



# ILLINOIS *able*

Achieving A Better Life Experience

## WHAT TYPE OF INVESTOR ARE YOU?

**With an Illinois ABLE account you have choices: You can place your money in the Illinois ABLE checking account option, one of the investment options, or both! You should ask yourself these four questions to help decide what's best for your disability expense needs.**

### 1. What qualified disability expenses do I want to save for?

- Am I planning to use these funds to pay for ongoing expenses that require easy access to funds on a regular basis? Example: Weekly therapy or extra job coaching.
- Am I looking to save funds for a rainy day? Example: I get laid off from my job.
- Am I saving for a larger, more expensive item that may require a longer savings timeline? Example: A new place to live or an accessible vehicle.
- Do I want to use the funds for all of the above?

Illinois ABLE accounts can be used to save for qualified disability expenses you have regularly, for emergencies, for future expenses, or for a combination of all of these.

### 2. When will I need the money?

- What expenses do I need to pay for today, tomorrow, next week or next month? These are called short-term expenses.
- What expenses do I want to save for down the road, perhaps in 1-3 years? These are called medium-term expenses.
- What expenses do I want to save for in the longer term? Example: over the next four years or more. These are called long-term expenses.

When thinking of savings and investing, think about your short-term, medium-term and long-term qualified disability expenses. This can help you decide whether and which of the checking or investment options are right for your Illinois ABLE account.

### 3. What is risk?

Risk is any uncertainty in the financial markets, now or in the future, that has the potential to negatively affect the money you invested. When you invest your money in the investment options, the investment values might rise or fall because of changes in market conditions, which means that your account balance could increase or decrease. This is not the case in the Illinois ABLE Checking account option. In the Illinois ABLE checking account option, your funds are insured by the Federal Deposit Insurance Corporation (FDIC) and are not exposed to market fluctuations.

## 4. What is my risk tolerance?

Ask yourself, “How will I feel if the value of my Illinois ABLE account balance changes because financial markets are going up or going down?” Your answers to this question will help you determine your “risk tolerance.” This means the degree to which you, the investor, are comfortable with your invested money increasing or decreasing because of fluctuations in the financial markets.

Think about the short-term, medium-term and long-term qualified disability expenses that you are saving for and decide when you will want to use the money in your Illinois ABLE account. This will help you decide what your risk tolerance is and will influence which Illinois ABLE investment option, or options, you choose.

**Match your investment choices with your needs, your timing, and your risk tolerance**  
Below are some examples of how some hypothetical account owners go through the process of matching their needs with their timing and risk tolerance in making their investment and/or checking option choices:

### **John needs a new computer**

John’s short-term goal is to save enough money to buy a computer at the end of the year. He will not be comfortable with the possibility of the value of his investment going down between now and the time he buys the computer. John’s risk tolerance could be described as low. Based on his needs, timing and risk tolerance, John is considering the Conservative, Moderately Conservative and the Checking Option.

### **Anne wants a new wheelchair in a few years**

Anne’s goal is to buy a new wheelchair in about three years and she wants to begin saving for it now. She hopes to see the value of her investment grow steadily so that she can pay for a new wheelchair but understands this is not guaranteed. Anne decides that she has moderate risk tolerance for the potential ups and downs of the financial markets and that a combination of stocks and bonds will best fit her needs, timing and risk tolerance. Anne is considering investing in the Moderate, Growth, or Moderately Aggressive Option or a combination of those options.

### **Lisa’s parents are investing for down the road**

Lisa is a toddler with a disability whose parents want to grow her Illinois ABLE account to use after she finishes high school. Lisa’s parents are comfortable with potentially big swings in the financial markets and know that prices may fluctuate a lot over the long-term. They consider themselves to have high risk tolerance, and they decide to invest funds in the Moderately Aggressive and Aggressive Investment Options, where there is a higher chance for fluctuation in the account value both up and down, but also a higher chance of returns over the long term.

**Remember, only you can decide your own investment risk tolerance.**

**For detailed information about Illinois ABLE, read the Plan Disclosure Documents available at [il.savewithable.com](http://il.savewithable.com).**

The Illinois ABLE Plan is a Member Plan of the National ABLE Alliance and is designed to qualify as a qualified ABLE program under the provisions of Section 529A of the Internal Revenue Code. The Illinois ABLE Plan is sponsored by the State of Illinois and administered by the Office of the Illinois State Treasurer. Ascensus College Savings Recordkeeping Services, LLC (“ACSR”) serves as Program Manager for Illinois ABLE. Ascensus Investment Advisors, LLC (“AIA”) serves as the Administrator of a trust (the “Trust”) established to provide for the investment and reinvestment of the assets of Member Plans that participate in the National ABLE Alliance. Accounts in Illinois ABLE are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, the National ABLE Alliance, ACSR, AIA, Illinois ABLE, or the Trust. The Checking Option offers Federal Deposit Insurance Corporation insurance up to \$250,000, subject to certain restrictions. Illinois taxpayers may deduct up to \$10,000 for an individual, \$20,000 for married taxpayers filing jointly, per tax year on their Illinois state income tax return, for their total combined contributions to the Illinois ABLE Plan. The individual and jointly filed limits on deductions will apply to total contributions regardless of whether the contributions are made to a single account or to more than one account. Before investing, investors should consider whether their home state offers any state tax or other benefits that are only available for investments in such state’s qualified ABLE program and they should consult their legal, tax or financial advisor regarding their specific situation. The Plan Disclosure Documents should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Plan Disclosure Documents. For more information about Illinois ABLE call 1-888-609-8683, or visit [il.savewithable.com](http://il.savewithable.com) to obtain Plan Disclosure Documents, which include investment objectives, risks, charges, expenses and other important information. Read and consider it carefully before investing.