



Program Summary:

The State of Delaware offers a low cost 529(a) savings plan – **DEPENDABLE** – that allows individuals with disabilities and their families to save for a broad range of expenses on a tax-advantaged basis without jeopardizing their benefits from supplemental security income (SSI), Medicaid and other federal programs. Eligible individuals can open an account for themselves, or an authorized individual can open an account on their behalf. The **DEPENDABLE** Program is administered through a consortium model with 18 other states through the recordkeeper, Ascensus.

DEPENDABLE Goals [Proposed]:

- Contributions and new account growth
- Customer service responsiveness for individuals with disabilities and their caregivers (SLA metrics)
- Enhanced platform accessibility and usability

Target Audience:

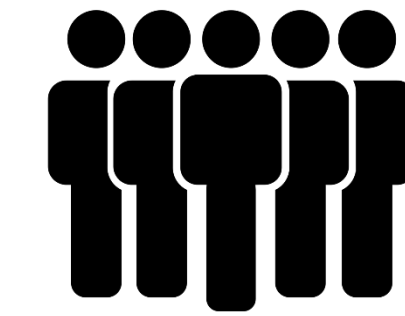
Delawareans who acquired their disability prior to age 26 and their caregivers

Fourth Quarter (2021) Highlights:

- **193 funded DEPENDABLE accounts as of December 31, 2021**
- **New accounts grew by 82%** through Q4 2021 over the equivalent time period in 2020 with **total assets** at **\$1,967,732.64**
- **Net contributions [contributions less distributions] through Q4 2021 at \$543,364.92**

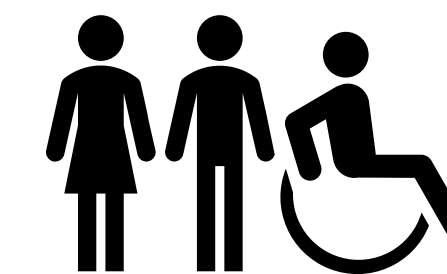
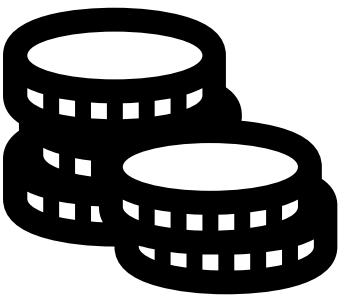
Upcoming Initiatives:

- RFP recordkeeper negotiations are ongoing with Ascensus.
- Establishing discussions with Unite US, a non-profit company who connects services to communities in need
- Implementing enhancements to the online enrollment platform with Ascensus March 2022
- Meeting with the State’s special education advisory committee in early April 2022



**New
Accounts
+ 82%**

**\$1.9M in
Total Assets**



**73% of
Account
Owners
Receive
SSI or SSDI**



DEPENDABLE SAVINGS PLAN STRATEGY DISCUSSION

PLANS MANAGEMENT BOARD
MARCH 2022 MEETING

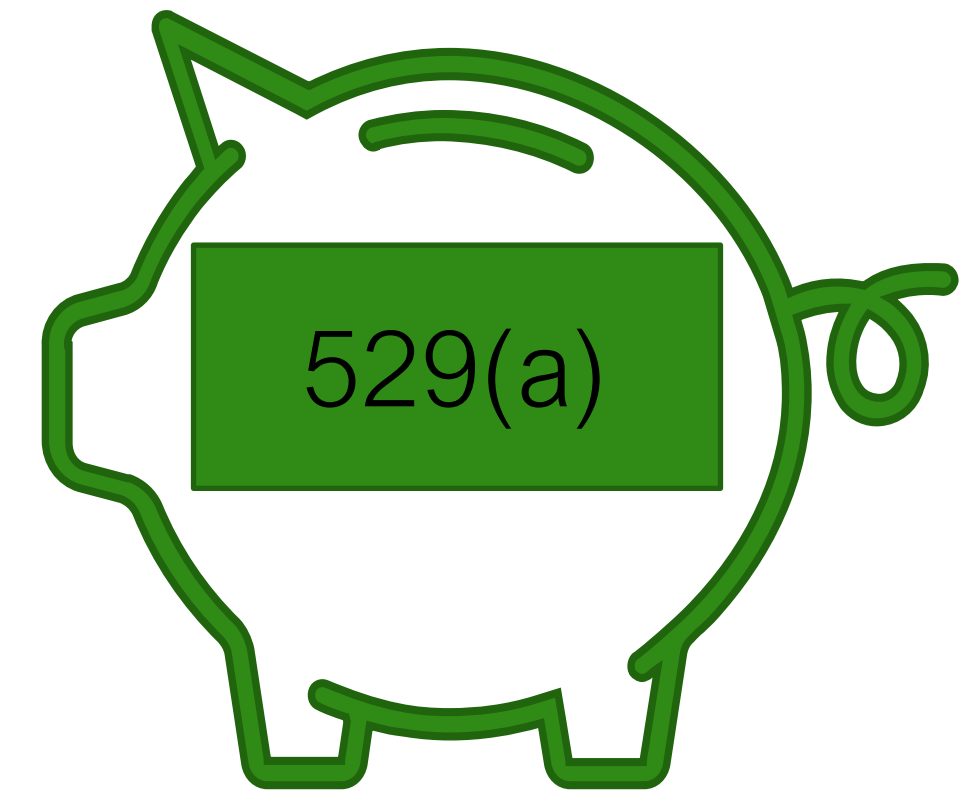




NATIONAL ABLE ALLIANCE PLAN ASSETS

Legal Plan Name	Total Assets	Total Assets Percentage	Active Accounts
Illinois ABLE	\$29,132,649.99	10.70%	3,134
Alaska ABLE Plan	\$7,124,869.34	2.60%	822
NJ ABLE	\$13,027,823.72	4.80%	1,516
Minnesota ABLE Plan	\$26,457,178.66	9.70%	2,757
PA ABLE	\$69,022,728.16	25.30%	6,031
ABLE Nevada	\$12,218,628.17	4.50%	2,801
IAble	\$13,125,038.85	4.80%	1,449
Kansas ABLE Savings Plan	\$10,726,656.73	3.90%	1,204
RI's ABLE	\$2,899,874.66	1.10%	358
NC ABLE	\$15,562,564.66	5.70%	1,648
Montana ABLE	\$4,677,744.87	1.70%	591
Colorado ABLE	\$16,772,612.20	6.10%	1,883
INvestABLE Indiana	\$9,378,016.21	3.40%	1,186
DC ABLE	\$2,026,428.64	0.70%	217
DEPENDABLE	\$2,041,144.84	0.70%	219
AR ABLE	\$3,005,792.33	1.10%	791
Mississippi ABLE	\$1,254,786.99	0.50%	258
ABLE CT	\$1,284,685.42	0.50%	240
MI ABLE	\$33,225,655.15	12.20%	4,482
	\$272,964,879.58	100.00%	31,587

As of February 1, 2022





NATIONAL ABAE ALLIANCE CY2022 GROWTH

Legal Plan Name	New Accounts MTD	New Accounts QTD	New Accounts YTD
Illinois ABAE	100	100	100
Alaska ABAE Plan	11	11	11
NJ ABAE	62	62	62
Minnesota ABAE Plan	61	61	61
PA ABAE	186	186	186
ABAE Nevada	196	196	196
IABAE	27	27	27
Kansas ABAE Savings Plan	30	30	30
RI's ABAE	9	9	9
NC ABAE	41	41	41
Montana ABAE	12	12	12
Colorado ABAE	44	44	44
INvestABAE Indiana	34	34	34
DC ABAE	1	1	1
DEPENDABLE	8	8	8
AR ABAE	11	11	11
Mississippi ABAE	16	16	16
ABAE CT	18	18	18
MI ABAE	96	96	96
	963	963	963

As of February 1, 2022



For the last prior full year (CY2021), the Alliance gathered the following statistics for DEPENDABLE.

Age Group	Open Accounts
a) 0 - 5	5
b) 6 - 15	15
c) 16 - 25	56
d) 26 - 35	59
e) 36 - 45	24
f) 46 - 65	40
g) 66 - 85	17
Total	216

Able Eligibility Code Desc	Open Accounts
The Account Owner is eligible for Social Security Disability benefits	80
The Account Owner is eligible for Supplemental Security Income benefits	76
The Account Owner has eligibility established by a disability certification	60
Total	216

Able Disability Type Description	Open Accounts
Intellectual disability	40
Nervous disorders (including blindness and deafness)	32
Developmental disorders (including autism)	95
Congenital anomalies (including Down syndrome)	23
Psychiatric disorders	18
Respiratory disorders	3
Other	5
Total	216

County	Open Accounts
Out-of-State	14
Kent	23
Sussex	31
New Castle	148
Total	216

As of January 1, 2022

Considerations

- **9.3% of account owners are in the birth through 15 age cohort**
- **156 (72%) account owners receive SSI or SSDI**
- **Individuals with developmental disabilities (44%), intellectual disabilities (19%) and nervous disorders (15%) are the primary account owners**

The DEPENDABLE Plan offers a range of investment options to match both participant goals and risk tolerance.

Checking Option

- Fifth Third Bank

Risk Based Investment Options

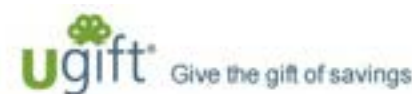
(Index funds currently administered by Vanguard, Schwab, iShares and Blackrock)

- Aggressive Option
- Moderately Aggressive Option
- Growth Option
- Moderate Option
- Moderately Conservative Option
- Conservative

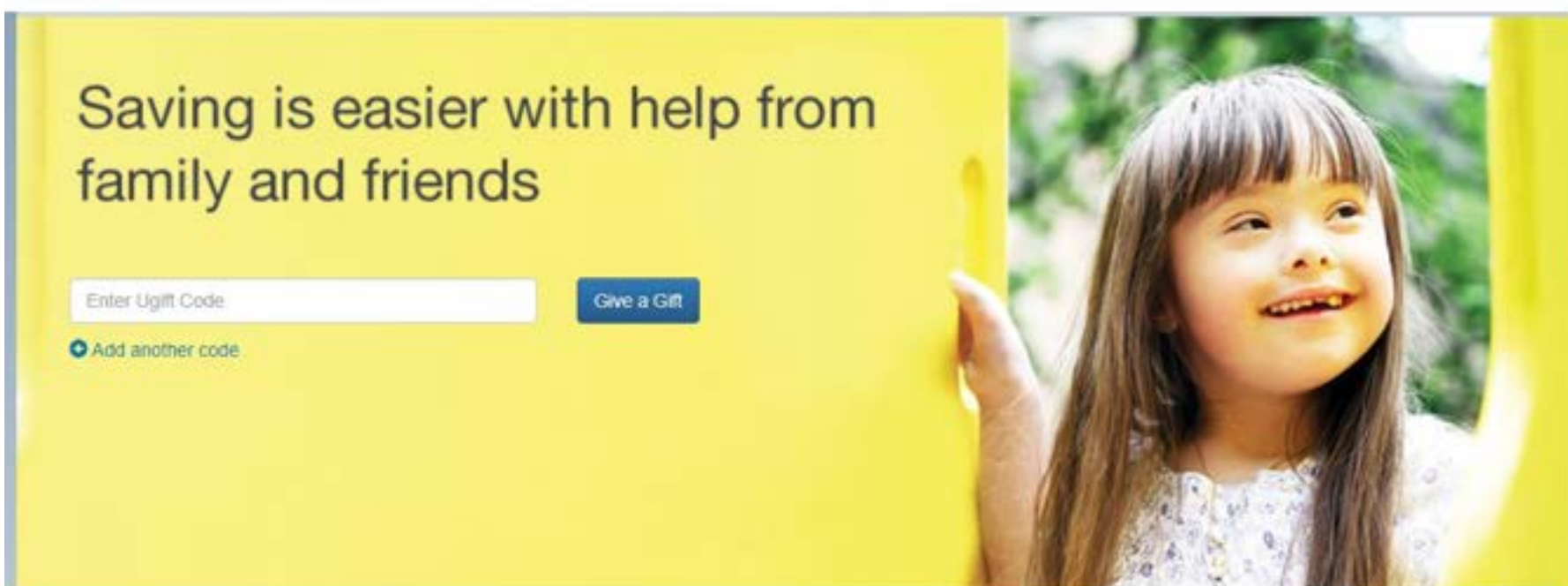
Fund Name	Funded Positions	Total Assets
Growth Option	53	\$362,475.68
Checking Option	93	\$361,419.65
Moderate Option	37	\$340,344.95
Aggressive Option	35	\$277,729.56
Moderately Aggressive Option	44	\$268,148.33
Conservative Option	44	\$199,655.22
Moderately Conservative Option	32	\$157,959.24
Total	338	\$1,967,732.64

Paths to Independence

- The checking option (28% of positions) remains the most popular feature of the DEPENDABLE plan, though funds are relatively evenly distributed between growth, checking and moderate options.
- Ugift contributions are tracked in contrast to other forms of deposits and account for 1.7% of DEPENDABLE contributions in the current calendar year.



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Ugift account feature provides an easy way to allow friends and family to contribute to ABLE accounts with a unique code

How Ugift works

With Ugift you can give a truly meaningful gift: money for the future. This convenient service lets you contribute to a loved one's ABLE savings account with a [unique code](#).

- Give your gift at any time
- Transfer money easily and securely
- Contribute electronically or by mail

What is ABLE?

The Achieving a Better Life Experience Act (ABLE) of 2014 allows people living with disabilities and their families to save for disability-related expenses on a tax-deferred basis – without limiting their ability to take advantage of needs-based benefits.





STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Enrollment growth • Simplified investment architecture • Public benefits protection • Participation in ABLE Alliance with equal decision-making authority as larger states • Seven tiers of funding choices based on risk tolerance and needs of the account owners • Fee Transparency • Collaboration and engage of key nonprofit partners (e.g., Autism Delaware, Easter Seals, Down Syndrome Association) • Collaboration with key government agencies (e.g., Social Security, Vocational Rehabilitation, Developmental Disabilities, Medicaid) • Plans Management Board oversight 	<ul style="list-style-type: none"> • Lack of dedicated personnel or contractual resources within OST • New type of investment plan with limited brand exposure • Protects assets but not income against means testing for public benefit programs • Serves a small subset of the total population based on age/disability/public support /asset-based factors • Age limitation for those that acquired their disability after 26th birthday
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Tax deduction • Research 2-3 peer states who have grown at a faster pace than Delaware to determine factors that contribute to success • Passage of the federal ABLE age adjustment act • Request additional resources to be dedicated to the Delaware plan through State’s budgeting process • Focus on targeted outreach to key cohorts based on DEPENDABLE data sets (i.e., caregivers for the birth to 15 population, those with nervous/psychiatric disabilities, Kent/Sussex counties) • Ugift contribution campaign 	<ul style="list-style-type: none"> • Medicaid/Social Security reform • Lack of personal retirement/financial planning and fear/procrastination • Competing products (e.g, Miller Trust) • Keeping fees competitive for a relatively small financial product under a plan administrator • Inflation • Market volatility





1

EVALUATE AND ESTABLISH
PEER STATE BENCHMARKS

2

ENHANCE OPERATIONAL RESOURCES

3

TARGETED MARKETING AND OUTREACH





1

EVALUATE AND ESTABLISH PEER STATE BENCHMARKS

Goal One – establish survey for 3-4 peer states and conduct interviews with each state by Q3 2022

Goal Two – evaluate survey information and provide 2-3 additional goals for DEPENDABLE account growth by Q4 2022 with benchmarks set against peer states going forward

Goal Three – establish and enact strategic goals with PMB for 2023

2

ENHANCE OPERATIONAL RESOURCES

Goal One – request one additional FTE for the Office of the State Treasurer in the FY24 budget by September 1, 2022

Goal Two – support passage of HB#145 for tax deduction for DEPENDABLE contributions

3

TARGETED MARKETING AND OUTREACH

Goal One – establish outreach objectives based on demographic data to date by Q2 2022

Goal Two – draft and disseminate Ugift contribution campaign within the current calendar year

Goal Three – enact targeted outreach to key organizations based on the objectives as agreed upon by the PMB

