



Stacy Garrity, State Treasurer



PA ABLE SAVINGS PROGRAM DISCLOSURE STATEMENT

2025

**SUPPLEMENT DATED JANUARY 2026 TO THE PA ABLE SAVINGS PROGRAM
DISCLOSURE STATEMENT DATED 2025**

The following information describes important changes and is supplemental to the PA ABLE Disclosure Statement dated 2025. Please keep this supplement with your plan documents.

GENERAL CHANGES

ABLE Age Expansion

Effective January 1, 2026, the age at which a person's disability must have occurred to be eligible to open a PA ABLE account is increasing from 26 to 46.

Fee Reductions

The Operational Support Fee has been reduced from 0.26% to 0.24%, reducing the range of total annual asset-based fees to 0.28%-0.34%.

Annual Contribution Limit Change

Effective January 1, 2026, the annual contribution limit will increase from \$19,000 to \$20,000.

Please note that this does not affect the amount that may be deducted from taxable income on Pennsylvania state income taxes, which remains \$19,000.

SPECIFIC CHANGES

All references to the Annual Contribution Limit are changed from \$19,000 to \$20,000.

All references to the age that an Eligible Individual's disability or blindness must have occurred are changed from 26 to 46.

The following is added as Part 2.B.7.j. on page 35. All subsequent sections are renumbered accordingly:

j. Contributions through Gift of College

Friends and family may contribute to your PA ABLE Account by using a Gift of College gift card. Digital gift cards may be purchased at paable.gov/gift in denominations ranging from \$25 to \$200. A distribution and processing charge ranging from \$3.95, for a \$25 gift card, to \$5.95, for a \$100-\$200 gift card, is assessed at the time of purchase.

To redeem a gift card, Account Owners may simply visit paable.gov/redeem to get started.

The following is added as the fourth paragraph of Part C.2.c. on page 39:

Generally, any withdrawal requests from the Checking Account Option in an amount that exceeds the balance held by the Account Owner in the Checking Account Option will be declined. However, if a transaction results in an overdraft to the Checking Account Option, the Account Owner will be required to promptly satisfy the overdrawn balance. Fifth Third Bank and PA ABLE will separately provide written notification of an overdrawn balance. Subject to certain conditions and prior written notice to the Account Owner, PA ABLE reserves the right to bring the balance of an overdrawn Checking Account Option to zero and permanently close the Account. In the event PA ABLE determines to bring the balance of an overdrawn Checking Account Option to zero, the amount written off will be considered a contribution to the Account and will be reported on Form 5498-QA for the year in which the charge off occurs. Subject to IRS regulations, the amount of the charge off may also be reported on Form 1099-C. Please consult a legal or tax advisor regarding your specific situation.

The following replaces the chart in Part 2.C.5.d on page 58:

Annualized Returns as of September 30, 2025 ¹					
Portfolio	1 Year	3 Year	5 Year	Since Inception	Inception Date
Aggressive Option	15.13%	19.13%	11.38%	10.09%	12/15/2016
Moderately Aggressive Option	13.18%	16.67%	9.72%	8.87%	12/15/2016
Growth Option	11.51%	14.26%	6.08%	7.62%	12/15/2016
Moderate Option	9.63%	11.86%	6.41%	6.35%	12/15/2016
Moderately Conservative Option	7.65%	9.36%	5.10%	4.99%	12/15/2016
Conservative Option	5.40%	5.98%	3.28%	3.09%	12/15/2016
Money Market Option	N/A	N/A	N/A	3.20%	12/13/2024

¹The returns are net of asset-based fees. However, the Annual Account Maintenance Fee of \$56.00 charged to each Account is not reflected in the performance data. The fee is discounted to \$31.00 if you elect Electronic Delivery notification for statements, confirmations and disclosure documents.

The following replaces the chart in Part 2.D.1 on page 60:

FEE STRUCTURE TABLE					HYPOTHETICAL \$10,000 INVESTMENT COST CHART								
(as of September 30, 2025)					Assumes No Discount for Electronic Delivery of Statements, Confirms, and Disclosure Documents and No Waiver of Checking Account Monthly Service Charge				Assumes Discount for Electronic Delivery of Statements, Confirms, and Disclosure Documents and Waiver of Checking Account Option Monthly Service Charge				
Investment Option	Annual Asset-Based Fees ¹			Additional Account Owner Expenses									
	Estimated Underlying Fund Expense ²	Operational Support Fee	Total Annual Asset-Based Fees ³	Annual Account Maintenance Fee ⁴	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year	
Aggressive Option	0.04%	0.24%	0.28%	\$56	\$85	\$258	\$437	\$910		\$60	\$184	\$313	\$664
Moderately Aggressive Option	0.04%	0.24%	0.28%	\$56	\$85	\$259	\$438	\$912		\$60	\$184	\$314	\$666
Growth Option	0.04%	0.24%	0.28%	\$56	\$85	\$259	\$437	\$911		\$60	\$184	\$313	\$665
Moderate Option	0.04%	0.24%	0.28%	\$56	\$85	\$257	\$435	\$906		\$60	\$183	\$311	\$660
Moderately Conservative Option	0.05%	0.24%	0.29%	\$56	\$85	\$260	\$440	\$917		\$60	\$185	\$316	\$671
Conservative Option	0.07%	0.24%	0.31%	\$56	\$88	\$268	\$453	\$946		\$63	\$193	\$329	\$701
Money Market Option	0.10%	0.24%	0.34%	\$56	\$91	\$277	\$469	\$981		\$66	\$202	\$345	\$735
Checking Account Option ⁵	N/A	N/A	N/A	\$56	\$80	\$240	\$400	\$800		\$31	\$93	\$155	\$310

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

2 For each Investment Option, other than the Checking Account Option, the Estimated Underlying Fund Expenses in this column is derived from the expense ratio reported in each Underlying Fund's most recent prospectus as of February 24, 2025 and is based on a weighted average of the expenses of each Underlying Fund's expense ratio, in accordance with the Investment Option's asset allocation among its Underlying Funds. Each Investment Option indirectly bears the expenses of the Underlying Funds; so when fees are deducted from an Underlying Investment's assets, the value of the Underlying Fund's shares is reduced. Actual Underlying Fund expenses may vary.

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

4 The Annual Account Maintenance Fee (\$56.00) will be reduced to \$31 if Electronic Delivery is established for the Account.

5 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. This fee is waived if electronic statement delivery for monthly Checking Account Option statements is separately established using Fifth Third Bank online banking at www.53.com or the mobile application after the checking account is opened; or if the Account maintains an average monthly balance of at least \$250.

**SUPPLEMENT DATED JULY 2025 TO THE PA ABLE SAVINGS PROGRAM
DISCLOSURE STATEMENT DATED 2025**

This Supplement describes important changes and amends the PA ABLE Savings Program Disclosure Statement dated 2025. You should read this Supplement in conjunction with the Program Disclosure Statement. Capitalized terms not otherwise defined have the same meaning as those terms used in the Program Disclosure Statement. Please keep this supplement with your plan documents.

GENERAL CHANGES

The following ABLE-related provisions which were scheduled to expire on December 31, 2025, have been made permanent:

Higher Contribution Limitations for Employed Account Owners

ABLE Account Owners who are employed may be able to contribute more than the Annual Contribution Limit.

Rollovers from 529 Accounts to ABLE Accounts

Funds in a 529 account owned by the ABLE Account Owner or a member of the ABLE Account Owner's family may be rolled over into that ABLE Account.

Federal Tax Credit for Contributions to an ABLE Account

Certain ABLE Account Owners may be able to claim a federal tax credit for contributions made to their ABLE Accounts.

The method by which the Annual Contribution Limit is calculated has changed. While it is still related to the amount of gifts to one individual that may be excluded from federal gift taxes, it may be higher than that amount in a given year.

SPECIFIC CHANGES

The last paragraph in Part 2.B.7.g. on page 34 is deleted.

The first paragraph in Part 4.A.1. on page 77 is replaced with the following:

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 may be eligible for a federal tax credit.

The following replaces the definition of Annual Contribution Limit in Appendix D: Key Terms on page 132:

Annual Contribution Limit: An amount specified under Section 529A related to the amount of gifts to one individual that may be excluded from federal gift taxes (Gift Tax Exclusion). The Annual Contribution Limit may be the same amount or higher than the Gift Tax Exclusion in a given tax year. Once contributions from all sources made in a tax year meet the amount of the Annual Contribution Limit any further attempted contributions will be rejected or, if accepted, returned to the contributor.

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. LINKS TO THIRD PARTY WEBSITES FOUND IN THIS DISCLOSURE STATEMENT ARE PROVIDED FOR INFORMATIONAL PURPOSES AND ARE NOT PART OF THE PA ABLE DISCLOSURE STATEMENT. THE PLAN ADMINISTRATORS MAKE NO REPRESENTATIONS AS TO THE ACCURACY OF THE INFORMATION FOUND ON ANY THIRD PARTY WEBSITES.

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

TABLE OF CONTENTS

<i>PA ABLE – AT A GLANCE</i>	8
<i>Part 1. General Description of the Pennsylvania ABLE Savings Program</i>	13
<i>A. Program Summary</i>	13
<i>B. Role of Department</i>	16
<i>Part 2. How PA ABLE Works</i>	17
<i>A. Eligibility for Opening, and Maintaining Your Account</i>	17
1. <i>Eligibility</i>	17
<i>a. Social Security Disability Eligibility Requirements</i>	17
<i>b. Self-certification Eligibility Requirements</i>	18
<i>c. Changes in the Eligible Individual’s Condition</i>	18
2. <i>Opening and Maintaining Your PA ABLE Account</i>	19
<i>a. The Enrollment Process</i>	19
<i>i. Who may open an Account</i>	19
<i>ii. Authorized Individuals</i>	19
<i>iii. Enrollment Form and initial contribution</i>	21
<i>b. Updating Account Information</i>	21
<i>c. Designating or Changing Individuals with Control of or Access to</i> <i>the Account</i>	22
<i>i. Change of Account Owner</i>	22
<i>ii. Successor Account Owner</i>	23
<i>iii. Authorized Individuals</i>	23
<i>iv. Interested Party</i>	25
<i>d. Account Restrictions</i>	25
<i>e. PA ABLE Communications</i>	25
<i>B. Making Contributions</i>	26
1. <i>Who Can Contribute</i>	26
2. <i>Contribution Amounts and Limitations</i>	26
3. <i>Pennsylvania Tax Deductibility of Contributions</i>	28
4. <i>Contribution Date</i>	28
5. <i>Directing Contributions to Investment Options</i>	28
6. <i>Contributing through the Systematic Exchange Program</i>	29
7. <i>Methods of Contributing</i>	30
<i>a. Checks and Money Orders</i>	30
<i>b. Wire Transfer</i>	30
<i>c. Electronic Funds Transfer (EFT)</i>	30
<i>d. Recurring Contributions</i>	31

e. Payroll Deduction	32
f. Rollover from another qualified ABLE program.....	33
g. Rollovers from 529 Accounts to ABLE Accounts	34
h. Transfers between PA ABLE Accounts	34
i. Ugift®	35
j. Employer Matching Contributions.....	35
C. Choosing your Investment Options	36
1. Investment Options Summary.....	36
2. Overview of Investment Options and Underlying Funds	36
a. Overview of Asset-allocation Investment Option Choices	36
b. Overview of Underlying Funds and Share Classes.....	37
c. Overview of Checking Account Option	38
3. Investment Option Descriptions	39
a. Aggressive Option	39
b. Moderately Aggressive Option.....	40
c. Growth Option	41
d. Moderate Option	42
e. Moderately Conservative Option	43
f. Conservative Option.....	44
g. Money Market Option.....	45
h. Checking Account Option Description.....	45
4. Underlying Funds Descriptions	47
a. Vanguard Total Stock Market Index Fund (VTSAX)	47
b. Vanguard Cash Reserves Federal Money Market Fund (VMRXX)	47
c. Vanguard Total Bond Market Index Fund (VBMPX)	48
d. Vanguard Short-Term Bond Index Fund (VBMPX).....	48
e. Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	49
f. Vanguard Developed Markets Index Fund (VTMGX)	50
g. Vanguard Emerging Markets Stock Index Fund (VEMAX).....	50
h. Schwab US REIT ETF	51
i. iShares Core International Aggregate Bond ETF	53
j. American Funds High-Income Trust	55
5. Additional Investment Information.....	56
a. How Your Units are Valued	56
b. Treatment of Dividends and Capital Gains	57
c. ..Requesting Additional Information about certain Underlying Funds	57
d. Individual Investment Option Performance	57
D. Fees and Expenses	59
1. Asset-allocation Investment Option Asset-based Fees.....	59
2. Checking Account Option Fees.....	60
3. Annual Account Maintenance Fee	61
4. Other Charges... ..	61
E. Making Withdrawals	62
1. In General	62
2. Recontribution of Withdrawals	62

3. <i>Withdrawal Payment Methods</i>	63
4. <i>Systematic Withdrawal Program</i>	64
5. <i>Types of Withdrawals</i>	64
a. <i>Qualified Withdrawals</i>	65
i. <i>How to Request</i>	65
ii. <i>Tax Consequences</i>	65
iii. <i>Government Benefit Consequences</i>	66
b. <i>Direct Rollovers</i>	66
i. <i>How to Request</i>	66
ii. <i>Tax Consequences</i>	66
iii. <i>Government Benefit Consequences</i>	66
c. <i>Indirect Rollovers</i>	67
i. <i>How to Request</i>	67
ii. <i>Tax Consequences</i>	67
iii. <i>Government Benefit Consequences</i>	68
d. <i>Transfer between PA ABLE Accounts</i>	68
i. <i>How to Request</i>	68
ii. <i>Tax Consequences</i>	68
iii. <i>Government Benefit Consequences</i>	68
e. <i>Non-qualified Withdrawals</i>	68
i. <i>How to Request</i>	68
ii. <i>Tax Consequences</i>	68
6. <i>Withdrawal Upon Termination</i>	69
a. <i>General</i>	69
b. <i>Causes for Termination</i>	69
c. <i>Written Request for Termination</i>	70
d. <i>Value of Account Upon Termination</i>	71
F. <i>Account Security</i>	71
1. <i>In General</i>	71
2. <i>Online Account Security</i>	71
Part 3. <i>Your Account's Effect on Means-Tested Benefits</i>	72
A. <i>In General</i>	72
B. <i>Supplemental Security Income</i>	72
1. <i>Income Exclusions</i>	72
2. <i>Resources Exclusions</i>	73
a. <i>ABLE Account Values up to \$100,000</i>	73
b. <i>Qualified and Non-qualified Withdrawals</i>	73
3. <i>Reporting to the Social Security Administration</i>	74
C. <i>Medicaid (Medical Assistance)</i>	74
1. <i>In General</i>	74
2. <i>In Pennsylvania</i>	75
D. <i>Other Means-Tested Benefit Programs</i>	75
1. <i>Supplemental Nutrition Assistance Program ("SNAP")</i>	75
2. <i>U.S. Department of Housing and Urban Development ("HUD")</i>	76
3. <i>Potential Impact on State or Local Benefits</i>	76

4. Potential Impact on Private Benefits	76
E. Additional Social Security Information	76
Part 4. Tax Information	76
A. Federal Tax Treatment	77
1. Tax Provisions Related to Contributions	77
2. Taxation on Earnings	78
3. One Account Rule	78
B. Pennsylvania Tax Treatment	79
1. Tax Provisions Related to Contributions	79
2. Taxation on Earnings	79
3. Taxation of Transfers Including Inheritance Tax	79
4. Other States' Tax Treatment	79
Part 5. Risk Factors.....	80
A. Status of PA ABLE as a Qualified ABLE Program	80
B. Investment Risks	80
C. Cybersecurity Risk.....	80
D. Force Majeure.....	81
E. Program Structure Risks	81
F. Risk of Changes in Federal and State Law	82
G. No Indemnification	82
H. No Security Registration	82
Part 6. Additional Legal and Administrative Information.....	82
A. The Investment Guidelines	82
B. PA ABLE Procedures and Requirements	82
C. Data Sharing	83
D. Availability of Financial Statements and Other Reports.....	83
E. Suitability	83
F. Not an Offer to Sell.....	83
G. Federal Bankruptcy Exemption for Certain Contributions to Accounts	83
H. Abandoned and Unclaimed Accounts	84
I. Limitation on Pledges, Assignments, and Loans.....	84
J. Information Subject to Change	84
K. Important Reference Material.....	84
L. Conflicts	84

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

<p>Nature of the Pennsylvania ABLÉ Savings Program</p>	<p>The Pennsylvania ABLÉ Savings Program (“PA ABLÉ”) 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.</p>
<p>Role of the PA Treasury</p>	<p>PA ABLÉ is administered by the Pennsylvania Treasury Department (the “Department”). In conjunction with a multi-state alliance organized to provide ABLÉ programs at low cost (the National ABLÉ 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 ABLÉ. 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., (collectively, “Investment Firms”) and a Checking Account Option offered by Fifth Third Bank, NA. See Part 2.C.</p>
<p>Account Owner /Beneficiary</p>	<p>The Account Owner is the person whose disability-related expenses may be paid from the PA ABLÉ 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.</p>

Authorized Individual	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 enter into a 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.
Contributions	Initial Contribution: An initial contribution is not required. However, a contribution must be made within 90 days of opening the Account or it will be closed. Additional Contributions: \$1 minimum. You may also receive a minimum contribution of \$10 through Ugift®. Current Annual Contribution Limit: \$19,000 Current Account Balance Limit: \$511,758
Investment Options	Investment Options include seven Asset-Allocation Investment Options ranging from aggressive to money market as well as a Checking Account Option.
Risk Factors of the Pennsylvania ABLE Savings Program	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.
Fees and Expenses	There is an Annual Account Maintenance Fee. That fee is \$56 which is discounted to \$31 for those Account Owners who receive specified Account information electronically. The fee is taken quarterly (\$14.00 or \$7.75). The Asset Allocation Investment Options have annual asset-based fees ranging from 0.30% to 0.36%. The Checking Account Option has a monthly fee of \$2.00, which is waived if bank statements are received electronically or the average monthly checking account balance is at least \$250. Additional Checking Account Option fees may apply. See Part 2.D and Appendix B.

<p>Tax Advantages</p>	<p>Earnings accrue free from Pennsylvania and federal income tax and there is no Pennsylvania or federal income tax on Qualified Withdrawals.</p> <p>Contributions up to \$19,000 per year 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.</p>
<p>Other Advantages</p>	<p>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.</p>
<p>Qualified Withdrawals</p>	<p>A Qualified Withdrawal can be taken from a PA ABLE Account to pay for Qualified Disability Expenses. Such expenses include, but are not limited to: education, housing, transportation, and assistive technology. See Part 2.E.4.a.</p>
<p>Account Control</p>	<p>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 enter into a 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.</p>
<p>Online Applications and Account Information</p>	<p>Eligible Individuals may enroll online at PAABLE.gov, or print or call for an Enrollment Form and mail the completed form to:</p> <p>PA ABLE 1001 E 101st Terrace, Suite 200 Kansas City, MO 64131</p> <p>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.</p>
<p>Privacy Policies</p>	<p>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.</p>

Contact Information	<p>Website: PAABLE.gov Email: info@PAABLE.gov Phone: 855-529-ABLE (2253)</p> <p>PA ABLÉ Savings Program: Pennsylvania Treasury Bureau of Savings Programs 613 North Drive Room G-06 Harrisburg, PA 17120</p> <p>Processing Center: PA ABLÉ 1001 E 101st Terrace, Suite 200 Kansas City, MO 64131</p>
---------------------	--

1

READ THE PA ABLE DISCLOSURE STATEMENT

Read the Disclosure Statement and save it for future reference. It contains important information that should be reviewed before opening an Account, including information about the benefits and risks of investing in PA ABLE.

2

GATHER INFORMATION

ACCOUNT OWNER

- Valid Social Security number, EIN, or taxpayer identification number
- Valid driver's license, state-issued ID, military ID, or passport
- Date of birth
- Permanent street address in the U.S. or a U.S. territory or military base
- Mailing address
- Email address for Account Owners with legal capacity to enter into a contract who will be opening and managing the Account themselves
- Checking or savings account number and bank routing number to contribute electronically by EFT or recurring contribution

AUTHORIZED INDIVIDUAL

For individuals opening the Account on behalf of the Account Owner:

- Valid Social Security number, EIN, or taxpayer identification number
- Valid driver's license, state-issued ID, military ID or passport
- Date of birth
- Permanent street address in the U.S. or a U.S. territory or military base
- Mailing address
- Email address to be used for Account communications
- Checking or savings account number and bank routing number to contribute electronically by EFT or recurring contribution

For Entities opening the Account on behalf of an Account Owner:

- A completed Authorized Entity Signatory Form for Entities
- Entity tax identification number
- Entity permanent street address
- Entity mailing address
- A continuously monitored organizational email address that is not associated with a

specific employee for Account communications

- Name, permanent U.S. residential address, date of birth and Social Security Number or tax identification number for the Control Person(s) as well as certain individual(s) that own and/or control the Entity.
- Organization documents (e.g. articles of incorporation) will be required in certain situations.

ENROLL ONLINE

Visit PAABLE.gov and click on Open an Account to get started.

3

Online enrollment is easiest and recommended. However, some circumstances may require paper enrollment. A paper enrollment form may be downloaded and printed from PAABLE.gov or by calling our Customer Service Center at 855-529-ABLE (2253).

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 seven Asset-allocation Investment Options in which the funds (assets) are in different combinations (allocations) of stock funds, bond funds, and cash or cash equivalents. The combinations range from aggressive investments (mostly stocks) to a money market option (all cash or cash equivalents). The asset allocations (combination of stocks, bonds, and cash or cash equivalents) are static; that is, they will not change without prior notice. Each of the Asset-allocation Investment Options invests in products from the Investment Firms. The products include mutual funds and Exchange-traded Funds (ETFs) (“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 or ETFs. 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. 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 Disability 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 Disability Expenses, tax exempt.
- **Pennsylvania Income Tax Deduction.** Contributions up to \$19,000 per year 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 has 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 Indirect Rollover or upon completion of the transfer in the case of a Direct Rollover. See Part 2.E.4.b.

If the Account Owner is a minor or an adult who lacks legal capacity to enter into a 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 \$56, which will be taken quarterly (\$14.00 per quarter). This Fee is reduced to \$31 for accounts that establish Electronic Delivery of most account communications (\$7.75 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 0.36%, 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 statement delivery separately using Fifth Third Bank's online banking or mobile application; or maintains an average monthly checking account 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 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, and iShares by Blackrock Inc. The Checking Account Option uses a bank product from Fifth Third Bank, NA. (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](https://www.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.

Please note that, except with respect to processing a Rollover, an Account Owner may not have more than one ABLE account at the same time. Please see Part 4.A.3. for more information.

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.6.). 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.]

or

- (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.6.)

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.6.)

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. It is your responsibility to notify PA ABLE in writing if the Account Owner subsequently requalifies 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 enter into a 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 current resident of the U.S., (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 enter into a 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 enter into a 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 current resident of the U.S., (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 enter into a 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

attorney is in full force and effect. A template affidavit may be obtained by calling 855-529-ABLE (2253),

2. **Conservator or legal guardian** - valid judicial guardianship order or other court order granting authority over the finances of the Account Owner,
3. **Spouse** - marriage certificate,
4. **Parent** - birth certificate,
5. **Sibling (brother, sister, stepbrother, stepsister, half-brother, or half-sister)** - birth certificates of both the Account Owner and the Sibling,
6. **Grandparent** - birth certificates of both the Account Owner and child (i.e. parent of the Account Owner) of the grandparent,
7. **Representative payee appointed for the Account Owner by the SSA** - representative payee letter issued by the SSA.

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 enter into a 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 provides to PA ABLE, documentation proving his or her relationship in the list found in Part 2.A.2.a.(ii). An Account Owner who has reached the age of 21 and has the capacity to enter into a contract may request a termination of the account without the consent of the Authorized Individual (see Part 2.E.56c.).

Authorized Individuals 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.

If multiple Authorized Individuals are named, it is the responsibility of the Authorized Individuals to manage the Account in accordance with any legal documentation, such as guardianship documents or powers of attorney, that requires the Authorized Individuals act together. PA ABLE may act upon the instruction of any Authorized Individual. If legal documentation requires Authorized Individuals to act together, it is the duty of the Authorized

Individuals to reach agreement before either takes any action in managing and transacting on the Account. Whenever an action is required to be taken in connection with an Account, the Authorized Individual must take such action on behalf of the Account Owner.

None of the Plan Administrators 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.

(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). While an initial contribution is not required, a contribution must be made within 90 days of opening your Account or the Account will be closed. 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 the Account Owner meets all the requirements to be an Eligible Individual and that the Authorized Individual, if applicable, also meets the requirements to be an Authorized Individual. In addition, you agree that your Account is subject to the terms and conditions of the PA ABLÉ Contract, of which this Disclosure Statement, the PA ABLÉ 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 online, by calling 855-529-ABLE (2253), or by submitting a paper form. To access your Account online, go to

PAABLE.gov and click on “Login.” There you can enter your online account username and password if you have previously registered for online access or register your Account by setting up a username 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 only 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 \$19,000). 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 Account 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 Account Owner must be an Eligible Individual at the time that they take ownership of the Account and a Sibling of the Account Owner. The Successor Account Owner will take ownership of the Account upon submission of documentation of the Account Owner's death and an Enrollment Form. The Account Owner can name, change, or remove the Successor Account Owner at any time by completing an Account Information Change Form. If the Account Owner does not name a Successor Account Owner, Account assets will be paid to the Account Owner's estate after any outstanding Qualified Withdrawals have been paid.

Please note that any funds remaining in the Account of the deceased Account Owner may be includable in the deceased Account Owner's gross estate for federal estate tax purposes. Payment of any federal estate taxes owed is the responsibility of the deceased Account Owner's estate.

(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 enter into a contract. Additionally, an Account Owner who has reached the age of 21 and has the capacity to enter into a 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. If there are multiple Authorized Individuals, the Successor Authorized Individual designation would not be effective until all current Authorized Individuals are unable or are no longer willing to serve as Authorized Individuals. 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.** An Account Owner who is 21 years of age or older with capacity to enter into a contract that has named an Authorized Individual may remove that Authorized Individual at any time. See Part 2.E.5.d. for more information.

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 enter into a 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. This person will be listed on the Account as an Interested Party.

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 or by calling 855-529-ABLE (2253).

d. Account Restrictions

PA ABLEs reserves the right to:

- (1) freeze an Account and/or suspend Account services if (i) we receive notice of a dispute regarding Account assets, Account control or Account ownership, including notice of the death of an Account Owner (until appropriate documentation is received and we reasonably believe that it is lawful to transfer Account ownership), (ii) we reasonably believe a fraudulent transaction(s) may occur or has occurred, or (iii) we receive notice from an Account Owner who has reached the age of 21 that he or she wishes to assume control of his or her Account from an Authorized Individual.
- (2) close an Account, without the Account Owner's permission, (i) in cases of threatening or abusive conduct or suspicious, fraudulent or illegal activity, (ii) if it is determined that false or misleading information has been provided to PA ABLE in establishing or maintaining the Account, (iii) if it is determined that you are prohibited by law from participating in the program, (iv) .
- (3) refuse to establish or terminate an Account if required documentation has not been provided in good order to the Plan or if we determine that it is in the best interest of the Plan or required by law; and
- (4) reject a contribution for any reason, including, but not limited to, PA ABLE's determination that a contribution to an Account is not in the best interests of PA ABLE, an Investment Option or the Account Owner. The risk of market loss, tax implications, penalties, and any other expenses as a result of the above will be solely the Account Owner's responsibility.

e. PA ABLE Communications

In addition to quarterly statements, PA ABLE Disclosure Statement Supplements, and transaction and profile confirmations, Account Owners may receive other PA ABLE communications including, but not limited to, notifications of special promotions, offers of additional services, and reminders of important contribution timeframes.

Quarterly statements, PA ABLE Disclosure Statement Supplements, and transaction and

profile confirmations will be provided in paper format unless Electronic Delivery has been established. Electronic Delivery may be established during online enrollment or any time after the Account is opened by visiting PAABLE.gov. See Part 2.D. for more information.

For Accounts established by an Account Owner with legal capacity to enter into a contract, the Account Owner will receive all Account-related correspondence. In cases where an Account Owner with legal capacity to enter into a contract has designated an Authorized Individual, the Authorized Individual will receive duplicate quarterly statements.

For Accounts established by an Authorized Individual for an Account Owner who does not have legal capacity to enter into a contract, the Authorized Individual will receive all Account-related correspondence.

If an Interested Party has been designated, the Interested Party will receive duplicate quarterly statements.

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 is not required at the time the account is opened. However, a contribution must be made within 90 days of opening your Account or the Account will be closed. Additional contributions of \$1 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 \$19,000) per year per Account (the “Annual Contribution Limit”). This amount may be adjusted for inflation from time to time. The current 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 or received contributions to a

defined contribution plan, annuity contract, or deferred compensation plan, as defined by the Internal Revenue Code, 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, either directly or through payroll deduction. However, these contributions do not have to be made directly from compensation income. Whether an employer matching contribution as described in Part 2.B.7.j. can be treated as being made by the Account Owner depends on a number of factors. Please consult a financial, tax, or legal advisor for more information.

In order to take advantage of this exception, Account Owners must complete the Employed Account Owner 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.

Account Owners are solely responsible for calculating and ensuring compliance with Contribution Limits, and for maintaining adequate records for that purpose. Employed Account Owners seeking to make contributions in excess of the Annual Contribution Limit must certify under penalties of perjury that (1) the Account Owner is eligible to make contributions in excess of the Annual Contribution Limit as described in Part 2.B.2, and (2) the Account Owner’s contributions of compensation are not excess compensation contributions (i.e., contributions that would violate Contribution Limits). Any contributions that exceed the Annual Contribution Limit could have an effect on the Account Owner’s state tax obligations. Account Owners may wish to consult a tax professional before making any such additional contributions.

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 Investment 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 \$19,000 each year. 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 \$19,000 per year, 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.

To establish a Systematic Exchange Program with respect to a new contribution into your Account and not have the movement from the Source Investment Option to the Target Investment Option count towards your twice per calendar year Investment Exchange Limit, you must complete an Account Financial Features Form and mail the completed form along with a contribution check to PA ABLE. 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. Please note that Systematic Exchange Programs established online are limited to existing assets in the Account and, as such, are subject to the twice per calendar year Investment Exchange Limit.

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 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 your 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.

EFT contributions that are initiated and in good order before 10:00 p.m., Eastern Time, on a business day will be credited to your PA ABLE Account effective the following business day but will be debited from your bank account on the second following business day. EFT contributions that are initiated and in good order after 10:00 p.m., Eastern Time, or on a non-business day will be credited to your PA ABLE Account effective the second following business day but will be debited from your bank account on the third following business day.

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 any 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 your 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.

Recurring Contributions to your PA ABLE Account's Asset-Allocation Investment Options will be held between five and six business days before becoming available for withdrawal. Recurring Contributions to your PA ABLE Account's Checking Account Option will be held between six and seven business days.

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.

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 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. Rollovers can be either Direct Rollovers or Indirect Rollovers.

In a Direct Rollover, funds are transferred directly from an ABLE account to another. In an Indirect Rollover, funds are withdrawn by an Account Owner and subsequently deposited into a new ABLE account. In the case of an Indirect Rollover, funds must be deposited within 60 days. If they are not, it is considered a Non-qualified Withdrawal. If the Rollover is from another state's program 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. An Indirect 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 Direct Rollover from another 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.

To initiate an Indirect Rollover from another ABLE program into PA ABLE, you may make a withdrawal from the other ABLE program and deposit those funds into your PA ABLE account within 60 days. 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.

Direct Rollover and Indirect Rollover contributions from another ABLE account that meet the criteria described in this Part are not subject to Contribution Limits. For example, you may make a Rollover contribution of \$50,000 to an Account, even though you could not make such a contribution otherwise.

For both Direct Rollovers and Indirect Rollovers to and from the same Account Owner, you must provide PA ABLE with the amount of the current year contributions made to the original ABLE account as well as the number of Investment Option changes made in the original ABLE

account during the current year. Note that although the amount of the Rollover is not subject to Contribution Limits as indicated above, Rollovers to and from the same Account Owner are required to carry over current year contributions and Investment Option changes to the new ABLÉ Account. For example, if during the current year an Account Owner contributed \$8,000 and made one Investment Option change in the preexisting ABLÉ account, the \$8,000 will apply toward the Account Owner's current year's Annual Contribution Limit in the new ABLÉ account and the one Investment Option change will apply towards the Account Owner's current year's twice per calendar year limit on changing Investment Options in the new ABLÉ Account.

Movement of funds that do not meet the conditions stated above for Rollovers may constitute a Non-qualified Withdrawal from the sending ABLÉ 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 ABLÉ 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 ABLÉ 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 ABLÉ you must already have or open a PA ABLÉ Account and complete the Incoming Rollover Form. Additionally, PA ABLÉ 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 ABLÉ 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 ABLÉ Account is set to lapse on December 31, 2025.

h. Transfers between PA ABLÉ Accounts

You may transfer all or a portion of an Account Owner's Account balance to another PA ABLÉ 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 ABLÉ 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).

j. Employer Matching Contributions

Employers may be eligible to claim a tax credit against their Pennsylvania state tax liability for making matching contributions to employees' ABLE accounts. The following conditions apply:

- An employer may claim the tax credit for matching contributions to its employees' ABLE accounts made after December 31, 2024.
- An employer may claim a tax credit equal to 25% of its aggregate matching contributions made in a tax year. An employer may claim the tax credit on up to \$500 in aggregate matching contributions per employee per year.
- To receive the tax credit, an employer must provide the Pennsylvania Department of Revenue (Revenue) with proof of qualifying matching contributions at time of filing its Pennsylvania state tax return. Employers should consult with Revenue for more information.
- Employees are required to provide to their employers evidence of the total amount deposited into their ABLE accounts during the previous tax year. Employers may prescribe the manner in which employees provide this information.
- If the amount of an employer's approved tax credit exceeds its tax liability in a tax year, the tax credit may be carried forward for up to three years to reduce the employer's tax liability during those tax years.
- Employer matching contributions may be considered taxable on both the federal and state level. Employees should consult with a tax advisor.
- The ability to receive this tax credit is scheduled to expire on December 31, 2029.

Please note that PA ABLE will reject an employer matching contribution that is

an Excess Contribution. If PA ABLE determines that an Excess Contribution has been accepted, the Excess Contribution and any associated earnings will be promptly refunded less any amounts attributable to market losses suffered between the date of the contribution and the date of the refund. For more information, please see Part 2.B.2.

Employers may wish to consider consulting with a financial, tax, legal, or employee benefits advisor for more guidance.

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 seven Asset-allocation Investment Options in which the funds (assets) are in different combinations (allocations) of stock funds, bond funds, and cash or cash equivalents. With the exception of the Money Market Option, which invests 100% of its assets in a federal money market fund, the combinations range from aggressive investments (mostly stocks) to conservative investments (mostly bonds and cash). The asset allocations (combination of stocks, bonds, and cash or cash equivalents) are static; that is, they will not change over time without prior notice. Each of the Asset-allocation Investment Options invests in products from The Vanguard Group, Inc., Charles Schwab Investment Management, Inc., dba Schwab Asset Management, American Funds, and/or iShares by Blackrock Inc. (collectively, “Investment Firms”). The products include mutual funds and Exchange Traded Funds (ETFs) (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. 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 or cash equivalents. (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 seven Asset-allocation Investment Options are named the Aggressive Option, the Moderately Aggressive Option, the Growth Option, the Moderate Option, the Moderately Conservative Option, the Conservative Option, and the Money Market Option – in order of their declining 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 Total Stock Market Index Fund (VSMPX)
- Vanguard Developed Markets Index Fund (VTMNX)
- Vanguard Emerging Markets Stock Index Fund (VEMIX)
- Schwab US REIT ETF (SCHH)
- Vanguard Total Bond Market Index Fund (VBMPX)
- Vanguard Short-Term Bond Index Fund (VBIPX)
- Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)
- American Funds High-Income Trust (HIGFX)
- Blackrock iShares Core International Aggregate Bond ETF (IAGG)
- Vanguard Cash Reserves Federal Money Market Fund (VMRXX)

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.

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 1-800-474-2737
- Capital Group www.capitalgroup.com 1-800-421-4225
- Schwab www.schwabassetmanagement.com 1-877-824-5615
- Vanguard www.vanguard.com 1-866-734-4533
- Fifth Third Bank 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 Investment 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:

Underlying Investment (Ticker)	Aggressive	Moderately Aggressive	Growth	Moderate	Moderately Conservative	Conservative	Money Market
Vanguard Total Stock Market Index Fund (VSMPIX)	51.00%	42.00%	34.00%	25.00%	17.00%	6.00%	0.00%
Vanguard Developed Market Index Fund (VTMNX)	22.00%	18.00%	15.00%	11.00%	7.00%	2.00%	0.00%
Vanguard Emerging Markets Stock Index Fund (VEMIX)	9.00%	8.00%	6.00%	5.00%	3.00%	1.00%	0.00%
Schwab U.S. REIT ETF (SCHH)	8.00%	7.00%	5.00%	4.00%	3.00%	1.00%	0.00%
Total Stocks	90.00%	75.00%	60.00%	45.00%	30.00%	10.00%	0.00%
Vanguard Total Bond Market Index Fund (VBMPX)	5.00%	13.75%	24.00%	33.00%	27.00%	18.00%	0.00%
Vanguard Short-Term Bond Index Fund (VBIPX)	0.50%	2.50%	4.00%	6.88%	6.75%	4.50%	0.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPIX)	0.50%	2.50%	4.00%	6.88%	6.75%	4.50%	0.00%
American Funds High-Income Trust (HIGFX)	3.00%	3.75%	4.00%	2.75%	0.00%	0.00%	0.00%
iShares Core International Aggregate Bond ETF (IAGG)	1.00%	2.50%	4.00%	5.50%	4.50%	3.00%	0.00%
Total Bonds	10.00%	25.00%	40.00%	55.00%	45.00%	30.00%	0.00%
Vanguard Cash Reserves Federal Money Market Fund (VMRXX)	0.00%	0.00%	0.00%	0.00%	25.00%	60.00%	100.00%
Total Cash and Cash Equivalents¹	0.00%	0.00%	0.00%	0.00%	25.00%	60.00%	100.00%
Total Allocation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

¹The Total Cash or Cash Equivalents allocation is 100% invested in the Vanguard Cash Reserves Federal Money Market Fund, which invests 99.5% of its total assets in cash, U.S. government securities, and/or repurchase agreements that are collateralized by U.S. government securities or cash.

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 insurance 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 Disability Expenses. Account Owners should retain documentation (for example, receipts) of all distributions for Qualified Disability Expenses for their records.

The Account will have the option to utilize a free debit card after the Checking Account Option is funded and

the option to order checks for a fee to be set by Fifth Third Bank. For Accounts established by the Account Owner and Accounts where an Account Owner with legal capacity to enter into a contract has designated an Authorized Individual as their agent under a power of attorney, the debit card and checks will be issued in the name of the Account Owner and mailed to the Account Owner's mailing address on the Account record. For Accounts established by an Authorized Individual for a minor or an adult without legal capacity to enter into a contract, the debit card will be issued in the name of the Authorized Individual, the checks will be issued in the name of the Account Owner and the Authorized Individual, and each will be mailed to the Authorized Individual's mailing address on the Account record. Note that entities may not select the Checking Account Option unless they are opening the Account as agent under a power of attorney designated by an Account Owner with legal capacity to enter into a contract. See Appendix B for additional information on the fees associated with the Checking Account Option.

Please note that Account Owners may not deposit contributions directly into the Checking Account Option at a Fifth Third Bank branch or through direct deposit using the checking account number and routing number or withdraw assets from the Checking Account Option at a Fifth Third Bank branch. Contributions must be sent to PA ABLE. You may request a withdrawal from PA ABLE which can be sent by check or ACH to the Account Owner or by check to a third party. You may also access funds invested in the Checking Account Option by using your debit card, by making an ATM withdrawal or by writing a check. To find a fee-free Fifth Third Bank or partner network ATM, use the ATM Locator at www.53.com. If you have more than one Authorized Individual on your account, only one will be authorized to write checks and use the debit card.

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.

Investment Strategy:

The Investment Option invests in three Vanguard stock index funds, one Schwab index ETF, three Vanguard bond index funds, one American Funds bond fund and one BlackRock (iShares) bond index fund. Through its investment in these Underlying

Funds, the Investment Option allocates approximately 90% of its assets to stocks and 10% of its assets to bonds. The approximate percentages of the Investment Option's assets allocated to each Underlying Fund are:

Aggressive Option	
Vanguard Total Stock Market Index Fund (VSMPX)	51.00%
Vanguard Developed Market Index Fund (VTMNX)	22.00%
Vanguard Emerging Markets Stock Index Fund (VEMIX)	9.00%
Schwab U.S. REIT ETF (SCHH)	8.00%
Vanguard Total Bond Market Index Fund (VBMPX)	5.00%
Vanguard Short-Term Bond Index Fund (VBIPX)	0.50%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	0.50%
American Funds High-Income Trust (HIGFX)	3.00%
iShares Core International Aggregate Bond ETF (IAGG)	1.00%

Investment Risks:

The Investment Option has a number of investment related risks. For a list and descriptions of the principal risks associated with the Vanguard funds, Blackrock funds, American Funds bond fund 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 three Vanguard stock index funds, one Schwab index ETF, three Vanguard bond index funds, one American Funds bond fund and one BlackRock (iShares) bond index fund. Through its investment in these Underlying Funds, the Investment Option allocates approximately 75% of its assets to stocks and 25% of its assets to bonds. The approximate percentages of the Investment Option's assets allocated to each Underlying Fund are:

Moderately Aggressive Option	
Vanguard Total Stock Market Index Fund (VSMPX)	42.00%
Vanguard Developed Market Index Fund (VTMNX)	18.00%
Vanguard Emerging Markets Stock Index Fund (VEMIX)	8.00%
Schwab U.S. REIT ETF (SCHH)	7.00%
Vanguard Total Bond Market Index Fund (VBMPX)	13.75%
Vanguard Short-Term Bond Index Fund (VBIPX)	2.50%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	2.50%
American Funds High-Income Trust (HIGFX)	3.75%
iShares Core International Aggregate Bond ETF (IAGG)	2.50%

Investment Risks:

The Investment Option has a number of investment related risks. For a list and descriptions of the principal risks associated with the Vanguard funds, BlackRock ETF, American Funds bond fund and Schwab ETF, see *Explanation of Investment Risk Factors* in Appendix C.

c. Growth Option

Investment Objective:

The Investment Option seeks to primarily provide capital appreciation and secondarily provide current income.

Investment Strategy:

The Investment Option invests in three Vanguard stock index funds, one Schwab index ETF, three Vanguard bond index funds, one American Funds bond fund and one BlackRock (iShares) bond index fund. Through its investment in these Underlying Funds, the Investment Option allocates approximately 60% of its assets to stocks and 40% of its assets to bonds. The approximate percentages of the Investment Option's assets allocated to each Underlying Fund are:

Growth Option	
Vanguard Total Stock Market Index Fund (VSMPX)	34.00%
Vanguard Developed Market Index Fund (VTMNX)	15.00%
Vanguard Emerging Markets Stock Index Fund (VEMIX)	6.00%
Schwab U.S. REIT ETF (SCHH)	5.00%
Vanguard Total Bond Market Index Fund (VBMPX)	24.00%
Vanguard Short-Term Bond Index Fund (VBIPX)	4.00%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	4.00%
American Funds High-Income Trust (HIGFX)	4.00%
iShares Core International Aggregate Bond ETF (IAGG)	4.00%

Investment Risks:

The Investment Option has a number of investment related risks. For a list and descriptions of the principal risks associated with the Vanguard funds, BlackRock ETF, American Funds bond fund and Schwab ETF, see *Explanation of Investment Risk Factors* in Appendix C.

d. Moderate Option

Investment Objective:

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

Investment Strategy:

The Investment Option invests in three Vanguard stock index funds, one Schwab index ETF, three Vanguard bond index funds, one American Funds bond fund and one BlackRock (iShares) bond index fund. Through its investment in these Underlying Funds, the Investment Option allocates approximately 45% of its assets to stocks and 55% of its assets to bonds. The approximate percentages of the Investment Option's assets allocated to each Underlying Fund are:

Moderate Option	
Vanguard Total Stock Market Index Fund (VSMPX)	25.00%
Vanguard Developed Market Index Fund (VTMNX)	11.00%
Vanguard Emerging Markets Stock Index Fund (VEMIX)	5.00%
Schwab U.S. REIT ETF (SCHH)	4.00%
Vanguard Total Bond Market Index Fund (VBMPX)	33.00%
Vanguard Short-Term Bond Index Fund (VBIPX)	6.88%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	6.88%
American Funds High-Income Trust (HIGFX)	2.75%
iShares Core International Aggregate Bond ETF (IAGG)	5.50%

Investment Risks:

The Investment Option has a number of investment related risks. For a list and descriptions of the principal risks associated with the Vanguard funds, BlackRock ETF, American Funds bond fund and Schwab ETF, see *Explanation of Investment Risk Factors* in Appendix C.

e. **Moderately Conservative Option**

Investment Objective:

The Investment Option seeks to primarily provide current income with moderate capital appreciation and low capital preservation.

Investment Strategy:

The Investment Option invests in three Vanguard stock index funds, one Schwab index ETF, three Vanguard bond index funds, one BlackRock (iShares) bond index fund and a Vanguard money market fund. Through its investment in these Underlying Funds, the Investment Option allocates approximately 30% of its assets to stocks, 45% of its assets to investment-grade bonds and 25% to cash or cash equivalents. The approximate percentages of the Investment Option's assets allocated to each Underlying Fund are:

Moderately Conservative Option	
Vanguard Total Stock Market Index Fund (VSMPX)	17.00%
Vanguard Developed Market Index Fund (VTMNX)	7.00%
Vanguard Emerging Markets Stock Index Fund (VEMIX)	3.00%
Schwab U.S. REIT ETF (SCHH)	3.00%
Vanguard Total Bond Market Index Fund (VBMPX)	27.00%
Vanguard Short-Term Bond Index Fund (VBIPX)	6.75%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	6.75%
iShares Core International Aggregate Bond ETF (IAGG)	4.50%
Vanguard Cash Reserves Federal Money Market Fund (VMRXX)	25.00%

Investment Risks:

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

f. Conservative Option

Investment Objective:

The Investment Option seeks to primarily provide capital preservation, moderate current income and very low capital appreciation.

Investment Strategy:

The Investment Option invests in three Vanguard stock index funds, one Schwab index ETF, three Vanguard bond index funds, one BlackRock (iShares) bond index fund and a Vanguard money market fund. Through its investment in these Underlying Funds, the Investment Option allocates approximately 10% of its assets to stocks, 30% of its assets to investment-grade bonds and 60% to cash or cash equivalents. The approximate percentages of the Investment Option's assets allocated to each Underlying Fund are:

Conservative Option	
Vanguard Total Stock Market Index Fund (VSMPX)	6.00%
Vanguard Developed Market Index Fund (VTMNX)	2.00%
Vanguard Emerging Markets Stock Index Fund (VEMIX)	1.00%
Schwab U.S. REIT ETF (SCHH)	1.00%
Vanguard Total Bond Market Index Fund (VBMPX)	18.00%
Vanguard Short-Term Bond Index Fund (VBIPX)	4.50%
Vanguard Short-Term Inflation-Protected Securities Index Fund (VTSPX)	4.50%
iShares Core International Aggregate Bond ETF (IAGG)	3.00%
Vanguard Cash Reserves Federal Money Market Fund (VMRXX)	60.00%

Investment Risks:

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

g. Money Market Option

Investment Objective:

The Investment Option seeks to provide current income and the preservation of principal, while maintaining liquidity.

Investment Strategy:

The Investment Option seeks income consistent with the preservation of principal and invests all of its assets in the Vanguard Cash Reserves Federal Money Market Fund:

Money Market Option	
Vanguard Cash Reserves Federal Money Market (VMRXX)	100.00%

h. 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 for the benefit of Account Owners utilizing the Checking Account Option.

The Checking Account Option balances are insured up to the maximum amount permitted by law. The standard FDIC 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

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/ABLE 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.

In addition, in the event of a bank failure, Fifth Third Bank is required to implement a provisional hold on its deposit accounts while FDIC insurance amounts are calculated and paid. Contributions, withdrawals, and exchanges to the Checking Account Option may be restricted or held until the provisional hold is released.

FDIC Insurance:

Subject to FDIC rules and regulations, contributions to and earning on the contributions held by each Account Owner in the Checking Account Option are insured by the FDIC up to the maximum limit established by federal law, which is currently \$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.

No Other Guarantees:

FDIC insurance is the sole insurance available for the Checking Account Option. Furthermore, the Checking Account Option does not provide a guarantee of any level of performance or return or offer any additional guarantees. Neither the contributions into

the Checking Account Option, nor any earnings on the contributions is guaranteed by the Plan Administrators, or any other federal or state entity or person.

4. Underlying Funds Descriptions

The following are descriptions of each of the Underlying Funds:

a. Vanguard Total Stock Market Index Fund

Objective:

The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

Strategy:

The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index (the Index), which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. 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 key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield. The Fund may become non-diversified, as defined under the Investment Company Act of 1940, solely as a result of an index rebalance or market movement.

Principal Risks:

The Fund is subject to Stock Market Risk, Nondiversification Risk, Sector Risk and Index Sampling Risk. These risks are discussed under *Vanguard Investment Risks* in Appendix C.

b. Vanguard Cash Reserves Federal Money Market Fund

Objective:

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

Strategy:

The Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund's assets are invested in securities issued by the U.S. government and its agencies and instrumentalities, including repurchase agreements that are collateralized solely by U.S. government securities or cash. Although these securities are high-quality, some of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The Fund invests more than 25% of its assets in securities issued by companies in the financial services industry, which includes, without limitation, securities issued by certain government-sponsored enterprises. The Fund maintains a dollar-weighted average maturity of 60

days or less and a dollar-weighted average life of 120 days or less.

Government money market funds are required to invest at least 99.5% of their total assets in cash, U.S. government securities, and/or repurchase agreements that are collateralized solely by U.S. government securities or cash (collectively, government securities). The Fund generally invests 100% of its assets in U.S. government securities and therefore satisfies the 99.5% requirement for designation as a government money market fund.

Principal Risks:

The Fund is subject to Income Risk, Manager Risk, Credit Risk, Industry Concentration Risk, and Repurchase Agreements Risk. These risks are discussed under *Vanguard Investment Risks* in Appendix C.

c. Vanguard Total Bond Market Index Fund

Objective:

The Fund seeks to track the performance of a broad, market-weighted bond index.

Strategy:

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index (the 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. As of December 31, 2023, the dollar-weighted average maturity of the Index was 9 years. The Fund also seeks to maintain an average duration consistent with that of the Index. As of December 31, 2023, the average duration of the Index was 6 years.

Principal Risks:

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

d. Vanguard Short-Term Bond Index Fund

Objective:

The Fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.

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 (the 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.

As of December 31, 2023, the dollar-weighted average maturity of the Index was 3 years. The Fund also seeks to maintain an average duration consistent with that of the Index. As of December 31, 2023, the average duration of the Index was 3 years

Principal Risks:

The Fund is subject to Income Risk, Interest Rate Risk, Call Risk, Credit Risk, Index Sampling Risk and Liquidity Risk. These risks are discussed under *Vanguard Investment Risks* in Appendix C.

e. Vanguard Short-Term Inflation-Protected Securities Index Fund**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.

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"). The Index is a market- capitalization-weighted index consisting of inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years.

The Fund attempts to replicate the 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. As of September 30, 2024, the dollar-weighted average maturity of the Index was 2.5 years.

Principal Risks:

The Fund is subject to Income Fluctuations, Real Interest Rate Risk, and Index-related Risks. These risks are discussed under *Vanguard Investment Risks* in Appendix C.

f. **Vanguard Developed Markets Index Fund**

Objective:

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Canada and the major markets of Europe and the Pacific region.

Strategy:

The Fund employs an indexing investment approach designed to track the performance of the FTSE Developed All Cap ex US Index (the Index), a market-capitalization -weighted index that as of December 31, 2023, is made up of approximately 3,957 common stocks of large-, mid-, and small-cap companies located in Canada and the major markets of Europe and the Pacific region. 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.

Principal Risks:

The Fund is subject to Stock Market Risk, Country/Regional Risk, Investment Style Risk, Currency Risk, and Index Replicating Risk. These risks are discussed under Vanguard Investment Risks in Appendix C.

g. **Vanguard Emerging Markets Stock Index Fund**

Objective:

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries.

Strategy:

The Fund employs an indexing investment approach designed to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index. As of October 31, 2023, the FTSE Emerging Markets All Cap China A Inclusion Index is a market-capitalization -weighted index that is made up of approximately 4,587 common stocks of large-, mid-, and small-cap companies located in emerging markets around the world. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield. The Fund may become nondiversified, as defined under the Investment Company Act of 1940, solely as a result of an index rebalance or market movement.

Principal Risks:

The Fund is subject to Stock Market Risk, Emerging Market Risk, County/Regional Risk, Currency Risk, China A shares Risk, Nondiversification Risk, Sector Risk, and Index Sampling Risk. These risks are discussed under Vanguard Investment Risks in Appendix C.

h. Schwab US REIT ETF

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.

Strategy:

To pursue its goal, the Fund generally invests in securities that are included in the Dow Jones Equity All REIT Capped Index.¹ 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

¹ Index ownership — Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). The Dow Jones Equity All REIT Capped Index (the Index) is a product of S&P Dow Jones Indices LLC, and the trademark and Index have been licensed for use by Charles Schwab Investment Management, Inc. The Schwab U.S. REIT ETF is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, or any of their respective affiliates and neither S&P Dow Jones Indices LLC, Dow Jones, nor any of their respective affiliates make any representation regarding the advisability of investing in such product.

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.

Principal Risks:

The Fund is subject to Concentration Risk, Derivatives Risk, Equity Risk, Investment Style Risk, Large-Cap Company Risk, Liquidity Risk, Market Capitalization Risk, Market Risk, Market Trading Risk, Mid-Cap Company Risk, Real Estate Investment Risk, REITs Risk, Securities Lending Risk, Shares of the Fund May Trade at Prices Other Than NAV, Small-Cap Company Risk, and Tracking Error Risk. These risks are discussed under *Schwab Investment Risks* in Appendix C.

i. iShares Core International Aggregate Bond ETF

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.

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. As of October 31, 2023, there were 12,903 issues in the Underlying Index. 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. As of October 31, 2023, a significant portion of the Underlying Index is represented by non-U.S. government-related bonds. The components of the Underlying Index are likely to change over time.

The Underlying Index was comprised of securities issued by governments in 61 countries or regions as well as securities issued or guaranteed by supranational entities as of October 31, 2023.

The CFTC has adopted certain requirements that subject registered investment companies and their advisers to regulation by the CFTC if a registered investment company invests more than a prescribed level of its net asset value in CFTC-regulated futures, options and swaps, or if a registered investment company markets itself as providing investment exposure to such instruments. Due to the Fund’s potential use of CFTC-regulated futures, options and swaps above the prescribed levels, it is considered a “commodity pool” and BFA is considered a “commodity pool operator” with respect to the Fund under the Commodity Exchange Act (“CEA”).

BFA uses an indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear

overvalued.

Indexing may eliminate the chance that the Fund will substantially outperform the Underlying Index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by aiming to keep portfolio turnover low in comparison to actively managed investment companies.

BFA uses a representative sampling indexing strategy to manage the Fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities or other instruments comprising an applicable underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market value and industry weightings), fundamental characteristics (such as return variability, duration (i.e., a security’s price sensitivity to a change in interest rates), maturity or credit ratings and yield) and liquidity measures similar to those of an applicable underlying index. The Fund may or may not hold all of the securities and other components of the Underlying Index.

The Fund will invest at least 80% of its assets in the component securities of the Underlying Index, and the Fund will invest at least 90% of its assets in fixed income securities of the types included in the Underlying Index that BFA believes will help the Fund track the Underlying Index. The Fund will invest no more than 10% of its assets in futures, options and swaps contracts that BFA believes will help the Fund track the Underlying Index as well as in fixed income securities other than the types included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. Cash and cash equivalent investments associated with a derivative position will be treated as part of that position for the purposes of calculating the percentage of investments included in the Underlying Index. Components of the Underlying Index include fixed-income securities and foreign currency forward contracts (both deliverable and non-deliverable) designed to hedge non-U.S. currency fluctuations against the U.S. dollar. The notional exposure to foreign currency forward contracts (both deliverable and non-deliverable) generally will be a short position that hedges the currency risk of the fixed-income portfolio. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

The Underlying Index sells forward the total value of the underlying non-U.S. dollar currencies at a one-month forward rate to hedge against fluctuations in the relative value of the non-U.S. dollar component currencies in relation to the U.S. dollar. The hedge is reset on a monthly basis. The Underlying Index is designed to have higher returns than an equivalent unhedged investment when the non-U.S. dollar component currencies are weakening relative to the U.S. dollar and appreciation in some of the non-U.S. dollar component currencies does not exceed the aggregate depreciation of the others. Conversely, the Underlying Index is designed to have lower returns than an equivalent unhedged investment when the non-U.S. dollar component currencies, on a net basis, are rising relative to the U.S. dollar.

In order to track the “hedging” component of the Underlying Index, the Fund enters into foreign currency forward contracts designed to offset the Fund’s exposure to the non-

U.S. dollar component currencies. A foreign currency forward contract is a contract between two parties to buy or sell a specified amount of a specific currency in the future at an agreed-upon exchange rate. The Fund's exposure to foreign currency forward contracts is based on the aggregate exposure of the Fund to the non-U.S. dollar component currencies. While this approach is designed to minimize the impact of currency fluctuations on Fund returns, it does not necessarily eliminate the Fund's exposure to the non-U.S. dollar component currencies. The return of the foreign currency forward contracts may not perfectly offset the actual fluctuations in value between the non-U.S. dollar component currencies and the U.S. dollar. The Fund may also use non-deliverable forward ("NDF") contracts to execute its hedging transactions. An NDF contract is a contract where there is no physical settlement of two currencies at maturity. Rather, based on the movement of the currencies and the contractually agreed upon exchange rate, a net cash settlement will be made by one party to the other in U.S. dollars.

The Underlying Index is sponsored by Bloomberg, which is independent of the Fund and BFA. The Index Provider determines the composition and relative weightings of the securities in the Underlying Index and publishes information regarding the market value of the Underlying Index.

Industry Concentration Policy. The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index is concentrated. For purposes of this limitation, securities of the U.S. government (including its agencies and instrumentalities), repurchase agreements collateralized by U.S. government securities, and securities of state or municipal governments and their political subdivisions are not considered to be issued by members of any industry.

Principal Risks:

The Fund is subject to Asset Class Risk, Authorized Participant Concentration Risk, Call Risk, Commodity Risk, Commodity Regulatory Risk, Concentration Risk, Credit Risk, Currency Hedging Risk, Currency Risk, Custody Risk, Cybersecurity Risk, Derivatives Risk, Extension Risk, Geographic Risk, Illiquid Investments Risk, Income Risk, Index- Related Risk, Indexing Investment Risk, Infectious Illness Risk, Interest Rate Risk, Issuer Risk, Management Risk, Market Risk, Market Trading Risk, Non-Diversification Risk, Non-U.S. Issuers Risk, Operational Risk, Privately Issued Securities Risk, Privatization Risk, Reliance on Trading Partners Risk, Risk of Investing in China, Risk of Investing in the China Bond Market, Risk of Investing in Developed Countries, Risk of Investing in Emerging Markets, Risk of Investing in Russia, Risk of Investing in Saudi Arabia, Sovereign and Quasi-Sovereign Obligations Risk, Tax Risk, Tracking Error Risk, and Valuation Risk. These risks are discussed under *BlackRock Investment Risks* in Appendix C.

j. American Funds High-Income Trust

Objective:

The Fund's primary investment objective is to provide you with a high level of current income. Its secondary investment objective is capital appreciation.

Strategy:

The Fund invests primarily in higher yielding and generally lower quality debt securities (rated Ba1 / BB+ or below by Nationally Recognized Statistical Rating Organizations or unrated but determined by the Fund’s investment adviser to be of equivalent quality), including corporate loan obligations. Such securities are sometimes referred to as “junk bonds.” The Fund may also invest a portion of its assets in securities tied economically to countries outside the United States.

The Fund may also invest in futures contracts and swaps, which are types of derivatives. A derivative is a financial contract, the value of which is based on the value of an underlying financial asset (such as a stock, bond or currency), a reference rate or a market index.

The Fund is designed for investors seeking a high level of current income and who are able to tolerate greater credit risk and price fluctuations than those that exist in funds investing in higher quality debt securities.

The investment adviser uses a system of multiple portfolio managers in managing the Fund’s assets. Under this approach, the portfolio of the Fund is divided into segments managed by individual managers.

The Fund relies on the professional judgment of its investment adviser to make decisions about the Fund’s portfolio investments. The basic investment philosophy of the investment adviser is to seek to invest in attractively priced securities that, in its opinion, represent good, long-term investment opportunities. Securities may be sold when the investment adviser believes that they no longer represent relatively attractive investment opportunities.

Principal Risks:

The Fund is subject to Cybersecurity Breaches, Exposure to Country, Region, Industry or Sector, Interest Rate Risk, Investing in Debt Instruments, Investing in Derivatives, Investing in Futures Contracts, Investing in Lower Rated Debt Instruments, Investing in Swaps, Investing Outside the United States, Issuer Risks, Liquidity Risk, Management, and Market Conditions. These risks are discussed under **American Funds Investment Risks** in Appendix C.

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 Funds 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 Funds

Additional information about the investment strategies and risks of each Underlying Fund 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 are also 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 (Please see Part 2.B.4. for more information). 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.

Annualized Returns as of 12/31/2024 ¹					
Portfolio	1 Year	3 Year	5 Year	Since Inception	Inception Date
Aggressive Option	13.61%	2.94%	8.13%	9.02%	12/15/2016
Moderately Aggressive Option	11.68%	2.50%	7.12%	7.92%	12/15/2016
Growth Option	9.80%	2.01%	6.01%	6.76%	12/15/2016
Moderate Option	8.02%	1.53%	4.89%	5.59%	12/15/2016
Moderately Conservative Option	6.79%	1.96%	4.02%	4.42%	12/15/2016
Conservative Option	4.99%	2.36%	2.66%	2.73%	12/15/2016
Money Market Option	N/A	N/A	N/A	0.20%	12/13/2024

¹ The returns are net of asset-based fees. However, the Annual Account Maintenance Fee of \$56.00 charged to each Account is not reflected in the performance data. The fee is discounted to \$31.00 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 0.36%, 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 include an Operational Support Fee. The Operational Support Fee of 0.26% is allocated to Ascensus 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 Investment Option. The chart also provides you a way to compare the cost of investing in the 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 Investment 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 (except for the Checking Account Option which assumes a 0% return) 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 for the Asset-allocation Options and paper and electronic delivery of statements or the maintenance of a minimum balance for the Checking Account Option. Actual costs may be higher or lower and will vary depending on many factors including, without limitation, timing of contributions and withdrawals as well as any variance in the assumptions noted above.

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					HYPOTHETICAL \$10,000 INVESTMENT COST CHART								
(as of March 14, 2024)													
Investment Option	Annual Asset-Based Fees ¹			Additional Account Owner Expenses	Assumes No Discount for Electronic Delivery of Statements, Confirms, and Disclosure Document and No Waiver of Checking Account Monthly Service Charge				Assumes Discount for Electronic Delivery of Statements, Confirms and Disclosure Documents and Waiver of Checking Account Option Monthly Service Charge				
	Estimated Underlying Fund Expense ²	Operational Support Fee	Total Annual Asset-Based Fees ³		Annual Account Maintenance Fee ⁴	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Aggressive Option	0.04%	0.26%	0.30%	\$56	\$87	\$265	\$448	\$935		\$62	\$190	\$324	\$689
Moderately Aggressive Option	0.04%	0.26%	0.30%	\$56	\$87	\$265	\$449	\$937		\$62	\$190	\$325	\$691
Growth Option	0.04%	0.26%	0.30%	\$56	\$87	\$265	\$449	\$936		\$62	\$190	\$324	\$690
Moderate Option	0.04%	0.26%	0.30%	\$56	\$87	\$264	\$446	\$931		\$62	\$189	\$322	\$685
Moderately Conservative Option	0.05%	0.26%	0.31%	\$56	\$88	\$267	\$451	\$942		\$63	\$192	\$327	\$696
Conservative Option	0.07%	0.26%	0.33%	\$56	\$90	\$274	\$464	\$971		\$65	\$199	\$340	\$725
Money Market Option	0.10%	0.26%	0.36%	\$56	\$93	\$283	\$480	\$1,005		\$68	\$208	\$356	\$760
Checking Account Option ⁵	N/A	N/A	N/A	\$56	\$80	\$240	\$400	\$800		\$31	\$93	\$155	\$310

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

2 For each Investment Option, other than the Checking Account Option, the Estimated Underlying Fund Expenses in this column is derived from the expense ratio reported in each Underlying Fund's most recent prospectus as of February 24, 2025 and is based on a weighted average of the expenses of each Underlying Fund's expense ratio, in accordance with the Investment Option's asset allocation among its Underlying Funds. Each Investment Option indirectly bears the expenses of the Underlying Funds; so when fees are deducted from an Underlying Investment's assets, the value of the Underlying Fund's shares is reduced. Actual Underlying Fund expenses may vary.

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

4 The Annual Account Maintenance Fee (\$56.00) will be reduced to \$31 if Electronic Delivery is established for the Account.

5 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. This fee is waived if electronic statement delivery for monthly Checking Account Option statements is separately established using Fifth Third Bank online banking at www.53.com or the mobile application after the checking account is opened; or if the Account maintains an average monthly balance of at least \$250.

2. Checking Account Option Fees

There is a \$2.00 monthly service charge for the Checking Account Option as set forth in the Fifth Third Terms and Conditions. However, the service charge is waived if electronic statement deliver for monthly Checking Account Option statements is separately established using Fifth Third Bank online banking at 53.com or the mobile application; or if you maintain an average monthly balance of at least \$250 in the Checking Account Option. The costs of the Checking Account Option are described in the chart in Part 2.D.1.

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. Annual Account Maintenance Fee

PA ABLE charges an Annual Account Maintenance Fee of \$56 (\$14.00 taken quarterly) to all funded Accounts that do not have a stop mail hold (see Part 2.A.2.b.) of which \$51 will go to Ascensus and \$5 will go to the Department. This fee will be reduced to \$31 (\$7.75 taken quarterly), with \$26 going to Ascensus and \$5 to the Department, for those Accounts that have established Electronic Delivery for all categories of items listed on the “Delivery Preferences” page of the account access section of PAABLE.gov except the “Tax Forms” category (these include quarterly statements and, PA ABLE Disclosure Statement updates, and transaction and profile change confirmations). The Annual 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:

Contribution checks returned for insufficient funds	\$25
Contributions made by ACH which fail	\$25
Outgoing Wire	\$25
Overnight Delivery	\$25

PA ABLE also reserves the right to charge reasonable additional fees if you request non-standard services. In its discretion and without further notice, PA ABLE may deduct directly from the Account the fees and expenses incurred as identified in the charts above or similar fees and expenses. If you request delivery of withdrawal proceeds by priority delivery service, PA ABLE will deduct the applicable fee directly from the Account and will include this fee amount on the Account Owner’s annual IRS Form 1099-QA as part of the gross distribution from the Account during the year. PA ABLE does not consider other fees charged in this section to be distributions from the Account.

E. Making Withdrawals

1. In General

Only you, as the Account Owner (if you are an adult with the capacity to enter into a 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 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 (excluding the cash value of your Checking Account Option).

Withdrawal requests received after the close of the NYSE are processed the next business day using the Unit Values of your Asset-allocation Investment Options on that day.

Withdrawal requests from the Checking Account Option received in good order before the close of the NYSE on any day the NYSE is open for business are completed on the next business day.

Withdrawal requests from the Checking Account Option received in good order after the close of the NYSE are completed on the second business day following the day of the request.

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 NYSE (six business days if the contribution is received after the close of the NYSE). 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 NYSE (seven business days if the contribution is received after the close of the NYSE).

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

2. Recontribution of Withdrawals

Except as otherwise described in this section, withdrawals cannot be recontributed back into the Account, even if you made the withdrawal by mistake. If you attempt to recontribute money that you previously withdrew, the recontribution 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 (see Part 3).

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 re-contribute is received.

Any withdrawal that is re-contributed, 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 by:

- ACH using the Account Owner's bank information on the Account record,
- Check to the Account Owner's mailing address on the Account record if the Account Owner has legal capacity to enter into a contract or to an Authorized Individual's mailing address on the Account record for Authorized Individuals who have opened an Account for an Account Owner who is a minor or who does not have legal capacity to enter into a contract, or
- Check to a third party designated by the Account Owner or Authorized Individual. Please note that 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 Investment Options or Checking Account Option. 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 “Login”, 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. Regardless of the type of withdrawal, 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. Qualified Withdrawals withdrawn during one calendar year and used to pay for a Qualified Disability Expense in the first 60 days of the next calendar year may be treated as having been paid during the previous calendar year for tax purposes. However, if you do so, you cannot count that Qualified Withdrawal again for the same purpose in the next calendar year.

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.

ii. Tax Consequences

To be considered a non-taxable event for federal and Pennsylvania income tax purposes, Direct Rollovers to the same Eligible Individual, must transfer the entire balance of the PA ABLE Account to the non-PA ABLE account and the PA ABLE Account must be closed upon completion of the Rollover. For Direct Rollovers to an Eligible Individual who is a Sibling, part or all of the balance of a PA ABLE Account may be transferred to the Eligible Individual Sibling's ABLE account.

Regardless of the type of withdrawal, 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, click on "Login", 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.

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

To be considered a non-taxable event for federal or Pennsylvania income tax purposes, the following requirements apply:

- An Indirect Rollover for the same Eligible Individual can be made only once in a 12-month period.
- An Indirect Rollover for an Eligible Individual who is a Sibling of the Account Owner may be made at any time.
- An Indirect Rollover to an ABLE account for the same Eligible Individual must transfer the entire balance of the PA ABLE Account to the non-PA ABLE account within 60 days of the date of the withdrawal.
- When an Indirect Rollover to an ABLE account for the same Eligible Individual occurs, the PA ABLE Account must be closed within 60 days of the date of the withdrawal.

Regardless of the type of withdrawal, 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 Indirect 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 an Indirect Rollover, you may wish to consult a tax advisor.

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 “Login”, then “Asset Manager,” and then “Make a Withdrawal.” To use the paper Withdrawal Request Form, download it from PAABLE.gov or request it by calling the Customer Service Center at 855-529-ABLE (2253).

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.

6. 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 dollar balance" for a period of 90 calendar days, (5) the Department receives a written request for termination (see Part 2.E.6.c. for more information), or (6) 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, mailing 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 contributions to, 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.

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. Additionally, Qualified Withdrawals are not counted as income.

2. Resources Exclusions

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

Amounts in an ABLE account are excluded from countable resources up to \$100,000 for SSI purposes. 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 of 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 with the following exception. Qualified Withdrawals withdrawn during one calendar year and used to pay for a Qualified Disability Expense in the first 60 days of the next calendar year may be treated as having been paid during the previous calendar year for tax purposes. However, if you do so, you cannot count that Qualified Withdrawal again for the same purpose in the next calendar year.). 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 ABLÉ 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.C.1.) against a PA ABLÉ 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 ABLÉ accounts should be excluded as both income and resources in determining SNAP eligibility. Please visit <https://www.fns.usda.gov/snap/treatment-able-accounts-determining-snap-eligibility> for more information.

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. Please visit <https://www.hud.gov/sites/dfiles/OCHCO/documents/2019-09pihn.pdf> for more information.

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 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, and 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.

This Disclosure Statement is not intended to constitute, nor does it constitute, legal or tax advice. You should consult your own legal or tax advisor for more information on the tax implications to you of investing in PA ABLE based on your own particular circumstances. PA ABLE strongly encourages Account Owners and Beneficiaries to consult with their tax advisors regarding the tax consequence of contributing money to, or withdrawing money from, a PA ABLE 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 \$19,000 for an individual and \$38,000 for a married couple that elects to split gifts 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 \$19,000 (subject to

adjustment for inflation) gift tax annual exclusion, 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.

3. One Account Rule

Federal law provides that, except with respect to Rollovers, no Account Owner may have more than one ABLE account in existence at the same time. If more than one ABLE account is opened by an Account Owner, only the earliest-opened account will be treated as a qualified ABLE account under the Internal Revenue Code. For example, funds contributed to a second or subsequent account will be considered when determining eligibility under federal means-tested programs, such as SSI, and will not be afforded the favorable tax treatment available to ABLE accounts. However, an additional account will still be treated as a qualified ABLE account if (i) the additional account was established exclusively for the purpose of receiving a Rollover from the same Account Owner and the preexisting account is closed within 60 days of the Indirect Rollover withdrawal, or upon completion of the Direct Rollover; or (ii) all of the amounts in the

additional account are returned in accordance with the rules that apply to returns of Excess Contributions.

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 \$19,000 per taxpayer. 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 people 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 Disclosure Statement 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 Funds 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 Fund'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 Fund's ability to calculate its net asset value, impediments to trading, the inability of Account Owners or Underlying Fund 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 Fund invests, counterparties with which an Underlying Fund 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 m 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 Disability 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 an 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. Data Sharing

PA ABLE reserves the right to share information about your Account with third parties solely for research and marketing purposes. Account information that may be shared in this manner includes but is not limited to, Account Owner and Authorized Individual personal information, investment data, and transaction-level information. Data sharing will be conducted in accordance with PA ABLE's privacy policies, which are available at PAABLE.gov or by calling us at 855-529-ABLE (2253).

D. 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.

E. 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.

F. 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.

G 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 \$7,575 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.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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 Form. By signing and submitting the Enrollment Form, 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 Account Balance 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 \$19,000 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 Form, 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 the Account Owner's condition that would cause the Account Owner 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 Form, or the breach, termination, or validity of PA ABLE or the Enrollment Form, 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 and
Services
Applicable to the
Fifth Third ABLE
Checking Account**

**General Terms &
Conditions
Applicable to the
Checking Account**

**Debit Card
Agreement**

**Privacy
Policy**

**How to
Contact Us**



FIFTH THIRD

PRICING & SERVICES APPLICABLE TO THE CHECKING ACCOUNT OPTION

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

Account Opening & Usage Fees		
Monthly Service Charge	\$2	Can be waived by meeting either of the following: <ul style="list-style-type: none"> • Enroll in electronic statement delivery. • Maintain an average monthly balance of at least \$250.
Funding Requirement	\$0	No minimum deposit needed to open the Checking Account Option and no minimum balance required to keep the account open.
ATM & Debit Transaction Fees		
Fifth Third & Partner Networks ATM Fee	\$0 – no fee	Fifth Third Bank is part of a nationwide network of more than 40,000 fee-free ATMs. Customers of Fifth Third Bank can use their Fifth Third debit or ATM card to conduct transactions fee-free from ATMs listed on our ATM locator on 53.com or our Mobile Banking app.
Non-Fifth Third ATM Fee	\$3 for U.S. transactions \$5 for international transactions.	Transactions include transfers, cash withdrawals, and purchases made at a non-Fifth Third ATM. Other ATM network owners may also assess a usage fee.
International POS/ATM Transaction Fee	3% of transaction amount.	See Debit Card Agreement section
Currency Conversion Fee	0.20% of transaction amount.	See Debit Card Agreement section
Debit Card Services		
Notched ABLE Debit Card	\$0 – no fee	
Debit Card Replacement Fee	\$0 – no fee	
Non-Fifth Third Cash Advance Debit Card Fee	Greater of \$5 or 3% of the transaction amount, up to maximum \$10.	
Payments & Services Miscellaneous Fees		
Checkbook Fee	\$6	If ordering a starter pack checkbook, the fee 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.
Stop Payment	\$33 per item	
Processing Garnishment, Attachment, or Levy	\$80 each, or maximum amount allowed under state law, whichever is less.	
Overdraft Fees		
Overdraft Fee	\$0 – no fee	
Returned Item Fee	\$0 – no fee	The Checking Account Option will not be charged a fee if we return your checks and payments unpaid.
Wire Transfer Fees		
Outgoing Wire Transfers <i>(Domestic Wire in U.S. Dollar currency)</i>	\$30 each	Exchange rates, other bank fees, and taxes may apply.
Outgoing Wire Transfers <i>(Foreign Wire in Foreign currency)</i>	\$50 each	Exchange rates, other bank fees, and taxes may apply.
Outgoing Wire Transfers <i>(Foreign Wire in U.S. Dollar currency)</i>	\$50 each	Exchange rates, other bank fees, and taxes may apply.
Obtaining Account Information		
Copy of Check or Statement	\$0 – no fee	Up to 24 most recent months available through

		online banking.
Copy of Check Images Mailed with Monthly Statement	\$0 – no fee	

INTEREST INFORMATION

Current Interest Rates for the ABLE Checking Account Option		
Checking Account Balance	Interest Rate	APY*
\$0.01 - \$9,999	0.01%	0.01%
\$10,000 - \$24,999	0.01%	0.01%
\$25,000 - \$49,999	0.01%	0.01%
\$50,000 and greater	0.01%	0.01%

* The checking account earns interest. Please visit 53.com/ABLE 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 Option without notice. Interest begins to accrue no later than the business day funds from PA ABLE Administrators post to the Checking Account Option. Interest on the Checking Account Option will be compounded continuously and credited monthly. The Bank uses the daily balance method to calculate interest on the Checking Account Option. This method applies a daily periodic rate to the balance in the Checking Account Option each day. When the Checking Account Option is closed the Account Owner will forfeit any accrued interest.

Defined Terms

In these Fifth Third Bank disclosures, several words are used repeatedly. For purposes of these Fifth Third disclosures, these words are defined as follows:

- **“ACH”** means funds transferred to or from your account through an automated clearing house network, which may include direct deposits of payroll or government benefits like Social Security.
- **“ATM”** (Automated Teller Machine) means an electronic device that performs banking services, which may include deposits, withdrawals and balance inquiries.
- **“Bank,” “we” and “us”** means Fifth Third Bank, National Association and any affiliate of Fifth Third Bancorp.
- **“Bank Affiliate”** means any one or more direct or indirect subsidiaries of Fifth Third Bancorp and its successors and assigns.
- **“Business Day”** means Monday through Friday excluding federal holidays and any other days on which the Bank is permitted or required to be closed.
- **“Card”** means one or more debit cards or any other access device issued or approved by us for use in conjunction with an ATM, banking terminal, electronic funds transfer device, Internet access product, line of credit account or any Fifth Third debit program.
- **“Customer,” “you” and “your”** means each Account Owner or Authorized Individual or anyone else with the authority to deposit, withdraw, or exercise control over the funds in the Checking Account Option.
- **“Debit Card User”** means you and any other person you authorize or permit to use the Card.
- **“Deposit”** means any transfer of money into the checking account.
- **“Item” or “Items”** means all transactions, credits and debits to your account, including but not limited to checks, fees, service charges, ACH entries, funds transfers, cash withdrawals, Card purchases, Online Banking transactions, wire transfers and other amounts that are added to or subtracted from your account balance.
- **“Losses”** means any losses, costs, liabilities, claims, damages or expenses (including reasonable attorneys' fees and court costs).
- **“PIN”** means a four-digit personal identification number for your Card. Some merchants and ATMs may require a PIN when you use your Card.
- **“Withdrawal”** means any transfer of money out of the checking account in cash or for payment to a third party.

GENERAL TERMS & CONDITIONS APPLICABLE TO THE CHECKING ACCOUNT OPTION

The Checking Account Option or “checking account” is offered as an Investment Option under PA ABLE and administered by Fifth Third Bank, National Association. Checking accounts are owned by PA ABLE 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 PA ABLE as set forth in the PA ABLE Disclosure Statement, which contains important information about PA ABLE and the Checking Account Option, and limitations on your ability to contribute, withdraw, or transfer funds to and from the checking account. In the event any of the General Terms & Conditions Applicable to the Checking Account Option materially conflict with any other information in the PA ABLE Disclosure Statement, the other information in the PA ABLE Disclosure Statement shall control.

DEPOSIT ACCOUNT RULES & REGULATIONS APPLICABLE TO THE CHECKING OPTION

Checking Account Ownership

1. **Changes in Ownership, Signers.** Checking accounts and Cards are not transferable except as otherwise agreed in writing. Assignments and encumbrances other than indebtedness owing to the Bank must be consented to by the Bank after receipt of written notice from the Customer. Contact PA ABLE for any request to change information related to the checking account.
2. **Disputed Ownership.** In the event the ownership of the checking account or signing authority on a checking account is in dispute for any reason, including but not limited to lost or destroyed account documentation, and/or in the event of a conflict between Account Owners and/or Authorized Individuals, the Bank reserves the right to take action, which may include, without limitation, one or more of the following: instituting legal proceedings; freezing or placing a hold on the checking account until such time as the dispute or conflict is resolved.

Basic Terms

1. **Reporting Errors or Unauthorized Transactions.** You agree to carefully examine and reconcile your checking account statements. You must notify us in writing within thirty (30) days after we mail or otherwise make your statement available of any discrepancy or error on your statement. This includes, but is not limited to, any unauthorized or altered check on your statement, any errors on your statement, or Items that may have been forged or counterfeit. You must also notify us within thirty (30) days if you fail to receive a scheduled statement. Since you are in the best position to prevent and discover an unauthorized transaction or error, you agree that we will not be liable if: (i) you did not exercise ordinary care in examining your statement; (ii) we did not receive timely notice of a discrepancy, error or unauthorized transaction; or (iii) the Items were forged, counterfeited or altered in a manner such that a reasonable person could not detect it. In addition, if you fail to report an unauthorized transaction within thirty (30) days as provided herein, the Bank will not be liable to you for any subsequent unauthorized transactions on your account by the same person. You assume all liability for unauthorized signatures produced by a facsimile signature device or stamp. The thirty (30) day notice requirement described herein does not limit our rights to attempt to collect on unauthorized or altered checks from other banks, clearing organization, or other party or otherwise attempt recovery from any party.
2. **Statements and Notices.** Your Checking Account Option statements may be mailed or made available to the last known address in the Bank’s records or made available via other means, such as Online Banking.

Cancelled checks and original deposit account documents will not be provided in Checking Account Option statements, but reproductions will be available upon request. Such requests will not extend the thirty (30) day timeframe within which Customer must notify Bank of errors, discrepancies or unauthorized transactions shown on their Checking Account Option statement.

3. **Freezing Your Checking Account Option, Blocking or Delaying Transactions.** We may reject, freeze, reverse or delay any transaction to or from the checking account or place a hold on some or all of the funds in your 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.
4. **Closing Your Checking Account Option.** The Bank may, at any time, immediately close the checking account of any Customer. If a checking account is closed for any reason before interest is credited, the checking account will not receive any accrued interest. Any Items presented for payment on your checking account after it is closed will be returned unpaid. We will not be liable for any Item presented after a checking account has been closed. We may temporarily re-open a closed checking account for administrative purposes only to post Items that were presented prior to the checking account closure, or to resolve a dispute concerning your checking account, even if doing so results in your checking account becoming overdrawn. You are liable for any overdrawn amounts. The Deposit Account Rules continue to govern matters related to your checking account even after your checking account is closed.
5. **Shared Access.** You understand that when you permit another person to access your checking account in any manner, your checking account information (including personal or confidential information such as your transaction history or account status) may be made available to that person. You acknowledge and agree that taking these actions constitutes your consent to the disclosure of your checking account information to such persons and that we are not responsible for such disclosure.

Overdrafts and Posting Order

1. **Overdrafts.** An overdraft occurs when the available balance in your checking account is not enough to cover your payments and purchases or your use of the checking account. We have no obligation to pay an Item unless you have enough available funds in your checking account in accordance with the “*Funds Availability Policy*” section. If an Item is presented and the available balance in your checking account is not enough to cover it, we may return the Item unpaid. Debit card transactions can be delayed from time of authorization until time of posting. We will reject a debit card authorization if it will turn your balance negative. However, we cannot reject a posting record even if it overdraws your account. We will not charge a fee if we reject or accept the transaction.
2. **Posting Transactions to the Checking Account Option.** The order in which Items are posted to your checking account affects your available balance. When a deposit or other credit is posted to your checking account, it increases your available balance. When a withdrawal or other debit (including a fee or service charge) is posted to your checking account, it reduces your available balance. We post Items to your checking account using automated systems. While we receive Items throughout the day, we generally treat them as if we received all Items at the same time at the end of the Business Day and apply them as described below to calculate whether your checking account is overdrawn. We look at your checking account only once to determine if an Item would cause your checking account to become overdrawn.

The order in which we post Items to your checking account is different than the order in which you conducted them or we received them. You agree that we have discretion to determine the posting order for Items processed for your checking account and we may change our posting order at any time.

3. **Impact of Holds, Pending Transactions.** The availability of funds to pay Items posted to your checking account is described in the “*Funds Availability Policy*” section. Holds such as Card authorizations, legal process holds, and other pending transactions may reduce the available balance in your checking account. When funds are subject to a hold, those funds are not available to pay other Items. For example, if your checking account has an available balance of \$100 and a hold is placed for a one-time Card authorization of \$70, your available balance would be \$30 to cover any other Items posted to your checking account. If a \$50 check is presented

to us that same Business Day, your available balance would not be enough to cover the check, and we may return the check unpaid.

The available balance in your checking account may change between the time you authorize a transaction and when that Item is paid. There can be multiple days in between the authorization of a Card transaction and when that Item is presented to us for payment. In addition, the amount of a pending transaction may not match the actual amount of the Item when it is posted to your checking account. For example, transactions with some merchants (including gas stations and restaurants) may involve an initial hold for a dollar amount that could be higher or lower than the final amount of the posted Item. We generally do not show holds or distinguish between available and unavailable funds in your checking account balance on your statement, so when you review your statement, it may appear that your checking account balance was sufficient to pay an Item.

4. **Posting Order.** We group Items into categories based on the Item type and post them to your checking account in the order shown below at the end of each Business Day. If there is not enough money in the checking account at the end of the day to cover all or your posted debits, then we consider transactions in the following order:

Please note that the examples in this table are intended to be representative of the most common types of Items within each category. Other Items may be posted to your checking account even though not specifically listed below.	
1. FIRST Add Credits	Credits include: <ul style="list-style-type: none"> • Contributions • Refunds • Returned Items
2. SECOND Subtract Time-Stamped Debits	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 your checking account as pending transactions until they are posted. Time-stamped debits include: <ul style="list-style-type: none"> • ATM withdrawals • One-time Card purchases • Electronic Banking transfers to another Fifth Third account Time-stamped debits are posted in chronological order . Sometimes, debits of this nature may be submitted without a corresponding timestamp. In that case, they will post after debits with timestamps, from smallest to largest dollar amount.
3. THIRD Subtract other debits	All other debits that are not categorized as time-stamped debits (above) or Bank fees (below) are in this category, which includes: <ul style="list-style-type: none"> • Checks you've written • Withdraws initiated by the Program Manager, including the Annual Account Maintenance Fee • Electronic Banking transfers to a non-Fifth Third account • Outgoing ACH transfers (e.g., automatic bill payments) • Outgoing wire transfers These other debits are posted from smallest to largest dollar amount .
4. FOURTH Subtract Bank fees and service charges	Fifth Third Bank's fees and service charges are subtracted last.

Processing Deposits and Funds Availability Policy

1. **Processing Deposits.** Deposits to the Checking Account Option are limited to contributions made through your Plan. The following transactions are NOT permitted on the checking account:
- Deposits made in person at a Fifth Third Bank branch location.

- Deposits made at an ATM
 - Mobile deposits
 - Direct deposits
 - Electronic (ACH) credits
2. **Funds Availability.** Once the funds from your deposit are available, you can withdraw them in cash, and we will use them to pay Items that post to your account. Contributions must be made directly to the Program Manager or its designee and will be held in a non-interest-bearing account prior to transmission to Fifth Third. The contribution will be made available for withdrawal from the Checking Account Option on the sixth business day. When you transfer funds from another Investment Option into the Checking Account Option, your funds will become available on the second business day. Funds received after certain cut-off times may be credited the next business day. See the Directing Contributions to Investment Options section of the PA ABLE Disclosure Statement for additional information.

Processing Withdrawals

1. **Cashing Checks.** You agree that we may charge a charge a fee and require satisfactory identification as conditions to cashing a check written on your checking account for any payee that does not have an account with us. You also agree that we may refuse to pay any such check if the payee refuses to comply with either of these conditions.
2. **Checks with Legends or Restrictions.** You agree that we may disregard legends or restrictions on checks, such as “paid in full” or “not valid after 30 days,” and pay the check even if the legend or restriction has not been satisfied. We will not be liable to you for any Losses that result from a legend or restriction on a check or from our failure to abide by any such legend or restriction.
3. **Converting Checks to Electronic Debits.** Under certain circumstances, your check information can be converted to electronic information by merchants, banks, or others. Merchants may use check information such as routing, account, and serial numbers to make an electronic presentation against your 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. If you give information about your checking account (such as the routing number and account number) to a merchant, we may presume any debit initiated by the merchant to whom you gave the information is deemed authorized. 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 presentment are both presented to us for payment. This limitation of our liability to you in no way affects your legal right to dispute an electronically presented Item under applicable law, nor does it affect your legal rights to recover a duplicate payment from the merchant or other payee.
4. **Stale-Dated and Post-Dated Checks.** We are not required to pay a stale-dated check (a check presented more than 6 months after its date of issuance), but we may pay any such check and charge it to your checking account. We are also not required to pay a post-dated check (a check dated in the future), but we may pay any such check and charge it to your checking account even if it is presented before the date stated on the check. We assume no liability for the payment of stale-dated or post-dated checks unless we receive a stop-payment request as described in the “*Stop Payment Orders*” section. It is Customer’s obligation to remove a stop-payment order for a post-dated Item once the Item is no longer post-dated.
5. **Review of Checks and Signatures.** We use automated check processing procedures and do not individually examine most checks. You agree that we can process checks based on the Magnetic Ink Character Recognition (“MICR”) data printed at the bottom of the check (includes the routing number, checking account number, and check number) without individually examining the date, signatures, legends, or endorsements, and that we have exercised ordinary care if we examine only those checks that we have identified for review based on our internal criteria as it may be updated from time to time. You agree that automated processing of your checks is reasonable and that the exercise of ordinary care will not require us to detect forgeries or alterations that could not be detected by a person observing reasonable commercial standards.

Substitute Checks and Your Rights

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 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 your 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 your checking account (for example, if you think that we withdrew the wrong amount from your checking account or that we withdrew money from your 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 your 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 your checking account is an interest-bearing account. 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 your checking account earns interest) within ten (10) Business Days after we received your claim and the remainder of your refund (plus interest if your checking account earns interest) not later than forty-five (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 your 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 your checking account, contact us. You must contact us within forty (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 your 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.

Electronic Banking Services Other Funds Transfers

- I. **Electronic Banking Services.** The Bank offers a variety of Electronic Banking Services to assist you in managing your account. “Electronic Banking Services” are those services that allow you to access your checking account using ATMs, computers, phones, Cards, and other devices to make transfers or withdrawals from your checking account. Generally, any Customer may use any Electronic Banking Service; however, some services may not be available to ABLE Customers and accounts. A separate agreement may be required for certain Electronic Banking Services, including separate agreements for Online and Mobile Banking Services. Any such separate agreement or specific service terms provided for any Electronic Banking Services will control to the extent of any inconsistency with the terms in this “*Electronic Banking Services*” section. For additional provisions relating to your Card, see the “*Debit Card Agreement*” section.
 - a. **Protection of Security Credentials.** Customer agrees to keep confidential all checking account and personal identification information, passwords, access codes, PINs and other security devices necessary for us to provide you Electronic Banking Services (collectively, “security credentials”). Each Customer, who is issued security credentials is a user of all applicable Electronic Banking Services (individually, a “User” and collectively, “Users”). Your sharing of your security credentials with any other person is your authorization for that person to be considered a User by us and your acknowledgement and agreement that we may rely on any instructions provided by that User regarding your checking account. Except as otherwise provided herein, Customer will be responsible for all Electronic Banking Services initiated using Customer’s security credentials and/or by a User unless and until Customer has notified Bank that such use is unauthorized, and Bank has had a reasonable opportunity to act upon such notice. Bank reserves the right to refuse or terminate Customer’s (or any of Customer’s Users) permission to use any or all of the Electronic Banking Services at any time in Bank’s sole discretion.
 - b. **Governing Law.** Notwithstanding any governing law provision that may be provided, the laws of the United States and your respective Plan govern this Agreement regardless of the Customer or User’s place of residence or the state where the account is located, and all funds 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.
2. **Electronic Funds Transfer Disclosures.** The Electronic Funds Transfer Act and Regulation E, Subpart A require banks to provide certain information to consumers regarding electronic funds transfers (defined below). This “Electronic Funds Transfer Disclosures” section applies to any electronic funds transfer from a checking account.

An “electronic funds transfer” or “EFT” is any transaction that is accomplished electronically to debit or credit a checking account, as well as all transfers resulting from Card transactions. Examples of EFTs include the following:

- Card transactions
- Digital Banking Services, including Online and Mobile Banking
- Electronic transfers using your account number, such as bill payments to third parties
- Telephone transfers

Please note that not every automatic or pre-authorized withdrawal using an Electronic Banking Service is an EFT. Some of these transactions involve a third-party mailing the Bank a check or draft and, therefore, are not EFTs covered by this “Electronic Funds Transfer Disclosures” section. However, all Card transactions are covered, even if an electronic terminal is not involved at the time of transaction. For additional provisions relating to your Card, see the “Debit Card Agreement” section.

- a. **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 your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your 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.

b. Transfer Types and Limitations.

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

- Pay for purchases.
- Pay bills.

Authorization to Convert to an EFT. When you provide the Bank a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your checking account or to process the payment as a check transaction.

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.

c. 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.

d. Confidentiality. We will disclose information to third parties about your checking account or the transfers you make:

- Where it is necessary for completing transfers;
- In order to verify the existence and condition of your checking account for a third party, such as a credit bureau or merchant;
- In order to comply with government agency or court orders;
- In order to comply with applicable laws, network rules, or third-party service provider terms and conditions or
- If you give us your written permission.

e. 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. Contact PA ABLE in order to process direct deposits to the Checking Account Option.

Periodic statements: You will get a monthly checking 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 from your checking account using one of our ATMs or point-of-sale terminals.

f. Pre-authorized Transfers.

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

Procedure to Stop Payment of Pre-Authorized Transfers: 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 in time for us to receive your request three (3) Business Days or more before the payment is scheduled to be made. The telephone number will be shown on your periodic statement. 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.

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. The Bank will honor only the exact information given us; otherwise, the Bank is not responsible.

- g. **Error Resolution.** ***In case of errors or questions about your electronic transfers, contact us as soon as you can*** at the appropriate address or phone number listed in the “*How to Contact Us*” section. 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:
- Tell us your name and checking account number.
 - 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.
 - 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 forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your 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 your checking account.

For errors involving new checking 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 checking accounts, we may take up to twenty (20) Business Days to credit your 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.

3. **ATM Safety Disclosures.** 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, when you should have another person accompany you

to use an ATM if possible. Remember to keep your PIN confidential and refrain from displaying cash that you withdraw. You should immediately place cash in your pocket and count it in the safety of a locked enclosure such as your car or house. 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.

OTHER TERMS

1. **Compliance with Laws.** You agree to comply with all applicable laws and regulations, including U.S. economic sanctions and regulations issued by the Office of Foreign Assets Control. You are prohibited from processing any illegal transactions through any Fifth Third Bank account or relationship, including those prohibited under the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. 5361 et seq. You agree to indemnify us from any Losses we incur due to any U.S. or foreign government entity seizing, freezing, or otherwise asserting or causing us to assert control over any checking account or funds in a checking account of yours when purportedly caused by your action or inaction. Transactions in your checking account are also subject to applicable clearing house and Federal Reserve rules and regulations.
2. **English document controlling.** Any translation of the Deposit Account Rules 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.
3. **Legal Process, Subpoena, Levy.** If a checking account or checking account funds become involved in any dispute or legal proceedings, including but not limited to disputes or proceedings challenging the ownership or custody of the account and/or the ownership or custody of account funds, the use of the checking account may be restricted. The Bank shall not be liable for any damages to Customer by reason thereof, providing the Bank shall have acted in good faith.
4. **Records.** Customer agrees that except where a shorter time is permitted by applicable law, Bank is not required to retain records of any transaction for more than seven (7) years [after receipt of the Item and Customer and Customer's heirs, assigns, and personal representatives release Bank from any liability therefor on Customer's behalf. The Bank may retain records in any form, including electronically. In the event the Bank is unable to produce a record of a document relating to your account, or there is a discrepancy between your records and the Bank's records, you agree that the Bank's records will be deemed conclusive.
5. **Stop Payment Orders.** A fee will be charged for any stop payment order. See your fee schedule for the amount of this fee. A stop payment order will be accepted only if sufficient information is given at the same time of request to reasonably allow Bank to honor the request. The Bank is not responsible for stopping payment on an Item if you do not provide the specific information necessary to identify the Item or if you provide inconsistent information. Stop payment orders will not be effective until the Bank has recorded the information on your checking account and has had sufficient time to enforce the order. We may require you to confirm any verbal stop payment order in writing within fourteen (14) days and if you fail to do so, your verbal stop payment order will expire and no longer be effective. A stop payment order will not be effective if the Bank has already paid, certified or otherwise become responsible for the Item. Computer-generated checks without MICR line cannot be stopped.

When placing a stop payment order, you agree to indemnify us for all Losses we incur due to our refusal to pay the Item. You acknowledge that our refusal to pay an Item may be a dishonor under the UCC and you agree that we shall have no liability for Losses arising from acting on your instructions to stop payment on

an Item, including with respect to any holder in due course.

A stop payment order is effective for six (6) months. When the stop payment order expires, the Bank may pay the Item and has no duty to notify Customer. If Bank re-credits the checking account after payment over a verbal and timely stop payment order, Customer agrees to transfer all rights against the payee or other holder of the Item to Bank and will assist Bank in legal action taken against such person. Customer agrees that Bank will not be obligated to re-credit the account if Customer received anything of value for the Item.

6. **Telephone Calls, Monitoring and Recording.** 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 your 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 Bank Affiliates and Bank’s agents and service providers. If you give us an email address, you also consent to our contacting you by email. You authorize us to monitor and record telephone conversations and other electronic communications that you have with us and our representatives.

DEBIT CARD AGREEMENT

If you choose to receive a debit card with the **Checking Account Option**, the following terms apply.

- a. Your Responsibility. You assume responsibility for all transactions arising from authorized use of the Card by any Debit Card User, whether such use is with an ATM, banking terminal, electronic funds transfer device, any debit program or any other means of access. If you have authorized another person to use the Card in any manner, that authorization shall be deemed to include the authorization to make withdrawals or transfers of funds to or from the checking account, and such authorization shall be deemed to continue until you have taken all steps necessary to revoke it by preventing such use by that person, including, without limitation, notifying the Debit Card User and contacting us to inform us that the Debit Card User is no longer authorized. Use of the Card via PIN with an ATM allows the Debit Card User access to all associated accounts.
- b. Your Responsibility for Users. You are solely responsible for selecting Debit Card Users. You must require each Debit Card User to comply with the terms and conditions of the Deposit Account Rules and you are responsible for the failure of any Debit Card User to so comply. You acknowledge and agree that you are responsible for retrieving the Cards if you revoke a Debit Card User’s authority to use a Card. Except as otherwise limited in the Deposit Account Rules, you will remain responsible for all Card transactions.
- c. Your Agreement to Pay. You agree to pay us on demand for all purchases made and, services rendered by or to, and any cash advances made by or to any Debit Card User. Cancellation of a Card or termination of the checking account shall not excuse your obligation to pay for all purchases or other transactions incurred against or in connection with the account through the effective time of the cancellation or termination.
- d. Cancellation and Termination. You may cancel your Card at any time by writing to us at the address provided in your account statement, calling the number on the back of your Card, or visiting your nearest branch. However, the Deposit Account Rules shall remain in effect for purchases made and services rendered, and you will immediately surrender or destroy the Card(s) upon our request. We may cancel the Card at any time without notice. If we do so, all Debit Card Users will surrender or destroy the Cards immediately upon our request or the request of our agent. We reserve the right to refuse or terminate your use of the Card in our sole discretion at any time and without notice.
- e. Waiver: Except as may be prohibited by applicable law, you hereby waive as against the Bank all claims, defenses, rights and offsets that you or any Debit Card User now or hereafter may have against any merchant or other payee for merchandise or for services acquired by use of the Card or through any Electronic Banking Service.

- f. Transaction Limitations: We may, from time to time, limit the type, number and dollar amounts of any checks, drafts, withdrawals or transfers made by Debit Card Users, notwithstanding the amount in the checking account, and terminate or suspend the operation of any or all electronic funds transfer devices or merchants, without notice, unless required by applicable law.
- g. Fees. We reserve the right to institute a standard charge or charges for the issuance, reissuance or use of the Cards or for the reinstatement of any Card privileges which have been suspended, as well as an annual fee and per item fee for each transaction. You agree to pay such charges and fees.
- h. Fraud. Use of a Card after notice of its cancellation is fraudulent and will subject you or any Debit Card User of the Card to legal proceedings.
- i. Types of Available Transfers and Limits on Transfers. You or any Debit Card User may use the Card and PIN to:
- Withdraw cash from the checking account;
 - Transfer available funds from your checking account to another Fifth Third Bank checking or savings account at an ATM;
 - Transfer available funds from your checking account through Online Banking or Electronic Banking via telephone;
 - Pay bills directly from your checking account to parties that have been notified and have agreed to accept your payments, provided that you make these payments in accordance with the procedures set forth by us;
 - Pay for purchases at places that have agreed to accept the Card; or

Some of these services may not be available on all checking accounts or at all terminals. In addition, we will accept preauthorized transfers from the checking account in accordance with procedures set forth by us.

- j. Use of Card for a Service. If you use the Card for a Bank-approved service such as telephone banking, Internet access product or point-of-sale service, and we approve such use of the Card, you agree to the transfer of money in the checking account to the accounts of third parties you designate. Such transfer will be made upon your instructions by use of a telephone or by other means acceptable to us. You agree to allow a reasonable period of time (at least five (5) Business Days) for a third party to receive the payment. You agree that we will not be responsible for any delays caused by mail service or any third party. In no case will we be liable for any interest or late payment charges assessed by a third party or termination of service caused by a delay in a third party's receiving or processing a payment. You agree to notify PA ABLE and us of any change in your address or account with a third party, including change of account number.
- k. Ownership of Card. The Cards are not transferrable and remain the property of the Bank.
- l. Lost or Stolen Card. You must notify us immediately and assist us in our investigation if your Card is lost or stolen or you believe someone is using your Card without your permission. **IN NO EVENT WILL YOU WRITE YOUR PIN ON THE CARD OR KEEP ANY WRITTEN RECORD OF IT ON ANY MATERIAL KEPT WITH THE CARD.**
- m. Foreign Currency Transactions. A foreign transaction is a transaction that occurs or is submitted to us from outside the United States or in a foreign country. We will assess an international transaction fee equal to 3% of the U.S. dollar amount of each foreign transaction. The international transaction fee is in addition to the currency conversion fee assessed by Mastercard®. If a transaction is made in a foreign currency, Mastercard will convert the transaction into a U.S. dollar amount and assess a currency conversion fee equal to 0.20% of the transaction total. Mastercard will act in accordance with its operating regulations or conversion procedures in effect at the time the transaction is processed. Currently, Mastercard regulations and procedures provide that the currency conversion rate is either (i) a wholesale market rate or (ii) a government-mandated rate in effect one day prior to the processing date. The

currency conversion rate calculated in this manner that is in effect on the processing date may differ from the rate in effect on the transaction date or the posting date.

- n. Additional Terms for Personal Debit Cards. The following terms apply to Cards linked to checking accounts. Cards linked to checking accounts are also governed by the “*Electronic Funds Transfer Disclosure*” section.
- (i) *Use of Card in Connection with a Check that Will Be Dishonored.* You shall not use the Card for any purpose that aids the negotiation of a check that you know will be dishonored when presented for payment. You agree that if we purchase any check drawn or endorsed by you and verified by use of the Card, or duly endorsed or assigned to us by the payee or endorsee of such a check, and the check is thereafter dishonored, you will pay the amount of the check to us upon demand.
- (ii) *Card Transactions.* The following additional terms and conditions apply to Card transactions:
- Use of the Card authorizes us to directly debit or credit the checking account for the amount of a Card transaction shown on the sales draft, receipt or other record of the transaction, regardless of whether you select the debit or credit option for the transaction, and to handle debit drafts in the same manner as we handle checks on the checking account.
 - You agree to pay the Card transaction fees in effect for the account. We reserve the right to impose an annual fee upon notification to the Account Owner and/or the Authorized Individual.
 - In consideration of the use of the Card, you agree that any sales drafts or withdrawal vouchers originated by use of the Card shall not be deemed to be Items on which stop-payment orders may be issued.
- (iii) *Transfer Limits.* In addition to the limitations described in the “*Electronic Funds Transfer Disclosure*” section, the following limits apply to use of your Card:
- The Card carries daily limits on the dollar amount of purchases and ATM withdrawals you can make. Daily limits are assigned for your protection. To find more information on your daily limit or to lower your specific limit, please contact us. The standard daily purchase and cash limits are printed on the materials that come with the Card.
 - We may adjust the daily limitations on cash withdrawals and purchases from time to time and subject to applicable law, based on periodic risk assessments or upon request. Any such changes will generally be effective immediately unless we are required by applicable law to provide you with advance written notice of the proposed changes. In such instances, those changes will be effective immediately following the effective date stated in the notice.
- We make no warranties to you or any Debit Card User, express or implied, regarding the services provided under this “Debit Card Agreement” section, including without limiting the foregoing, warranties of merchantability or fitness for a particular purpose. In no event will we be liable to you or any Debit Card User for consequential, incidental, punitive, special or indirect damages or losses, including expenses, such as attorneys’ fees, incurred by you or any Debit Card User by reason of using our services, regardless of whether such loss or damages was foreseeable or known to us. We will not be liable for any personal injury or tangible property damage suffered or incurred by you or any Debit Card User through use or attempted use of the Card at any terminal.**
- (iv) *In Case of Errors or Questions.* Contact us 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 error or problem appeared. We will attempt to answer your questions and correct any errors promptly.

IMPORTANT INFORMATION REGARDING ELECTRONIC COMMUNICATION

If you have consented to accessing your Fifth Third Bank periodic statement information by Electronic Delivery:

- 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. Establishing Electronic Delivery with PA ABLE for your ABLE Account documents does **not** establish electronic delivery for the Checking Account Option statements. Electronic delivery for the checking account statements must be established separately using online banking at www.53.com or the mobile application.
- If you would like a paper copy of any periodic statement, please visit www.53.com or call 1-800-972-3030.
- 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

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 PA ABLE privacy policy referenced in the PA ABLE Disclosure Statement 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 PA ABLE’s privacy policy, for purposes of information you provide in connection with the Checking Account Option, PA ABLE’s privacy policy shall prevail.

Note that the chart contained below in the Fifth Third Bank Privacy Policy for Consumers indicates that for our marketing purposes and for joint marketing with other financial companies, the Bank can share your personal information; however, the Bank will not include ABLE 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 ABLE Customer information to third parties.

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.

These Fifth Third Terms and Conditions, as well as the fees, benefits and features associated with the checking account may be altered or amended at any time. We will notify you in advance of changes if required by applicable law. The current version of these Terms and Conditions is available in the PA ABLE Disclosure Statement online at your Plan’s website.

FIFTH THIRD BANK PRIVACY POLICY FOR CONSUMERS

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: <ul style="list-style-type: none"> • 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.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DOES FIFTH THIRD SHARE?	CAN YOU LIMIT THIS SHARING?
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	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For non-affiliates to market to you	No	N/A

TO LIMIT OUR SHARING	<ul style="list-style-type: none"> • Call 800-889-5269 – our menu will prompt you through your choice(s); or • Visit any Fifth Third Banking Center. <p>Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> 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.</p>
-----------------------------	---

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: <ul style="list-style-type: none"> • Open a checking 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: <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness. • Affiliates from using your information to market to you. • Sharing for non-affiliates to market to you.
	State laws and other individual companies may give you additional rights to limit sharing. See "Other Important Information" below for more on your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your checking account.

DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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.
Joint marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Our joint marketing partners include categories of companies such as insurance companies.

OTHER IMPORTANT INFORMATION

You may have other privacy protections under state law. We will comply with applicable state laws with respect to our information practices.

For accounts with California and Vermont mailing addresses, we will not share your credit or financial information that we collect except as permitted by law, including, for example, with your consent or to service your account. We will also not use your information for joint marketing purposes.

For Nevada residents: If you prefer not to receive marketing calls from us, you may be placed on our internal Do Not Call List by calling us toll-free at 800-889-5269. Nevada law requires us to provide you with the following contact information:

Fifth Third, Customer Services Privacy Administration P.O. Box 4444 Cincinnati, OH 45263-4444	Bureau of Consumer Protection, Office of the Nevada Attorney General 555 East Washington Street, Suite 3900 Las Vegas, NV 89101 Phone: 702-486-3132, Email: BCFINFO@ag.state.nv.us
--	---

AFFILIATES PROVIDING THIS NOTICE

Fifth Third Bank, N.A.; companies that use Fifth Third in their name; and Fifth Third companies that are financial service providers, such as banks, mortgage companies, securities brokers, and insurance agencies.

Important Information about Credit Reporting:

We may report information about your checking account to credit bureaus. Late payments, missed payments, or other defaults on your checking 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. An account is considered opened when you have complied with all account opening requirements, including but not limited to the minimum required funding of the account if applicable.

HOW TO CONTACT US

Call Us:

To report a lost or stolen Card, PIN or password, or report an unauthorized transaction: 1-866-607-5742

Write to Us:

To place a stop payment on a check or regular payment from your account, write to:

Customer Service Department, Fifth Third Bank
5050 Kingsley Drive – MD 1MOC3A

Cincinnati, OH 45263

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, write to:

Disputes Resolution Department, Fifth Third Bank

5050 Kingsley Drive – MD 1MOCBX
Cincinnati, OH 45263

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 Fifth Third Bank checking account, see Part 2.C.3.h.. 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 Fund may be subject.

American Funds Investment Risks

Cybersecurity Breaches. The Fund may be subject to operational and information security risks through breaches in cybersecurity. Cybersecurity breaches can result from deliberate attacks or unintentional events, including "ransomware" attacks, the injection of computer viruses or malicious software code, the use of vulnerabilities in code to gain unauthorized access to digital information systems, networks or devices, or external attacks such as denial-of-service attacks on the investment adviser's or an affiliate's website that could render the Fund's network services unavailable to intended end-users. These breaches may, among other things, lead to the unauthorized release of confidential information, misuse of the Fund's assets or sensitive information, the disruption of the Fund's operational capacity, the inability of fund shareholders to transact business, or the destruction of the Fund's physical infrastructure, equipment or operating systems. These events could cause the Fund to violate applicable privacy and other laws and could subject the Fund to reputational damage, additional costs associated with corrective measures and/or financial loss. The Fund may also be subject to additional risks if its third-party service providers, such as the Fund's investment adviser, transfer agent, custodian, administrators and other financial intermediaries, experience similar cybersecurity breaches and potential outcomes. Cybersecurity risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investments in such issuers to lose value.

Exposure to Country, Region, Industry or Sector. Subject to the Fund's investment limitations, the Fund may have significant exposure to a particular country, region, industry or sector. Such exposure may cause the Fund to be more impacted by risks relating to and developments affecting the country, region, industry or sector, and thus its net asset value may be more volatile, than a fund without such levels of exposure. For example, if the Fund has significant exposure in a particular country, then social, economic, regulatory or other issues that negatively affect that country may have a greater impact on the Fund than on a fund that is more geographically diversified.

Interest Rate Risk. The values and liquidity of the securities held by the Fund may be affected by changing interest rates. For example, the values of these securities may decline when interest rates rise and increase when interest rates fall. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities. The Fund may invest in variable and floating rate securities. When the Fund holds variable or floating rate securities, a decrease in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares. Although the values of such securities are generally less sensitive to interest rate changes than those of other debt securities, the value of variable and floating rate securities may decline if their interest rates do not rise as quickly, or as much, as market interest rates. Conversely, floating rate securities will not generally increase in value if interest rates decline.

During periods of extremely low short-term interest rates, the Fund may not be able to maintain a positive yield, and, in relatively low-interest rate environments, there are heightened risks associated with rising interest rates.

Investing in Debt Instruments. The prices of, and the income generated by, bonds and other debt securities held by the Fund may be affected by factors such as the interest rates, maturities and credit quality of these securities.

Rising interest rates will generally cause the prices of bonds and other debt securities to fall. Also, when interest rates rise, issuers of debt securities which may be prepaid at any time, such as mortgage- or other asset-backed securities, are less likely to refinance existing debt securities, causing the average life of such securities to extend. A general change in interest rates may cause investors to sell debt securities on a large scale, which could also adversely affect the price and liquidity of debt securities and could also result in increased redemptions from the Fund. Falling interest rates may cause an issuer to redeem, call or refinance a debt security before its stated maturity, which may result in the Fund having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities.

Bonds and other debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer or guarantor will weaken or be perceived to be weaker, and/or an issuer of a debt security will fail to make timely payments of principal or interest, and the security will go into default. Changes in actual or perceived creditworthiness may occur quickly. A downgrade or default affecting any of the Fund's securities could cause the value of the Fund's shares to decrease. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality debt securities. Credit risk is gauged, in part, by the credit ratings of the debt securities in which the Fund invests. However, ratings are only the opinions of the rating agencies issuing them and are not guarantees as to credit quality or an evaluation of market risk. The Fund's investment adviser relies on its own credit analysts to research issuers and issues in assessing credit and default risks.

Investing in Derivatives. The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional securities, such as stocks and bonds. Changes in the value of a derivative may not correlate perfectly with and may be more sensitive to market events than the underlying asset, rate or index, and a derivative instrument may cause the Fund to lose significantly more than its initial investment. Derivatives may be difficult to value, difficult for the Fund to buy or sell at an opportune time or price and difficult, or even impossible, to terminate or otherwise offset. The Fund's use of derivatives may result in losses to the Fund, and investing in derivatives may reduce the Fund's returns and increase the Fund's price volatility. The Fund's counterparty to a derivative transaction (including, if applicable, the Fund's clearing broker, the derivatives exchange or the clearinghouse) may be unable or unwilling to honor its financial obligations in respect of the transaction. In certain cases, the Fund may be hindered or delayed in exercising remedies against or closing out derivative instruments with a counterparty, which may result in additional losses. Derivatives are also subject to operational risk (such as documentation issues, settlement issues and systems failures) and legal risk (such as insufficient documentation, insufficient capacity or authority of a counterparty, and issues with the legality or enforceability of a contract).

Investing in Futures Contracts. In addition to the risks generally associated with investing in derivative instruments, futures contracts are subject to the creditworthiness of the clearing organizations, exchanges and futures commission merchants with which the Fund transacts. Additionally, although futures require only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a futures contract could greatly exceed the initial amount invested. While futures contracts are generally liquid instruments, under certain market conditions futures may be deemed to be illiquid. For example, the Fund may be temporarily prohibited from closing out its position in a futures contract if intraday price change limits or limits on trading volume imposed by the applicable futures exchange are triggered. If the Fund is unable to close out a position on a futures contract, the Fund would remain subject to the risk of adverse price movements until the Fund is able to close out the futures position. The ability of the Fund to successfully utilize futures contracts may depend in part upon the ability of the Fund's investment adviser to accurately forecast interest rates and other economic factors and to assess and predict the impact of such economic factors on the futures in which the Fund invests. If the investment adviser incorrectly forecasts economic developments or incorrectly predicts the impact of such developments on the futures in which it invests, the Fund could suffer losses.

Investing in Lower Rated Debt Instruments. Lower rated bonds and other lower rated debt securities generally have higher rates of interest and involve greater risk of default or price declines due to changes in the issuer's creditworthiness than those of higher quality debt securities. The market prices of these securities may fluctuate more than the prices of higher quality debt securities and may decline significantly in periods of general economic difficulty. These risks may be increased with respect to investments in junk bonds.

Investing Outside the United States. Securities of issuers domiciled outside the United States or with significant operations or revenues outside the United States, and securities tied economically to countries outside the United States, may lose value because of adverse political, social, economic or market developments (including social instability, regional conflicts, terrorism and war) in the countries or regions in which the issuers are domiciled, operate or generate revenue or to which the securities are tied economically. These securities may also lose value due to changes in foreign currency exchange rates against the U.S. dollar and/or currencies of other countries. Issuers of these securities may be more susceptible to actions of foreign governments, such as nationalization, currency blockage or the imposition of price controls, sanctions, or punitive taxes, each of which could adversely impact the value of these securities. Securities markets in certain countries may be more volatile and/or less liquid than those in the United States. Investments outside the United States may also be subject to different regulatory, legal, accounting, auditing, financial reporting and recordkeeping requirements, and may be more difficult to value, than those in the United States. In addition, the value of investments outside the United States may be reduced by foreign taxes, including foreign withholding taxes on interest and dividends. Further, there may be increased risks of delayed settlement of securities purchased or sold by the Fund, which could impact the liquidity of the Fund's portfolio. The risks of investing outside the United States may be heightened in connection with investments in emerging markets.

Investing in Swaps. Swaps, including interest rate swaps and credit default swap indices, or CDSI, are subject to many of the risks generally associated with investing in derivative instruments. Additionally, although swaps require no initial investment or only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a swap could greatly exceed the initial amount invested. The use of swaps involves the risk that the

investment adviser will not accurately predict anticipated changes in interest rates or other economic factors, which may result in losses to the Fund. If the Fund enters into a bilaterally negotiated swap transaction, the counterparty may fail to perform in accordance with the terms of the swap. If a counterparty defaults on its obligations under a swap, the Fund may lose any amount it expected to receive from the counterparty, potentially including amounts in excess of the Fund's initial investment. Certain swap transactions are subject to mandatory central clearing or may be eligible for voluntary central clearing. Although clearing interposes a central clearinghouse as the ultimate counterparty to each participant's swap, central clearing will not eliminate (but may decrease) counterparty risk relative to uncleared bilateral swaps. Some swaps, such as CDSI, may be dependent on both the individual credit of the Fund's counterparty and on the credit of one or more issuers of any underlying assets. If the Fund does not correctly evaluate the creditworthiness of its counterparty and, where applicable, of issuers of any underlying reference assets, the Fund's investment in a swap may result in losses to the Fund.

Issuer Risks. The prices of, and the income generated by, securities held by the Fund may decline in response to various factors directly related to the issuers of such securities, including reduced demand for an issuer's goods or services, poor management performance, major litigation, investigations or other controversies related to the issuer, changes in the issuer's financial condition or credit rating, changes in government regulations affecting the issuer or its competitive environment and strategic initiatives such as mergers, acquisitions or dispositions and the market response to any such initiatives. An individual security may also be affected by factors relating to the industry or sector of the issuer or the securities markets as a whole, and conversely an industry or sector or the securities markets may be affected by a change in financial condition or other event affecting a single issuer.

Liquidity Risk. Certain fund holdings may be or may become difficult or impossible to sell, particularly during times of market turmoil. Liquidity may be impacted by the lack of an active market for a holding, legal or contractual restrictions on resale, or the reduced number and capacity of market participants to make a market in such holding. Market prices for less liquid or illiquid holdings may be volatile or difficult to determine, and reduced liquidity may have an adverse impact on the market price of such holdings. Additionally, the sale of less liquid or illiquid holdings may involve substantial delays (including delays in settlement) and additional costs and the Fund may be unable to sell such holdings when necessary to meet its liquidity needs or to try to limit losses or may be forced to sell at a loss.

Management. The investment adviser to the Fund actively manages the Fund's investments. Consequently, the Fund is subject to the risk that the methods and analyses, including models, tools and data, employed by the investment adviser in this process may be flawed or incorrect and may not produce the desired results. This could cause the Fund to lose value or its investment results to lag relevant benchmarks or other funds with similar objectives.

Market conditions. The prices of, and the income generated by, the securities held by the Fund may decline – sometimes rapidly or unpredictably – due to various factors, including events or conditions affecting the general economy or particular industries or companies; overall market changes; local, regional or global political, social or economic instability; governmental, governmental agency or central bank responses to economic conditions; changes in inflation rates; and currency exchange rate, interest rate and commodity price fluctuations. Economies and financial markets throughout the world are highly interconnected. Economic, financial or political events, trading and tariff arrangements, wars, terrorism, cybersecurity events, natural disasters, public health emergencies (such as the spread of infectious disease),

bank failures and other circumstances in one country or region, including actions taken by governmental or quasi-governmental authorities in response to any of the foregoing, could have impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to the countries affected, the value and liquidity of the Fund's investments may be negatively affected by developments in other countries and regions.

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 this prospectus (the "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.

Commodity Risk. The Fund invests in companies that are susceptible to fluctuations in certain commodity markets and to price changes due to trade relations. Any negative changes in commodity markets that may be due to changes in supply and demand for commodities, market events, war, regulatory developments, other catastrophic events, or other factors that the Fund cannot control could have an adverse impact on those companies.

Commodity Regulatory Risk. The Fund is deemed a commodity pool and BFA is considered a commodity pool operator ("CPO") with respect to the Fund under the CEA. BFA is therefore subject to regulation by the SEC and the CFTC. BFA is also subject to regulation by the National Futures Association ("NFA"). The regulatory requirements governing the use of commodity futures, options on commodity futures, certain swaps or certain other investments could change at any time.

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 depositories.

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. BFA'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. In addition, the Fund's use of derivatives may expose the Fund to risks related to potential operational issues, such as documentation and settlement issues, systems failures, inadequate controls and human error. Derivatives may also involve legal risks, including insufficient documentation, insufficient capacity or authority of a counterparty, and legality and enforceability of a contract.

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.

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 not acquire any illiquid investment if, immediately after the acquisition, the Fund would have invested more than 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. In addition, if the Fund is limited in its ability to sell illiquid investments during periods when shareholders are redeeming their shares, the Fund will need to sell liquid securities to meet redemption requests and illiquid securities will become a larger portion of the Fund's holdings. 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 or other unforeseen circumstances (such as natural disasters, political unrest or war) may impact the Index Provider or a third-party data provider and could cause the Index Provider to postpone a scheduled rebalance. This could cause the Underlying Index to vary from its normal or expected composition.

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

Infectious Illness Risk. A widespread outbreak of an infectious illness, such as the COVID-19 pandemic, may result in travel restrictions, disruption of healthcare services, prolonged quarantines, cancellations, supply chain disruptions, business closures, lower consumer demand, layoffs, ratings downgrades, defaults and other significant economic, social and political impacts. Markets may experience temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. Such events may adversely affect the Fund and its investments and may 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. Despite the development of vaccines, the duration of the COVID-19 pandemic and its effects cannot be predicted with certainty.

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 in recent years 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.

Management Risk. As the Fund will not fully replicate the Underlying Index, it is subject to the risk that BFA'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, public health issues, recessions, the prospect or occurrence of a sovereign default or other financial crisis, 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.

Non-Diversification Risk. The Fund is classified as "non-diversified." This means that, compared with other funds that are classified as "diversified," the Fund may invest a greater percentage of its assets in securities issued by or representing a small number of issuers or in derivatives with a limited number of counterparties. As a result, the Fund's performance may depend on the performance of a small number of issuers and counterparties.

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.

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 BFA 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.

Privately Issued Securities Risk. The Fund may invest in privately issued securities, including those that are normally purchased pursuant to Rule 144A or Regulation S promulgated under the 1933 Act. Privately issued securities are securities that have not been registered under the 1933 Act and as a result may be subject to legal restrictions on resale. Privately issued securities are generally not traded on established markets. As a result of the absence of a public trading market, privately issued securities may be deemed to be illiquid investments, may be more difficult to value than publicly traded securities and may be subject to wide fluctuations in value. Delay or difficulty in selling such securities may result in a loss to the Fund.

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, supply chain diversification, 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. The Underlying Index may include companies that are subject to economic or trade restrictions (but not investment restrictions) imposed by the U.S. or other governments due to national security, human rights or other concerns of such government. So long as these restrictions do not include restrictions on investments, the Fund is generally expected to invest in such companies, consistent with its objective to track the performance of the Underlying Index.

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 will subject the Fund to legal, 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 war, 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, social instability, political turmoil or 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 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. Governments in the U.S. and many other countries have imposed economic sanctions on certain Russian individuals and Russian corporate and banking entities. A number of jurisdictions may also institute broader sanctions on Russia. Russia has issued a number of countersanctions, some of which restrict the distribution of profits by limited liability companies (e.g., dividends), and prohibit Russian persons from entering into transactions with designated persons from "unfriendly states" as well as the export of raw materials or other products from Russia to certain sanctioned persons. Russia launched a large-scale invasion of Ukraine on February 24, 2022. The extent and duration of the military action, resulting sanctions and resulting future market disruptions, including declines in its stock markets and the value of the ruble against the U.S. dollar, are impossible to predict, but could be significant. Disruptions caused by Russian military action or other actions (including cyberattacks and espionage) or resulting actual and threatened responses to such activity, including purchasing and financing restrictions, boycotts or changes in consumer or purchaser preferences, sanctions, import and export restrictions, tariffs or cyberattacks on the Russian government, Russian companies, or Russian individuals, including politicians, may impact Russia's economy and Russian companies in which the Fund invests. Actual and threatened responses to Russian military action may also impact the markets for certain Russian commodities, such as oil and natural gas, as well as other sectors of the Russian economy, and are likely to have collateral impacts on such sectors globally. Russian companies may be unable to pay dividends and, if they pay dividends, the Fund may be unable to receive them. As a result of sanctions, the Fund is currently restricted from trading in Russian securities, including those in its portfolio, while the Underlying Index has removed Russian securities. It is unknown when, or if, sanctions may be lifted or the Fund's ability to trade in Russian securities will resume.

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.

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.

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. BFA 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 securities not been fair valued or been valued using a different methodology. The 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 above), 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 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 its volatility and 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.

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.

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 (or income generated by) 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. The value of a REIT may be affected by changes in interest rates.

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.

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. Call risk should be low for the Fund because it invests only a small portion of its assets in callable bonds.

China A-Shares Risk. The chance that the Fund may not be able to access its desired amount of China A-shares. Investing in A-shares through Stock Connect or the QFI program is subject to trading restrictions and suspensions, quota limitations and sudden changes in those limitations, and operational, clearing, and settlement risks.

Country/Regional Risk. The chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the Fund may invest a large portion of its assets in securities of companies located in any one country or region, the Fund's performance may be hurt disproportionately by the poor performance of its investments in that area.

Credit Risk. The chance that a bond issuer or issuer of a security 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. Credit risk should be low for the Fund.

Currency Risk. The chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.

Emerging Markets Risk. The chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, financial

reporting, accounting, and recordkeeping systems; and greater political, social, and economic instability than developed markets.

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. Extension risk should be moderate for the Fund.

Income Risk. The chance that the Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds and moderate for intermediate-term bond funds, so investors should expect the Fund's monthly income to fluctuate accordingly. For Vanguard Cash Reserves Federal Money Market Fund, the Fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—so income risk is expected to be high. A low or negative interest rate environment will adversely affect the Fund's return. Low or negative interest rates, depending on their duration and severity, could prevent the Fund from, among other things, providing a positive yield and/or maintaining a stable share price of \$1.

Income Fluctuations. 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. Overall, investors can expect income fluctuations to be high for the Fund.

Index Replicating Risk. The chance that the Fund may be prevented from holding one or more securities in the same proportion as in its target index.

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.

Industry Concentration Risk. The chance that there will be overall problems affecting a particular industry. Because the Fund invests more than 25% of its assets in securities issued by companies in the financial services industry, the Fund's performance depends to a greater extent on the overall condition of that industry and is more susceptible to events affecting that industry.

Interest Rate Risk. The chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for a Fund that invests primarily in short-term bonds, whose prices are less sensitive to interest rate changes than are prices of longer-term bonds, and moderate for a Fund that invests primarily in short- and intermediate-term bonds.

Investment Style Risk. The chance that returns from non-U.S. small and mid-capitalization stocks will trail returns from global stock markets. Historically, non-U.S. small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the global markets, and they often perform quite differently. The stock prices of small and mid-size companies tend to experience greater volatility because, among other things, these companies tend to be more sensitive to changing economic conditions.

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

Manager Risk. The chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

Nondiversification Risk. Because the Fund seeks to closely track the composition of the Fund's target index, from time to time, more than 25% of the Fund's total assets may be invested in issuers representing more than 5% of the Fund's total assets due to an index rebalance or market movement, which would result in the Fund being nondiversified under the Investment Company Act of 1940. The Fund's performance may be hurt disproportionately by the poor performance of relatively few stocks, or even a single stock, and the Fund's shares may experience significant fluctuations in value.

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. Prepayment risk should be moderate for the Fund.

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. Because 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, real interest rate risk is expected to be low for the Fund.

Repurchase Agreements Risk. The chance that a counterparty to a repurchase agreement may not fulfill its contractual obligations causing the Fund to lose money, suffer delays, or incur costs arising from holding or selling the underlying security.

Sector Risk. The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme or volatile than fluctuations in the overall market. Because a significant portion of the Fund's assets are invested in the information technology sector, the Fund's performance is impacted by the general condition of that sector. Companies in the information technology sector could be affected by, among other things, overall economic conditions, short product cycles, rapid obsolescence of products, competition, and government regulation. Sector risk is expected to be high for the Fund.

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. 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. A Fund's investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks may be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions.

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: The owner and designated beneficiary of the Account. The Account Owner must be an Eligible Individual. *Note: any reference in this Disclosure Statement to actions that must or may be taken by an Account Owner also applies to an Account Owner's Authorized Individual – unless the content clearly indicates otherwise.*

Annual Account Maintenance Fee: Each Account is charged an annual maintenance fee of \$56.00 that is assessed and withdrawn from the Account in the amount of \$14.00 quarterly. If Electronic Delivery is established, the Annual Account Maintenance Fee is reduced to \$31.00 and assessed and withdrawn from the Account in the amount of \$7.75 quarterly. The Plan may reduce this fee by up to an additional \$5.00 per year if the Account Owner or Authorized Individual is a resident of the State. The Annual Account Maintenance Fee will be taken proportionally from each Investment Option in the Account based on the available balance in the Investment Option. In the event the Account balance in a given quarter is less than the quarterly amount assessed of the Annual Account Maintenance Fee, the available balance of the Account will be reduced to zero. This fee will be charged after an Account has been opened for at least 90 days.

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 \$19,000 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, and Ascensus Investment Advisors, LLC, (the Investment Manager).

Authorized Individual: An Authorized Individual is the person or entity who may open and control an Account for an Eligible Individual who lacks legal capacity to enter a contract. Additionally, an Eligible Individual who has reached the age of 21 and has the legal 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.

Capital Group: Capital Group Companies, Inc. The parent company to the investment manager of the American Funds.

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

Control Person: An individual with significant responsibility to control, manage, or direct an Entity. A Control Person may include: the: Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer, Executive Director/Director of a government agency, or any other individual who regularly performs similar functions. The Control Person must have the authority to make binding commitments on behalf of the Entity.

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.

Electronic Delivery. By establishing Electronic Delivery, the Account Owner or Authorized Individual will be notified via email when quarterly and year-end Account statements, Account transaction and profile confirmations, the Plan Disclosure Booklet and Supplements, and/or Account tax forms are available online for viewing, downloading and/or printing.

Electronic Delivery does not include electronic statement delivery for the Checking Account Option. To qualify for the waiver of the monthly service charge associated with the Checking Account Option, electronic statement delivery for monthly Checking Account Option statements must be established separately using Fifth Third Bank's online banking platform at 53.com or the mobile application.

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, insurrections, embargoes, cyber-attacks, 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, Capital Group, Fifth Third 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 seven 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.

Plan Administrators: The Commonwealth, Treasury Department, PA ABLE, the Investment Firms, Ascensus and their respective affiliates, officials, officers, directors, employees and representatives, successors and assigns.

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, but are not limited to, 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 Rollover can be completed using one of the following methods:

1. **Direct Rollover**-the direct transfer of the entire balance of an ABLE account into a new ABLE account for the same Account Owner. Upon completion of this transfer the ABLE account from which the funds were transferred must be closed. A Direct Rollover may also be made by transferring part or all of the assets in an ABLE account into another ABLE account owned by an Eligible Individual who is a Sibling of the owner of the ABLE account from which the funds are being transferred.
2. **Indirect Rollover**-Assets are withdrawn from an ABLE account and are contributed, within 60 days, to either a new ABLE account for the same Account Owner or an ABLE account for an Eligible Individual who is a Sibling of the current Account Owner. An Indirect Rollover to an ABLE Account owned by the same person as the account from which the funds are withdrawn may only be made once every 12 months.
3. **529 Plan Rollover**-Assets are withdrawn from a 529 plan and contributed, within 60 days, into an ABLE account. The ABLE Account Owner must be a member of the family of the 529 plan beneficiary as defined by Section 529 of the Internal Revenue Code.

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 ABLÉ 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.

Supplement: any revisions, additions, or other amendments to the PA ABLE Disclosure Statement.

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.