



NORTH CAROLINA

DEPARTMENT OF STATE TREASURER

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STATE TREASURER OF NORTH CAROLINA

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Delivered by: Electronic and U.S. Mail

Delivered to: Joint Legislative Oversight Committee on Health and Human Services
Joint Legislative Oversight Committee on General Government

RE: NC ABLE Program's Annual Evaluation and Report for 2023 (under N.C.G.S. § 147-86.72 (g))

Dear Colleagues:

The federal Achieving a Better Life Experience (ABLE) Act was passed in 2014 and the North Carolina General Assembly passed legislation establishing the NC ABLE Program (NC ABLE Act) in 2015. In January 2017 the Department of State Treasurer (DST) began offering ABLE accounts. The NC ABLE Program allows eligible individuals with disabilities – and those assisting them – to save and invest in tax-advantaged accounts. ABLE accounts can fund essential disability services and qualified expenses without endangering benefits such as Medicaid and Supplemental Security Income (SSI), in which eligibility is restricted by financial caps. Savings in an NC ABLE account is generally disregarded for determining eligibility for federal and North Carolina means-tested programs, including SSI (up to \$100,000). In 2024, up to \$18,000 a year could be contributed to an ABLE account from beneficiaries, friends, family, and other sources. Under the federal ABLE to Work Act, the limit for employed account owners was increased by the lesser of (1) the amount of the account holder's compensation; and (2) the federal poverty line for a one-person household for the prior year (\$14,580 for contributions in 2024).

Structure

- *Administration.* To reduce the costs of the NC ABLE Program to participants and taxpayers, the Program is a member of the National ABLE Alliance, a consortium of 19 ABLE programs (18 states and the District of Columbia), that contracts with Ascensus to provide administrative services and investments. In addition, the NC ABLE Program is supported by existing staff in DST's Supplemental Retirement Plans (SRP) unit, with costs reimbursed to SRP from NC ABLE Program appropriations.
- *Investments.* The Program offers a checking account option, a Money Market option and six investment options: conservative, moderately conservative, moderate, growth, moderately aggressive and aggressive.

Performance

- *Participation.* As of Dec. 31, 2024, the NC ABLE Program had 2,726 accounts (2,482 accounts funded) with total assets of \$32,053,398. The average account balance was \$11,876 for funded accounts. Generally, savings outside of an NC ABLE Program account more than \$2,000 prevent participation in Medicaid and Supplemental Security Income (SSI). Please see Table 1 below.

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Table 1: NC ABLE Program Participation, 2017-2024 (as of December 31)

Year	Funded Accounts	Total Assets	Growth of Total Assets	Average Account Balance
2017	238	\$855,241		\$3,593
2018	535	\$2,790,811	226%	\$5,216
2019	869	\$6,022,005	115%	\$6,930
2020	1,146	\$9,795,128	63%	\$8,547
2021	1,529	\$15,384,008	57%	\$10,061
2022	1,842	\$18,359,436	19%	\$9,967
2023	2,122	\$24,547,781	34%	\$11,568
2024	2,482	\$32,053,398	31%	\$11,876

In addition, the NC ABLE Program has provided more than \$17 million in distributions to participants since the Program's launch in January 2017. These contributions and distributions suggest that the NC ABLE Program is an integral part of participants' financial lives and helping them achieve a better life experience.

- *Investments.* Table 2 below shows the percentage of assets in the NC ABLE Program that were allocated to each investment option as of Dec. 31, 2024, as well as the annual return for each option.

Table 2: NC ABLE Program Investment Options, as of December 31, 2024

Investment Option	Asset Allocation	Annualized Returns (2024)
Conservative	11%	4.99%
Moderately Conservative	8%	6.79%
Moderate	10%	8.02%
Growth	16%	9.80%
Moderately Aggressive	14%	11.68%
Aggressive	18%	13.61%
Checking Account	23%	0.01%*
Money Market Option**	.4%	5.24%

*The checking account is a variable rate interest-bearing account.

** The Money Market was introduced December 13th, 2024.

Accomplishments and Changes

Marketing. The NC ABLE Program is supported through DST's statewide engagement efforts and partnerships with corporations, community organizations and advocates.

- DST facilitated engagement and education through in-person professional conferences, community events and webinars.
- Sponsorships with the Special Olympics North Carolina, Autism Society of North Carolina and Miracle League of the Triangle provide key opportunities to reach eligible individuals and their families.
- NC ABLE also launched its first corporate partnership with Krispy Kreme. The NC ABLE program is available as a benefit offering to all qualified Krispy Kreme employees and their families nationwide.
- The NC ABLE program introduced the enrollment and management dashboard for non-profit, for profit, and governmental entities which represent and serve multiple account holders.
- NCABLE.org is an online resource for current and future account holders, individuals, families as well as professionals who provide services for those eligible participants. In 2024, NCABLE.org received over 18,000 unique visitors and 46,024 page views. Notably, there was a 165% increase in the usage of the NC ABLE enrollment checklist.
- The NC ABLE Program was highlighted in editorial opportunities as well as in local newspapers and podcasts.

Looking Forward

Marketing will continue to play a crucial role in raising awareness and reaching eligible individuals and their families. Programming and engagement with corporate, government, education and community partners will continue to support the upward trends around the NC ABLE Program.

The ABLE account contribution limits under federal law increased to \$19,000 for 2025 (up from \$18,000). The applicable one-person poverty limit for additional contributions by employed account holders increased to \$15,060 for 2025 (up from \$14,580).

Currently, only individuals with an onset of a disability prior to age 26 are eligible for an ABLE account. However, the Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0, enacted December 26, 2022, raises this age of eligibility to 46. This age adjustment is effective beginning January 1, 2026.

The NC ABLE Program receives an annual participant account maintenance fee of \$5.00 per account to offset operational expenses, but appropriations at current levels should be maintained to operate the Program.

Thank you for supporting the Department of State Treasurer and NC ABLE Program. We will continue to look for opportunities to reduce complexity and increase transparency and deliver value for current and future participants in the NC ABLE Program.

Warmest Regards,



Brad Briner
Chair, NC ABLE Program Board of Trustees