. Once you have placed a stop payment order on a pre-authorized transfer, the Bank will not make any more pre-authorized transfers to the person whom you were going to pay until we receive a new written authorization from you.
Notice of Varying Amounts: If these regular payments vary in amount, the person whom you are going to pay will tell you ten (10) days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount will fall outside certain limits you set. We suggest that you contact the person you are going to pay directly to discuss this matter.

Bank’s Liability for Failure to Stop Payment: If you order us to stop one of these payments three (3) Business Days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages. The Bank will honor only the exact information given us; otherwise, the Bank is not responsible.

Important Information About Substitute Checks and Your Rights
If you are a consumer Customer who receives paid checks with your periodic checking account statements:

What is a substitute check?
To make check processing faster, federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of the original check. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to the checking account. However, you have rights under other laws with respect to those transactions.

What are my rights regarding substitute checks?
In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to the checking account (for example, if you think that we withdrew the wrong amount from the checking account or that we withdrew money from the checking account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from the checking account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if the checking account earns interest. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500 of your refund (plus interest if the checking account earns interest) within 10 Business Days after we received your claim and the
remainder of your refund (plus interest if the checking account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to the checking account.

**How do I make a claim for a refund?**
If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to the checking account, contact us. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the checking account statement showing that the substitute check was posted to the checking account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

**Your claim must include:**
- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, and the amount of the check.

**Checking Account Ownership**
1. In the event the account ownership or signing authority on a checking account is in dispute for any reason, including but not limited to a lost or destroyed signature card, and/or in the event of a conflict between Account Owners or individuals with signing authority on a checking account, the Bank reserves the right to take action, which may include, without limitation, instituting legal proceedings and/or placing a hold on the checking account until such time as the dispute or conflict is resolved.

2. Checking accounts and Cards are not transferable except as otherwise agreed in writing. Assignments and encumbrances for other than indebtedness owing to the Bank must be consented to by Bank after receipt of written notice from the depositor.

**Statements & Notices**
1. Customer agrees to carefully examine and reconcile checking account statements and that statements may be mailed or made available to the last known address as carried on the records of Bank or made available to Customer via other means, i.e. Internet banking. Customer agrees that Bank will not be liable if Customer fails to exercise ordinary care in examining their statements. Customer will notify Bank of any discrepancy with any item, including, but not limited to, deposits, withdrawals, and
checks, within thirty (30) days of the statement mailing or made available to customer date. Customer will also notify Bank of any forgery or alteration of any item within thirty (30) days of the statement mailing or made available to customer date. If notification is not received, Bank will have no liability for such item(s). Customer also agrees that Bank will have no liability if the item is forged, altered or counterfeited in such a manner that the fraud could not be detected by a reasonable person. Customer assumes all liability for unauthorized signatures produced by a facsimile signature device or stamp.

2. Cancelled checks will not be provided in checking account statements but reproductions will be available upon Customer’s request. Fees may apply. This occurrence will not extend the time within which Customer must notify Bank of irregularities shown on their statement.

3. Original deposit account documents will not be provided in checking account statements, but reproductions will be available upon Customer’s request. Fees may apply. This occurrence will not extend the time within which Customer must notify Bank of irregularities shown on their statement.

Other Terms

1. Bank may re-open a closed checking account for any reason, including without limitation, to post items drawn on the checking account presented for payment, returned items, or fees.

2. We may reject, freeze, reverse or delay any transaction to or from your account or place a hold on some or all of the funds in the checking account if we believe it may be subject to irregular, fraudulent, illegal or unauthorized activity or we otherwise believe that such action is necessary to avoid losses or reduce risk to us or you. We will not be liable for actions taken pursuant to this paragraph or for any costs or fees incurred by any delay. This paragraph does not imply that the Bank has an obligation to monitor accounts or transactions.

3. The Bank will not be liable for any damages whatsoever if the Bank acted in good faith.

4. **English Document Controlling:** Any translation of this Agreement is provided only for your convenience. The meanings of terms, conditions and representations herein are subject to definitions and interpretations in the English language. Any translation provided may not accurately represent the information in the original English version. The English version is the document that will govern the relationship between you and the Bank.

5. Customer agrees that except where a shorter time is permitted by law, regulation, or agreement, Bank is not required to retain records of any transaction for more than seven (7) years [five (5) years for Florida residents] after receipt of the item and Customer releases Bank from any liability therefore on Customer’s behalf, as well as Customer’s heirs, assigns and personal representatives.

6. **ATM Safety & Security:** As with all financial transactions, discretion should be applied when using an ATM or night deposit facility. For your safety, you should
always remain alert and be cognizant of your surroundings, particularly during hours of darkness. Remember to keep your Personal Identification Number ("PIN") confidential, and refrain from displaying cash that you withdraw. If you are ever confronted with suspicious activity when engaging in an ATM transaction, you should stop your transaction and use another ATM machine or conduct your transaction at another time. Also, you should immediately report this occurrence, as well as any crime that you may observe, to your local police department or to the operator of the ATM. Additionally, if you observe that an ATM’s lights have gone out or other safety precautions are not in place, please report this to the operator of the ATM.

7. To the extent permitted by applicable law, you consent that we may contact you at any telephone number that you have given to us, any number that you have called us from or any number we have for you in our records, including your cellular or other wireless device to service the checking account or for collection purposes. We have your permission to contact you by any means available, including by text message. You also agree that we may contact you using prerecorded messages or automatic dialers. When we use the words “we” and “us” in this paragraph, we are also referring to our affiliates, agents and service providers. If you give us an email address, you also consent to our contacting you by email.

These Fifth Third Terms and Conditions, as well as the fees and charges associated with the checking account may be altered or amended at any time and as altered or amended shall be binding on all Customers. The current version of these Terms and Conditions is available online at your state’s Plan website.

ACCOUNT OVERDRAFT & RETURNED ITEMS

Daily Overdraft Calculation
In this section, we describe how we apply credits (+) and debits (-) to the checking account for the purposes of calculating whether your account is overdrawn.
Credits (+) are deposits or transfers of funds into the checking account, including contributions or refunds.
Debits (-) are withdrawals or transfers of funds from the checking account, including ATM withdrawals, debit card purchases, online/telephone/Mobile transfers, online/automatic bill payments (ACH), wire transfers, checks written from the checking account, fees, or service charges.
How credit and debit information is received:
Credits (+) and debits (-) can be initiated with us or a third party. Examples of credits (+) and debits (-) that you can initiate with us include:

- Withdrawals from a Fifth Third ATM.
- Transfers between Fifth Third accounts done through Online Banking or via phone.

Examples of credits (+) and debits (-) that can be initiated with a third party include:

- Checks you write that are presented to other banks,
- Transactions with merchants where you have used your debit card,
- Transactions at a non-Fifth Third ATM.

How we process credits and debits:
Whether a debit (-) or credit (+) will be applied to the checking account on a particular day is affected primarily by whether the credit (+) or debit (-) was initiated with us or a third party.

Credits (+) and debits (-) that you initiate with us are subject to cut-off times. Cut-off times allow a bank to process and validate transactions. Credits (+) and debits (-) that are initiated before a cut-off time on a Business Day are applied to the checking account that day, however credits (+) are subject to Funds Availability limitations. Cut-off times for contributions into the Checking Account Option can be found in *Contributing to the Account - Contribution Date*, page 24. Debit cut-off times can be found in the Debit Cut-Off Times chart below. Transactions initiated after a cut-off time on a Business Day are posted to the checking account the next Business Day.

Our ability to process credits (+) and debits (-) that are initiated with third parties is dependent on when the third party sends information about the credit (+) or debit (-) to us. We do not control the timing by which they provide this information to us. In addition, receipt of the information may be impacted by circumstances beyond our control, such as disruptions in network processing or processing delays by a third-party intermediary. We generally apply credits (+) and debits (-) to the checking account on the first Business Day they are presented to us from a third party. Credits (+) are subject to Funds Availability limitations.
Debit Cut-Off Times

<table>
<thead>
<tr>
<th>Channel</th>
<th>Cut-Off Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Person at a Fifth Third Banking Center</td>
<td>Banking Center Closing Time (varies by location)</td>
</tr>
<tr>
<td>Fifth Third ATM</td>
<td>7:00 p.m. ET</td>
</tr>
<tr>
<td>Online Banking (transfers)</td>
<td>9:00 p.m. ET</td>
</tr>
<tr>
<td>Mobile Banking (transfers)</td>
<td></td>
</tr>
<tr>
<td>Automated Telephone Customer Service Line</td>
<td></td>
</tr>
<tr>
<td>Wire Transfers</td>
<td>Call us at 1-888-516-2375 for applicable cut-off times</td>
</tr>
</tbody>
</table>

**Note:** Transfers to a non-Fifth Third deposit account made via Online Banking may be subject to different cut-off times which are disclosed to you in Online Banking.

**Overdraft Calculation Order**
If there is not enough money in the checking account at the end of the day to cover all of your posted debits (-), then we consider transactions in the following order:

<table>
<thead>
<tr>
<th>ACTION</th>
<th>DESCRIPTION</th>
</tr>
</thead>
</table>
| **FIRST**                                   | Add Credits (+) may include:  
• Contributions  
• Refunds  
• Returned Items  |
| **SECOND**                                  | Time-stamped debits generally are debits that are authorized at the time the transaction is made and are later presented to us for payment. These debits appear in the account as pending transactions until they are posted. Time-stamped debits include:  
• ATM withdrawals  
• One-time Debit Card purchases  
Time-stamped debits are posted in chronological order.  |
| **THIRD**                                   | All other debits that are not categorized as time-stamped debits (above) or Bank fees (below) are in this category, which includes:  
• Checks written  
• Outgoing ACH transfers (automatic bill payments)  
• Outgoing wire transfers  
These other debits are posted from smallest to largest dollar amount.  |
| **FOURTH**                                  | Fifth Third Bank’s fees and service charges are subtracted last.  |
ELECTRONIC FUND TRANSFER

The Electronic Fund Transfer Act and Regulation E require Banks to provide certain information to Customers regarding electronic fund transfers (EFTs). This Electronic Fund Transfer Disclosure applies to any EFT service you receive from us related to an account established primarily for personal, family, or household purposes. Examples of EFT services include automatic regular payments made from the checking account to a third party, and one-time electronic payments from the checking account using information from your check to pay for purchases or to pay bills.

**Consumer Liability:** Tell us AT ONCE if you believe your card or password/PIN has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from a check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in the checking account. If you tell us within two (2) Business Days after you learn of the loss or theft of your password/PIN, you can lose no more than $50 if someone used your password/PIN without your permission.

If you do NOT tell us within two (2) Business Days after you learn of the loss or theft of your password/PIN, and we can prove we could have stopped someone from using your password/PIN without your permission if you had told us, you could lose as much as $500.

Also, if your statement shows transfers that you did not make or that were not authorized by you, including those made by PIN, code or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed or made available to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time period for a reasonable time.

**Notice about Electronic Check conversion:** When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from the checking account or to process the payment as a check transaction.

**Contact in event of unauthorized transfer:** If you believe your card or password/PIN has been lost or stolen, call 1-866-607-5742 or write to the appropriate address listed in the Error Resolution section of the Processing Policies table within the *Fifth Third Terms and Conditions*.

You should also call 1-866-607-5742 or write to the appropriate address if you believe a transfer has been made using the information from your check without your permission.

**Business Days:** For purposes of these disclosures, our Business Days are Monday through Friday, excluding Federal Holidays.
Transfer Types and Limitations

**Electronic Check Conversion:** You may authorize a merchant or other payee to make a one-time electronic payment from the checking account using information from your check to:

1. Pay for purchases.
2. Pay bills.

**Limitations on frequency of transfers:** We reserve the right to impose limitations for security purposes at any time.

**Limitations on dollar amounts of transfers:** We reserve the right to impose limitations for security purposes at any time.

**Fees:** We reserve the right to impose a fee and to change fees upon notice to you. A fee may be imposed by an automated teller machine (ATM), and by any network used to complete the transaction, when you initiate an electronic fund transfer or make a balance inquiry.

**Confidentiality:** We will disclose information to third parties about the account or the transfers you make:

1. Where it is necessary for completing transfers;
2. In order to verify the existence and condition of the account for a third party, such as a credit bureau or merchant;
3. In order to comply with government agency or court orders; or
4. If you give us your written permission.

Right to Receive Documentation of Transfers

**Preauthorized credits:** If you arrange to have direct deposits made to the account at least once every sixty (60) days from the same person or company, you can contact us to find out whether or not the deposit has been made.

**Periodic statements:** You will get a monthly account statement unless there are no transfers in a particular month. In any case, you will get the statement at least quarterly.

**ATM Transfers:** You will get a receipt at the time you make any transfer to or from the account using one of our Automated Teller Machines (ATM) or point-of—sale terminals.

**Error Resolution**
In case of errors or questions about your electronic transfers, contact us at the appropriate address or phone number listed in the Error Resolution section of the Processing Policies table within the *Fifth Third Terms and Conditions* as soon as you can.
If you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt, we must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared:

1. Tell us your name and checking account number.
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) Business Days. We will determine whether an error occurred within ten (10) Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question.

If we decide to do this, we will credit the checking account within ten (10) Business Days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) Business Days, we may not credit the checking account.

For errors involving new accounts opened within thirty (30) days or less, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) Business Days to credit the checking account for the amount you think is in error.

We will tell you the results within three (3) Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

**ELECTRONIC BANKING**

The following disclosures are made to you in order to explain electronic banking terms and conditions. Electronic banking includes all use of the Jeanie®, Plus System®, NYCE® Network, Pulse®, Star® Systems, Visa®, Mastercard®, Cirrus®, or other access terminals, including point of sale terminals, whether or not the electronic terminal is involved at the time of the transaction, the use of telephone bill payment service, the use of a Fifth Third Bank ATM or Fifth Third Bank Telephone Banking to transfer money, use of Fifth Third Online Banking to transfer money or pay bills, the deposit of government payments such as Social Security and payroll payments and other deposits to the accounts if these deposits are received by the Bank electronically, and the withdrawal of money from the checking account to pay insurance premiums or other bills if these withdrawals are made electronically and have been pre-authorized by you in writing.
Customer, whether individually or jointly, may utilize the transfer or payment capabilities of any electronic banking product offered by Bank. Customer agrees to keep confidential all account and personal identification information necessary to utilize any electronic banking product. Customer agrees that any other user of electronic banking services is authorized or permitted by Customer to make transfers from the Account Owner’s checking account upon transmitting the applicable account or personal identification information until Customer has taken all steps necessary to revoke such authorization by preventing such use by any user. Customer assumes responsibility for all transactions arising from use of any electronic banking product by any user whether such use is with an electronic transfer device, touchtone phone, Internet access product or line of credit.

Customer agrees to pay Bank for all purchases made, services rendered, and cash or funds advanced by or to any user using electronic banking. This liability will be joint and several as to all joint Customers. Except as specifically prohibited by law or regulation, Customer hereby waives as against Bank all claims, defenses, rights and offsets of Customer or user now or hereafter existing against any merchant or other payee for services or merchandise acquired through any electronic banking product. All transactions arising out of use of electronic banking will be controlled by the terms of all applicable checking account agreements, other contractual relationships with Bank, and these Fifth Third Terms & Conditions as amended from time to time. Bank reserves the right to refuse or terminate Customer’s permission to use electronic banking at the sole discretion of Bank.

Electronic banking transfers and payments are subject to the limitations contained in the section of these rules entitled Transfer Types and Limitations. Customer authorizes the disclosure to any merchant or other payee of the information relating to the checking account as is reasonably necessary to operate the electronic banking service. The laws of the United States and the state of your respective Plan govern this Agreement regardless of the Customer’s place of residence and all transfers are agreed to be originated within the State of Ohio. Customer and user hereby consent to service of process, personal jurisdiction and venue in the state and federal courts in Cincinnati, Ohio and Hamilton County, Ohio, and select such courts as the exclusive forum with respect to any action or proceeding brought to enforce any liability or obligation under these Terms & Conditions.

Please understand that not every automatic or pre-authorized deposit or withdrawal is done electronically. Many of these transactions are done by the third party mailing to the Bank a check or draft and, therefore, are not covered by the following disclosures. However, all debit card transactions are covered, even if an electronic terminal is not involved at the time of transaction.
In these Fifth Third electronic banking disclosures, several words are used repeatedly. For purposes of these Fifth Third disclosures, these words are defined as follows:

“Bank”, as used herein, shall mean Fifth Third Bank, National Association and any affiliate of Fifth Third Bancorp.

“Customer” shall mean each owner of an account and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the checking account.

“Card” shall mean the debit cards or any other access device issued or approved by the Bank for use in conjunction with a money dispensing machine, banking terminal, electronic funds transfer device, internet access product, or any debit program at Bank.

“Deposit” shall mean any transfer of money into the checking account.

“Telephone Banking” allows you to access the checking account using any touch-tone phone.

“Withdrawal” shall mean any transfer of money out of the checking account in cash or for payment to a third party.

“VISA” allows you to access any device identified with a Visa logo.

“Jeanie Network” allows you to access any device identified with the Jeanie network logo.

“Plus System” allows you to access any device identified with a Plus System logo.

“Star System” allows you to access any device identified with the Star Systems logo. “NYCE Network” allows you to access any device identified with the NYCE Network logo. “PULSE Network” allows you to access any device identified with the Pulse Network logo. “Mastercard” allows you to access any device identified with a Mastercard logo.

“Electronic Transfer” shall mean any electronic banking transaction, including deposits or withdrawals accomplished electronically, as well as all transfers resulting from debit card transactions, even if an electronic terminal is not involved at the time of the transaction.

“Fifth Third Online Banking” Allows you to access the checking account using any personal computer via the Internet.

“Cirrus” allows you to access any device identified with the Cirrus System logo.

**Electronic Check Conversion**
When you provide a check as payment, you authorize a merchant or payee to make a one-time electronic payment from the checking account using information from your check to pay for purchases or to pay bills.

**Electronic Check Re-Presentment**
A check may be re-presented from a person’s bank to whom Customer has written a check which Bank has returned to that bank by electronic re-presentation. If Bank receives a Re-presented Check Entry (RCK), Bank will pay or return the RCK as if the original paper check were being re-presented to us. The information relating to “Electronic Funds Transfers” in these Terms & Conditions will not apply to these transactions. The following conditions must be met for an RCK to be charged to the checking account: 1) the RCK must relate to a paper check drawn on a checking account that was returned unpaid because of insufficient or uncollected funds; 2) the paper check must not have contained an unauthorized signature or an alteration and must not have been a counterfeit; 3) a stop payment must not have been placed on the paper check after it was returned unpaid but before it was collected electronically; 4) the paper check must have been less than $2,500; 5) the paper check must have been dated 180 days or less before the date on which the RCK is presented to Bank; 6) the RCK must be for the face amount of the paper check only and may not include any collection fee charged by anyone; 7) the payee of the paper check must have given you notice that, if the paper check is returned by Bank, the paper check could be collected electronically; and 8) the RCK must have been sent to Bank no more than twice after the first time Bank returned the paper check, or no more than once after the second time Bank returned the paper.

**Electronic Presentment of Checks**
Under certain circumstances your check information can be converted to electronic information by merchants, banks or others. Electronic information may be used to debit the checking account electronically. Merchants may use check information such as routing, account and serial numbers to make an electronic presentation against the checking account and the check may not be returned to you. These types of transactions may occur at point-of-sale purchases or where checks are submitted to a lock box for processing.

In other circumstances, checks you wrote returned for insufficient funds or uncollected funds and represented for payment electronically by the payee’s bank are not covered under Regulation E. Electronic re-presentments will appear as separate entries on your statement with appropriate descriptions. If any of your checks are converted to an electronic presentment by others, we shall have no liability to you should we fail to honor any stop payment order you have placed on the check. Also, we shall have no liability to you for duplicate payments if a paper check and an electronic re-presentent are both presented. This limitation of our liability to you in no way affects your legal right to dispute an electronically presented item under applicable rules and regulations, nor does it affect your legal rights to recover a duplicate payment from the third-party payee.
Important Information Regarding Electronic Communication

If you have consented to accessing your Fifth Third Bank periodic statement information electronically:

- With respect to the Checking Account Option, you understand and agree that Fifth Third Bank, National Association will provide all of your periodic statement information, including notices about changes to the checking account, in electronic form.
- If you would like a paper copy of any periodic statement, please visit www.53.com or call 1-800-972-3030. We may charge for each periodic statement copy you request.
- You may elect to withdraw consent to receive your periodic statements in electronic form. To update your delivery preferences, you may visit the Service Center by logging into Online Banking at www.53.com or call 1-800-972-3030.
- Should you consent to accessing your periodic statement information electronically and do not accept the terms via Online Banking at www.53.com within 60 days from account opening or consent, your periodic statements may be mailed to you.
- When selecting a password to access your Fifth Third checking accounts, please do not use nicknames or birth dates that may be easy to guess. Use a combination of letters and numbers, change your password periodically, never share your password with anyone, and always log off of the site when you are finished.

Consumer Privacy Policy
At Fifth Third we are committed to protecting and managing your information and would like to share how we gather, retain and protect your information. Please review the “What Does Fifth Third Do With Your Personal Information” section for more information on our standard privacy policy.

Please see the Plan privacy policy referenced in the Plan Disclosure Booklet which may impose additional limitations on managing your information and how we gather, retain and protect your information. In the event that a provision of the Bank’s privacy policy differs from the Plan’s privacy policy, for purposes of information you provide in connection with the Checking Account Option, the Plan’s privacy policy shall prevail.

The Bank will not include Customer(s) investing in the Checking Account Option in outbound cross marketing programs who do not have other relationships with the Bank nor will it sell Customer information to third parties.
 Didn't we want to remove the specific number of checks?
FIFTH THIRD PRIVACY NOTICE

FACTS: WHAT DOES FIFTH THIRD DO WITH YOUR PERSONAL INFORMATION?

| WHY? | Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do. |
| WHAT? | The types of personal information we collect and share depend on the product or service you have with us. This information can include:  
- Name, address, email address, and assets  
- Social Security number and income  
- Payment history and account balances  
- Credit history and credit scores |
| HOW? | All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Fifth Third chooses to share; and whether you can limit this sharing. |

<table>
<thead>
<tr>
<th>REASONS WE CAN SHARE YOUR PERSONAL INFORMATION</th>
<th>DOES FIFTH THIRD SHARE?</th>
<th>CAN YOU LIMIT THIS SHARING?</th>
</tr>
</thead>
<tbody>
<tr>
<td>For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For our marketing purposes – to offer our products and services to you</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For joint marketing with other financial companies</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For our affiliates’ everyday business purposes – information about your transactions and experiences</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For our affiliates’ everyday business purposes – information about your creditworthiness</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>For our affiliates to market to you</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>For nonaffiliates to market to you</td>
<td>No</td>
<td>N/A</td>
</tr>
</tbody>
</table>

TO LIMIT OUR SHARING

- Call 800-889-5269 — our menu will prompt you through your choice(s); or
- Visit any Fifth Third Banking Center.

Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.
### QUESTIONS?
Call 800-889-5269 or go to 53.com/privacy-security.

### WHO WE ARE

| Who is providing this notice? | Fifth Third companies that are financial service providers, such as banks, mortgage companies, securities brokers, and insurance agencies. |

### WHAT WE DO

| How does Fifth Third protect my personal information? | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. |
| How does Fifth Third collect my personal information? | We collect your personal information, for example, when you:
- Open an account or apply for a loan
- Pay your bills or make a deposit
- Use your credit card or debit card
We also collect your personal information from others, such as credit bureaus, affiliates, or other companies. |
| Why can’t I limit all sharing? | Federal law gives you the right to limit only:
- Sharing for affiliates’ everyday business purposes — information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you
State laws and individual companies may give you additional rights to limit sharing. See below for more information on state laws. |
| What happens when I limit sharing for an account I hold jointly with someone else? | Your choices will apply to everyone on your account. |

### DEFINITIONS

| Affiliates | Companies related by common ownership or control. They can be financial and nonfinancial companies.
- Our affiliates include companies with a Fifth Third name and financial companies such as banks, mortgage companies, insurance agencies, securities brokers, and investment advisors. |
| Non-affiliates | Companies not related by common ownership or control. They can be financial and nonfinancial companies.
- Non-affiliates we share with can include government agencies, credit bureaus, auto dealers, companies that perform marketing services on our behalf, and companies that assist in servicing your account with us.
- Fifth Third does not share information with non-affiliates so they can market to you. |
## Important Information About Credit Reporting:

We may report information about your accounts to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

## Important Information about Procedures for Opening a New Account:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.
Appendix C: Explanation of Investment Risk Factors

The information provided below is a summary of the principal risks of the Funds. For information about the principal risks associated with the Sallie Mae High Yield Savings Account, see Underlying Funds Descriptions – Sallie Mae High Yield Savings Account, page 34. For information about the principal risks associated with the Fifth Third Bank checking account, see Investment Option Descriptions – Checking Account Option. Each Fund’s current prospectus and statement of additional information contains information not summarized here and identifies additional principal and other risks to which the respective Underlying Investment may be subject.

BlackRock Investment Risks

Asset Class Risk. Securities and other assets in the Underlying Index or in the Fund’s portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

Authorized Participant Concentration Risk. Only an Authorized Participant (as defined in the Creations and Redemptions section of the Fund’s prospectus) may engage in creation or redemption transactions directly with the Fund, and none of those Authorized Participants is obligated to engage in creation and/or redemption transactions. The Fund has a limited number of institutions that may act as Authorized Participants on an agency basis (i.e., on behalf of other market participants). To the extent that Authorized Participants exit the business or are unable to proceed with creation or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem, Fund shares may be more likely to trade at a premium or discount to NAV and possibly face trading halts or delisting. Authorized Participant concentration risk may be heightened for exchange-traded funds (“ETFs”), such as the Fund, that invest in securities issued by non-U.S. issuers or other securities or instruments that have lower trading volumes.

Call Risk. During periods of falling interest rates, an issuer of a callable bond held by the Fund may “call” or repay the security before its stated maturity, and the Fund may have to reinvest the proceeds in securities with lower yields, which would result in a decline in the Fund’s income, or in securities with greater risks or with other less favorable features.

Concentration Risk. The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund’s investments more than the market as a whole, to the extent that the Fund’s investments are concentrated in the securities and/or other assets of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector, market segment or asset class.
Credit Risk. Debt issuers and other counterparties may be unable or unwilling to make timely interest and/or principal payments when due or otherwise honor their obligations. Changes in an issuer’s credit rating or the market’s perception of an issuer’s creditworthiness may also adversely affect the value of the Fund’s investment in that issuer. The degree of credit risk depends on an issuer’s or counterparty’s financial condition and on the terms of an obligation.

Currency Hedging Risk. In seeking to track the “hedging” component of the Underlying Index, the Fund invests in currency forward contracts (which may include both physically-settled forward contracts and NDFs) designed to hedge the currency exposure of non-U.S. dollar denominated securities held in its portfolio. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and its reference asset, and there can be no assurance that the Fund’s hedging transactions will be effective. Exchange rates may be volatile and may change quickly and unpredictably in response to both global economic developments and economic conditions in a geographic region in which the Fund invests. In addition, in order to minimize transaction costs, or for other reasons, the Fund’s exposure to the non-U.S. dollar component currencies may not be fully hedged at all times. At certain times, the Fund may use an optimized hedging strategy and will hedge a smaller number of non-U.S. dollar component currencies to reduce hedging costs. Because currency forwards are over-the-counter instruments, the Fund is subject to counterparty risk as well as market or liquidity risk with respect to the hedging transactions the Fund enters into. The effectiveness of the Fund’s currency hedging strategy will in general be affected by the volatility of both the Underlying Index and the volatility of the U.S. dollar relative to the currencies to be hedged, measured on an aggregate basis. Increased volatility in either or both of the Underlying Index and the U.S. dollar relative to the currencies to be hedged will generally reduce the effectiveness of the Fund’s currency hedging strategy. In addition, volatility in one or more of the currencies may offset stability in another currency and reduce the overall effectiveness of the hedges. The effectiveness of the Fund’s currency hedging strategy may also in general be affected by interest rates. Significant differences between U.S. dollar interest rates and some or all of the applicable foreign currency interest rates may impact the effectiveness of the Fund’s currency hedging strategy.

Currency Risk. Because the Fund’s NAV is determined in U.S. dollars, the Fund’s NAV could decline if one or more of the currencies of the non-U.S. markets in which the Fund invests depreciates against the U.S. dollar and the depreciation of one currency is not offset by appreciation in another currency and/or the Fund’s attempt to hedge currency exposure to the depreciating currency or currencies is unsuccessful. Generally, an increase in the value of the U.S. dollar against the non-U.S. dollar component currencies will reduce the value of a security denominated in such currencies, as applicable. In addition, fluctuations in the exchange rates between currencies could affect the economy or particular business operations of companies in a geographic region, including securities in which the Fund invests, causing an adverse impact on the Fund’s investments in the affected region and the U.S. As a result, investors have the potential for losses regardless of the length of time they intend to hold Fund shares. Currency
exchange rates can be very volatile and can change quickly and unpredictably. As a result, the Fund’s NAV may change quickly and without warning.

**Custody Risk.** Less developed securities markets are more likely to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositaries.

**Cybersecurity Risk.** Failures or breaches of the electronic systems of the Fund, the Fund’s adviser, distributor, the Index Provider and other service providers, market makers, Authorized Participants or the issuers of securities in which the Fund invests have the ability to cause disruptions, negatively impact the Fund’s business operations and/or potentially result in financial losses to the Fund and its shareholders. While the Fund has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Fund cannot control the cybersecurity plans and systems of the Fund’s Index Provider and other service providers, market makers, Authorized Participants or issuers of securities in which the Fund invests.

**Derivatives Risk.** The Fund will use currency forwards and NDFs to hedge the currency exposure resulting from investments in the foreign currency-denominated securities held by the Fund. The Fund’s use of these instruments, like investments in other derivatives, may reduce the Fund’s returns, increase volatility and/or result in losses due to credit risk or ineffective hedging strategies. Volatility is defined as the characteristic of a security, a currency, an index or a market, to fluctuate significantly in price within a defined time period. Currency forwards, like other derivatives, are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. A risk of the Fund’s use of derivatives is that the fluctuations in their values may not correlate perfectly with the value of the currency or currencies being hedged as compared to that of the U.S. dollar. The possible lack of a liquid secondary market for derivatives and the resulting inability of the Fund to sell or otherwise close a derivatives position could expose the Fund to losses and could make derivatives more difficult for the Fund to value accurately. The Fund could also suffer losses related to its derivatives positions as a result of unanticipated market movements, which losses are potentially unlimited. BlackRock’s use of derivatives is not intended to predict the direction of securities prices, currency exchange rates, interest rates and other economic factors, which could cause the Fund’s derivatives positions to lose value. Derivatives may give rise to a form of leverage and may expose the Fund to greater risk and increase its costs. Regulatory requirements may make derivatives more costly, may limit the availability of derivatives, and may delay or restrict the exercise of remedies by the Fund upon a counterparty default under derivatives held by the Fund (which could result in losses), remedies or termination rights by the Fund, and may otherwise adversely affect the value and performance of derivatives.

**Equity Securities Risk.** Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. The Underlying Index is composed of common stocks, which generally subject their holders to more risks than preferred stocks and debt
securities because common stockholders’ claims are subordinated to those of holders of preferred stocks and debt securities upon the bankruptcy of the issuer.

**Extension Risk.** During periods of rising interest rates, certain debt obligations may be paid off substantially more slowly than originally anticipated and the value of those securities may fall sharply, resulting in a decline in the Fund’s income and potentially in the value of the Fund’s investments.

**Financials Sector Risk.** Performance of companies in the financials sector may be adversely impacted by many factors, including, among others, changes in government regulations, economic conditions, and interest rates, credit rating downgrades, and decreased liquidity in credit markets. The extent to which the Fund may invest in a company that engages in securities-related activities or banking is limited by applicable law. The impact of changes in capital requirements and recent or future regulation of any individual financial company, or of the financials sector as a whole, cannot be predicted. In recent years, cyberattacks and technology malfunctions and failures have become increasingly frequent in this sector and have caused significant losses to companies in this sector, which may negatively impact the Fund.

**Geographic Risk.** A natural disaster could occur in a geographic region in which the Fund invests, which could adversely affect the economy or the business operations of companies in the specific geographic region, causing an adverse impact on the Fund’s investments in, or which are exposed to, the affected region.

**Illiquid Investments Risk.** The Fund may invest up to an aggregate amount of 15% of its net assets in illiquid investments. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without significantly changing the market value of the investment. To the extent the Fund holds illiquid investments, the illiquid investments may reduce the returns of the Fund because the Fund may be unable to transact at advantageous times or prices. During periods of market volatility, liquidity in the market for the Fund’s shares may be impacted by the liquidity in the market for the underlying securities or instruments held by the Fund, which could lead to the Fund’s shares trading at a premium or discount to the Fund’s NAV.

**Income Risk.** The Fund’s income may decline if interest rates fall. This decline in income can occur because the Fund may subsequently invest in lower-yielding bonds as bonds in its portfolio mature, are near maturity or are called, bonds in the Underlying Index are substituted, or the Fund otherwise needs to purchase additional bonds.

**Index-Related Risk.** There is no guarantee that the Fund’s investment results will have a high degree of correlation to those of the Underlying Index or that the Fund will achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the Fund’s ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data, index computations or the construction of the Underlying Index in
accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the Fund and its shareholders. Unusual market conditions may cause the Index Provider to postpone a scheduled rebalance, which could cause the Underlying Index to vary from its normal or expected composition.

**Industrials Sector Risk.** Companies in the industrials sector may be adversely affected by changes in the supply of and demand for products and services, product obsolescence, claims for environmental damage or product liability and changes in general economic conditions, among other factors.

**Infectious Illness Risk.** An outbreak of an infectious respiratory illness, COVID-19, caused by a novel coronavirus has resulted in travel restrictions, disruption of healthcare systems, prolonged quarantines, cancellations, supply chain disruptions, lower consumer demand, layoffs, ratings downgrades, defaults and other significant economic impacts. Certain markets have experienced temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. These events will have an impact on the Fund and its investments and could impact the Fund’s ability to purchase or sell securities or cause elevated tracking error and increased premiums or discounts to the Fund’s NAV. Other infectious illness outbreaks in the future may result in similar impacts.

**Interest Rate Risk.** During periods of very low or negative interest rates, the Fund may be unable to maintain positive returns or pay dividends to Fund shareholders. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, result in heightened market volatility and detract from the Fund’s performance to the extent the Fund is exposed to such interest rates. Additionally, under certain market conditions in which interest rates are low and the market prices for portfolio securities have increased, the Fund may have a very low or even negative yield. A low or negative yield would cause the Fund to lose money in certain conditions and over certain time periods. An increase in interest rates will generally cause the value of securities held by the Fund to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed-income investments, including those held by the Fund. Because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the net asset value of the Fund to the extent that it invests in floating rate debt securities. The historically low interest rate environment heightens the risks associated with rising interest rates.

**Issuer Risk.** The performance of the Fund depends on the performance of individual securities and other instruments to which the Fund has exposure. The Fund may be adversely affected if an issuer of underlying securities held by the Fund is unable or unwilling to repay principal or interest when due. Changes in the financial condition or credit rating of an issuer of those
securities or counterparty on other instruments may cause the value of the securities or instruments to decline.

**Large-Capitalization Companies Risk.** Large-capitalization companies may be less able than smaller capitalization companies to adapt to changing market conditions. Large-capitalization companies may be more mature and subject to more limited growth potential compared with smaller capitalization companies. During different market cycles, the performance of large-capitalization companies has trailed the overall performance of the broader securities markets.

**Large Shareholder and Large-Scale Redemption Risk.** Certain shareholders, including an Authorized Participant, a third-party investor, the Fund’s adviser or an affiliate of the Fund’s adviser, a market maker, or another entity, may from time to time own or manage a substantial amount of Fund shares, or may invest in the Fund and hold its investment for a limited period of time. There can be no assurance that any large shareholder or large group of shareholders would not redeem their investment. Redemptions of a large number of Fund shares could require the Fund to dispose of assets to meet the redemption requests, which can accelerate the realization of taxable income and/or capital gains and cause the Fund to make taxable distributions to its shareholders earlier than the Fund otherwise would have. In addition, under certain circumstances, non-redeeming shareholders may be treated as receiving a disproportionately large taxable distribution during or with respect to such year. In some circumstances, the Fund may hold a relatively large proportion of its assets in cash in anticipation of large redemptions, diluting its investment returns. These large redemptions may also force the Fund to sell portfolio securities when it might not otherwise do so, which may negatively impact the Fund’s NAV, increase the Fund’s brokerage costs and/or have a material effect on the market price of the Shares.

**Management Risk.** As the Fund will not fully replicate the Underlying Index, it is subject to the risk that BlackRock’s investment strategy may not produce the intended results.

**Market Risk.** The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments and could result in increased premiums or discounts to the Fund’s NAV.

**Market Trading Risk.** The Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, losses due to ineffective currency hedges, periods of high volatility and disruptions in the creation/redemption process. **ANY OF THESE FACTORS, AMONG OTHERS, MAY LEAD TO THE FUND’S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.**

**National Closed Market Trading Risk.** To the extent that the underlying securities and/or other assets held by the Fund trade on foreign exchanges or in foreign markets that may be closed when the securities exchange on which the Fund’s shares trade is open, there are likely to be
deviations between the current price of such an underlying security and the last quoted price for the underlying security (i.e., the Fund’s quote from the closed foreign market). The impact of a closed foreign market on the Fund is likely to be greater where a large portion of the Fund’s underlying securities and/or other assets trade on that closed foreign market or when the foreign market is closed for unscheduled reasons. These deviations could result in premiums or discounts to the Fund’s NAV that may be greater than those experienced by other ETFs.

**Non-Diversification Risk.** The Fund may invest a large percentage of its assets in securities issued by or representing a small number of issuers. As a result, the Fund’s performance may depend on the performance of a small number of issuers. Non-U.S. Issuers Risk. Securities issued by non-U.S. issuers carry different risks from securities issued by U.S. issuers. These risks include differences in accounting, auditing and financial reporting standards, the possibility of expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations, political instability, regulatory and economic differences, and potential restrictions on the flow of international capital. The Fund is specifically exposed to Asian Economic Risk and European Economic Risk.

**Non-U.S. Securities Risk.** Investments in the securities of non-U.S. issuers are subject to the risks associated with investing in those non-U.S. markets, such as heightened risks of inflation or nationalization. The Fund may lose money due to political, economic and geographic events affecting issuers of non-U.S. securities or non-U.S. markets. In addition, non-U.S. securities markets may trade a small number of securities and may be unable to respond effectively to changes in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times.

**Operational Risk.** The Fund is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund’s service providers, counterparties or other third parties, failed or inadequate processes and technology or systems failures. The Fund and BlackRock seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address significant operational risks.

**Passive Investment Risk.** The Fund is not actively managed, and BlackRock generally does not attempt to take defensive positions under any market conditions, including declining markets.

**Privatization Risk.** Some countries in which the Fund invests have privatized, or have begun the process of privatizing, certain entities and industries. Privatized entities may lose money or be re-nationalized.

**Reliance on Trading Partners Risk.** The Fund invests in countries or regions whose economies are heavily dependent upon trading with key partners. Any reduction in this trading may have an adverse impact on the Fund’s investments. Through its holdings of securities of certain issuers,
the Fund is specifically exposed to Asian Economic Risk, European Economic Risk and North American Economic Risk.

**Risk of Investing in China.** Investments in bonds of Chinese issuers (including variable interest entities associated with an underlying Chinese operating company) subject the Fund to risks specific to China. China may be subject to considerable degrees of economic, political and social instability. China is an emerging market and demonstrates significantly higher volatility from time to time in comparison to developed markets. Over the last few decades, the Chinese government has undertaken reform of economic and market practices and has expanded the sphere of private ownership of property in China. However, Chinese markets generally continue to experience inefficiency, volatility and pricing anomalies resulting from governmental influence, a lack of publicly available information and/or political and social instability. Chinese issuers are also subject to the risk that Chinese authorities can intervene in their operations and structure. Internal social unrest or confrontations with neighboring countries, including military conflicts in response to such events, may also disrupt economic development in China and result in a greater risk of currency fluctuations, currency non-convertibility, interest rate fluctuations and higher rates of inflation. China has experienced security concerns, such as terrorism and strained international relations. Additionally, China is alleged to have participated in state-sponsored cyberattacks against foreign companies and foreign governments. Actual and threatened responses to such activity and strained international relations, including purchasing restrictions, sanctions, tariffs or cyberattacks on the Chinese government or Chinese companies, may impact China’s economy and Chinese issuers of securities in which the Fund invests. Incidents involving China’s or the region’s security may cause uncertainty in Chinese markets and may adversely affect the Chinese economy and the Fund’s investments. Export growth continues to be a major driver of China’s rapid economic growth. Reduction in spending on Chinese products and services, institution of additional tariffs or other trade barriers (including as a result of heightened trade tensions or a trade war between China and the U.S. or in response to actual or alleged Chinese cyber activity) or a downturn in any of the economies of China’s key trading partners may have an adverse impact on the Chinese economy. Many Chinese companies listed on U.S. exchanges use variable interest entities or “VIEs” in their structure as a result of foreign ownership restrictions. In a VIE structure, a Chinese operating company establishes a shell company in another jurisdiction to issue stock to public shareholders. When a VIE structure is used by a Chinese company to list its stock in the U.S., instead of owning the equity securities of the Chinese company, the U.S.-listed shell company directly or indirectly enters into contracts with the Chinese operating company under Chinese law. These contracts provide the U.S.-listed shell company with only economic exposure to the Chinese company. Intervention by the Chinese government with respect to VIE structures or the nonenforcement of VIE-related contractual rights could significantly affect the operating company’s business in China, the enforceability of the U.S.-listed shell company’s contractual arrangements with the Chinese company and the value of the U.S.-listed stock. Any change in the operations of entities in a VIE structure, the status of VIE contractual arrangements or the legal or regulatory environment in China could result in significant losses to the Fund. Chinese issuers are not subject to the same degree of regulatory requirements, accounting standards or auditor oversight as issuers in more
developed countries. As a result, information about the Chinese securities in which the Fund invests may be less reliable or complete. There may be significant obstacles to obtaining information necessary for investigations into or litigation against Chinese issuers, and investors may have limited legal remedies. The Fund is not actively managed and does not select investments based on investor protection considerations.

Risk of Investing in the China Bond Market. The Fund invests directly in the domestic bond market in the People’s Republic of China (“China” or the “PRC”) (the “China Interbank Bond Market”) through the northbound trading Bond Connect. All bonds traded through Bond Connect will be registered in the name of the PRC’s Central Moneymarkets Unit (“CMU”), which will hold such bonds as a nominee owner. The precise nature and rights of the Fund as the beneficial owner of the bonds traded in the China Interbank Bond Market through CMU as nominee are relatively new and untested areas of PRC law, and the exact nature of the Fund’s remedies and methods of enforcement of the rights and interests of the Fund under PRC law are also uncertain. Market volatility and potential lack of liquidity due to low trading volume of certain bonds in the China Interbank Bond Market may result in prices of certain bonds to fluctuate significantly, and the systems used to trade in the market may not function as expected. Trading through Bond Connect is also subject to regulatory risks, including rules and regulations that are subject to change, and there can be no assurance that Bond Connect or certain features or systems thereof will not be materially altered, suspended, discontinued or abolished. The Fund may also be subject to additional taxation if certain tax exemptions under prevailing PRC tax regulations are withdrawn or amended. Any taxes arising from or to the Fund may be directly borne by, or indirectly passed on to, the Fund, which may result in a substantial impact to its NAV. Investing through Bond Connect subjects the Fund to currency risk, to the extent that currency rates used for Bond Connect are different than the rates used in the China Interbank Bond Market.

Risk of Investing in Developed Countries. The Fund’s investment in developed country issuers may subject the Fund to regulatory, political, currency, security, economic and other risks associated with developed countries. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some less developed countries. Certain developed countries have experienced security concerns, such as terrorism and strained international relations. Incidents involving a country’s or region’s security may cause uncertainty in its markets and may adversely affect its economy and the Fund’s investments. In addition, developed countries may be adversely impacted by changes to the economic conditions of certain key trading partners, regulatory burdens, debt burdens and the price or availability of certain commodities.

Risk of Investing in Emerging Markets. Investments in emerging market issuers may be subject to a greater risk of loss than investments in issuers located or operating in more developed markets. Emerging markets may be more likely to experience inflation, political turmoil and rapid changes in economic conditions than more developed markets. Companies in many emerging markets are not subject to the same degree of regulatory requirements,
accounting standards or auditor oversight as companies in more developed countries, and as a result, information about the securities in which the Fund invests may be less reliable or complete. Emerging markets often have less reliable securities valuations and greater risk associated with custody of securities than developed markets. There may be significant obstacles to obtaining information necessary for investigations into or litigation against companies and shareholders may have limited legal remedies. The Fund is not actively managed and does not select investments based on investor protection considerations.

**Risk of Investing in Japan.** The Japanese economy may be subject to considerable degrees of economic, political and social instability, which could have a negative impact on Japanese securities. Since 2000, Japan’s economic growth rate has generally remained low relative to other advanced economies, and it may remain low in the future. In addition, Japan is subject to the risk of natural disasters, such as earthquakes, volcanic eruptions, typhoons and tsunamis, which could negatively affect the Fund. Japan’s relations with its neighbors have at times been strained, and strained relations may cause uncertainty in the Japanese markets and adversely affect the overall Japanese economy.

**Risk of Investing in Russia.** Investing in Russian securities involves significant risks, including legal, regulatory, currency and economic risks that are specific to Russia. In addition, investing in Russian securities involves risks associated with the settlement of portfolio transactions and loss of the Fund’s ownership rights in its portfolio securities as a result of the system of share registration and custody in Russia. A number of jurisdictions, including the U.S., Canada and the European Union (the “EU”), have imposed economic sanctions on certain Russian individuals and Russian corporate entities. Additionally, Russia is alleged to have participated in state-sponsored cyberattacks against foreign companies and foreign governments. Actual and threatened responses to such activity, including purchasing restrictions, sanctions, tariffs or cyberattacks on the Russian government or Russian companies, may impact Russia’s economy and Russian issuers of securities in which the Fund invests.

**Risk of Investing in Saudi Arabia.** The ability of foreign investors (such as the Fund) to invest in the securities of Saudi Arabian issuers is relatively new. Such ability could be restricted by the Saudi Arabian government at any time, and unforeseen risks could materialize with respect to foreign ownership in such securities. The economy of Saudi Arabia is dominated by petroleum exports. A sustained decrease in petroleum prices could have a negative impact on all aspects of the economy. Investments in the securities of Saudi Arabian issuers involve risks not typically associated with investments in securities of issuers in more developed countries that may negatively affect the value of the Fund’s investments. Such heightened risks may include, among others, expropriation and/or nationalization of assets, restrictions on and government intervention in international trade, confiscatory taxation, political instability, including authoritarian and/ or military involvement in governmental decision making, armed conflict, crime and instability as a result of religious, ethnic and/or socioeconomic unrest. There remains the possibility that instability in the larger Middle East region could adversely impact the economy of Saudi Arabia, and there is no assurance of political stability in Saudi Arabia.
Securities Lending Risk. The Fund may engage in securities lending. Securities lending involves the risk that the Fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of a decline in the value of collateral provided for loaned securities or a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for the Fund.

Sovereign and Quasi-Sovereign Obligations Risk. The Fund invests in securities issued by or guaranteed by non-U.S. sovereign governments and by entities affiliated with or backed by non-U.S. sovereign governments, which may be unable or unwilling to repay principal or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt obligations or of other government debt obligations.

Structural Risk. The countries in which the Fund invests may be subject to considerable degrees of economic, political and social instability.

Tax Risk. The Fund invests in derivatives. The federal income tax treatment of a derivative may not be as favorable as a direct investment in an underlying asset. Derivatives may produce taxable income and taxable realized gain. Derivatives may adversely affect the timing, character and amount of income the Fund realizes from its investments. As a result, a larger portion of the Fund’s distributions may be treated as ordinary income rather than as capital gains. In addition, certain derivatives are subject to mark-to-market or straddle provisions of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). If such provisions are applicable, there could be an increase (or decrease) in the amount of taxable dividends paid by the Fund. Income from swaps is generally taxable. In addition, the tax treatment of certain derivatives, such as swaps, is unsettled and may be subject to future legislation, regulation or administrative pronouncements issued by the U.S. Internal Revenue Service (“IRS”). As part of the Fund’s currency hedging strategy, the Fund may match foreign currency forward contracts with the non-U.S. dollar denominated securities whose currency risk is intended to be hedged wholly or partially by such contracts. If the Fund were to perform such matching for income tax purposes, this matching would potentially result in the Fund’s deferral for U.S. federal income tax purposes of the realized gains or losses attributable to foreign currency forward contracts until such gains or losses offset the currency-related losses on the matched non-U.S. dollar denominated securities. If the IRS were to disagree with such deferral treatment or the matching methodology used, the Fund’s income could become undistributed and incur tax liabilities. The Fund may reevaluate, adjust, begin, or discontinue the matching of such contracts in the future.

Tracking Error Risk. The Fund may be subject to “tracking error,” which is the divergence of the Fund’s performance from that of the Underlying Index. Tracking error may occur because of differences between the securities and other instruments held in the Fund’s portfolio and those included in the Underlying Index, pricing differences (including, as applicable, differences between a security’s price at the local market close and the Fund’s valuation of a security at the
time of calculation of the Fund’s NAV), transaction and hedging costs incurred and forward rates achieved by the Fund, the Fund’s holding of uninvested cash, differences in timing of the accrual of or the valuation of dividends or other distributions, interest, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, acceptance of custom baskets, changes to the Underlying Index and the cost to the Fund of complying with various new or existing regulatory requirements, among other reasons. These risks may be heightened during times of increased market volatility or other unusual market conditions in the affected securities and/or foreign exchange markets. In addition, tracking error may result because the Fund incurs fees and expenses, while the Underlying Index does not, and because the Fund accepts creations and redemptions during time periods between which it is able to adjust its currency hedges, whereas the Underlying Index does not adjust its hedging during these periods. BLACKROCK EXPECTS THAT THE FUND WILL EXPERIENCE HIGHER TRACKING ERROR THAN IS TYPICAL FOR SIMILAR INDEX ETFS.

Valuation Risk. The price the Fund could receive upon the sale of a security or unwind of a financial instrument or other asset may differ from the Fund’s valuation of the security, instrument or other asset and from the value used by the Underlying Index, particularly for securities or other instruments that trade in low volume or volatile markets or that are valued using a fair value methodology as a result of trade suspensions or for other reasons. In addition, the value of the securities or other instruments in the Fund’s portfolio may change on days or during time periods when shareholders will not be able to purchase or sell the Fund’s shares. Authorized Participants who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received had the Fund not fair-valued securities or used a different valuation methodology. The Fund’s ability to value investments may be impacted by technological issues or errors by pricing services or other third-party service providers.

Schwab Investment Risks

Concentration Risk. To the extent that the Fund’s or the index’s portfolio is concentrated in the securities of issuers in a particular market, industry, group of industries, sector or asset class (including the real estate industry, as described below), the Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more vulnerable to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector, country or asset class.

Derivatives Risk. The Fund’s use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. The Fund’s use of derivatives could reduce the Fund’s performance, increase the Fund’s volatility, and could cause the Fund to lose more than the initial amount invested. In addition, investments in derivatives may involve leverage, which means a small
percentage of assets invested in derivatives can have a disproportionately large impact on the Fund.

**Emerging Markets Risk.** Emerging market countries may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries.

Emerging market countries often have less uniformity in accounting, auditing, financial reporting and recordkeeping requirements and greater risk associated with the custody of securities. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in developed countries. As a result, there may be an increased risk of illiquidity and price volatility associated with the Fund’s investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar, and, at times, it may be difficult to value such investments.

**Equity Risk.** The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Foreign Investment Risk.** The Fund’s investments in securities of foreign issuers involve certain risks that may be greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory and other conditions; changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges); the imposition of economic sanctions or other government restrictions; differing accounting, auditing, financial reporting and legal standards and practices; differing securities market structures; and higher transaction costs. These risks may negatively impact the value or liquidity of the Fund’s investments and could impair the Fund’s ability to meet its investment objective or invest in accordance with its investment strategy. There is a risk that investments in securities denominated in, and/or receiving revenues in, foreign currencies will decline in value relative to the U.S. dollar. Foreign securities also include ADRs, GDRs and EDRs, which may be less liquid than the underlying shares in their primary trading market, and GDRs, in particular, many of which are issued by companies in emerging markets, may be more volatile. Foreign securities may also include investments in variable interest entities (VIEs) structures, which are created by China-based operating companies in jurisdictions outside of China to obtain indirect financing due to Chinese regulations that prohibit non-Chinese ownership of those companies. To the extent the Fund’s investments in a single country or a limited number of countries represent a large percentage of the Fund’s assets, the Fund’s performance may be adversely affected by the economic, political, regulatory and social conditions in those countries, and the Fund’s price may be more volatile than the price of a fund that is geographically diversified.

**Investment Style Risk.** The Fund is an index fund. Therefore, the Fund follows the securities included in the index during upturns as well as downturns. Because of its indexing strategy, the Fund does not take steps to reduce market exposure or to lessen the effects of a declining market. In addition, because of the Fund’s expenses, the Fund’s performance may
be below that of the index. Errors relating to the index may occur from time to time and may not be identified by the index provider for a period of time. In addition, market disruptions could cause delays in the index’s rebalancing schedule. Such errors and/or market disruptions may result in losses for the Fund.

**Large-Cap Company Risk.** Large-cap companies are generally more mature and the securities issued by these companies may not be able to reach the same levels of growth as the securities issued by small- or mid-cap companies.

**Liquidity Risk.** The Fund may be unable to sell certain securities, such as illiquid securities, readily at a favorable time or price, or the Fund may have to sell them at a loss.

**Market Capitalization Risk.** Securities issued by companies of different market capitalizations tend to go in and out of favor based on market and economic conditions. During a period when securities of a particular market capitalization fall behind other types of investments, the Fund’s performance could be impacted.

**Market Risk.** Financial markets rise and fall in response to a variety of factors, sometimes rapidly and unpredictably. Markets may be impacted by economic, political, regulatory and other conditions, including economic sanctions and other government actions. In addition, the occurrence of global events, such as war, terrorism, environmental disasters, natural disasters and epidemics, may also negatively affect the financial markets. As with any investment whose performance is tied to these markets, the value of an investment in the Fund will fluctuate, which means that an investor could lose money over short or long periods.

**Market Trading Risk.** Although Fund shares are listed on national securities exchanges, there can be no assurance that an active trading market for Fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell Fund shares.

**Mid-Cap Company Risk.** Mid-cap companies may be more vulnerable to adverse business or economic events than larger, more established companies and the value of securities issued by these companies may move sharply.

**Real Estate Investment Risk.** Due to the composition of the index, the Fund concentrates its investments in real estate companies and companies related to the real estate industry. As such, the Fund is subject to risks associated with the direct ownership of real estate securities and an investment in the Fund will be closely linked to the performance of the real estate markets. These risks include, among others: declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds or other limits to accessing the credit or capital markets; defaults by borrowers or tenants, particularly during an economic downturn; and changes in interest rates.

**REITs Risk.** In addition to the risks associated with investing in securities of real estate companies and real estate related companies, REITs are subject to certain additional risks. Equity REITs may be affected by changes in the value of the underlying properties owned by the trusts. Further, REITs are dependent upon specialized management skills and cash
flows, and may have their investments in relatively few properties, or in a small geographic area or a single property type. Failure of a company to qualify as a REIT under federal tax law may have adverse consequences to the Fund. In addition, REITs have their own expenses, and the Fund will bear a proportionate share of those expenses.

**Sampling Index Tracking Risk.** The Fund may not fully replicate the index and may hold securities not included in the index. As a result, the Fund is subject to the risk that the investment adviser’s investment management strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. Because the Fund utilizes a sampling approach it may not track the return of the index as well as it would if the Fund purchased all of the securities in the index.

**Securities Lending Risk.** Securities lending involves the risk of loss of rights in, or delay in recovery of, the loaned securities if the borrower fails to return the security loaned or becomes insolvent.

**Shares of the Fund May Trade at Prices Other Than NAV.** Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of the Fund will approximate the Fund’s net asset value (NAV), there may be times when the market price and the NAV vary significantly. An investor may pay more than NAV when buying shares of the Fund in the secondary market, and an investor may receive less than NAV when selling those shares in the secondary market. The market price of Fund shares may deviate, sometimes significantly, from NAV during periods of market volatility or market disruption, or as a result of other factors impacting foreign securities, including liquidity, irregular trading activity and timing differences between foreign markets where securities trade and the secondary market where Fund shares are sold.

**Small-Cap Company Risk.** Securities issued by small-cap companies may be riskier than those issued by larger companies, and their prices may move sharply, especially during market upturns and downturns.

**Tracking Error Risk.** As an index fund, the Fund seeks to track the performance of its index, although it may not be successful in doing so. The divergence between the performance of the Fund and the index, positive or negative, is called “tracking error.” Tracking error can be caused by many factors and it may be significant.

**Vanguard Investment Risks**

**Call Risk.** The chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Fund would then lose any price appreciation above the bond’s call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income. Such redemptions and subsequent reinvestments would also increase the Fund’s portfolio turnover rate.
**Credit Risk.** The chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of that bond to decline.

**Extension Risk.** The chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of those securities and delay a fund’s ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, there is a chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates.

**Income Risk.** The chance that the Fund’s income will decline because of falling interest rates.

**Income Fluctuation Risk.** The Fund’s quarterly income distributions are likely to fluctuate considerably more than the income distributions of a typical bond fund. In fact, under certain conditions, the Fund may not have any income to distribute. Income fluctuations associated with changes in interest rates are expected to be low; however, income fluctuations associated with changes in inflation are expected to be high.

**Index Sampling Risk.** The chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund’s target index.

**Interest Rate Risk.** The chance that bond prices overall will decline because of rising interest rates.

**Investment Style Risk.** The chance that returns from large-capitalization stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

**Liquidity Risk.** The chance that a Fund may not be able to sell a security in a timely manner at a desired price.

**Prepayment Risk.** The chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the Fund. The Fund would then lose any price appreciation above the mortgage’s principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income. Such prepayments and subsequent reinvestments would also increase the Fund’s portfolio turnover rate.

**Real Interest Rate Risk.** The chance that the value of a bond will fluctuate because of a change in the level of real, or after inflation, interest rates. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when real interest rates rise and vice versa.
Stock Market Risk. The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund’s target index tracks a subset of the U.S. stock market, which could cause the Fund to perform differently from the overall stock market. In addition, the Fund’s target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.
Appendix D: Key Terms

Terms not defined within the main body of the PA ABLE Disclosure Statement have the following meanings:

**Account**: An account in the PA ABLE Program opened by the Account Owner or Authorized Individual to receive contributions and to provide a source of payment for Qualified Disability Expenses.

**Account Balance Limit**: An amount set by the PA ABLE program (currently $511,748 but subject to increases). When the fair market value of an account reaches the Account Balance Limit, no additional contributions will be accepted by PA ABLE. Assets in an Account can continue to accrue earnings beyond the Account Balance Limit.

**Account Owner or You**: You, the Account Owner and designated beneficiary of the Account. In order to be an Account Owner you must be an Eligible Individual.

**Annual Contribution Limit**: An amount specified under Section 529A equal to the amount of gifts to one individual that may be excluded from federal gift taxes (currently $16,000 (increasing to $17,000 on January 1, 2023) but subject to increases.) Once contributions from all sources made in a tax year meet this amount any further attempted contributions will be rejected or, if accepted, returned to the contributor.

**Ascensus**: Ascensus is used to refer collectively or individually, as the case requires, to Ascensus College Savings Recordkeeping Services, LLC, the Recordkeeper, and its affiliates, Ascensus Investment Advisors, LLC, (the Investment Manager) and Ascensus Broker Dealer Services, Inc., as applicable.

**Authorized Individual**: An Authorized Individual is the person or entity who may open and control an Account for an Eligible Individual. An Eligible Individual who has reached the age of 21 and has the capacity to enter a contract may elect to manage his or her own Account or select someone else to act as Authorized Individual.

The Authorized Individual may neither have, nor acquire, any beneficial interest in the Account during the Account Owner’s lifetime and must administer the Account for the benefit of the Account Owner.

See Part 2.A.2 for more information about the requirements for becoming an Authorized Individual.

**BlackRock**: BlackRock, Inc. and its affiliates.

**Code**: The Internal Revenue Code of 1986, as amended.

**Contribution Limits**: The Annual Contribution Limit and Account Balance Limit.
**EFT or Electronic Funds Transfer:** A service in which an Account Owner authorizes the PA ABLE Program to electronically transfer money from a bank or other financial institution to his or her Account.

**Eligible Individual:**
An individual is an Eligible Individual for a calendar year if the individual’s blindness or disability occurred before the individual’s 26th birthday and if, during that calendar year, at least one of the following is true:

1. The individual is currently receiving SSDI benefits under Title II of the Social Security Act due based on blindness or disability;
2. The individual is currently receiving to SSI benefits under Title XVI of the Social Security Act based on blindness or disability;
3. The individual is entitled to SSI benefits under Title XVI of the Social Security Act due to a disability, but has had that entitlement suspended solely due to excess income or resources;
4. The individual has identified their condition on the Social Security Administration’s List of Compassionate Allowances Conditions and can certify that the condition produced marked and severe functional limitations prior to age 26; OR
5. The individual can certify to all of the following:
   a. They are either blind or they have a medically determinable physical or mental impairment that results in marked and severe functional limitations;
   b. Their impairment can be expected to result in death, or it has lasted, or it can be expected to last for a continuous period of at least 12 months;
   c. They have a signed diagnosis from a physician and will retain a copy;
   d. Their diagnosis contains the name and address of the physician, as well as the date of diagnosis;
   e. The diagnosing physician meets the criteria of Section 1861(r)(1) of the Social Security Act (e.g., the physician is a doctor of medicine or osteopathy and is legally authorized to practice in the relevant state or district); and
   f. The applicable diagnostic code from those listed on Form 5498–QA (or in the instructions to such form) identifying the type of the individual’s impairment has been provided and is accurate.

In all cases, the blindness or disability must have occurred before the individual’s 26th birthday.

**Enabling Law:** The law of the Pennsylvania that established the PA ABLE Program. Act 17 of 2016.

**Enrollment Form:** The Account opening application signed by the Account Owner (or Authorized Individual) to acknowledge acceptance of the terms and conditions of the PA ABLE Program set forth in the PA ABLE Disclosure Statement and the Enrollment Form.

**ETF:** An exchange traded fund.
Federal Penalty Tax: A 10% additional federal tax imposed on the earnings portion of certain Non-qualified Withdrawals and Qualified Withdrawals that are not used within the same calendar year or within 60 day of the end of the calendar year in which the Qualified Withdrawal was taken.

Fifth Third Bank: Fifth Third Bank, National Association and its affiliates.

Force Majeure: Circumstances beyond the reasonable control of the Plan Administrators, including but not limited to regulatory or legislative changes, worldwide political uncertainties, and general economic conditions (such as including inflation and unemployment rates), acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, insurgitations, embargoes, cyberattacks, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation, and any other events or circumstances beyond our reasonable control whether similar or dissimilar to any of the foregoing.

Fund: The Underlying Funds in which the Investment Options invest.

Interested Party: A person granted permission, which is revocable, by the Account Owner or Authorized Individual to receive duplicate statements and access information about the Account.

Investment Firms: BlackRock, Fifth Third Bank, Sallie Mae Bank, Schwab and Vanguard are the firms whose Underlying Funds are used.

Investment Options: The investment choices offered by PA ABLE. You can choose to invest in one or any combination of Investment Options. The Investment Options include six Asset-allocation Investment Options and one Checking Account Option.

IRS: Internal Revenue Service.

Non-qualified Withdrawal: Any withdrawal from your Account not used to pay your Qualified Disability Expenses or rolled over to another ABLE account. Note that expenses will not be Qualified Disability Expenses if they are incurred at a time when an Account Owner is not an Eligible Individual.

NYSE: The New York Stock Exchange, Inc.

PA ABLE Disclosure Statement: This document, which is intended to provide a description of PA ABLE and disclosure of the terms and conditions of an investment in the PA ABLE Program including any supplements distributed from time to time.
**Participation Agreement**: The agreement between you and the PA ABLE program, which is attached to this Plan Disclosure Statement as Appendix A, that, along with the certifications included in the Enrollment Form, governs your use of the PA ABLE program and is enforceable by PA ABLE.

**Qualified Disability Expenses**: Any expenses that (1) are incurred at a time when the Account Owner is an Eligible Individual, and (2) relate to the blindness or disability of the Account Owner. Such expenses include, expenses related to the Account Owner’s education, housing, transportation, employment training and support, assistive technology and 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 that may be identified from time to time by the IRS. Additionally, federal law states that “basic living expenses” are Qualified Disability Expenses, that Qualified Disability Expenses are not limited to expenses that are medically necessary or are for the sole benefits of the Eligible Individual, and that they include expenses for maintaining or improving health, independence or quality of life.

**Qualified Withdrawal**: Any withdrawal used to pay for Qualified Disability Expenses of the Account Owner.

**Representative Payee**: A person or organization appointed by the Social Security Administration to receive Social Security or Supplemental Security Income payments for individuals who cannot manage or direct the management of their own benefits. Representative Payees use benefits to pay for the current and future needs of individuals and save benefits not needed to meet current needs.

**Rollover**: A contribution to an ABLE account of an Account Owner (or of an Eligible Individual who is a Member of the Family of the Account Owner) of all or a portion of an amount withdrawn from the Account Owner’s Account, provided the contribution is made within 60 days of the date of the withdrawal and, in the case of a Rollover to the Account Owner’s ABLE account, no Rollover has been made to an ABLE account of the Account Owner within the prior 12 months.

**Schwab**: Charles Schwab Investment Management, Inc. dba Schwab Asset Management and its affiliates.

**SEC**: U.S. Securities and Exchange Commission

**Section 529A**: Section 529A of the Internal Revenue Code of 1986, as amended.

**Sibling**: As defined by the IRS, Siblings by blood or by adoption, including a brother, sister, stepbrother, stepsister, half-brother, and half-sister.

**Social Security Act**: The Social Security Act of 1935, as amended.

**SSI**: Supplemental Security Income.
**Successor Account Owner:** The Eligible Individual named in writing to PA ABLE by the Account Owner or Authorized Individual, during the Account Owner’s lifetime, who will succeed to all allowable right, title, and interest in the Account following the death of the Account Owner.

**Successor Authorized Individual:** The person or entity designated by the Account Owner or, in the absence of a designation by the Account Owner, by the Authorized Individual, to serve as the replacement Authorized Individual in the event of the removal, resignation, death, or incapacity of the serving Authorized Individual.

**Systematic Exchange Program:** An optional feature which allows you to automatically reallocate assets in your Account from an Investment Option to one or more other Investment Options.

**Underlying Funds:** The mutual funds, ETFs, bank products and any other investments, in which assets of the PA ABLE program are invested through the Investment Options.

**Unit:** The measurement of an Account’s interest in an Asset-allocation Investment Option. When you contribute to an Asset-allocation Investment Option(s), your money will be invested in Units of one or more asset-allocation Investment Options.

**Unit Value:** The value per Unit in an Asset-allocation Investment Option. For example, if you contribute $100 to an Asset-allocation Investment Option and the value of a Unit in the Investment Option is $10 you will be allocated 10 Units in the Investment Option. No Unit Value is calculated for the Checking Account Option. Investments directed to the Checking Account Option will be valued at cash value.

**Vanguard:** The Vanguard Group, Inc.