SUPPLEMENT DATED JANUARY 2026 TO UPDATE THE TEXAS ABLE PLAN® PLAN DISCLOSURE STATEMENT AND SAVINGS PARTICIPATION AGREEMENT DATED DECEMBER 2024.

This supplement describes important changes to the Texas Plan® ABLE Plan Disclosure Statement dated December 2024 (the "Program Disclosure Statement"). Terms defined in the Plan Description have the same meaning in this supplement.

A. HR. 1 – STATUTORY AMENDMENTS TO SECTION 529

A.1 HR. 1 was enacted into law as of July 4, 2025. HR. 1 amended Code §529 to make the following provisions permanent effective January 1, 2026:

- The ability to make qualified rollovers from 529 savings and prepaid tuition programs to ABLE programs;
- The ability of eligible Beneficiaries to make contributions to an ABLE account up to the Expanded ACL; and
- The ability of Beneficiaries who make ABLE contributions to claim the Saver's Credit subject to eligibility requirements.

All references in the Program Disclosure Statement to these provisions expiring on January 1, 2026, are hereby eliminated.

A.2 HR.1 changed the base year for the inflation adjustment calculation for the ABLE annual contribution limit. Effective January 1, 2026, the ABLE ACL is $20,000. All references in this Program Disclosure Statement to earlier years' limits are deleted.

B. INVESTMENT PERFORMANCE

SECTION 4: INVESTING AND ACCOUNT - The first three (3) paragraphs under the heading "INVESTMENT PERFORMANCE" on page 23 are deleted in their entirety and replaced with the following:

INVESTMENT PERFORMANCE
Performance information as of October 31, 2025, is as follows:

Average Annual Total Returns

Portfolios	1 Year	3 Years	5 years	Since Inception	Inception Date
Managed Allocation Options					
Aggressive Allocation	14.50%	19.17%	10.81%	9.37%	May 1, 2018
Moderate Allocation	11.81%	15.89%	8.47%	7.85%	May 1, 2018
Moderately Conservative Allocation	7.08%	10.16%	4.05%	4.85%	May 1, 2018
Conservative Allocation	5.05%	7.64%	n/a	1.47%	October 1, 2021
Bank Savings Account Option	3.62%	3.71%	2.21%	1.48%	May 1, 2018

Portfolio performance information is net of any annual asset-based fees and does not reflect the impact of any federal or state taxes. If you would like a hard copy of the information sent to you, please call the program manager at 800-445-GRAD (4723), option 3.

PLEASE KEEP IN MIND, PAST PERFORMANCE — ESPECIALLY SHORT-TERM PAST PERFORMANCE — IS NOT A GUARANTEE OF FUTURE RESULTS. INVESTMENT RETURNS AND PRINCIPAL VALUES WILL FLUCTUATE, SO THAT THE ACCOUNT OWNER'S UNITS IN A PORTFOLIO MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA CITED ABOVE.

More information, including performance information and each underlying investment's prospectus, is available by visiting the websites listed above. Program performance is available on the program website at www.texascollegesavings.com/tcsp-investments/#smooth-scroll-top.

C. PLAN FEES AND EXPENSES

SECTION 6: FEES AND EXPENSES. The Estimated Total Annual Asset-Based Fees chart for on page 30 is deleted in its entirety and replaced with the following:

	Estimated Total Annual Asset-Based Fees[2]			
Investment Option	**Program Management Fee[1]**	**State Administrative Fee[2]**	**Estimated Underlying Investment Expenses[3]**	**Estimated Total Annual Asset-Based Fees[4]**
Aggressive Allocation	0.15%	0.10%	0.1100%	0.36000%
Moderate Allocation Option	0.15%	0.10%	0.1900%	0.44000%
Moderately Conservative Allocation Option	0.15%	0.10%	0.3100%	0.56000%
Conservative Allocation Option	0.15%	0.10%	0.3500%	0.60000%
Bank Savings Account Option[5]	0.15%	0.10%	0.0000%	0.25000%

1. The Program Management Fee may change at any time.
2. The State Administrative Fee is used to defray costs incurred by the board to provide oversight and administration of the program.
3. For portfolios investing in more than one underlying investment, the Estimated Underlying Investment Expense is based on a weighted average of each underlying investment's expense ratio as of the then-active prospectus on October 31, 2025. For portfolios that invest in one underlying investment, the Estimated Underlying Investment Expense is based on the expense ratio for the underlying investment as of the then-active prospectus on October 31, 2025.
4. Estimated Total Annual Asset-Based Plan Fees are subject to change at any time and are assessed against assets over the course of the year. See the "Investment Cost Chart" below for the approximate cost of investing in each of the program's portfolios over 1-, 3-, 5- and 10 years.
5. The program manager and the board have agreed to voluntarily waive the Program Management Fee and the State Administrative Fee, respectively, (but, in each case, not below zero) to the extent necessary to assist the Bank Savings Account Option in attempting to maintain at least a 0.00% return before monthly fees and transaction fees. This undertaking may be amended or withdrawn at any time. There is no guarantee that the Bank Savings Account Option will maintain a positive return even without the imposition of these fees, which could mean a negative return that yields a loss of principal if the earnings are not sufficient to cover the monthly maintenance fee.

THE ESTIMATED COST OF A $10,000 INVESTMENT
The Investment Cost Charge chart on page 32 is deleted in their entirety and replaced with the following:

Estimated Cost of a $10,000 Investment in each Portfolio				
	1-Year	**3-Year**	**5-Year**	**10-Year**
Aggressive Allocation Option	$37	$116	$202	$456
Moderate Allocation Option	$45	$141	$246	$555
Moderately Conservative Allocation Option	$57	$179	$313	$701
Conservative Allocation Option	$61	$192	$335	$750
Bank Savings Account Option	$26	$80	$141	$318

D. INCREASE IN THE FEDERAL GIFT TAX EXCLUSION AND ABLE CONTRIBUTION LIMITS

Effective January 1, 2024, the annual federal gift tax exclusion amount has increased to $19,000 ($38,000 for a married couple). A contributor may prorate contributions exceeding the annual federal gift tax exclusion over five years up to $95,000 (single filer) and $190,000 (married couple electing to split gifts) if certain requirements are met. See Part 8: Tax Considerations section of the Program Disclosure Statement for additional details. All other references in the Program Disclosure Statement to gift tax limits are qualified by reference to the higher limits effective January 1, 2025. Please contact a tax advisor to determine the effect of federal tax provisions on your situation.

E. ESTATE TAX EXCLUSION INCREASED

1. The Program Disclosure Statement is amended by deleting the paragraph immediately below the heading “Federal Transfer Taxes” in Part 8: Tax Considerations.

2. The Program Disclosure Statement is amended by deleting the first paragraph under the “Gift Tax” heading in Section 8: Tax Considerations:

   Under Code §529A, contributions to the program are generally considered “completed gifts” to the Beneficiary. However, you cannot make a transfer, or gift, of property to yourself. This means that contributions you make to your account would not be subject to federal gift tax. If someone else contributes to your account, and the total contributions in a calendar year are greater than the current exclusion of $19,000 ($38,000 for a married couple), the donor is subject to gift tax on the excess amount. The lifetime exclusion, as of 2026, is $15 million for an individual.

3. The Program Disclosure Statement is amended by deleting the “Estate Tax” section of Section 8: Tax Considerations and replacing it with the following:

   Estate Tax
   On your death, any amount remaining in your ABLE account, net of any withdrawals for outstanding Qualified Disability Expenses, including funeral and burial expenses submitted to the program within 90 days of the Beneficiary’s death and any amounts due Texas Medicaid, will be included in your gross estate for estate tax purposes. Like the federal gift tax, however, there is an exclusion from tax available. For the estate of someone dying and gifts made after December 31, 2025, the lifetime unified credit applicable to estate tax and gift tax is $15 million.

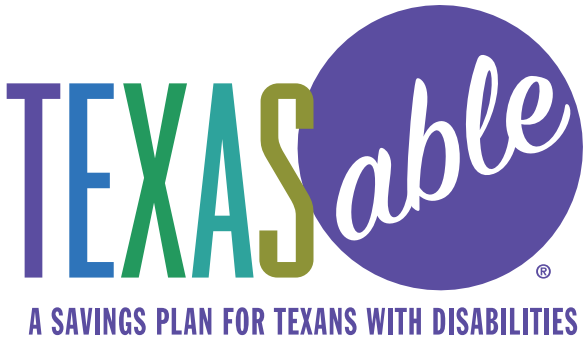
The IRS has not issued specific guidance on the recent federal law changes affecting qualified tuition programs, including the program, or on the increase to the lifetime estate and gift tax credit. You will be responsible for any taxes or penalties resulting from failure to comply with Code §529A, as amended, and any subsequent IRS rules or guidance.

F. Market Uncertainties

The Program Disclosure Statement is amended by adding the following immediately below the Other Investment Risks heading on page 45:

Market Uncertainties

Due to market uncertainties, the overall market value of an account may exhibit volatility and could be subject to general economic conditions, such as changes in unemployment rates, inflation or stagflation, the imposition of tariffs or other restrictions on global trade, or a decrease in overall economic activity leading to a recession. All of these factors may cause the value of an account to decrease (realized or unrealized losses) regardless of the investment strategy for any investment option(s) in which an account is invested or any systematic investing on the part of an account owner.



Program Disclosure Statement and Participation Agreement

Effective Date of June 2024

Texas Prepaid Higher Education Tuition Board

Chair, Don Huffines, Comptroller of Public Accounts
Austin, Texas

Orion Advisor Solutions, Inc., Plan Manager


DON HUFFINES
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Orion

ABOUT THIS PROGRAM DISCLOSURE

The Texas Achieving a Better Life Experience Program ("Texas ABLE") is a savings program for Texans with disabilities, helping them maintain health, independence, and quality of life. The Texas Prepaid Higher Education Tuition Board maintains and administers the Texas ABLE® Program, while Orion Advisor Solutions, Inc. ("Orion") manages the program with the assistance of the Texas Comptroller of Public Accounts. Texas ABLE is distributed by Northern Lights Distributors, LLC and maintained by Catalis Regulatory and Compliance, LLC, neither of which are affiliated with Orion. This Program Disclosure Statement and Participation Agreement has been amended and restated in its entirety, wholly replacing all prior publications, and contains important information you should understand before participating in the program, including eligibility requirements, restrictions on using account funds, and fees and expenses. Please read all program information carefully before opening an account and keep a copy for future reference.

All references in the Program Disclosure Statement and Participation Agreement to the account owner shall mean the Beneficiary or, if applicable, the Beneficiary's Authorized Legal Representative who establishes and maintains the account on behalf of the Beneficiary.

INVESTING INVOLVES RISK

All investments involve risk, and you could lose money, including the amount you initially deposit. Further, participation in the program does not guarantee that contributions and any earnings will adequately cover your current or future qualified disability expenses. The state of Texas, the board, the program, Orion, and their affiliates will not have any responsibility or liability for the actions of the Beneficiary or his or her Authorized Legal Representative, if any.

NO INSURANCE OR GUARANTEE

Money in the bank savings account option is insured under the guidelines of the Federal Deposit Insurance Company. Otherwise, no part of any account is a deposit or obligation of, or is guaranteed or insured by, the board, the state of Texas, or any of its agencies or agents. Interests in the program have not been registered with or approved by the U.S. Securities and Exchange Commission ("SEC") or any state. You should carefully consider the investment objectives, risks, fees, charges, and expenses associated with the program before opening a Texas ABLE account. The board may suspend, modify, or terminate the program or change investment options, offerings, and/or underlying investments at any time and without the consent of account owners.

NEITHER THIS PROGRAM DISCLOSURE STATEMENT NOR THE PARTICIPATION AGREEMENT HAVE BEEN REGISTERED WITH OR APPROVED BY THE SEC OR WITH ANY STATE, AND NEITHER THE SEC NOR ANY STATE OR OTHER REGULATORY AUTHORITY HAS VERIFIED THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE DOCUMENT OR ENDORSED THE MERITS OF THIS OFFERING.

FOR USE ONLY FOR QUALIFYING DISABILITY EXPENSES

The program is only intended to save for qualified disability expenses. The program and any tax information contained in this Program Disclosure Statement are not intended to, nor should be used to, evade federal or state taxes or penalties.

REPORTS TO ACCOUNT OWNERS AND FINANCIAL STATEMENTS

Quarterly and annual statements will be provided to account owners to reflect account activity, which may also be viewed by establishing an account owner login on the program website or by

calling 844-4TX-ABLE (844-489-2253). To prevent errors and protect participants, the program uses reasonable procedures to confirm that transaction requests are genuine. An account owner may be responsible for losses resulting from fraudulent or unauthorized instructions received by the program manager, provided the program manager reasonably believes the instructions were genuine. To safeguard your account, please keep your account information confidential. Contact the program manager immediately if you believe there is a discrepancy between a transaction you performed and the confirmation statement you received, or if you believe someone has obtained unauthorized access to your account. An account owner has 60 days to notify the program manager of any errors.

The program's annual financial report is audited by independent certified public accountants in accordance with generally accepted accounting principles for each fiscal year beginning September 1 and ending August 31. A copy of the audited financial report is posted on the program website at www.TexasABLE.org when it is released each year, typically in December.

NO FINANCIAL, TAX, BENEFITS, LEGAL, OR INVESTMENT ADVICE

The state of Texas, the board, the program, Orion, and their affiliates do not provide financial, tax, benefits, legal, or investment advice. The information presented in this Program Disclosure Statement does not contain financial, tax, benefits, legal, or investment advice and cannot be relied upon for such purposes. No representations regarding the suitability of the program for individuals with disabilities has been or will be made to you. You should consult your financial, tax, benefits, legal, or investment advisor to determine the impact of federal and state laws on your situation.

Statements contained in this Program Disclosure Statement involving estimates, forecasts, or matters of opinion are intended solely as such and should not be considered representations of facts. This information and any expressions of opinion are subject to change without notice.

INFORMATION SUBJECT TO CHANGE

The information in this Program Disclosure Statement and Participation Agreement is believed to be accurate as of the date published and is subject to change without notice. No person is authorized to provide information that is different from the information contained in this Program Disclosure Statement and Participation Agreement. In the event of any conflict, applicable laws and regulations, including the Internal Revenue Code of 1986, as amended, the Texas Education Code, and the Texas Administrative Code control over this Program Disclosure Statement, which together with the Participation Agreement control over all other statements or publications.

PROGRAM MODIFICATION OR TERMINATION

Nothing contained in this Program Disclosure Statement shall constitute an agreement by the state of Texas, the board, the program, Orion, their affiliates, or any other person that the program will continue in existence. At any time, the board may suspend, modify, or terminate the program, provided the assets in your account are still held for exclusive benefit of the Beneficiary subject to applicable law. The board may change the terms of the program as necessary to ensure the financial feasibility of the program, compliance with applicable laws and regulations, or to obtain or maintain favorable government benefits or federal income tax treatment provided under applicable law.

THE BOARD MAY CHANGE INVESTMENT APPROACHES, INVESTMENT OPTIONS, AND UNDERLYING INVESTMENTS FROM TIME TO TIME. ADDITIONAL

INVESTMENT OPTIONS MAY BE ADDED IN THE FUTURE, AND EXISTING OPTIONS MAY BE CHANGED, CONSOLIDATED, OR ELIMINATED. EXISTING ACCOUNT OWNERS MAY BE REQUIRED BY THE BOARD TO PARTICIPATE IN SUCH CHANGES. INTERESTS IN ANY ELIMINATED OPTION WILL BE EXCHANGED AS DIRECTED BY THE BOARD. THE CONSENT OF ACCOUNT OWNERS OR OTHER CONTRIBUTORS TO ANY SUCH CHANGE, ADDITION, ELIMINATION, OR CONSOLIDATION OF INVESTMENT APPROACHES, INVESTMENT OPTIONS, AND/OR UNDERLYING INVESTMENTS IS NOT REQUIRED PRIOR TO THESE CHANGES.

The board shall use reasonable efforts to notify the Beneficiary by written or electronic communication of any pending material change to the program and may, depending on the nature of the change, allow up to 60 calendar days from the date of the notice for the Beneficiary to change his or her investment option selection(s) or to exit the program under the then-current terms of the Program Disclosure Statement and Participation Agreement.

CONFIDENTIAL INFORMATION AND MISREPRESENTATIONS

Establishment of an account is subject to acceptance by the program. The program manager will verify the applicant's identity and other information in compliance with the applicable requirements of the USA PATRIOT Act and other laws. The application includes the account owner's name, street address, Social Security number, and other identifying information. While all personal information will be treated as confidential, applicable law requires submission of this information to open an account, and the applicant may be required to provide confidential supporting documentation. The program manager may also confirm an applicant's identity using identity verification reports provided by consumer reporting agencies.

If an applicant makes any material misrepresentation regarding personal information or eligibility, or if the Beneficiary is deceased, the board may involuntarily terminate and refund any unspent and unobligated funds in the account subject to any unpaid qualified disability expenses, including funeral and burial expenses, or fees due the program or the state of Texas, including any transfer of funds for Medicaid recapture. A material misrepresentation includes providing a false taxpayer identification number or a false certification that an individual is an Eligible Individual, Authorized Legal Representative, or Member of the Family.

If an applicant fails to provide the required information or provides inaccurate information, there may be a delay in processing the application or the application may be rejected. If the identification process cannot be completed, the program manager may take certain actions without prior notice to the applicant, including rejecting contribution, withdrawal, and transfer requests, suspending account services, or closing the account. The risk of market loss, tax implications, and any other expenses associated with a liquidation of an account under such circumstances will be solely the account owner's responsibility.

NO SALE, EXCHANGE, OR PLEDGING OF ACCOUNT ASSETS

No interest in a program account may be sold or exchanged. Under Texas law, a program account may not be assigned for the benefit of creditors, used as security or collateral for any loan, or otherwise subjected to sale, transfer, assignment, or encumbrance. However, the state is a permissible creditor upon the death of a Beneficiary for the purposes set forth in the Internal Revenue Code §529A.

BANKRUPTCY AND RELATED MATTERS

Federal law expressly excludes certain funds from an individual debtor's bankruptcy estate (meaning funds are not available for distribution to such individual's creditors) if the funds are contributed by the debtor to a program account. However, the bankruptcy protection for accounts is limited. The funds contributed will be protected if the Beneficiary is the individual debtor's child, stepchild, grandchild, or step grandchild for the taxable year in which the funds were placed in the account, and only to the extent that such funds (1) are not pledged or promised to any entity in connection with any extension of credit, and (2) are not excess contributions, subject to the following limits: contributions made by the debtor to an account more than 720 days before a federal bankruptcy filing are completely protected; contributions made by the debtor to an account during the period beginning 365 days through 720 days before a federal bankruptcy filing are protected up to an amount set by statute that varies; and contributions made by the debtor to an account less than 365 days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

NO OFFER TO SELL

This Program Disclosure Statement, Participation Agreement, and all documents and reports, including those subsequently provided or made available, do not constitute an offer to sell or the solicitation of an offer to buy any security other than an investment in the Texas ABLE Program, nor does it constitute an offer to sell or the solicitation to any person in any jurisdiction or under any circumstances in which it would be unlawful.

LINKS TO THIRD-PARTY WEBSITES

Links to third-party websites, such as those operated by the investment managers, are provided for informational purposes. Neither the program nor any other person or entity affiliated with, or performing services for the program, make any representation as to the accuracy of the information contained on any third-party website. Website content and website addresses are subject to change, downtime, and broken links.

ADDITIONAL INFORMATION

The program makes available on its website at www.TexasABLE.org investment performance and other financial information related to the program and material updates to the program, including changes to investment portfolios or the program manager. All program documents and other information should be considered together in connection with investing in and contributing to the program. Hard copies of these documents are available by calling 844-4TX-ABLE (844-489-2253), or by submitting a request in writing to:

Texas ABLE Program
P.O. Box 44035
Jacksonville, Florida 32231

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SECTION 1. INTRODUCTION

This section provides a summary of certain key features of the program, but it is important that you read the entire Program Disclosure Statement and other program information for more details about the program.

The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (the "Federal ABLE Act") was passed by the U.S. Congress and signed into law by the President of the United States to provide eligible individuals with disabilities a means to save for disability-related expenses.

Section 529A of the Internal Revenue Code of 1986, as amended, ("Code") which is part of the Federal ABLE Act, allows states to create an ABLE program. The individual with a disability is the Beneficiary and the owner of the ABLE account. The Texas ABLE® Act, enacted by the Texas Legislature in 2015, encourages and assists individuals and families in saving money to support and maintain a disabled Texan's health, independence, and quality of life. The program provides the opportunity to save for certain disability expenses for these beneficiaries that will supplement, but not replace, benefits provided through private insurance, the Medicaid program under Title XIX of the Social Security Act, the supplemental security income program under Title XVI of the Social Security Act, the Social Security Disability Insurance program under Title II of the Social Security Act, the Beneficiary's employment, and other sources.

The program is established and maintained by the Texas Prepaid Higher Education Tuition Board with assistance from the Texas Comptroller of Public Accounts. The board, as the program administrator, establishes the governing rules, appoints the program manager and other consultants, and adopts the program's investment policy. An independent certified public accounting firm selected by the board audits the program's financial statements each year.

Orion Advisor Solutions, Inc. ("Orion"), the current program manager, tends to day-to-day operations of the program. Ultimus Fund Solutions, LLC, a subcontractor of Orion, provides fund accounting and reporting services for the program. Catalis Regulatory and Compliance, LLC, a subcontractor of Orion, provides administrative, enrollment, record keeping, and customer service for the program. The program is distributed by Northern Lights Distributors, LLC.

With the assistance of an investment consultant, the board establishes portfolios an account owner/beneficiary may select for investment, the allocation of each portfolio among the investment asset classes, and the selection of the underlying investments. Aon Investments USA, Inc. is the current investment consultant for the program and advises the board on investment policies and asset allocations, recommends suitable investments and alternatives, and monitors and reports investment performance.

YOUR ACCOUNT

See *SECTION 2. OPENING AN ACCOUNT*

If you are an Eligible Individual, you can open a Texas ABLE account for yourself, the Beneficiary, by completing an application on the program website at www.TexasABLE.org and making an initial contribution of at least $50. If you are not able or choose not to manage your own account, you can select an Authorized Legal Representative to act for you.

Key Term	Description
Eligible Individual	You are eligible to open an account if you meet the following requirements: 1. you are a Texas resident, 2. your disability was present before age 26, and 3. you can prove your disability by one of the following: SSI or SSDI Eligibility – you are currently receiving Supplemental Security Income ("SSI") or Social Security Disability Insurance ("SSDI") benefits based on blindness or disability, or your entitlement to SSI benefits has been suspended solely based on excess income or resources. OR Physician's Diagnosis – a licensed physician has provided you a written diagnosis that you: (a) are blind (within the meaning of the Social Security Act), or (b) have a medically determinable physical or mental impairment that results in marked and severe limitations that can be expected to result in death or has lasted or is expected to last at least 12 months. OR Compassionate Allowances Condition – you have a condition listed in the Social Security Administration's ("SSA") list of Compassionate Allowances Conditions (found at www.ssa.gov/compassionateallowances).
Authorized Legal Representative ("ALR")	As the Beneficiary, if you are unable or prefer not to manage your own account, you can have someone manage it for you according to the following hierarchy: • your agent under a Power of Attorney, • your legal guardian or conservator, • your spouse, • your parents, • a brother or sister, • a grandparent, or • a representative payee appointed by the SSA. The ALR may not have or acquire any beneficial interest in the account during your lifetime and must administer the account exclusively for your benefit.
Minimum Initial Contribution	$50

YOUR CONTRIBUTIONS

See *SECTION 3. CONTRIBUTING TO AN ACCOUNT*

Anyone can contribute to your account, including family, friends, employers, and trusts, although contributions by others may create benefits and/or tax issues that you should consider. After opening your account, all contributions to your account must be at least $25 and in "cash form" (check, automatic contribution plan, electronic funds transfer, or payroll deduction if available through your employer). You can also contribute through a rollover or program-to-program transfer from another qualified ABLE program or 529 account. However, there are limits to ABLE account contributions. The Annual Contribution Limit ("ACL") for ABLE accounts is set by federal law and is currently $18,000 for 2024 unless the Beneficiary is employed and meets the requirements below for the Expanded ACL. Please note that while anyone can generally contribute to an account, only the Beneficiary may make contributions under the Expanded ACL. The Texas ABLE Program has an Account Balance Limit of $500,000. These limits are subject to change.

Key Term	Description
Minimum Contribution	After an initial $50 contribution to establish the account, all subsequent contributions must be at least $25.
Rollover	Rollovers are the transfer of the entire balance of a Beneficiary's account from another state's ABLE program to the Texas ABLE Program or from the Texas ABLE Program to the Beneficiary's account in another state's ABLE program. A rollover can be made only once every twelve months and must be contributed to the new program within 60 days of the date of distribution from the previous program to avoid federal tax. A rollover to another Beneficiary who is an Eligible Individual and Member of the Family of the current Beneficiary is also permitted and is not subject to the once every twelve months limit or the requirement that the entire balance be transferred. While an individual can only have one ABLE account at a time, there is an exception under the Internal Revenue Service ("IRS") regulations for rollovers and program-to-program transfers provided the old account is closed within 60 days of the distribution.
Program-to-Program Transfer	A program-to-program transfer is a direct rollover of the entire balance of an ABLE account into another ABLE account for the same Beneficiary (and closure of the transferring account), or of part or all of the balance to an account for an Eligible Individual who is a Member of the Family of the Beneficiary, without any intervening distribution or deemed distribution to the Beneficiary. The program-to-program transfer must meet all rollover requirements to avoid additional federal taxes and other possible financial consequences.
Member of the Family	The Beneficiary's sibling, whether by blood or adoption, including a brother, sister, stepbrother, stepsister, half-brother, and half-sister.
Annual Contribution Limit ("ACL")	Contributions from all sources cannot exceed $18,000 for 2024. Contributions over $18,000 will not be accepted and will be returned to the contributor if possible. See the information that follows for additional contributions that are allowed for certain employed beneficiaries.

Key Term	Description
Expanded Annual Contribution Limit	Certain beneficiaries are allowed to make contributions exceeding the ACL up to a specified amount (the "Expanded ACL"). To be eligible to make additional contributions up to the Expanded ACL, a Beneficiary must be an employee (including some self-employed individuals under Code §401(c)) for whom no contribution has been made for the taxable year to: 1. a defined contribution plan (within the meaning of Code §414(i)) that meets the requirements of Code §401(a) or §403(a), 2. an annuity contract described in Code §403(b), and 3. an eligible deferred compensation plan described in Code §457(b). Before January 1, 2026, the Expanded ACL is an additional amount up to the lesser of: (1) the Beneficiary's compensation (as defined by Code §219(f)(1)) includible in gross income for the taxable year; or (2) an amount equal to the Federal Poverty Level for a one-person household for the preceding taxable year (i.e., the 2023 Poverty Level of $14,580 determines the applicable Expanded ACL limit for 2024).
Account Balance Limit	No contributions can be made to an account if it would cause the account balance to exceed $500,000. Accounts that have reached the Account Balance Limit may, however, continue to accrue earnings over this limit.

YOUR QUALIFIED DISABILITY EXPENSES

See *SECTION 5. WITHDRAWING FROM AN ACCOUNT*

Each time you take money from your Texas ABLE account, the withdrawal, depending on how it is spent, will be considered either qualified or non-qualified. A qualified withdrawal is one where the money is spent on Qualified Disability Expenses. Any amount spent on something other than a Qualified Disability Expense would be considered a non-qualified withdrawal and the earnings portion would be subject to federal income tax, an additional 10% federal tax, and federal transfer taxes. A non-qualified withdrawal can also negatively impact your eligibility for federal and state means-tested benefits.

Key Term	Description
Withdrawal	Spending from your ABLE account including account transfers to load your prepaid Focus debit card, distributions to providers, or a distribution to your bank account.
Qualified Withdrawal	Qualified withdrawals are amounts spent from your ABLE account for the Qualified Disability Expenses of the Beneficiary.
Non-Qualified Withdrawal	Non-qualified withdrawals are amounts spent from your ABLE account for anything other than Qualified Disability Expenses of the Beneficiary.

Key Term	Description
Qualified Disability Expenses	Qualified Disability Expenses include any expenses incurred while the Beneficiary is an Eligible Individual and are for the benefit of the Beneficiary in maintaining or improving his or her health, independence, and/or quality of life. Qualified Disability Expenses include expenses related to the Beneficiary'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 by the IRS.

YOUR INVESTMENTS

See *SECTION 4. INVESTING AN ACCOUNT*

The program offers five different investment options—four managed allocation options and one Bank Savings Account Option—each with a distinct objective and unique risks based on its underlying investments. The managed allocation options are designed to assist people seeking specific levels of growth with a designated risk profile: aggressive, moderate, moderately conservative, or conservative. The Bank Savings Account Option is intended to preserve the amount contributed. You can split your contribution any way you like among these options.

Each option keeps the same targeted asset allocation but because of market gains and losses, the asset allocation of each strategy may differ from this target. An investment option's asset allocation will be periodically rebalanced by the program manager to adjust for a variance of 3% or more from the target asset allocation.

Key Term	Description
Investment Options	The program offers five different investment options, each with a distinct investment objective. The options are designed to assist those seeking long-term growth, medium-term growth, modest growth, or income with some growth in a Managed Allocation Option, or the FDIC-insured Bank Savings Account Option. Each investment option bears all the risks of its underlying investments.
Transfers among Investment Options	You may move funds from your current investment option(s) to other investment options only twice per calendar year. You can change how your future contributions will be allocated at any time.
Investment Performance	Investment performance information is available on the program website at www.TexasABLE.org. Performance data shown will not necessarily be indicative of future results. Your investment results may be better or worse.

YOUR FEES

See *SECTION 6. FEES AND EXPENSES*

Account owners bear the costs and expenses related to the investments and the administration of the program including a Program Management Fee, a State Administrative Fee, and other fees and charges. See *SECTION 6: FEES AND EXPENSES* for information on fees and expenses related to the underlying investments.

Key Term	Description
Program Management Fee	A Program Management Fee is charged monthly by the program manager for day-to-day operation of the program.
State Administrative Fee	A fee charged by the board and used to administer the program, including, but not limited to, the cost of an independent certified public accounting firm to perform an annual financial audit, investment consultant fees, and outside legal counsel as necessary.
Account Maintenance Fee	A monthly fee charged for maintaining an account that includes two ACH withdrawals per month. Until an account is closed, the Account Maintenance Fee will continue to be accrued even for a zero-balance account.
Zero-Balance Account	If an account has a zero balance for 90 days or more, it may be closed by the program. If you wish to reinstate a zero-balance account that has been closed by the program, the Beneficiary or ALR must complete an online form and pay any outstanding fees that have accrued.

YOUR BENEFITS

See *SECTION 7. BENEFITS CONSIDERATIONS*

Funds in an ABLE account are generally disregarded for purposes of determining eligibility to receive certain means-tested government benefits. ABLE account balances up to $100,000 are disregarded by the SSA in determining eligibility for SSI. This includes contributions, earnings, and withdrawals used to pay for Qualified Disability Expenses. Plus, contributions to an ABLE account are generally not considered income to you, the Beneficiary. However, your income is not excluded from eligibility determinations simply because you contribute it to your ABLE account. Please note that this discussion is not exhaustive, and you should consult a qualified benefits expert to determine the impact to your specific situation.

Key Term	Description
Eligibility for Supplemental Security Income ("SSI")	Account balances of up to $100,000 will be disregarded for purposes of determining a Beneficiary's eligibility to receive benefits under the Supplemental Security Income program.

Key Term	Description
Eligibility for Medicaid	Account balances are generally disregarded for purposes of determining a Beneficiary's eligibility to receive Medicaid benefits. See the Special SSI Suspension Rule and Medicaid for more details.
Eligibility for Federal Housing Benefits	The U.S. Department of Housing and Urban Development ("HUD") has issued guidance stating that ABLE account balances are excluded from income for purposes of determining eligibility for HUD benefits.
Eligibility for SNAP	The U. S. Department of Agriculture has issued guidance stating that account balances are excluded as both income and resources in determining Supplemental Nutrition Assistance Program ("SNAP") eligibility.
Eligibility for Texas Benefits	Account balances are generally not considered as a resource for purposes of determining a Beneficiary's eligibility to receive benefits or the amount of the assistance or benefits provided by the state of Texas.

YOUR TAXES

See *SECTION 8. TAX CONSIDERATIONS*

Earnings on your investment of contributions to Texas ABLE are not subject to federal income tax if used to pay for Qualified Disability Expenses. Amounts spent on anything else would be considered a non-qualified withdrawal subject to federal income tax, as well as an additional 10% federal tax.

While contributions you make to your account are not subject to federal gift tax, if someone else contributes to your account, and the total contributions in a calendar year are greater than the current annual gift tax exclusion amount of $18,000 for 2024 ($36,000 for married couples), the donor is subject to gift tax on the excess amount.

Again, please note that this discussion is not exhaustive, and you should consult a qualified tax expert to determine the impact to your specific circumstances.

Key Term	Description
Federal Income Tax	No federal income tax applies to earnings for qualified withdrawals, program-to program transfers, or rollovers between ABLE programs or from a 529 plan. Contributions to an account are not deductible for federal income tax purposes, but a Saver's Credit is available for beneficiaries that qualify.
Saver's Credit	Before January 1, 2026, you may be able to claim a Saver's Credit for federal income tax. Adjusted Gross Income limits apply, and the Beneficiary must be age 18 or older, not a full-time student, and not claimed as a dependent on another person's return.
Federal Transfer Taxes	For federal gift and estate tax purposes, contributions by a third party to an account are treated as completed gifts to the Beneficiary, which may qualify for an annual exclusion.

YOUR RISKS

See *SECTION 9. RISK CONSIDERATIONS*

Investments are subject to standard investment risks, including market and interest rate risk, and you could lose money by investing in the program. No level of investment return is guaranteed, and past performance is not indicative of future performance. Further, there is no assurance that the account balance will be sufficient to cover your Qualified Disability Expenses. Monthly account maintenance fees will be netted against your account balance and could exceed monthly earnings, especially for small balance accounts.

Federal and state tax laws may change, altering or eliminating the benefits currently provided under the program. When such changes occur, you should consider whether other investment options may be better for you.

SECTION 2. OPENING AN ACCOUNT

This section discusses who is eligible to open an account in the program and how to do it. The program's account access is designed to be established and maintained online to maximize efficiency, quality, and customer service.

Eligibility requirements are based on a good faith interpretation of federal law and regulations and are subject to change at any time. None of the program, the service providers, or their agents or representatives have any responsibility or liability for an individual's failure (or their Authorized Legal Representative's failure) to establish eligibility to open an account or maintain eligibility to continue making contributions, withdrawals, or other transactions.

ELIGIBLE INDIVIDUAL

You, as the Beneficiary, are an Eligible Individual and can open an account if you meet the following requirements:

1. you are a Texas resident,
2. your disability was present before age 26, and
3. your disability has been verified by one of the following:

   SSI or SSDI Eligibility – you are receiving Supplemental Security Income ("SSI") or Social Security Disability Insurance ("SSDI"), or your SSI benefits have been suspended by the Social Security Administration ("SSA") based solely on excess income or resources.

OR ***Physician's Diagnosis*** – a licensed physician has provided a written diagnosis that you are either:
(a) blind (within the meaning of the Social Security Act), or
(b) have a medically determinable physical or mental impairment that results in marked and severe limitations, and which can be expected to result in death, or has lasted or is expected to last at least 12 months.

OR ***Compassionate Allowances Condition*** – your condition is listed in the SSA's list of Compassionate Allowances Conditions (see www.ssa.gov/compassionateallowances).

You will be required to certify, under penalty of perjury, that you meet these eligibility requirements when you open your account. You must keep any documents supporting your eligibility (such as an SSI or SSDI award letter or a physician's written diagnosis), and, if the program requests copies of these documents, you must provide them within 30 days. If you do not provide the documents within 30 days, the program may suspend or close your account.

It is an enforceable obligation for you to notify the program if you are no longer an Eligible Individual. There may be times when you cease to be an Eligible Individual, but then later regain this status. For example, the disease that caused your disability might go into remission, but later reemerge. You may be required to re-certify that you meet the eligibility requirements to re-activate your account.

Anytime you are not considered an Eligible Individual, your account will remain subject to the provisions of Code §529A and no qualified distribution of the account balance will be deemed to have occurred. Beginning on the first day of the following tax year, however, your account can no longer accept contributions. If you later requalify as an Eligible Individual, additional contributions, subject to the contribution limits, can once again be made, with proper notification to the program.

AUTHORIZED LEGAL REPRESENTATIVE

If you are an Eligible Individual but are not able or choose not to manage your own account, an Authorized Legal Representative ("ALR") may act on your behalf. During your life, this ALR may not have a beneficial interest in the account and must administer the account exclusively for your benefit.

The Internal Revenue Service ("IRS") has established a hierarchy of people who can serve as your ALR:

- your agent under a Power of Attorney,
- your legal guardian or conservator,
- your spouse,
- your parents,
- a brother or sister,
- a grandparent, or
- a representative payee appointed by the SSA.

At the time your account is opened, the ALR must provide the program a certification, under penalty of perjury, that he or she is acting on your behalf, is legally allowed to act on your behalf, and that there is not someone higher on the IRS hierarchy willing or able to act for you.

Any ALR must be willing and able to furnish proof of legal authority to the program upon request. For example, if your spouse wanted to open an account for you and act as your ALR, he or she may be required to submit a copy of your marriage license or if one of your parents wanted to open an account for you, he or she may be required to provide a copy of your birth certificate. If requested, these documents must be received by the program before the ALR will be able to transact on the account. The ALR cannot have the power to acquire any beneficial interest in the account or its funds and must administer the account solely for your benefit. For example, the ALR cannot have the ability to make gifts to themselves. If requested, documentation must be received by the program within 90 days, or the account may be suspended or closed and refunded.

Once an ALR is named, all account actions normally taken by you as the Beneficiary and account owner, would be taken by your ALR on your behalf. All references in this Program Disclosure Statement to "you" or the "Beneficiary" will also include your ALR.

ONE ACCOUNT RULE

No Beneficiary may have more than one ABLE account open at the same time (the "One Account Rule"). A prior ABLE account must be closed with a zero balance to open another ABLE account for the same Beneficiary (except for a rollover or program-to-program transfer provided the old account is closed within 60 days of the distribution). If more than one ABLE account is opened for the same Beneficiary, the second, and any additional, account(s) will not be treated as an ABLE account(s) under Code §529A and will not receive the benefits of being a Code §529A account. Texas ABLE will close and refund to the Beneficiary any such accounts that are identified.

As part of the enrollment process, you must certify, under penalty of perjury, that you have no other ABLE account (except in the case of a pending rollover or program-to-program transfer, both discussed in *SECTION 3. CONTRIBUTING TO AN ACCOUNT*).

OPENING YOUR ACCOUNT

To open an account, you must first complete an application on the program website at www.TexasABLE.org and make an initial contribution of at least $50. The application, this Program Disclosure Statement, and the Participation Agreement govern your account.

When you apply, the program will take steps to verify your identity. The application requires you

to provide certain information, including documents proving your eligibility for an account, and your name, address, date of birth, Social Security number, and other identifying information. If the program cannot verify your identity with the information provided with your application, the program may require additional information and/or documentation before activating your account and accepting contributions. If the program still cannot verify your identity, the program will refund the money received to the contributor or, if the contributor cannot be identified, to you as the Beneficiary. If permitted by federal and state law, the program will provide advance written or electronic notification of any pending refund within a reasonable time prior to the refund. Until your identity is verified, any funds received by the program will be held in a non-interest-bearing account. If the program is unable to verify your identity and any contributions are refunded, no interest will be paid on the amount refunded. The program will refund contributions to the contributor whenever possible. If the contributor cannot be identified, the funds will be refunded to the Beneficiary.

YOUR INITIAL CONTRIBUTION

To complete your application, you must make an initial contribution of at least $50 and select the investment option(s) to which your contribution will be allocated. You may select any one or a combination of the options established by the board and described in *SECTION 4. INVESTING AN ACCOUNT*. Future contributions to your account must total at least $25 and are not limited to your initial investment option choices but will be allocated in the same way unless you indicate otherwise.

You can change your investment option election(s) by:

- specifying new investment option selections for future contributions,
- stopping contributions to an existing option, or
- transferring the money in your account, subject to the twice-yearly limit, to other investment options.

If you choose to change your investment option selections, change your allocations, or stop your contributions to any investment option, you may do so online at www.TexasABLE.org.

CHANGE OF BENEFICIARY

You may change the Beneficiary if the change is made during your lifetime and the new Beneficiary is both an Eligible Individual and Member of the Family to you, meaning a sibling (includes a stepbrother or stepsister).

If the new Beneficiary is not a Member of the Family, the change will be treated as a non-qualified withdrawal. Non-qualified withdrawals are subject to federal tax on any earnings, plus an additional federal tax of 10% and, for non-Texans, possibly state income tax. A non-qualified withdrawal may also negatively affect your eligibility for federal or state benefits. See *SECTION 7. BENEFITS CONSIDERATIONS* for more information. Finally, if the new Beneficiary is not a Member of the Family of the former Beneficiary, federal gift and/or generation-skipping transfer taxes may apply. For more information, see *SECTION 8. TAX CONSIDERATIONS*.

CHANGE OF AUTHORIZED LEGAL REPRESENTATIVE

Except in the case of a court-appointed representative, the Beneficiary can rescind the designation of an ALR, reclaiming control over the account at any time. The Beneficiary (or the ALR) can also initiate a change, or successor, to the current representative by contacting customer service at 844-4TX-ABLE (844-489-2253). Any request to change the ALR for an account is reviewed on a case-by-case basis and is subject to verification

by the program. For your protection, the program may request additional documents to approve a change in the ALR, confirm the authority of an existing representative, or determine the hierarchy of an existing or proposed ALR.

The ALR may also be changed by operation of statute or regulation. For example, a change of ALR may be approved by the program where the proposed representative demonstrates he or she is higher on the hierarchy established by the IRS than the existing ALR.

The sufficiency of any documentation provided will be determined solely by the program. If there is any dispute as to the validity or meaning of the documentation provided, either the Beneficiary, or if applicable, his or her ALR will be responsible for resolving the dispute including, if necessary, securing a determination by a court of competent jurisdiction. It is important that you are aware that activity on your account may be suspended while the program verifies a change in ALR or confirms the authority of a representative.

SECTION 3. CONTRIBUTING TO AN ACCOUNT

This section discusses the ways contributions can be made to your account, the limits on those contributions, and how to make them happen.

Any person (including your friends and family) who is a U.S. citizen or permanent resident alien or a corporation, trust, or other legal entity may contribute to your account. Contributions by anyone other than you become your property once deposited in the account. As a result, contributions to your account may have gift or other tax consequences to you, as the owner of the account, and/or to the contributor, which are discussed in *SECTION 8. TAX CONSIDERATIONS*.

Contributions to your account purchase "units" in the program based on the investment option(s) you select. It is important to understand that while the funds in your account will be contributed to one or more mutual funds based on your selections, you do not own any shares in those mutual funds or in the underlying investments made by those funds.

The value of each unit, or net asset value ("NAV"), is computed by dividing the value of the underlying investments collectively held in an investment option, plus any receivables and less any liabilities (including the management and administrative fees), by the total number of outstanding program units in the investment option.

MINIMUM CONTRIBUTION

The minimum initial contribution amount required to establish an account is $50. All subsequent contributions must be at least $25. Based on the options you select, contributions to your account will be allocated to one or more of the investment options offered by the program. There is no minimum contribution amount per portfolio.

METHODS OF CONTRIBUTION

Contributions to your account must be in "cash form," meaning by check (excluding starter checks), electronic funds transfer ("EFT"), an automatic investment plan ("AIP"), payroll deduction if your employer allows, or federal funds wire. You can also contribute through a rollover or program-to-program transfer from another qualified ABLE program or 529 account, which is discussed below. Credit cards, money orders, and securities will not be accepted, and cash should never be mailed. Third-party checks will be accepted at the program manager's discretion.

Automatic Investment Plans

You may authorize the program to make deposits into your program account by performing periodic, automated debits from a checking or savings account (an automatic investment plan, or "AIP"). For recurring contributions, the amount of each contribution must be at least $25. An authorization to execute these contributions will remain in effect until the program manager has received notification of its termination. Changes to, or termination of, an AIP must occur at least five business days before the cycle date, or the day you have elected to have the automated transaction occur. If no cycle date is indicated, the cycle date will default to the 10th of the month. If the cycle date falls on a weekend or a holiday, the AIP contribution will be made on the next business day.

To initiate an AIP, visit the account owner portal at www.TexasABLE.org.

Direct Deposit from Payroll

You may be eligible to make periodic contributions to your account by payroll deduction if your employer provides this option. As with other contributions, recurring direct payroll deposit contributions must be at least $25 each. You will need to coordinate with your employer to set or

change the amount of your payroll deduction. As always, you are free to allocate the contributions however you like among the options offered. Please note that the program can only accept contributions via payroll deduction by a check from your employer.

To find out how to establish payroll deduction for your account, contact customer service at 844-4TX-ABLE (844-489-2253).

ROLLOVER CONTRIBUTIONS

Rollover contributions can either be qualified or non-qualified. Qualified rollover contributions are not subject to federal tax on the earnings, or the additional 10% tax. A qualified rollover into the program must be deposited within 60 days of the distribution from the original account, which can be from:

1. your ABLE account in another state's ABLE program, as long as you have not had a previous transfer within the past 12 months;
2. the ABLE account of a Member of the Family under Code §529A, meaning your sibling (a brother, sister, stepbrother, or stepsister), provided you have not had a previous transfer within the past 12 months; or
3. your 529 prepaid tuition or college savings account or the account of a Member of the Family under Code §529, which is more expansive than the definition under Code §529A, if the rollover occurs before January 1, 2026.

Remember that you must be an Eligible Individual at the time of the rollover contribution and unless the program receives documentation showing the actual earnings portion of the contribution from the previous plan or program, the entire amount will be treated as earnings. Also remember that you are only allowed to reallocate your investments twice per calendar year. Unless notified otherwise at the time of your rollover contribution, the program will assume that you have completed these two allowed investment changes in the calendar year of the rollover.

Any transfer that does not meet these conditions will be considered non-qualified. Non-qualified withdrawals are subject to federal tax on any earnings, plus an additional federal tax of 10% and, for non-Texans, possibly state income tax. A non-qualified rollover may also negatively affect your eligibility for federal or state benefits. Unless the program receives the appropriate documentation showing the actual earnings portion of the rollover contribution from the transferring ABLE account, the entire amount will be treated as earnings for federal tax reporting purposes. Finally, if the transfer is from someone else and you are not a Member of the Family, federal gift and/or generation-skipping transfer taxes may apply.

Because of the complex nature of these types of transactions, you are strongly encouraged to speak with a tax professional first. For more information, see *SECTION 8. TAX CONSIDERATIONS*.

PROGRAM-TO-PROGRAM TRANSFERS

A qualified program-to-program transfer contribution occurs when you directly transfer your entire account from a different state's ABLE program into your Texas ABLE account. A qualified program-to-program transfer also occurs when a Member of the Family's ABLE account directly transfers money to your Texas ABLE account. In both cases, the account from which the transfer was made must be closed once the transfer is complete.

A transfer that does not meet these conditions will be considered non-qualified and subject to federal tax on any earnings, the additional 10% tax, federal gift and/or generation-skipping transfer taxes and, for non-Texans, possibly state income tax. A transfer that is non-qualified may also negatively affect your eligibility for federal or state benefits. Again, unless the program receives

the appropriate documentation showing the actual earnings portion of a program-to-program transfer from the transferring ABLE program, the entire amount will be treated as earnings for federal tax reporting purposes. The program will also assume that you have already completed the two investment changes allowed annually for the year of the transfer unless you notify the program otherwise.

LIMITS ON CONTRIBUTIONS

The program has three limitations on contributions that can be made to an account. The program manager will not knowingly accept an attempted contribution that would cause an account to exceed these contribution limits, known as an "excess contribution." Electronic transfers that would exceed these limits may be rejected automatically. Checks or other amounts that are received but cannot be applied to an account because of these limitations will be placed in a non-interest-bearing account pending a refund and subject to a 10-day hold. Although the systems are designed to prevent it, if any amount is inadvertently deposited into your account, it will be refunded together with any earnings or losses on that amount, consistent with the regulations.

Excess contributions that are not automatically rejected will be refunded to the contributor whenever possible, otherwise the refund will be made to the Beneficiary. The contributor can contact the program to reclaim these amounts if they are not automatically returned.

If an excess contribution cannot be returned before the due date (including extensions) of your federal income tax return for the year of the contribution, the excess contribution may be subject to a 6% federal excise tax. You are encouraged to speak with a tax professional if this situation might apply to you.

Annual Contribution Limit

The program has an Annual Contribution Limit per year per Beneficiary from all sources equal to the annual gift tax exclusion, which is $18,000 for 2024.

Expanded Annual Contribution Limit

Certain beneficiaries can make limited contributions to an account exceeding the Annual Contribution Limit (the "Expanded ACL"). To be eligible under Code §529A to make additional contributions up to the Expanded ACL, you must be an employee (including an "employee" under Code §401(c), which includes certain self-employed individuals) for whom no contribution is made for the tax year to:

1. a defined contribution plan (within the meaning of Code §414(i)) that meets the requirements of Code §§401(a) or 403(a),
2. an annuity contract described in Code §403(b), or
3. an eligible deferred compensation plan described in Code §457(b).

Annually until January 1, 2026, if you meet the above requirements, you as the Beneficiary can contribute up to the lesser of: (1) your compensation (as defined by Code §219(f)(1)) included in gross income for the current tax year, or (2) the amount of the Federal Poverty Level for a one-person household for the prior tax year. For the 48 continental states, the Federal Poverty Level for 2023 was $14,580, which is the measure used to determine the applicable Expanded ACL for 2024. Traditionally, this level increases each year.

Amounts contributed that exceed the Expanded ACL or are contributed by someone other than the Beneficiary will be rejected or returned to the contributor as applicable.

Account Balance Limit

No contributions may be made to your account once the account balance has reached the Account Balance Limit, currently $500,000. Accounts that have reached the Account Balance Limit may continue to accrue earnings, but no additional contributions will be accepted. If the account balance later falls below the limit, whether by market fluctuations or by withdrawals, contributions can once again be made, subject to the standard limitations.

Example. Jennifer has scheduled an AIP deposit of $25 into her ABLE account on the first of each month. On February 1st, Jennifer's account has a balance of $499,950. Because her monthly, automatic deposit does not cause her account to exceed the Account Balance Limit, Jennifer's $25 deposit will process, bringing her account balance to $499,975.

Example. During February, the value of Jennifer's investments increases so that, on March 1st, Jennifer's ABLE account balance is $499,990. Because her monthly, automatic deposit will cause her account to exceed the Account Balance Limit, Jennifer's $25 deposit will be rejected, leaving her account balance at $499,990, but her account may continue to accrue earnings.

Example. During March, the value of Jennifer's investments continues to increase so that, on April 1st, Jennifer's ABLE account balance is $500,075. Because Jennifer's account balance is over the $500,000 limit, Jennifer's monthly, automatic deposit will be rejected and her balance will remain $500,075, but her account may continue to accrue earnings.

Example. On April 2nd, the program receives a check for $50 from Jennifer's uncle, Isaiah, to be deposited into her ABLE account. Because Jennifer's account balance is still over the $500,000 limit, Isaiah's check will not be deposited into Jennifer's ABLE account, but into a non-interest-bearing account on a 10-day hold and then refunded to Isaiah if the program manager has a valid address for him.

Example. On April 11th, Jennifer withdraws $500 from her ABLE account to pay for Qualified Disability Expenses, and her account balance falls below the Account Balance Limit to $499,575. Because Isaiah's $50 check has not yet been refunded and will not cause Jennifer's account to exceed the Account Balance Limit, the contribution will be processed, bringing her balance to $499,625.

TAXPAYER RESPONSIBILITIES

You are solely responsible for determining compliance with the Annual Contribution Limit, the Expanded ACL, and the Account Balance Limit, in determining whether a withdrawal, rollover, or transfer is qualified or non-qualified, and for all applicable federal and, if applicable for non-Texans, state tax consequences. Contributions over the applicable limits may have significant tax and/or benefits consequences. Further, because money in an account may be withdrawn free from federal income tax only if it is used to pay Qualified Disability Expenses, you should retain documentation for all expenditures in the event that a federal or state agency, such as the IRS or SSA, requests such documentation. See *SECTION 8. TAX CONSIDERATIONS* for more information.

ACCOUNT ADMINISTRATION

The program will process transaction requests at the unit value of the applicable investment option on the business day your request is received in Good Order. Transaction requests received after the close of regular trading on the New York

Stock Exchange ("NYSE"), or on a day when the NYSE is not open for trading, will be processed at the unit value of the applicable investment option on the first business day after the request is received. The program will not process transaction requests on holidays or other days when the NYSE is closed for any reason and reserves the right to refrain from processing account transaction requests during any time when trading is restricted by the SEC or under any emergency circumstances.

The term "business day" means regular business hours on a day that the NYSE is open for regular trading. In "Good Order" means we have received your contribution (the money you want to invest) and you have correctly filled out all the necessary information to enroll in the program or to instruct the program to take an action on your behalf before the close of regular trading (usually 4:00 p.m. EST) on the NYSE.

For tax reporting purposes, checks sent to the program will be applied to the tax year in which the check is dated and postmarked. ***Example:*** You send in a check contribution dated December 30, 2024, for $1,000 in an envelope postmarked on December 30, 2024. We receive the check on January 3, 2025. This $1,000 will count and be reported as a 2024 tax-year contribution, although the actual investment will not be made until 2025 on the first business day the market is open following receipt of the check.

One-time online ACH contributions made up until 11:59 p.m. EST on December 31 of any tax year will be applied to that tax year. ***Example:*** You submit a one-time online ACH contribution at 11:59 p.m. EST on December 31, 2024. Although the ACH does not process until the first business day the banks are open, because the transaction was initiated online in 2024, it will count and be reported as a 2024 tax-year contribution. The funds will be invested on the first business day the market is open following processing of the ACH.

Recurring ACH contributions will be applied to the tax year in which the contribution is scheduled. ***Example:*** You have a recurring ACH contribution of $200 scheduled for the first of every month. Your scheduled ACH for January 1, 2025, will count and be reported as a 2025 tax year contribution, even if the ACH begins processing before January 1, 2025.

SECTION 4. INVESTING AN ACCOUNT

This section helps you to understand the types of investment options offered by the program and the risks involved in investing in each. The program offers five different investment options—four Managed Allocation Options and one Bank Savings Account Option. Each investment has a distinct objective and unique risks based on its underlying investments. The Managed Allocation Options are designed to assist people seeking long-term growth, medium-term growth, modest growth, or income and some growth depending on the option(s) selected. The Bank Savings Account Option, insured by the Federal Deposit Insurance Corporation ("FDIC"), is intended to preserve capital.

You may allocate your contributions to one of the options, or you may choose to contribute to more than one option. Please be aware, however, that you can only transfer your money from your current investment option(s) to other options twice per calendar year (or if there is a change of Beneficiary). However, you can change the allocation of future contributions at any time.

Choosing investments takes planning. You need to consider your savings goals, risk tolerance, and objectives, and select the investment option(s) best suited to your needs. You should periodically assess and, if appropriate, adjust your investment choices with your time horizon, risk tolerance, and investment objectives in mind.

MANAGED ALLOCATION OPTIONS

The four Managed Allocation Options allow participants in Texas ABLE to invest in broadly diversified, global asset allocation strategies. You may choose from one or more of the following strategies: aggressive, moderate, moderately conservative, or conservative.

Although each option keeps the same target asset allocation over the life of an account (unless changed by the board), because of market gains and losses, the actual asset allocation of each strategy may differ over time from this target allocation. To maintain the target asset allocation, the program manager will rebalance the underlying investments in a portfolio to adjust for a positive or negative variance of 3% or more from the asset allocation set by the board.

A summary of the target asset allocations and mix of underlying mutual funds for each of the investment strategies is as follows:

Asset Class	Fund	Target Percentage Allocation			
		Aggressive	Moderate	Moderately Conservative	Conservative
U.S. Equity	Vanguard Total Stock Market	45%	35%	15%	6%
Non-U.S. Equity	Vanguard Total International Stock Market	35%	25%	10%	4%
Core Fixed Income	Baird Core Plus Bond Fund	15%	30%	60%	75%
Bank Loans	Eaton Vance Floating-Rate Fund	5%	10%	15%	15%

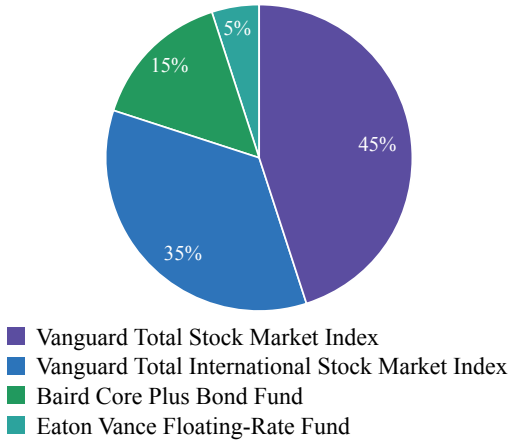
Aggressive Allocation Option

Investment Objective. The Aggressive Allocation Option seeks to provide growth of your investment.

Investment Strategy. The Aggressive Allocation Option seeks to achieve its investment objective by investing: (a) 45% of its assets in diversified investments of an index fund that invests in the U.S. stock market, and 35% in a fund that invests in stocks of companies located in developed and emerging markets, excluding the United States, (b) 15% of its assets in a fixed income fund that invests primarily in a diversified portfolio of fixed income instruments, including bonds, debt securities, and similar instruments issued by various U.S. and non-U.S. public- or private-sector entities, and (c) 5% of its assets in a floating-rate fund that invests primarily in senior floating-rate loans of domestic and foreign borrowers.

Risk Considerations. Investing in stocks is generally riskier than investing in bonds but has the potential for a higher return on your investment than bonds. This option may be appropriate for those who will be investing for 10 years or longer, want more potential to grow their investment, and are willing to tolerate increased market fluctuation and risk. Investors in this option should have a long-term investment perspective and be able to tolerate potentially sharp declines in value. This option bears all the risks of its underlying investments.

Aggressive Allocation



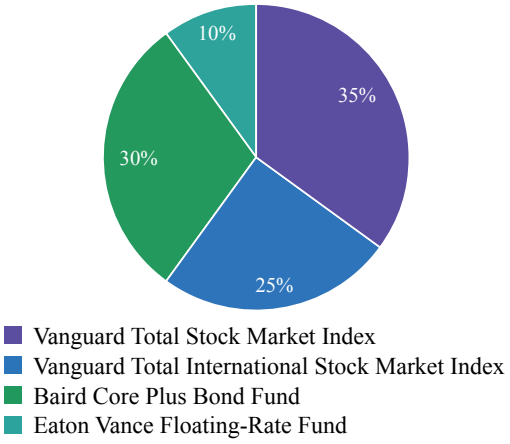
Moderate Allocation Option

Investment Objective. The Moderate Allocation Option seeks to provide a combination of growth and current income.

Investment Strategy. The Moderate Allocation Option seeks to obtain its investment objective by investing: (a) 35% of its assets in diversified investments of an index fund that invests in the U.S. stock market, and 25% in a fund that invests in stocks of companies located in developed and emerging markets, excluding the United States, (b) 30% of its assets in a fixed income fund that invests primarily in a diversified portfolio of fixed income instruments, including bonds, debt securities, and similar instruments issued by various U.S. and non-U.S. public- or private-sector entities, and (c) 10% of its assets in a floating-rate fund that invests primarily in senior floating-rate loans of domestic and foreign borrowers.

Risk Considerations. Investing in stocks is generally riskier than investing in bonds but has the potential for a higher return on your investment than bonds. This option may be appropriate for those who will be investing for five years or longer, want moderate growth, and seek lower risk and fluctuation than the investment strategy employed in the aggressive allocation option. Investors in this option should be able to tolerate potentially sharp declines in value. This option bears all the risks of its underlying investments.

Moderate Allocation



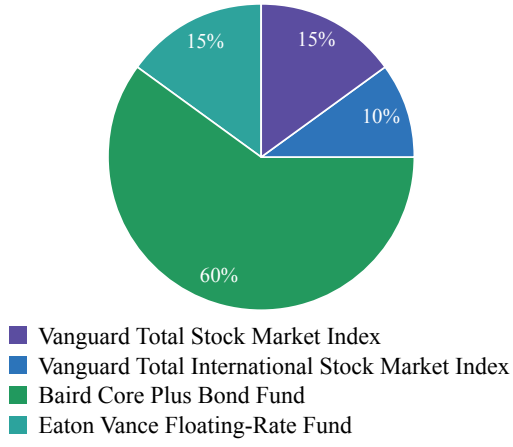
Moderately Conservative Allocation Option

Investment Objective. The Moderately Conservative Allocation Option seeks to provide current income and some growth.

Investment Strategy. The Moderately Conservative Allocation Option seeks to achieve its investment objective by investing: (a) 60% of its assets in a fixed income fund that invests primarily in a diversified portfolio of fixed income instruments, including bonds, debt securities, and similar instruments issued by various U.S. and non-U.S. public- or private-sector entities, (b) 15% of its assets in diversified investments of an index fund that invests in the U.S. stock market, and 10% in a fund that invests in stocks of companies located in developed and emerging markets, excluding the United States, and (c) 15% of its assets in a floating-rate fund that invests primarily in senior floating-rate loans of domestic and foreign borrowers.

Risk Considerations. This option may be appropriate for those with a primary objective of current income with less potential risk of loss than is present in the Aggressive or Moderate Allocation options but more potential risk of loss than in the Conservative Option. However, investors in this option should be able to tolerate potentially sharp declines in value. This option bears all the risks of its underlying investments.

Moderately Conservative Allocation



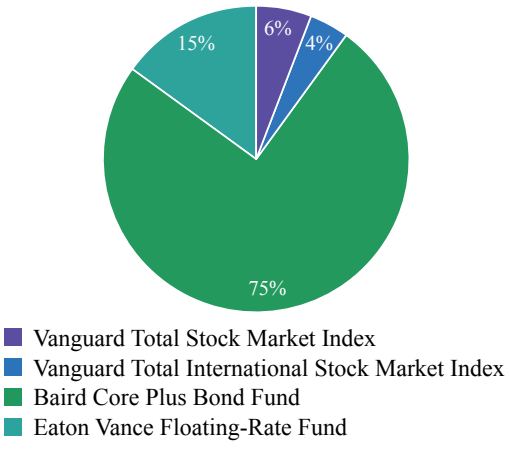
Conservative Allocation Option

Investment Objective. The Conservative Allocation Option seeks to provide current income and modest growth.

Investment Strategy. The Conservative Allocation Option seeks to obtain its investment objective by investing (a) 75% of its assets in a fixed income fund that invests primarily in a diversified portfolio of fixed income instruments, including bonds, debt securities, and similar instruments issued by various U.S. and non-U.S. public- or private-sector entities, (b) 6% of its assets in diversified investments of an index fund that invests in the U.S. stock market, (c) 4% in a fund that invests in stocks of companies located in developed and emerging markets, excluding the United States, and (d) 15% of its assets in a floating-rate fund that invests primarily in senior floating-rate loans of domestic and foreign borrowers.

Risk Considerations. This option may be appropriate for those with a primary objective of income with less potential risk of loss than is present in the other Managed Allocation Options, but more potential risk of loss than in the Bank Savings Account Option. However, investors in this option should be able to tolerate potentially sharp declines in value. This option bears all the risks of its underlying investments.

Conservative Allocation



BANK SAVINGS ACCOUNT OPTION

Investment Objective. The Bank Savings Account Option seeks income consistent with the preservation of principal and invests its assets in a savings account held at Bank of the West.

Investment Strategy. The Bank Savings Account Option will invest in a savings account insured by the FDIC. Money in the account will be held in trust for the program. The interest rate generally will be equivalent to short-term deposit rates and will be compounded daily based on the actual number of days in a year (typically 365 days, except for 366 days in leap years). The interest on the savings account is expressed as an annual percentage yield and will be reviewed on a periodic basis and may be recalculated as needed at any time.

Risk Considerations. Contributions to and earnings on the investments in the Bank Savings Account Option are insured by the FDIC on a per participant, pass-through basis to each Beneficiary up to the maximum amount set by federal law, which is currently $250,000. Funds you own and deposit in the Bank Savings Account Option will be insured as single-ownership funds, subject to aggregation with any other single-ownership funds you may have at the Bank of the West. Aggregation will consider: (1) the value of your investment, and (2) the value of all other accounts you hold at the Bank of the West, as determined in accordance with applicable rules and regulations. You should determine whether the amount of FDIC insurance available is sufficient to cover your total investment in the Bank Savings Account Option plus any other deposits you may have at the Bank of the West.

This option may be appropriate for those who will be investing for less than five years, or those with a primary objective of safety of principal.

The program manager and the board have agreed to voluntarily waive the program management fee and the state administrative fee, respectively (but, in each case, not below zero) to the extent necessary to assist the Bank Savings Account Option to maintain at least a 0.00% return before monthly fees and any transaction fees are deducted. This commitment, however, may be amended or withdrawn at any time. Further, there is no guarantee that the Bank Savings Account Option will maintain a positive return even without the imposition of these fees, which could potentially mean a negative return that results in a loss of principal. Earnings may not be sufficient to cover monthly account maintenance fees.

UNDERLYING INVESTMENTS

The board has currently selected Eaton Vance Corp., Baird Advisors, and The Vanguard Group, Inc. to each be an investment manager. In this capacity, each manages the underlying investment(s) in which the investment options participate. A separate board of trustees and/or investment manager for an underlying investment, and not the board, the program, or the program manager, determines the investment policies and strategies for each underlying investment.

If instructed by the board, the program manager will cause an investment option to divest itself of one or more underlying investments. During the transition from one underlying investment to another, an option may be temporarily uninvested in an asset class. During this time, a program investment option may also temporarily hold securities if the disposing underlying investment chooses to use an in-kind redemption. If this is the case, the program manager will liquidate the securities in an orderly manner with consideration for the interests of account owners and invest the proceeds in the replacement underlying investment selected by the board. Any redemption fees or other transaction costs, as well as any market impact on the value of the securities being liquidated, will be borne by the investment option and the account owners invested in it. See *SECTION 9. RISK CONSIDERATIONS* for more information about the potential risks.

For more information on the investment objectives, strategies, and principal risks of the underlying investments, please visit the website or click on the links for the individual fund as indicated below.

Underlying Investment	Ticker	Phone	Website
Eaton Vance Floating-Rate Fund	EIBLX	(800) 262-1122	https://funds.eatonvance.com/floating-rate-fund-eiblx.php
Baird Core Plus Bond Fund	BCOIX	(866) 442-2473	https://www.bairdassetmanagement.com/baird-funds/bond-funds/core-plus-bond-fund/
Vanguard Total International Stock Market Index	VTPSX	(800) 888-3751	https://investor.vanguard.com/mutual-funds/profile/VTPSX
Vanguard Total Stock Market Index	VSMPX	(800) 888-3751	https://investor.vanguard.com/mutual-funds/profile/VSMPX

INVESTMENT MANAGERS

Eaton Vance Management is an investment fund management and advisory services company. Its main offices are in Boston, Massachusetts. Additional information about Eaton Vance funds and a prospectus for each can be obtained at www.eatonvance.com. Eaton Vance Management is the investment manager for the Eaton Vance Floating-Rate fund (EIBLX).

Baird Advisors ("Baird") is an international financial services firm providing private wealth management, trust, asset management, investment banking, capital markets, and private equity services. Its corporate headquarters are in Milwaukee, Wisconsin. Additional information about Baird funds and a prospectus for each can be obtained at www.rwbaird.com/. Baird is the investment manager for the Baird Core Plus Bond Fund (BCOIC).

The Vanguard Group, Inc. is an institutional investment advisor with its main offices in Valley Forge, Pennsylvania. Additional information about Vanguard funds and a prospectus for each can be obtained at www.vanguard.com. The Vanguard Group, Inc. is the investment manager for the following underlying investments: Vanguard Total International Stock Market Index fund (VTPSX) and Vanguard Total Stock Market Index fund (VSMPX).

INVESTMENT PERFORMANCE

Performance information as of March 31, 2024, is as follows:

	Average Annual Total Returns				Inception Date
Portfolios	**1 Year**	**3 Years**	**5 Years**	**Since Inception**	
Managed Allocation Options					
Aggressive Allocation	18.28%	4.79%	8.83%	7.88%	May 1, 2018
Moderate Allocation	15.01%	3.56%	7.23%	6.56%	May 1, 2018
Moderately Conservative Allocation	8.89%	0.87%	3.83%	3.84%	May 1, 2018
Conservative Allocation	5.99%	n/a	n/a	-1.79%	October 1, 2021
Bank Savings Account Option	4.5%	1.71%	1.02%	0.87%	May 1, 2018

Updated performance information for the program, as available, will be posted on the program website at www.TexasABLE.org/investments/#-investment-performance. Performance information for any investment option is based on the total return of a hypothetical account, net of the Texas ABLE program and administration fees and does not reflect the impact of any federal taxes. If you do not have access to a computer or would like a hard copy of the information sent to you, please call the program manager at 844-4TX-ABLE (844-489-2253).

Only monies placed in the Bank Savings Account Option are insured under the guidelines of the Federal Deposit Insurance Company. Program accounts, contributions, and rates of return on investment are not guaranteed by: (1) the state of Texas or its respective officials or employees; (2) the board or its individual members; (3) agents, advisers, subcontractors, or consultants retained by or on behalf of the state or the board; or (4) any other federal or state entity, or private person or entity. You could lose money on your investment in the program.

PLEASE KEEP IN MIND, PAST PERFORMANCE—ESPECIALLY SHORT-TERM PAST PERFORMANCE—IS NOT A GUARANTEE OF FUTURE RESULTS. INVESTMENT RETURNS AND PRINCIPAL VALUES WILL FLUCTUATE, SO THAT THE ACCOUNT OWNER'S UNITS IN AN INVESTMENT OPTION MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA SHOWN ON THE WEBSITE.

More information, including each underlying investment's prospectus and performance information, is available by visiting the websites listed under *Investment Managers* above.

Performance Differences

Performance of each allocation option is calculated based on performance of each underlying investment included in that option weighted according to the percentage of the underlying investment allocated to the option. Therefore, performance will differ between an allocation option and each individual underlying investment allocated to that option. Program investment options will not use contributions to purchase shares of an underlying investment until the business day following the deposit of the contribution. This timing difference, depending on how the markets are moving, will cause an option's performance to either trail or exceed the underlying investment's performance.

Further, you own interests in the investment option, not shares of the underlying investments. As a result, the performance of the investment options will differ from the performance of any underlying investment. The settlement date for the purchase of an underlying investment will typically be one to three business days after the trade date. Depending on the amount of cash flow in or out of an investment option and whether the underlying investment is going up or down in value, this timing difference will cause the option's performance to either trail or exceed the underlying investment's performance.

SECTION 5. WITHDRAWING FROM AN ACCOUNT

This section discusses how the money in your account can be spent and the consequences of those expenditures.

Each time you take money from your ABLE account, it is considered a withdrawal. Only you, as the account owner and Beneficiary, or your Authorized Legal Representative if one has been named, may request withdrawals from your account. Each withdrawal will be considered either qualified or non-qualified depending on how you spend the money. This designation is important because it not only determines the tax consequences of your transactions, but also your potential eligibility for certain means-tested government benefits including SSI. Rollovers and transfers have special rules to determine whether they will be considered qualified or non-qualified and are discussed in more detail below.

To request a withdrawal, go to the program website at www.TexasABLE.org. If your account is invested in more than one investment option, you will be asked to select the option(s) from which your funds are to be withdrawn.

QUALIFIED DISABILITY EXPENSES

For a withdrawal to be considered a qualified withdrawal, the amount must be spent on Qualified Disability Expenses. According to Code §529A, Qualified Disability Expenses are expenses that:

1. are incurred while you are an Eligible Individual,
2. relate to your disability (or blindness), and
3. are for maintaining or improving your health, independence, or quality of life.

Qualifying expenses include those related to your education, housing, transportation, employment training and support, assistive technology and personal support services, health, wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, and funeral and burial expenses. The IRS may designate additional types of expenses as Qualifying Disability Expenses, so you are encouraged to speak with a tax or legal expert about your specific situation.

Any withdrawal from your Texas ABLE account spent on anything other than a Qualified Disability Expense is considered a non-qualified withdrawal. The earnings portion of any non-qualified withdrawal is subject to federal income tax and an additional 10% federal tax (except in certain limited circumstances). See *SECTION 8. TAX CONSIDERATIONS* for a more complete discussion of these issues and consult a tax advisor to understand how federal and state taxes apply to your circumstances.

You should keep in mind that non-qualified withdrawals may also negatively affect your eligibility for certain means-tested federal or state benefits. See *SECTION 7. BENEFITS CONSIDERATIONS* for more information. For questions about how a particular withdrawal might impact your means-tested federal or state benefits, you should consult your benefits advisor.

NO RECONTRIBUTION OF WITHDRAWALS

Withdrawals cannot be refunded back into your account, even if you requested the withdrawal by mistake. If you attempt to recontribute money that you previously withdrew, the recontribution will be treated as a new contribution subject to the normal contribution limitations. If this occurs, the withdrawal will also likely be treated as a non-qualified withdrawal that would subject you to negative tax consequences, and which may negatively affect your eligibility for certain means-tested federal or state benefits.

TEXAS ABLE FOCUS CARD

You have the option to request a reloadable prepaid debit card (the "Focus Card") to use with your account. You can request a prepaid debit card when opening your account or if you are an existing account owner, by logging into your account on the program website and requesting a card. The Focus Card is issued by U.S. Bank® (the "Bank"). You will be required to agree to the Bank's privacy policy and Cardholder Agreement (including all card account-related fees) when you request a card. There is no fee to open or use the Focus Card.

You can load your Focus Card from your program account by requesting a withdrawal online, which may be subject to load, hold, and transaction limits set by the Bank. Once "loaded," you can then use your Focus Card to pay for Qualified Disability Expenses both online and in stores wherever Visa cards are accepted. You should understand that the Focus Card is not a credit card that extends credit or a debit card that draws directly from your account. Focus Cards cannot be used to obtain cash withdrawals from ATMs or cash back when making retail purchases. The Focus Card is a reloadable prepaid debit card funded by withdrawals you initiate on your Texas ABLE account.

Loading funds onto your Focus Card is treated as an ACH withdrawal from your Texas ABLE account. The monthly account maintenance fee entitles you to two free withdrawals per month from your ABLE account; however, after the second withdrawal per month, each subsequent withdrawal is subject to a $1.00 ACH processing fee. Any funds loaded onto your Focus Card and not spent on Qualified Disability Expenses within 60 days following the end of the calendar year may be considered non-qualified withdrawals subject to federal income tax and an additional 10% federal tax.

The Beneficiary of the account can request a card or, if there is an Authorized Legal Representative on the account, the representative can request a card for themselves or for the Beneficiary, but not for both. If there is a change in the Authorized Legal Representative, the program or the Bank may place restrictions or holds on or deactivate any Focus Card previously issued.

For more information about the Focus Card, please see our website at www.TexasABLE.org/using-able/ and scroll towards the bottom of the page.

ROLLOVER WITHDRAWALS

Like any withdrawal, a rollover withdrawal can either be qualified or non-qualified. A withdrawal of money from your Texas ABLE account followed by a contribution of those funds within 60 days to another ABLE or 529 program account for which you are the Beneficiary is a qualified rollover if you have not had another such rollover within 12 months. Alternatively, the money can be deposited, within 60 days, into another Beneficiary's account if he or she is an Eligible Individual and a "Member of the Family," meaning this person is your sibling (a brother, sister, stepbrother, or stepsister).

Any transfer that does not meet these conditions will be considered non-qualified. Non-qualified withdrawals are subject to federal tax on any earnings, plus an additional federal tax of 10% and, for non-Texans, possibly state income tax. A non-qualified rollover may also negatively affect your eligibility for certain means-tested federal or state benefits. See *SECTION 7. BENEFITS CONSIDERATIONS* for more information. Finally, if the transfer is to someone who is not a Member of the Family, federal gift and/or generation-skipping transfer taxes may apply. For more information, see *SECTION 8. TAX CONSIDERATIONS.*

PROGRAM-TO-PROGRAM TRANSFERS

A qualified program-to-program transfer occurs when you directly transfer your entire account into a different state's ABLE program from your Texas ABLE account or when you transfer your entire account in another state's ABLE program to the Texas ABLE Program. A qualified program-to-program transfer also occurs when you directly transfer money from your Texas ABLE account to the ABLE account of an Eligible Individual who is also a Member of the Family. In both cases, the account from which the transfer is made must be closed once the transaction is complete.

A transfer that does not meet these conditions will be considered non-qualified and subject to federal tax on any earnings, the additional 10% tax, and possibly state income tax for non-Texans and federal gift and/or generation-skipping transfer taxes. See *SECTION 8. TAX CONSIDERATIONS* for more information. A transfer that is non-qualified may also negatively affect your eligibility for certain means-tested federal or state benefits. See *SECTION 7. BENEFITS CONSIDERATIONS* for more information. Again, unless the program receives appropriate documentation from the transferring ABLE program showing the actual earnings portion of a program-to-program transfer, the entire amount will be treated as earnings for federal tax reporting purposes. Unless notified otherwise at the time of your rollover contribution, the program will assume that you have completed these two allowed investment changes in the calendar year of the program-to-program transfer.

ON THE DEATH OF THE BENEFICIARY

Upon your death, your ALR (or if there is no ALR on your account, the executor of your will) must submit a copy of your death certificate and the probated will to the program in a timely manner. Following acceptance of the required documentation, the program will freeze transactions on your account except for payment of outstanding Qualified Disability Expenses incurred prior to your death or requests for payment of funeral and burial expenses incurred after your death.

Code §529A allows states to file a claim against your ABLE account for state Medicaid medical assistance paid after your account was opened, a process called "recapture." The amount subject to recapture is only paid after the payment of all outstanding Qualified Disability Expenses (such as funeral and burial expenses) and is reduced by any premiums paid to a Medicaid "buy-in" program. The program will inform the Texas Health and Human Services Commission's Texas Medicaid program upon notification of the death of a Texas ABLE Beneficiary, including providing the Beneficiary's name, Social Security number, date of birth, date of death, date that the account was established, the time period the account was open for the Beneficiary, and the unencumbered balance of the ABLE account.

If Texas or another state Medicaid notifies the program that medical expenses were paid for the Beneficiary while your ABLE account was open, a claim will be submitted to the program for reimbursement of those expenses. If not, the freeze on account transactions will be removed once the executor of the will has been verified by the program and named as the ALR on the account. You should note that Texas Medicaid may claim recovery from any state ABLE program for a Texas Beneficiary who passes while an ABLE account was open and you and your executors or administrators should seek legal advice on the applicability of, and any available exceptions to, Medicaid recapture under state law.

TAXPAYER RESPONSIBILITIES

You are solely responsible for determining whether a withdrawal, rollover, or other transfer is qualified or non-qualified, and for all applicable federal and state tax or benefits consequences. Non-qualified withdrawals may have significant tax and/or benefits consequences. Further, because money in an account may be withdrawn free from federal income tax only if it is used to pay Qualified Disability Expenses, you should retain documentation for all withdrawals or transfers. See *SECTION 8. TAX CONSIDERATIONS* for more information.

ACCOUNT ADMINISTRATION

The unit value used to calculate the value of a withdrawal from your account will be the unit value computed on the first business day after the transaction request is received in Good Order by the program manager.

The term "business day" means regular business hours on a day that the NYSE is open for regular trading. In "Good Order" means we have received your withdrawal request (the money you want to spend) and you have correctly filled out all the necessary information to instruct the program to take an action on your behalf before the close of regular trading (usually 4:00 p.m. EST) on the NYSE.

The program reserves the right not to allow withdrawals of funds for up to:

- 10 business days following the receipt of contributions by check if that contribution is needed to fund the withdrawal,
- 10 business days following the receipt of contributions electronically if that contribution is needed to fund the withdrawal,
- 10 business days following a change of address for either you or your Authorized Legal Representative, and
- 15 business days following a change in Authorized Legal Representative.

If an account has a zero balance for 90 days or more, it may be closed by the program. Monthly account maintenance fees will continue to accrue until an account is closed by either the account owner or the program. A participant can request reinstatement of a closed account by logging into their account online at www.TexasABLE.org.

SECTION 6. FEES AND EXPENSES

This section discusses certain ongoing fees that are charged against investment assets to provide for the costs associated with distributing, servicing, and administering your account. These fees reduce the value of your account as they are incurred. Accounts also indirectly bear fees and expenses related to the underlying investments.

The board, in its sole discretion, will establish, and may change at any time, the program management and state administrative fees it deems appropriate for the program. These charges are subject to change without notice.

Additional information on Estimated Total Annual Asset-Based Fees can be found on the Allocation Worksheet available on the program website at www.TexasABLE.org/download/allocation-worksheet/.

ANNUAL ASSET-BASED FEES

The investment managers for each underlying investment receive compensation for their services directly from the underlying investments in which the portfolios invest. These fees are captured as the "Estimated Underlying Investment Expense" in the fee chart below. More information about the fees and expenses of each underlying investment can be found in the prospectus of each underlying investment. See the section on *Underlying Investments* for more information. In addition, the program imposes a Program Management Fee and State Administrative Fee as shown in the chart below. While these asset-based fees are deducted from program accounts, these charges are not considered withdrawals.

Program Management Fee

A Program Management Fee at an annual rate of 0.15% of the average daily net assets of the investment options is paid monthly to the program manager for day-to-day operation of the program. Each account bears its pro rata share of the Program Management Fee.

State Administrative Fee

The board receives a State Administrative Fee at an annual rate of 0.10% of the average daily net assets of each investment option. The fees received by the board are used to administer the program, including, but not limited to, the cost of an independent certified public accounting firm to perform an annual financial audit, investment consultant fees, and outside legal counsel as necessary. Under Texas law, the board may not collect administrative fees exceeding the cost of establishing and maintaining the program. Each account bears its pro rata share of the State Administrative Fee.

Investment Option	Program Management Fee[1]	State Administrative Fee[2]	Estimated Underlying Investment Expenses[3]	Total Annual Asset-Based Fees[4]
Aggressive Allocation Option	0.15%	0.10%	0.12%	0.37%
Moderate Allocation Option	0.15%	0.10%	0.20%	0.45%
Moderately Conservative Allocation Option	0.15%	0.10%	0.31%	0.56%
Conservative Allocation Option	0.15%	0.10%	0.35%	0.60%
Bank Savings Account Option[5]	0.15%	0.10%	0.00%	0.25%

1 The Program Management Fee may change at any time.

2 The State Administrative Fee is used to defray costs incurred by the board to provide oversight and administration of the program.

3 For portfolios investing in more than one underlying investment, the Estimated Underlying Investment Expense is based on a weighted average of each underlying investment's expense ratio as of the then-active prospectus on March 31, 2024. For portfolios that invest in one underlying investment, the Estimated Underlying Investment Expense is based on the expense ratio for the underlying investment as of the then-active prospectus on March 31, 2024.

4 Estimated Total Annual Asset-Based Plan Fees are subject to change at any time and are assessed against assets over the course of the year. See the "Investment Cost Chart" below for the approximate cost of investing in each of the program's portfolios over 1-, 3-, 5- and 10-year periods.

5 The program manager and the board have agreed to voluntarily waive the Program Management Fee and the State Administrative Fee, respectively, (but, in each case, not below zero) to the extent necessary to assist the Bank Savings Account Option in attempting to maintain at least a 0.00% return before monthly fees and transaction fees. This undertaking may be amended or withdrawn at any time. There is no guarantee that the Bank Savings Account Option will maintain a positive return even without the imposition of these fees, which could mean a negative return that yields a loss of principal if the earnings are not sufficient to cover the monthly maintenance fee.

OTHER FEES AND CHARGES

The chart below describes additional service-based and other fees that you may incur. When you request a service, the applicable fee listed in the chart below will be deducted directly from your account.

No fee will be charged for tax documents delivered via U.S. Mail or for program documents delivered electronically. However, if you request the delivery of program documents by mail, the fee below will be withdrawn from your account annually in January. For the year you open your account or any change in delivery preferences made during the calendar year, the fee will be charged on a pro-rata basis.

Fee Type	Description	Fee Amount
Enrollment Fee	Charge to enroll in the Texas ABLE Program.	None
Monthly Account Maintenance Fee	Includes up to two ACH withdrawals per month. Fee will continue to be charged while account is suspended or is a zero-balance account.	$3.50
Electronic Delivery Fee	Fee for electronic delivery of program documents (tax documents will be delivered by U.S. Mail at no cost to you regardless of the delivery option that you select).	None
Annual Print/ Mail Fee	Fee for paper delivery of program documents (tax documents will be delivered by U.S. Mail at no cost to you regardless of the delivery option that you select).	$10.00
ACH Processing Fee	Charge for each ACH withdrawal per month more than two.	$1.00
Returned Item Fee	Charge for processing contributions that are returned unpaid by your financial institution.	$20.00
Rollover Fee	Charge to process rollovers in or out of program.	None
Change of Beneficiary Fee	Fee to process a change of Beneficiary to another Eligible Individual who is a Member of the Family of the current Beneficiary.	None
Change of Authorized Legal Representative Fee	Fee to process a change of ALR.	None

Additional services may be available upon request at the discretion of the program manager. The cost for such services will vary depending on the service requested. All fees are subject to change.

INVESTMENT COST CHART

The following table compares the approximate cost of investing in the program over different periods. Your actual cost may be higher or lower based on assumptions that are different than those used here. To illustrate the estimated cost, we have charted the hypothetical returns for an account owner investing in each investment option, using the following assumptions:

- $10,000 initial investment,
- 5% annual compounded rate of return,
- all units are redeemed at the end of the period shown for Qualified Disability Expenses (the table does not consider the impact of any potential federal taxes on the withdrawal) under Code §529A, and
- program fees remain the same throughout the period.

You should note that the following table does not consider the impact of any non-asset-based fees including, but not limited to, Monthly Account Maintenance Fees, Check and ACH Processing Fees, and Prepaid Debit Card Fees. Costs in the example are cumulative.

Estimated Cost of $10,000 Investment in Each Option

	1 Year	3 Years	5 Years	10 Years
Aggressive Allocation Option	$38	$119	$208	$468
Moderate Allocation Option	$46	$144	$252	$567
Moderately Conservative Allocation Option	$57	$179	$313	$701
Conservative Allocation Option	$61	$192	$335	$750
Bank Savings Account Option	$26	$80	$141	$318

SECTION 7. BENEFITS CONSIDERATIONS

This section summarizes the impact investing in Texas ABLE may have on your eligibility for certain means-tested federal and state benefits. This summary is based on publicly available sources, is not intended to be exhaustive, and is subject to change by the SSA and other benefits agencies at any time. In the event of a conflict between the benefits information presented in this Program Disclosure Statement and publicly available guidance from the SSA or another agency, the benefits guidance from the SSA or other agency will control. The summary does not address the laws of any state other than Texas and should not be considered benefits or legal advice. The program, Orion, and their respective officers and employees are not authorized to provide benefits, legal, financial, or tax advice, and nothing in this Program Disclosure Statement or in any other written materials or verbal communications by program representatives should be considered advice or a recommendation. Prospective and existing beneficiaries should consult qualified personal legal, tax, financial, benefits, or other advisors for inquiries specific to their circumstances.

Funds in an ABLE account are generally disregarded for purposes of determining eligibility to receive means-tested government assistance or benefits. This includes contributions, earnings, and withdrawals for Qualified Disability Expenses. Further, contributions to an ABLE account, including funds contributed by a third party, are generally not considered income to you, the Beneficiary. However, your income is not generally excluded from eligibility determinations simply because you contribute it to your ABLE account.

SUPPLEMENTAL SECURITY INCOME

The SSA has issued guidance on how ABLE accounts will be treated in determining a Beneficiary's benefits eligibility under SSI. This guidance is publicly available and is subject to change by the SSA at any time. For more information, please see "SI 01130.740 Achieving a Better Life Experience (ABLE) Accounts" in the SSA Program Operations Manual System ("POMS") available at https://secure.ssa.gov/apps10/poms.nsf/lnx/0501130740.

Exclusions from Income

SSA will exclude from a SSI recipient's income:

- contributions to an ABLE account, including rollovers from a Member of the Family,
- earnings received on contributions while in an ABLE account, and
- qualified withdrawals, rollovers, or transfers (including earnings) from an account.

SSA will not, however, deduct contributions from the countable income of the person who makes the contribution. The fact that a person uses his or her income to contribute to an ABLE account does not mean that the income is not countable for SSI purposes. For example, you can have contributions automatically deducted from your paycheck and deposited into your account, but the income used to make the contributions would still be included in your gross wages by the SSA in determining your eligibility for benefits.

Exclusions from Countable Resources

SSA will exclude up to $100,000 in an ABLE account from your countable resources in determining your eligibility for SSI benefits. Except for housing-related expenses (discussed below), SSA will also exclude a withdrawal from your ABLE account for a Qualified Disability Expense retained beyond the month received so long as you do not close your ABLE account and the withdrawal is unspent, identifiable, and

intended to be used for a non-housing Qualified Disability Expense.

SSA will apply normal SSI resource counting rules and exclusions to assets and other items purchased with funds from an ABLE account. You should note that unless withdrawals are used in accordance with SSA's exclusion rules, the withdrawals could have a material adverse effect on your continued eligibility for SSI and Medicaid. If you have questions about the potential impact of a withdrawal on your eligibility, you should contact your local SSA office before making a withdrawal from your account.

> ***Example:*** Eric takes $500 from his ABLE account and deposits it into his checking account in February to pay for a health-related Qualified Disability Expense that is due in May. The distribution is not considered income in February. Eric's ABLE account remains open from February through May, and the withdrawal is both unspent and identifiable as a withdrawal from his ABLE account until Eric pays for a Qualified Disability Expense in May. According to the SSA's Program Operations Manual System ("POMS"), the SSA will exclude the $500 from Eric's countable resources in March, April, and May because Eric eventually used the funds withdrawn in February for a Qualified Disability Expense in May.

> ***Example:*** Eric takes $500 from his ABLE account and deposits it into his checking account in February to pay for a health-related Qualified Disability Expense that is due in May. The distribution is not considered income in February. Eric's ABLE account remains open from February through May, and the withdrawal is both unspent and identifiable as a withdrawal from his ABLE account. In March, however, Eric changes his mind and uses the money for a non-qualified purpose. According to POMS, the SSA would consider the $500 as a countable resource in March because Eric used the funds withdrawn in February for a non-qualified expense in March.

Housing-Related Expenses

The rules for housing-related expenses are different. SSA will count as a resource a withdrawal for a housing-related Qualified Disability Expense if the withdrawal is retained past the month of receipt. If the withdrawal is spent within the month of receipt, it has no effect on eligibility.

Housing expenses for purposes of an ABLE account are the same as they are for in-kind support and maintenance purposes, except for food. As such, Qualified Disability Expenses for housing include:

- mortgage (including property insurance),
- rent,
- real property taxes,
- electricity,
- gas,
- heating fuel,
- water,
- sewage, and
- garbage removal.

> ***Example:*** Amy takes a withdrawal of $500 from her ABLE account in May to pay her June rent. She deposits the $500 into her checking account in May, but does not pay the rent until June. This withdrawal is a housing expense; however, under POMS, because the money was withdrawn in May, but is in her checking account on June 1, the SSA would consider the $500 as a countable resource in June, which could negatively impact Amy's benefits eligibility. If she had paid the rent in May—the same month she withdrew the funds from her ABLE account—it would not have counted as a resource because she would have spent it on a housing expense in

the same month it was withdrawn from her ABLE account.

Special SSI Suspension Rule

Remember: SSA excludes up to $100,000 in your ABLE account from your countable resources. According to POMS, a special rule applies when the balance of your ABLE account exceeds $100,000 by an amount that causes you to exceed the SSI resource limit—whether alone or in combination with your other resources. When this happens, SSA will place you in a special SSI suspension period without time limit as long as you remain otherwise eligible. While your SSI benefits are suspended, you retain eligibility for medical assistance (Medicaid). SSA will reinstate your regular SSI benefits once your ABLE account balance and your other resources no longer cause you to exceed the resource limit (and you are otherwise eligible).

This special suspension rule does not apply where resources other than your ABLE account, by themselves, would cause you to exceed the resource limit. In that case, SSI could suspend your eligibility for Medicaid and terminate your eligibility for SSI if the suspension continues for more than 12 months.

> ***Example:*** Paul's ABLE account has a balance of $101,000 on the first of the month, $1,000 of which would be considered a countable resource. His only other countable resource is a checking account with a balance of $1,500. Paul's countable resources are $2,500 and therefore exceed the SSI resource limit ($2,000 for an individual as of 2024). However, because Paul's ABLE account balance is causing him to exceed the resource limit, while SSA will suspend Paul's SSI eligibility and stop his cash benefits until his ABLE account balance is $100,000 or less, he will retain eligibility for Medicaid.

> ***Example:*** Paul's ABLE account has a balance of $101,000 on the first of the month, $1,000 of which would be considered a countable resource. His only other countable resource is a checking account with a balance of $3,000. Paul's countable resources are $4,000 and therefore exceed the SSI resource limit ($2,000 for an individual as of 2024). However, because Paul's ABLE account balance is not the cause of his excess resources (his other countable resources are more than $2,000), the special rule does not apply. Paul is not eligible for SSI because of excess resources. SSA will suspend Paul's SSI benefits and his Medicaid benefits will stop.

SSA Reporting

Code §529A requires the program to provide the SSA certain information about ABLE accounts. The program is required to provide monthly electronic reports to the SSA that include: the name of the Beneficiary; the Social Security or taxpayer identification number of the Beneficiary; the Beneficiary's date of birth; the name of the person who has signature authority for the account (if different from the Beneficiary); the account number; opening and closing dates for the account; the balance as of the first of the month; and, the date and amount of each withdrawal in the reporting period. SSA's reporting requirements are subject to change.

It is expected that SSA will match the Social Security number furnished by the program against their records and incorporate the ABLE account information into their records.

MEDICAID

The federal Centers for Medicare & Medicaid Services ("CMS") has issued guidance on how it interprets the application of the ABLE Act to state Medicaid programs. This guidance is publicly available and subject to change at any time.

According to CMS, state agencies should disregard all funds in an ABLE account when determining resource eligibility for Medicaid and any earnings on the account should be excluded from income. You should consult your state's Medicaid office with any questions you have or to discuss your circumstances.

Contributions to Accounts

Transferring cash resources that would otherwise be considered countable resources to your ABLE account reduces your total countable resources. However, transferring cash resources derived from your income to your ABLE account does not reduce your countable income for Medicaid eligibility determination.

Third-party contributions to your account will also be disregarded in determining Medicaid eligibility, including distributions from a special needs trust ("SNT") or a pooled trust that is deposited into the ABLE account of the SNT or pooled trust Beneficiary.

Withdrawals from Accounts

Withdrawals from your account are not included in your taxable income or counted as income in eligibility determinations for Medicaid if they are used for Qualified Disability Expenses.

If your financial eligibility for Medicaid is determined using SSI-based methodologies (as opposed to Modified Adjusted Gross Income-("MAGI") based methodologies), a withdrawal from your account may be countable as a resource if it is retained beyond the month of the withdrawal and is used for a non-Qualified Disability Expense. Withdrawals used for expenses other than Qualified Disability Expenses will be counted in the month of the expenditure. If your financial eligibility is determined using a MAGI-based method, the income portion of the non-qualified withdrawal will be included in your income.

Example: Tammy withdraws $250 from her ABLE account in August but does not spend the money until December. If Tammy uses the $250 for a Qualified Disability Expense, the $250 is not counted as a resource in determining Medicaid eligibility. If Tammy spends the $250 on a non-Qualified Disability Expense, however, it would be counted as a resource for her in the month of December when determining Medicaid eligibility.

Post-Eligibility Treatment of Income

The requirement under Medicaid regulations that individuals apply most of their available income to the cost of long-term services and supports before federal financial assistance for medical expenses is available is referred to as "post-eligibility treatment of income" ("PETI"). For these purposes, states should disregard any withdrawals from an ABLE account for Qualified Disability Expenses in determining an individual's total income. To the extent a non-qualified withdrawal is counted as income in determining eligibility for other Medicaid benefits, such a withdrawal would also be counted for purposes of PETI.

Recapture of Benefits

On your death, Code §529A allows states to file a claim against your estate or ABLE account for state Medicaid medical assistance paid after your account was opened. This process is called "recapture." The amount paid for these claims is not a taxable withdrawal. Further, the amount is only paid after the payment of all outstanding Qualified Disability Expenses (such as funeral and burial expenses) and is reduced by any premiums paid to a Medicaid "buy-in" program. You and your executors or administrators should seek legal advice on the applicability of, and any available exceptions to, Medicaid recapture under state law.

FEDERAL HOUSING BENEFITS

The U.S. Department of Housing and Urban Development ("HUD") has issued guidance stating that HUD program administrators and public housing directors will disregard amounts in a Beneficiary's ABLE account when determining eligibility and continued occupancy.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

The U. S. Department of Agriculture has released guidance indicating that funds in ABLE accounts should be excluded as both income and resources in determining Supplemental Nutrition Assistance Program ("SNAP") eligibility.

YOUR RESPONSIBILITIES

You are solely responsible for maintaining records that prove you are an Eligible Individual and to substantiate to the SSA or any other agency that a withdrawal is for a Qualified Disability Expense (including records for expenses paid in cash or with a prepaid debit card) and that you are entitled to receive federal or state means-tested benefits.

SECTION 8. TAX CONSIDERATIONS

This section discusses certain aspects of federal and state income, gift, estate, and generation-skipping transfer tax consequences relating to a program account and contributions to, earnings on, and withdrawals from an account. The summary is not exhaustive, is not intended as individual tax advice, and does not address the tax laws of any state other than the state of Texas. The program, Orion, and their respective officers and employees are not authorized to provide legal, financial, benefits, or tax advice, and nothing in this Program Disclosure Statement or in any other written materials or verbal communications by program representatives should be considered advice or a recommendation. Prospective and existing beneficiaries should consult qualified personal legal, tax, financial, benefits, or other advisors for inquiries specific to their circumstances.

The applicable tax rules are complex, certain rules are at present uncertain, and their application to any person may vary according to facts and circumstances specific to that person. The Code and regulations, and judicial and administrative interpretations of them, are subject to change, retroactively and/or prospectively. The board has the authority to take steps it deems necessary or appropriate to conform the program with the requirements of Code §529A or other applicable federal or state law. The IRS provides important information on the taxation of qualified ABLE programs in IRS Publication 907 available at www.irs.gov/pub/irs-pdf/p907.pdf.

FEDERAL INCOME TAX

Contributions to a qualified ABLE program are not deductible for federal income tax purposes. Earnings on your investment of those contributions are not subject to federal income tax if used solely to pay for your Qualified Disability Expenses. However, any portion of non-qualified withdrawals attributable to earnings are subject to federal income tax.

For any purchase to be considered a Qualified Disability Expense, you must first be an Eligible Individual. If you become ineligible, no expenses you pay will be Qualified Disability Expenses until you requalify as an Eligible Individual. You are obligated to report to the program if your status as an Eligible Individual no longer applies.

The amounts you spend must relate to your disability (or blindness) and be for maintaining or improving your health, independence, or quality of life. Expenses for education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, oversight and monitoring, and funeral and burial expenses are included within the definition of "Qualified Disability Expenses." The IRS allows you to include basic living expenses, whether there is a medical necessity or not, and even if the purchase might also benefit someone else. For example, expenses for common items such as smart phones could be considered Qualified Disability Expenses because they are an effective and safe communication or navigation aid for the Beneficiary.

When there are earnings in your account, each withdrawal consists of two parts. One part is a return of the principal in the account (the amount contributed). The other part is a withdrawal of a portion of the earnings in the account. If the withdrawals from your account do not exceed your Qualified Disability Expenses for the year (i.e., you can "match" each withdrawal to a Qualified Disability Expense incurred during the year), no amount is taxable. For any year where there is a withdrawal from your account, the program will provide Form 1099-QA to the IRS, which sets forth the total amount of withdrawals and identifies the principal (contributions) and

earnings portions of these withdrawals. You are also permitted to match withdrawals to Qualified Disability Expenses incurred during the first 60 calendar days of the following year.

Any amount you spend from your Texas ABLE account on something other than Qualified Disability Expenses is considered a non-qualified withdrawal. The earnings portion of a non-qualified withdrawal is ordinary income to you and is subject to federal income tax. Additionally, these earnings will be subject to an additional 10% federal tax, unless an exception applies. The contribution portion of a withdrawal is not subject to income tax.

The 10% additional tax does not apply to:

- withdrawals on or after your death if paid to your estate or heir,
- withdrawals made after your death to pay for your Qualified Disability Expenses, such as funeral and burial expenses, or
- returns of excess contributions by the due date (including extensions) of your federal income tax return for the year in which the excess contributions were made.

Rollovers and Program-to-Program Transfers

As previously discussed, rollovers may be made either directly or indirectly. Direct rollovers, or program-to-program transfers, are transfers from one account to another with no intermediary (e.g., State A's ABLE program transfers money to your Texas ABLE account). Indirect rollovers occur when you withdraw your money from your account and then contribute that money to another qualified ABLE program account. See *SECTION 3. CONTRIBUTING TO AN ACCOUNT* for more information about rollovers or transfers to your Texas ABLE account. See *SECTION 5. WITHDRAWING FROM AN ACCOUNT* for more information about rollovers or transfers from your ABLE account.

Rollovers, direct or indirect, may occur between the Texas ABLE Program and an account in another state's ABLE program without federal income tax liability on the earnings or the 10% additional tax if: (1) the entire transaction is completed within 60 days; and (2) the assets are contributed to an account for your benefit or an Eligible Individual who is a Member of the Family (a sibling, including a stepbrother or stepsister). If the transfer is to another ABLE account for you, federal law limits you to one tax-free rollover every 12 months. Transfers not completed within 60 days of the date of distribution by the transferring program are considered non-qualified withdrawals subject to federal, and possibly state for non-Texans, income tax and the 10% additional federal tax. Remember that you may not have more than one ABLE account open for the same Beneficiary at the same time except for the 60 days following a distribution for a rollover or program-to-program transfer. If the transferring account remains open beyond this period, the receiving account will not be considered an ABLE account, which means it will not be disregarded for federal means-tested benefits and taxes may be owed on the withdrawal.

Before January 1, 2026, rollovers may also occur from a 529 prepaid tuition or college savings plan for you or a "Member of the Family" to your ABLE account. Because the definition of a "Member of the Family" is different for 529 plans, you are strongly encouraged to speak with a tax professional to help you determine your tax liability in these cases. You may also want to consult Publication 970, "Tax Benefits for Education" on the IRS website.

You must provide appropriate documentation from the transferring ABLE program or 529 plan to show the portion of the assets to be treated as prior contributions rather than earnings, otherwise the entire amount of the rollover or program-to-program transfer will be treated as earnings when deposited to your account and

reported to the IRS. The program will assume that you have completed the two investment changes allowed annually in the year of the transfer unless notified otherwise.

Please note that while qualified rollovers are not subject to federal income tax or the 10% additional federal tax, there may be other substantial federal tax consequences, such as the transfer taxes discussed below. Also, while Texas does not have a state income tax, residents of other states should consider whether state income tax, penalties, or the recapture of tax deductions applies to non-qualified transfers or withdrawals in their state. You are encouraged to consult a tax advisor for information on the tax treatment and implications of any rollover or transfer. You are solely responsible for complying with these requirements.

Change of Beneficiary

A change in the Beneficiary of an account is not treated as a withdrawal if the new Beneficiary is an Eligible Individual and a Member of the Family (a sibling, including a stepbrother or stepsister) of the former Beneficiary (you). However, if the new Beneficiary is not an Eligible Individual or a Member of the Family to you, the change is treated as a non-qualified withdrawal by you subject to federal income tax and the additional 10% federal tax.

Excess Contributions

Any contributions to your account that exceed one of the contribution limits (the Annual Contribution Limit, Expanded ACL, or Account Balance Limit) are considered "excess contributions." See the section on *Limits on Contributions* for more information about how these limits work.

In each case, when the program returns the excess contribution to the contributor, any earnings received by the contributor will be considered income for the year of the contribution. Further, if the excess contributions are not returned by the due date (including extensions) for the filing of your federal income tax return for the year the excess contribution was made, you will be subject to a 6% excise tax on the excess amount (including earnings) not returned on time. This excise tax will be owed even if you are not otherwise required to file a federal income tax return.

Saver's Credit

Effective for contributions made before January 1, 2026, as the Beneficiary you may be able to claim a Saver's Credit. Depending on your income and filing status, you can receive a credit on your federal income tax return of up to 50% of the contributions you make to your ABLE account The maximum contribution amount that may qualify for the Saver's Credit is $2,000 ($4,000 if married filing jointly), making the maximum credit $1,000 ($2,000 if married filing jointly). You must be 18 or older, not a full-time student, and not claimed as a dependent on another person's return. If you believe you may qualify for a Saver's Credit, you are encouraged to speak with your tax professional or other advisor.

Your Responsibilities

The program assumes no liability for your compliance with the applicable tax rules and does not withhold taxes or penalties on non-qualified withdrawals. You are solely responsible for reporting any taxes and penalties due on your tax return. You should consult a tax professional on the application of these rules to your situation.

FEDERAL TRANSFER TAXES

The 2010 Tax Relief Act made significant changes to federal estate, gift, and generation-skipping transfer ("GST") taxes. The American Taxpayer Relief Act of 2012 made permanent the exemption levels set by those federal estate, gift, and GST tax provisions, and raised the applicable tax rate permanently for amounts over the exemption

limits from 35% to 40%. The law also made permanent "portability," which allows a surviving spouse the right to the unused portion of a deceased spouse's exemption. The Tax Cuts and Jobs Act of 2017 doubled the exemption amounts, subject to indexing for inflation from the 2011 base year. Please consult your tax advisor regarding the specific application of these rules to your circumstances.

Gift Tax

Under Code §529A, contributions to the program are generally considered "completed gifts" to the Beneficiary. However, you cannot make a transfer, or gift, of property to yourself. This means that contributions you make to your account would not be subject to federal gift tax. If someone else contributes to your account, and the total contributions in a calendar year are greater than the current exclusion of $18,000 for 2024 ($36,000 for a married couple), the donor is subject to gift tax on the excess amount. The lifetime exclusion, as of 2024, is $13.61 million for an individual.

This means that in each calendar year, a person can contribute up to the amount of the annual gift exclusion, not to exceed the Annual Contribution Limit or Expanded ACL, to your account without it being considered a taxable gift if that person makes no other gifts to you during the year. Further, even if the gift exceeds the annual limit, if the person has not exhausted his or her lifetime exclusion, gift tax will not be owed, although the contributor may be required to file a gift tax return.

Estate Tax

On your death, any amount remaining in your ABLE account, net of any withdrawals for outstanding Qualified Disability Expenses, including funeral and burial expenses submitted to the program within 90 days of the Beneficiary's death and any amounts due Texas Medicaid, will be included in your gross estate for estate tax purposes. Like the federal gift tax, however, there is an exclusion from tax available. For the estate of someone dying in calendar year 2024, the basic exclusion amount is $13.61 million (doubled for a married couple). Please contact a tax professional to determine the effect of federal estate tax provisions on your situation.

Generation-Skipping Transfer Tax

In addition to possible federal gift and estate tax consequences, the federal GST tax may apply to contributions to your account if you are more than one generation younger than that of the contributor (or if a new Beneficiary is more than one generation below you, the previous Beneficiary). Contributions that qualify for the annual gift tax exclusion, however, are not subject to federal GST tax. And if the new Beneficiary is an Eligible Individual and your sibling (a brother, sister, stepbrother, or stepsister), these taxes may not apply. Consult your tax advisor regarding the specific application of these rules to your circumstances.

MEDICAID RECAPTURE

Under Code §529A, following your death, a state is allowed to file a claim to recover the total medical assistance paid for you under the state's Medicaid plan after the establishment of your program account. Based on past experience, it is likely that Texas Medicaid would file such a claim. The amount paid in satisfaction of such a claim is not a taxable distribution from the program account.

STATE INCOME TAXES

Texas does not impose a state income tax on individuals.

If you are not a resident of the state of Texas, your state's income tax treatment of contributions to, earnings on, and withdrawals from your account will depend on the laws of your

state. Because each state has different tax provisions, and these can be complex, this Program Disclosure Statement does not address the state tax consequences outside Texas of participating in an ABLE program.

REPORTING TO THE IRS

The program will report contributions to, earnings on, transfers, withdrawals from, and other program account matters to the IRS, a state, and other persons, if any, to the extent required by federal, state, or local law, regulation, or ruling. By the beginning of the year following enrollment, you will be sent a copy of any such report or statement filed with the IRS. It is the account owner's responsibility to retain documents and information adequate to support the Beneficiary's rights and obligations as a taxpayer.

For each quarter where there is activity on your account, you will receive a statement reflecting your contributions to and withdrawals from each investment option during the period and year-to-date. Your statement will also detail your earnings or losses, the fees you have paid, and the value of your account at the end of the reporting period. You can also view your account information and statements anytime by establishing access to your account through the program's website at www.TexasABLE.org, or you can obtain information about your account by calling 844-4TX-ABLE (844-489-2253) during our regular business hours of Monday through Friday, 8:00 a.m. to 5:00 p.m. Central Time, excluding holidays.

SECTION 9. RISK CONSIDERATIONS

The Texas ABLE Program is an investment and subject to certain risks that are discussed in this section. In addition, certain investment options carry more or different risks than others. You should assess these risks with the understanding that they could arise at any time during the life of your account.

This Program Disclosure Statement cannot and does not list every possible factor that may affect your investment in the program. Additional risks not discussed here may arise and you must be willing and able to accept those risks. Further, neither the board nor Orion makes any representation about the suitability of any investment option as an investment for any specific Beneficiary. Other types of investments may be more appropriate depending upon your personal circumstances, including your financial status, tax situation, risk tolerance, age, or the importance of continued eligibility for federal or state means-tested benefits.

Other ABLE programs are available, as are other investment alternatives. The investments, fees, expenses, certain eligibility requirements, tax, and other consequences and features of these alternatives may differ from features available in the Texas ABLE Program. You should consider these alternatives prior to opening an account.

This Program Disclosure Statement should not be construed to provide legal, financial, benefits, or tax advice. You should consult an attorney or financial, benefits, or tax advisor with any legal, business, benefits, or tax questions you may have.

NO GUARANTEE OF PERFORMANCE

Investments are subject to standard investment risks, including market and interest rate risk. You could lose money by investing in the program. The value of an account may increase or decrease over time based on the performance of the investment option(s) you select and the performance of the underlying investments, causing the account balance to differ from the amounts contributed. Neither the board, the program manager, nor any affiliates or subcontractors of the program manager makes any guarantee of, or has any legal obligations to ensure, the ultimate payout of any amount, including a return of contributions made to an account. No level of investment return is guaranteed.

Even if you make the maximum allowable contributions to a program account, the account balance may not be sufficient to cover your Qualified Disability Expenses annually or during the life of the account. Further, the rate of future inflation in Qualified Disability Expenses is uncertain and could exceed the rate of investment return earned by any of the program's investment options. Depending on the amount contributed, the investment options you select, and any earnings or losses thereon, your account balance might not be sufficient to cover monthly account maintenance fees.

PAST PERFORMANCE INFORMATION IS NOT INDICATIVE OF THE FUTURE PERFORMANCE OF ANY PARTICULAR INVESTMENT OPTION OR UNDERLYING INVESTMENT, AND THE INVESTMENT RESULTS OF ANY INVESTMENT OPTION OR UNDERLYING INVESTMENT FOR ANY FUTURE PERIOD CANNOT BE EXPECTED TO BE SIMILAR TO ITS INVESTMENT PERFORMANCE IN THE PAST.

Investment performance information is available on the program website at www.TexasABLE.org/investment/#investment-performance.

NO OTHER INSURANCE OR GUARANTEE

Other than FDIC insurance on contributions to the Bank Savings Account Option, subject to FDIC limits, no other insurance is provided. An

account is not guaranteed by: (1) the state of Texas or its officials or employees; (2) the board, its committees, or their individual members; (3) any program managers, agents, advisers, subcontractors, or consultants retained by or on behalf of the state or the board; or (4) any other federal or state entity, or any private person or entity.

MAIN INVESTMENT RISKS

The value of the securities in which an investment option or an underlying investment invests may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be temporary or last for extended periods. Diversifying across asset classes may not fully mitigate the impact, whether positive or negative, of changes in economic conditions or fundamentals in any single asset class. Market risk primarily affects stocks, but also affects high-yield bonds and, to a lesser extent, higher quality bonds.

Risks of Investing in Stocks

The value of any investment option may be affected by changes in the stock markets. Stock markets may experience great short-term volatility and may fall sharply at times. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

The prices of individual stocks generally do not all move in the same direction at the same time, and a variety of factors can affect the price of a particular company's stock. These factors may include increased competition, poor earnings, a loss of customers, litigation against the company, general unfavorable performance of the company's sector or industry, or changes in government regulations affecting the company or its industry.

At times, an investment option may emphasize investments in a particular industry or market sector. To the extent that an option increases its emphasis on investments in a particular industry or sector, the value of its investments may fluctuate more in response to events affecting that industry or sector, such as changes in economic cycles and conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry more than others.

Risks of Foreign Investing

Foreign stocks and bonds may be more volatile and less liquid than their U.S. counterparts. Foreign issuers are usually not subject to the same accounting and disclosure requirements applicable to U.S. companies, which may make it difficult for a portfolio to evaluate a foreign company's operations or financial condition. A change in the value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency and in the value of any income or distributions a portfolio may receive on those securities. The value of foreign investments may be affected by exchange control regulations, foreign taxes, higher transaction and other costs, delays in the settlement of transactions, changes in economic or monetary policy in the U.S. or abroad, expropriation or nationalization of a company's assets, or other political and economic factors. These risks may be greater for investments in developing or emerging market countries.

Risks of Fixed Income Securities

Fixed-income securities may be subject to credit risk, interest rate risk, prepayment risk, and extension risk. Credit risk is the risk that the issuer of a security might not make interest and principal payments on the security as they become due. If an issuer fails to pay interest or to repay principal, the underlying investment's income or share value might be reduced. A downgrade in an issuer's credit rating or other adverse news about an issuer can reduce the market value of that issuer's securities.

The value of debt securities is also subject to change when prevailing interest rates change. When prevailing interest rates fall, the values of already-issued debt securities generally rise. When prevailing interest rates rise, the values of already-issued debt securities generally fall, and they may sell at a discount from their face amount or from the amount paid for them. These fluctuations will usually be greater for longer-term debt securities than for shorter-term debt securities and money market securities. When interest rates fall, debt securities may be repaid more quickly than expected and a fund may be required to reinvest the proceeds at a lower interest rate, which is referred to as prepayment risk. When interest rates rise, the issuers may repay principal more slowly than expected, which is referred to as extension risk. Interest rate changes normally have different effects on variable or floating-rate securities than they do on securities with fixed interest rates.

Developments relating to subprime mortgages have adversely affected fixed-income securities markets in the U.S., Europe, and elsewhere. The values of many types of debt securities have been reduced, including mortgage-backed securities and debt securities that are not related to mortgage loans. These developments have reduced the willingness of some lenders to extend credit and have made it more difficult for borrowers to obtain financing on attractive terms or at all. In addition, broker-dealers and other market participants are sometimes reluctant to invest in some types of debt instruments, which reduces liquidity of those instruments. These developments may also have a negative effect on the broader economy. There is a risk that the lack of liquidity or other adverse credit market conditions may hamper the underlying investment's ability to sell the debt securities in which it invests or to find and purchase suitable debt instruments.

RISKS OF INVESTING IN UNDERLYING INVESTMENTS

Each of the underlying investments has its own investment risks, and those risks can affect the value of an investment option. To the extent that an option invests more of its assets in one underlying investment than in another, the risks for that underlying investment will have a greater impact on the option's value than those of other underlying investments.

There is no guarantee that any underlying investment will achieve its investment objective. The underlying investments will each pursue their investment objectives and policies without the approval of the program. If an underlying investment were to change its investment objective or policies, the investment option may be forced to sell its shares of that underlying investment at a disadvantageous time. The prospectuses and statements of additional information of the underlying investments are available by visiting the website of each underlying investment.

For more information on how to obtain a prospectus describing the principal risks of each underlying investment, please see the section on *Underlying Investments* above.

OTHER INVESTMENT RISKS

The following risks are general risks that apply to all investment options and underlying investments.

General Geopolitical Unrest

General geopolitical unrest, including terrorist attacks, military conflicts, and related events, such as commodity shortages, supply-chain disruptions, and inflation, have led to increased short-term market volatility and may have long-term effects on U.S. and world economies and markets. The program does not know the extent to which and how long the securities markets may be affected by such events and

cannot predict the effects of such events on the economies of the U.S., or of other countries, or on investment options or underlying investment values.

Issuer Risk

Changes in an issuer's business prospects or financial condition, including those resulting from concerns over accounting or corporate governance practices, could significantly affect an investment option or underlying investment's performance if sufficient investment in those securities exists.

Management Risk

The asset allocation strategy approved by the board or a strategy used by an underlying investment advisor may fail to produce the intended results.

Index Sampling Risk

The securities selected for an investment option, in the aggregate, may not provide investment performance matching that of the target index.

Investment Style Risk

Returns from one sector of the market (e.g., small-, mid-, or large-capitalization stocks) may trail returns from other sectors of the stock market.

APPLICABLE LAWS MAY CHANGE

Money in an account will be subject to applicable laws. Congress could amend Code §529A or other federal laws, Texas could amend the Texas Education Code, and other states could amend their laws. Possible legislative action could diminish or even terminate your account's favorable treatment under federal tax laws and/or federal and state benefits laws. Any of these occurrences could materially change or eliminate the benefits described in this Program Disclosure Statement. There can also be no assurance that such changes will not adversely affect the value to you, the account owner, of participating in the program. The effect of some changes could be retroactive.

In addition, Code §529A or other state or federal law could be amended in a manner that materially changes: (1) your eligibility to open a program account; (2) the treatment of the program account and contributions to and withdrawals from the account for purposes of eligibility for state or federal means-tested benefits including SSI and/or Medicaid; or (3) the available exemptions for the program from certain federal securities laws.

To advance certain public policies, Texas or the U.S. could establish laws that require or preclude the program from certain investments, which might limit the program from investments that otherwise meet its investment criteria. Further, while the program might be exempt from statutes that prohibit certain investments or require specific contract language, the board may voluntarily choose to comply with these statutory requirements.

PROGRAM TERMS MAY CHANGE

Money in an account will be subject to the terms and conditions of the Program Disclosure Statement and Participation Agreement, as amended from time to time.

THE BOARD MAY CHANGE INVESTMENT APPROACHES, INVESTMENT OPTION OFFERINGS, AND UNDERLYING INVESTMENTS FROM TIME TO TIME. ADDITIONAL INVESTMENT OPTIONS MAY BE ADDED IN THE FUTURE, AND EXISTING OPTIONS MAY BE CHANGED, CONSOLIDATED, OR ELIMINATED. EXISTING ACCOUNT OWNERS MAY BE REQUIRED BY THE BOARD TO PARTICIPATE IN SUCH CHANGES OR, CONVERSELY, LIMITED IN THEIR ABILITY TO PARTICIPATE. UNITS IN

ANY ELIMINATED OPTION WILL BE EXCHANGED FOR UNITS IN ANOTHER BY THE BOARD, AT ITS DISCRETION WITHOUT PRIOR NOTICE. THE CONSENT OF ACCOUNT OWNERS, THEIR AUTHORIZED LEGAL REPRESENTATIVES, IF ANY, OR OTHER CONTRIBUTORS TO ANY SUCH CHANGE, ADDITION, ELIMINATION, OR CONSOLIDATION OF INVESTMENT APPROACHES, INVESTMENT OPTIONS, AND UNDERLYING INVESTMENTS IS NOT REQUIRED. KEEP IN MIND THAT IF THE INVESTMENT OFFERINGS CHANGE, THE RISKS ASSOCIATED WITH INVESTING IN THE PROGRAM OR ANY INVESTMENT OPTION MAY CHANGE.

The board, in its discretion, may change the program manager or investment consultant, and it is possible that the program manager or investment consultant when you open an account will not remain in that position until your account is closed. You will have no voice in the selection of any program manager or investment consultant.

During the transition from one underlying investment to another, an investment option may be temporarily uninvested in an asset class. During this time, an option may also temporarily hold securities if the disposing underlying investment chooses to use an in-kind redemption. Where this is the case, the program manager will liquidate the securities received as promptly as practicable and invest the proceeds in the replacement underlying investment. Any redemption fees or other transaction costs, as well as any market impact on the value of the securities being liquidated, will be borne by the investment option and the accounts invested in it.

Account fees, expenses, and charges are subject to change at any time, and new fees, expenses, and charges may be imposed in the future without prior notice to account owners. If the Focus Card terms and conditions or provider for the program's prepaid debit card change, you may have to be issued a new Focus Card or a prepaid debit card from a different provider, and the capabilities and/or functions associated with the Focus Card may change.

POTENTIAL IMPACT OF LOSS OF ELIGIBLE INDIVIDUAL STATUS

Expenses incurred when you are not an Eligible Individual will not be considered Qualified Disability Expenses. Therefore, the earnings portion of withdrawals from the account will be includable as ordinary income for tax purposes and subject to an additional 10% federal tax unless an exception applies.

POTENTIAL IMPACT ON SSI, MEDICAID, AND OTHER MEANS-TESTED BENEFITS

ABLE account balances over $100,000, the Beneficiary's income (even if contributed to an ABLE account), and non-qualified withdrawals from an ABLE account could affect the Beneficiary's eligibility for SSI and other federal or state means-tested benefits. For example, SSI would be suspended if your account balance is more than $100,000; however, Medicaid benefits would not be suspended. Additional information on SSA's treatment of ABLE accounts can be found in *SECTION 7. BENEFITS CONSIDERATIONS*.

If you have any questions about the potential impact of an ABLE account on your continuing eligibility for SSI and/or Medicaid, you should contact your local SSA or Medicaid office. If you have questions about the potential impact of non-qualified withdrawals on other means-tested benefits, you should speak with a qualified benefits expert.

MEDICAID RECAPTURE

Upon your death, IRC Section 529A permits a state to file a claim for the amount of the total medical assistance paid for you under the state's Medicaid plan while you were the Beneficiary of an ABLE account. The amount of the claim is to be paid only after the payment of all outstanding payments due for your Qualified Disability Expenses and is to be reduced by the amount of all premiums paid by or on your behalf to a Medicaid Buy-In program under that state's Medicaid plan after your ABLE account was opened. Procedures for filing claims may vary from state to state and applicable statutes of limitation may delay the final distribution of proceeds of the account to your estate. Authorized representatives, executors, and personal representatives of estates may want to consider obtaining advice of counsel on the applicability of, and any available exceptions to, Medicaid recapture under applicable state law and regulation.

OTHER OPTIONS MAY BE BETTER FOR YOU

Neither the board nor the program manager makes any representation regarding the suitability or appropriateness of any investment approach, option, or underlying investment offered by the program. Other types of investments may be more appropriate, depending on your financial status, tax situation, risk tolerance, age, investment goals, savings needs, and investment time horizons.

Further, while balances, earnings, and withdrawals from an account will be disregarded for purposes of determining eligibility to receive certain means-tested benefits provided by the state of Texas, other states may treat your account balances and withdrawals differently. ABLE program balances and withdrawals from an ABLE account could affect your eligibility for other states' benefits programs. Please consult your local benefits office or benefits advisor for more information.

Limited Liquidity

Contributing funds to an account reduces the ability to readily access those funds (their liquidity). Once contributions have been made to an account, there are limited circumstances in which they can be withdrawn on a tax-free basis.

You should consider other savings and investment alternatives. Other ABLE programs and investment plans are available that may: (1) offer benefits that are not available under Texas ABLE; (2) offer different investment approaches, options, and underlying investments than the program; and/or (3) involve different fees, expenses, benefits, and tax consequences than the program. Therefore, when considering participation in the program, you should consult a tax or investment advisor first.

Limited Investment Direction

Once an investment decision has been made, you, the account owner and Beneficiary, or your Authorized Legal Representative acting on your behalf, are only allowed to reallocate your investments—transfer assets between two or more investment options—twice per calendar year. However, you can change the investment allocation for future contributions at any time. An investment option's assets are invested in accordance with an investment policy that is established by the board, who may change the investment policy for the program at any time.

No Shareholder Rights

You do not have a direct ownership interest in the investments held by the investment option(s) in your account. Therefore, you do not have the rights of an owner of such investments, including the right to vote proxies.

No Assignments or Pledges

No portion of any account can be assigned, transferred, pledged as security for a loan (including a loan used to obtain money for contributions to the account), or otherwise used, either by you, the account owner and Beneficiary, or any other person or entity.

CYBER RISKS

Failures or breaches of the electronic systems of the Comptroller, the program manager and their affiliates and subcontractors, investment managers, or other parties that provide services to the program can cause disruptions and negatively impact the program's operations, potentially resulting in financial losses to the program and its beneficiaries. While the Comptroller, the program manager and their affiliates and subcontractors, and the investment managers have established business continuity plans and risk management systems seeking to address system breaches or failures (including plans and systems reasonably designed to protect your personally identifiable information where applicable), there are inherent limitations in such plans and systems.

PRIVACY INFORMATION

As an account owner in the program, you are entitled to know how the program and Orion Advisor Solutions, Inc., the current program manager, and its subcontractor Catalis Regulatory & Compliance, LLC (collectively with their affiliates, subcontractors, employees, and agents, "we"), protect your personal information and how we limit its disclosure.

This notice was last updated in April 2024. If we materially update or change this notice, we will post an update on the program website at www.TexasABLE.org. If you do not have access to a computer and would like a hard copy of the information sent to you, please call the program manager at 844-4TX-ABLE (844-489-2253).

COLLECTION OF INFORMATION

We obtain non-public, personal information about beneficiaries and Authorized Legal Representatives, if applicable, from the following sources:

- your application and other forms,
- your account information and profile on the program website, and
- your transactions related to the program.

We only collect personal information on the application, through the program website, or provided at our request if you willingly provide it, either directly by mail, fax, email, or on the secure areas of the program website. When you log on to the website to access your account, we use your personal credentials to identify you, to provide you with requested products and services, and for everyday business purposes. To update your personal information online, log into your account on the website, select the "Profile" tab, and then select the "Personal Information" tab.

We use "cookies," together with pixels, tags, and other analytics, to help us monitor, manage, and improve the program website. When you visit the program website, we collect information including, but not limited to, your domain name, internet protocol (IP) address, internet site that linked you to our website, if any, and browser information. For example, cookies and analytics tools help us recognize new versus repeat visitors, track the pages visited, and enable some special features. You can refuse cookies by turning them off in your browser settings; however, doing so may limit your access to certain sections of the website.

USE OF INFORMATION

We may use your personal information for everyday business purposes, such as to process your transactions, maintain your account, respond to your inquiries, provide you services, and respond to court orders and legal investigations.

RIGHT OF REFUSAL

We will not disclose your personal information to unaffiliated third parties, except as required or permitted by law, unless you expressly consent to such disclosure.

PROTECTION OF INFORMATION

We do not disclose non-public, personal information about current or former account owners/beneficiaries or Authorized Legal Representatives to anyone, except as required or permitted by law.

SECURITY MEASURES

We maintain physical, electronic, and procedural safeguards designed to protect your personal account information. All transactions on the program website are secured by Secure Sockets Layer ("SSL") protocol and 256-bit encryption. SSL is used to establish a secure connection between your personal computer and the program server, while encryption transmits information in a scrambled format.

For your security, we will not include personal or contact information in non-secure emails. To protect your own privacy, we advise you not to communicate confidential and/or personal information, such as Social Security and account numbers, to us via non-secure emails.

We do not guarantee or warrant that any part of the program website, including any file available for download, is free of viruses or other harmful code. It is your responsibility to take appropriate precautions, such as using antivirus software, to protect your computer.

TO KEEP YOUR ACCOUNT INFORMATION PRIVATE AND PREVENT UNAUTHORIZED TRANSACTIONS, DO NOT ALLOW ANYONE ELSE TO USE YOUR ACCOUNT PASSWORD, AND TAKE SPECIAL PRECAUTIONS WHEN ACCESSING YOUR ACCOUNT ON A COMPUTER USED BY OTHERS OR THE PUBLIC.

CONTACT US

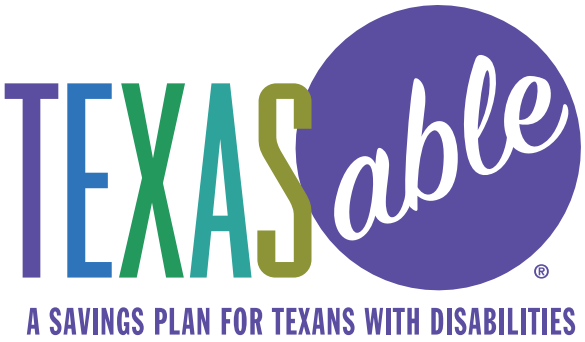
To submit any questions about this Privacy Policy, write to Orion at 17605 Wright Street, Omaha, Nebraska 68130; email Orion by clicking on the "Contact Us" section of the program website at www.TexasABLE.org; or call us at 844-4TX-ABLE (844-489-2253).

STATE OF TEXAS PRIVACY NOTICES

Federal Privacy Act Notice. Disclosure of your Social Security number on the application is required and authorized under applicable law for the purpose of tax administration and identification. 42 United States Code §405(c)(2)(C)(i); Internal Revenue Code §§529(d) and 6109(a); and Texas Education Code §54.772.

Texas Comptroller of Public Accounts Privacy Notice. The Comptroller's privacy notice is available at https://comptroller.texas.gov/about/policies/privacy.php. Under Chapter 559, Texas Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions. To request information for review or to request an error correction, contact Orion at 17605 Wright Street, Omaha, Nebraska 68130, or by phone at 844-4TX-ABLE (844-489-2253). You may also request information from the Comptroller online at the link above, by email (open.records@cpa.texas.gov), by mail at Open Records Section, Comptroller of Public Accounts, P.O. Box 13528, Austin, TX 78711-3528, or by fax at 512-475-1610.

Comments or Complaints. You may submit comments or complaints by mail to the Prepaid Higher Education Tuition Program, Office of the Comptroller of Public Accounts, P.O. Box 13407, Austin, Texas 78711-3407, or by calling 512-936-2064.



Participation Agreement

Effective Date of June 2024

Texas Prepaid Higher Education Tuition Board

Chair, Don Huffines, Comptroller of Public Accounts
Austin, Texas

Orion Advisor Solutions, Inc., Plan Manager

DON HUFFINES
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Orion

ARTICLE 1 – GENERAL INFORMATION

I am entering into this legally binding Participation Agreement ("Agreement") with the Comptroller to establish an Account in the Texas ABLE Program ("Program"). I am legally competent and over the age of 18. I understand that my Program Account shall represent an interest in the Program. I understand and agree that this Agreement is subject to the Program Disclosure Statement. I understand that the information in the Program Disclosure Statement and in my completed online Program Application are part of this Agreement. I understand that by enrolling in the Program I have accepted the terms of the Program Disclosure Statement and this Agreement. The effective date of this Agreement is the date my certified Program Application is submitted to the Program online and accepted by the Program.

ARTICLE 2 – DEFINITION OF KEY TERMS

Except as otherwise set forth herein, each term defined in this Agreement has the meaning set forth in the Program Disclosure Statement, and such meanings are incorporated into this Agreement and made a part of this Agreement as if they were set forth in the body of this Agreement. For purposes of this Agreement, "I" or "me" or "my" shall refer to the Beneficiary or his or her Authorized Legal Representative.

Term	Definition
Account or Program Account	An account in the Texas ABLE Program.
Auditor	The program manager is required by contract with the Board to present to the Comptroller audited annual financial statements of the Texas ABLE Program for each fiscal year no later than November 1 each year, with the independent auditor selected and paid by the Board. Cohen & Co. served as independent auditor of the program's audited financial statements for the fiscal year ending August 31, 2023. The auditor is subject to change by the Board. The program's audited financial statements are available on the program website at www.TexasABLE.org/forms-literature/.
Authorized Legal Representative	If the Beneficiary is not able to exercise signature authority over his or her Program Account or chooses to establish an Account but not exercise signature authority, an Authorized Legal Representative ("ALR") may act on the Beneficiary's behalf with respect to the Account. The ALR may neither have, nor acquire, any beneficial interest in the Program Account during the Beneficiary's lifetime and must administer the Account for the exclusive benefit of the Beneficiary. Whenever an action by a Beneficiary is required in connection with a Program Account, it must be taken by the Beneficiary's ALR acting in that capacity. References to "you" or "your" include the ALR when he or she is acting on the Beneficiary's behalf.
Beneficiary	A resident of the state of Texas who is an Eligible Individual and named as the Beneficiary of the Program Account. This individual is the owner of the Account. References to "you" or "your" include the Authorized Legal Representative when he or she is acting on the Beneficiary's behalf.
Board	The Texas Prepaid Higher Education Tuition Board established under Texas state law.
Comptroller	The Texas Comptroller of Public Accounts.

Term	Definition
Eligible Individual	You are eligible to open an account if you meet the following requirements: 1. you are a Texas resident, 2. your disability was present before age 26, and 3. you can prove your disability by one of the following: ***SSI or SSDI Eligibility –*** you are currently receiving Supplemental Security Income ("SSI") or Social Security Disability Insurance ("SSDI") benefits based on blindness or disability, or your entitlement to SSI benefits has been suspended solely based on excess income or resources. OR ***Physician's Diagnosis –*** a licensed physician has provided you a written diagnosis that you: (a) are blind (within the meaning of the Social Security Act), or (b) have a medically determinable physical or mental impairment that results in marked and severe limitations that can be expected to result in death or has lasted or is expected to last at least 12 consecutive months. OR ***Compassionate Allowances Condition –*** you have a condition listed in the Social Security Administration's ("SSA") list of Compassionate Allowances Conditions (found at www.ssa.gov/compassionateallowances).
Investment Consultant	Aon Investments USA, Inc. ("Aon") currently serves as Investment Consultant to the Board. The Investment Consultant is subject to change by the Board.
Investment Option	The program offers five different investment options—four Managed Allocation Options and one Bank Savings Account Option. Each investment has a distinct objective and unique risks based on its underlying investments. The Managed Allocation Options are designed to assist people seeking growth, growth and current income, current income and some growth, or current income and modest growth depending on the option(s) selected. The Bank Savings Account Option seeks income consistent with the preservation of principal.
Member of the Family	The Beneficiary's sibling, whether by blood or adoption, including a brother, sister, step-brother, stepsister, half-brother, and half-sister. For a change of Beneficiary, a Member of the Family must meet the requirements of an Eligible Individual.
Non-Qualified Withdrawal	Non-qualified withdrawals are amounts spent from your ABLE account for anything that is not a Qualified Disability Expense. Note that expenses will not be Qualified Disability Expenses if they are incurred at a time when a Beneficiary is not an Eligible Individual.
Program	Texas Achieving a Better Life Experience Program, Texas ABLE Program, or Texas ABLE.
Program Manager	Orion Advisor Solutions, Inc. ("Orion") currently serves as Program Manager of Texas ABLE. The Program Manager is subject to change by the Board.

Term	Definition
Qualified Disability Expenses	Any expenses that (1) are incurred at a time when the Beneficiary is an Eligible Individual, (2) relate to the blindness or disability of the Beneficiary, and (3) are for the benefit of the Beneficiary in maintaining or improving his or her health, independence, or quality of life. Such expenses include, but are not limited to, expenses related to the Beneficiary'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.
Qualified Withdrawal	Qualified withdrawals are amounts spent from your ABLE account for Qualified Disability Expenses.
Service Providers	The Program Manager and Investment Consultant.
Texas ABLE Act	An Act relating to the establishment of the Texas Achieving a Better Life Experience ("ABLE") Program codified as Texas Education Code, Subchapter J.
Unit	Interests in an Investment Option that you purchase with contributions to your Account. The value of your investment in an Investment Option is divided into units. Each unit has an equal value. For instance, if the value of your investment in an Investment Option is $100 and you have ten units, each unit would be worth $10.
Withdrawal	Spending from your ABLE account, including by loading your prepaid debit card, distributions to providers or yourself, or through a distribution to your bank account.

ARTICLE 3 – REPRESENTATIONS OF THE BENEFICIARY

I hereby agree with, and represent and warrant to the Comptroller, the Service Providers, and respective successor and assigns, as follows:

1. I have received, read, and understand the Program Disclosure Statement as currently in effect. I have been given the opportunity to obtain answers to all my questions concerning the Program, my Program Account, and this Agreement. I acknowledge that there have been no representations or other information about the Program relied upon in entering into this Agreement, whether oral or written, other than as set forth in the Program Disclosure Statement and this Agreement.
2. I have accurately and truthfully completed the online enrollment process ("Program Application"), and any other documentation that I have furnished or will subsequently furnish in connection with the opening or maintenance of, or any transfers to my Program Account from another ABLE program or 529 account, or any contributions to or withdrawals from, my Program Account, including my status as an Eligible Individual.
3. If I make any false statements in connection with opening a Program Account or otherwise, the Program may take such action as the Program deems necessary or appropriate, including, without limitation, terminating my Program Account or requiring that I indemnify the state of Texas, each of the Service Providers, and/

or the Comptroller, and their respective affiliates, subcontractors and agents. I understand that I may face criminal or civil penalties for making false statements under applicable law.

4. I certify that I am opening this Program Account to provide funds for the Qualified Disability Expenses of the Beneficiary, and I understand that this Agreement constitutes the legal, valid, and binding obligation of the Beneficiary.
5. By opening a Program Account, I am consenting to receive emails from the Program about the Program and my Program Account.
6. As of the date that I execute my Program Application, I have not knowingly made contributions to an ABLE account such that (a) my contributions exceed the Annual Contribution Limit plus the Expanded ACL, if applicable, or (b) the aggregate contributions to my Program Account exceed the Account Balance Limit. I will not knowingly make contributions to my Program Account (or direct others to make contributions to my Program Account) now or in the future such that (a) the contributions will exceed the Annual Contribution Limit plus the Expanded ACL, if applicable, in any given year, or (b) the total balance of the Program Account will exceed the Account Balance Limit.
7. I recognize that the investment of contributions and earnings, if any, in my Program Account involves certain risks, and I have taken into consideration and understand the risk factors related to these investments, including, but not limited to, those set forth in the Program Disclosure Statement.
8. If I am an ALR acting on behalf of a Beneficiary, I verify that I do not have and will not acquire a beneficial interest in the Account and that I will administer the Account for the sole benefit of the Beneficiary and that each time I make a withdrawal from the Program Account, I am certifying that I am legally authorized to act on the Beneficiary's behalf and agree to furnish proof of my authority upon the Program's written request and I certify that the withdrawal (a) is duly authorized under all applicable law and any governing documents that apply to the Program Account and (b) is solely for the benefit of the Beneficiary and not for my own personal benefit or for the benefit of a third person. I certify that I understand that I have an obligation to notify the Program in a timely manner if my status as the Beneficiary's ALR becomes invalid.
9. If I am an ALR acting on behalf of a Beneficiary, I understand and agree that I am responsible for notifying the Program in a timely manner upon the death of the Beneficiary and for providing a copy of the death certificate to the Program.
10. I understand and agree that federal and state laws are subject to change, sometimes with retroactive effect, and the state of Texas, the Comptroller, the Service Providers, and their respective affiliates are not making any representation that such federal or state laws will not be changed or repealed. I understand and agree that such changes could have a negative effect on my Program Account.
11. I understand and agree, with respect to each Investment Option in the Program, that there is no guarantee or commitment whatsoever from the state of Texas, the Comptroller, the Service Providers, or any other person or entity that contributions and investment returns, if any, in this Program Account will be sufficient to cover the Qualified Disability Expenses of the Beneficiary or Program Account fees and expenses.

12. I understand that the Service Providers will not necessarily continue in their roles for the entire period my Program Account is open and that the Program may retain in the future additional and/or different Service Providers for the Program. I acknowledge that if this occurs, or even if it does not, there is no assurance that I will not experience a material change to the terms and conditions of the current Agreement, including to the Investment Options offered by the Program, services provided, and the fees and expenses of the Program.
13. I understand and agree that I have not been advised by the state of Texas, the Comptroller, or any other agency or instrumentality of the state of Texas, the Service Providers, or any of their respective affiliates, subcontractors, or any agents or representatives retained in connection with the Program to invest, or to refrain from investing, in a particular Investment Option. I understand that neither the Program, the state of Texas, the Comptroller, nor the Program Manager can provide me with any investment, benefits, tax, or financial advice.
14. I understand and agree that the Program is the record owner of the shares of any underlying investments in which each Investment Option is invested and that I will have no right to vote, or direct the voting of, any proxy with respect to such shares.
15. I understand the following regarding the duties of the Comptroller: neither the Comptroller nor its representatives have any duty to me to perform any action other than those specified in this Agreement or the Program Disclosure Statement. The Program may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by me or my ALR, if any, and may assume that the authority of my ALR, if any, continues in effect until the Program receives written notice to the contrary or a copy of the Beneficiary's death certificate. The Program has no duty to determine or advise me of the investment, benefits, tax, financial, or other consequences of my actions, or of its actions in following my directions, or of its failing to act in the absence of my directions. My Program Account and this Agreement are subject to the rules and regulations as the Comptroller may promulgate in accordance with federal or Texas law. All decisions and interpretations by the Comptroller and the Program Manager in connection with the Program shall be final and binding on me, my ALR, and any successors.
16. I understand the following regarding the duties of the Program Manager and other Service Providers: neither the Program Manager nor its respective affiliates, subcontractors, or agents have a duty to perform any actions other than those specified in the Program Disclosure Statement and this Agreement. The Program Manager may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by me or my ALR, if any, and may assume that the authority of my ALR, if any, continues in effect until the Program Manager receives written notice to the contrary. The Service Providers have no duty to determine or advise me of the investment, benefits, tax, financial, or other consequences of my actions, or of their actions in following my directions, or of their failing to act in the absence of my directions. I understand that so long as the Service Providers are engaged by the Comptroller to perform services for the Program, the Service Providers may follow the directives of the Comptroller.

When acting in such capacity, the Service Providers shall have no liability to me, my ALR, or any successors.

17. I understand that Non-Qualified Withdrawals may be subject to federal and, for non-Texans state, income tax, transfer taxes and potential penalties, excise taxes, or additional taxes (or the recapture of tax deductions or other benefits) and that the Program will issue IRS forms 1099-QA and 5498-QA, and any other forms mandated in accordance with IRS instructions, for the calendar year in which any distribution or contribution is made to or from my Account.
18. I acknowledge and agree to the fees and charges applicable to my Program Account and understand that they may change in the future.
19. I understand that the Program is intended to be a "qualified ABLE program" under Code §529A and the Program is intended to receive favorable federal tax treatment. I agree that the state of Texas, the Board, and the Comptroller may make changes to the Program, this Agreement, and the Program Disclosure Statement at any time, including, without limitation, if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by Code §529A or any similar successor legislation.
20. I understand that if I or my ALR, if any, make a material misrepresentation during enrollment, on the Program Application, or in any communication regarding the Program, the Program may terminate and refund any available funds in my Account subject to any unpaid expenses or fees due the Program or Medicaid recapture owed the state of Texas, if applicable.
21. I understand that I or my ALR, if any, am responsible for maintaining up-to-date contact information for my Account.
22. I understand that I or my ALR, if any, am responsible for notifying the Program in a timely manner if I no longer qualify as an Eligible Individual.
23. I understand that I or my ALR, if any, am responsible for submitting correct information regarding a distribution to a payee and that the Program is not responsible for any late fees or other fees or penalties that may be due to a payee related to the distribution.
24. I understand that I or my ALR, if any, am responsible for maintaining sufficient records regarding my status as an Eligible Individual and regarding any withdrawal to substantiate to the IRS or SSA or other agency that a distribution is for a Qualified Disability Expense.

ARTICLE 4 – [RESERVED]

ARTICLE 5 – DISPUTE RESOLUTION

I or my ALR, if any, agree to first contact the Program Manager in a spirit of cooperation to attempt to resolve any dispute arising from or related to this Agreement. Failing to reach an accord informally, I agree to follow the complaint resolution procedures herein and any rule or additional procedures adopted hereunder by the Board.

1. I understand that under chapter 107 of the Texas Civil Practice and Remedies Code, consent from the Texas Legislature is required before any suit or proceeding may be filed against the Board (an agency of the state of Texas), the Comptroller, and/or the state of Texas. Neither the execution of this Agreement by the Board nor any other conduct of any representative of the Board relating to this Agreement shall be considered a waiver of sovereign immunity to suit or any other applicable immunity.

2. I agree and acknowledge that some controversies may involve claims that are owned by the Board and/or the Program and may only be brought by the Board. This provision is not intended to cover such claims.
3. I agree to the following out-of-court alternative dispute resolution procedure in the event of certain controversies or disputes involving this Agreement that may arise with the Board, the Comptroller, the state of Texas, the Program Manager and/or its parent, and any of their respective affiliate parties, officers, directors, employees, agents, subcontractors, or representatives (collectively, the "Program Parties").
4. In the case of any dispute arising from or related to this Agreement and/or the Program Disclosure Statement, or any transactions or other administrative matters thereunder, the Program Parties agree to submit to non-binding mediation. The parties shall collectively agree to a location within the state of Texas, date, duration, and process for any such mediation and be bound by the terms and conditions as set forth in any resulting settlement agreement. The parties shall share the cost of the dispute resolution process equally; provided that the cost of any attorney, witness, or specialist shall be borne by the party authorizing such costs.
5. I agree that further adjudication of any controversy with the Program Parties shall be resolved in a court of law consistent with the provisions of this Agreement.

ARTICLE 6 – FEES AND EXPENSES

I understand and agree that I may be charged fees and/or expenses in amounts to be determined by the Board for the following:

1. The Board may impose fees to provide for the cost of management and administration of the Program. These fees are described in the Program Disclosure Statement and may be changed by the Board without notice.
2. The Board may impose other fees related to transactions, including fees for returned payments, wires, overnight deliveries, or other requests.
3. Additional fees and/or expenses may be charged to Accounts in the future.

ARTICLE 7 – INDEMNIFICATION

The establishment of any Account in the Program is based upon acknowledgments, statements, agreements, representations, warranties, and covenants set forth in this Agreement. I agree to indemnify and hold harmless the state of Texas, the Board, the Program, and the Program Manager, and any of their respective affiliate parties, officers, directors, employees, agents, or representatives for any liability or expense (including attorney fees) that may be incurred based on any misstatement or misrepresentation made by me or my ALR, if any, or any breach by me or my ALR, if any, of the acknowledgments, statements, agreements, representations, warranties, or covenants contained in this Agreement, excepting a liability or expense of the Board or the Program Manager arising from a failure to perform duties as specified hereunder.

ARTICLE 8 – DISCLAIMERS

1. I understand and acknowledge that the Board, the Program, and Program Manager have used reasonable efforts to ensure that the information in this Agreement, the Program Disclosure Statement, marketing materials, and on the Program website have been obtained from reliable sources and are accurate.
2. I understand and acknowledge: (a) that any tax and legal information in the Program Disclosure Statement is a summary of the Board's understanding and

interpretation of certain applicable tax rules and guidance and is not exhaustive; (b) that I must consult my financial consultant, tax advisor, benefits advisor, or legal counsel for any financial, tax, benefits, and legal advice related to my particular situation; and (c) that the Board, the Program, and the Program Manager, and any of their respective affiliate parties, officers, directors, employees, agents, or representatives may not and do not give and have not given financial, tax, benefits, or legal advice to me, whether in the Program Disclosure Statement or otherwise.

3. I understand and acknowledge: (a) that any claim by me against the Board, the Program, or the Program Manager, and any of their respective affiliate parties, officers, directors, employees, agents, subcontractors, or representatives must be made solely against the assets of the Program; (b) that the obligations of the Program are limited obligations payable only from monies received from Beneficiaries, other contributors, and any net earnings or losses on those amounts; and (c) no recourse shall be had by me against the Board, the Program, the Program Manager, and any of their respective affiliate parties, officers, directors, employees, agents, subcontractors, or representatives, or against the state of Texas in connection with any obligation arising out of this Agreement.

4. I understand and acknowledge that the Board, the Program, or the Program Manager, and any of their respective affiliate parties, officers, directors, employees, agents, subcontractors, or representatives are not liable for any loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, terrorism, strikes, changes in federal or state law (including tax law), pandemics, or other conditions beyond their reasonable control.

ARTICLE 9 – MISCELLANEOUS PROVISIONS

1. Neither the Board nor the Comptroller, or their respective affiliate parties, officers, directors, employees, agents, or representatives, has any duty to perform any action other than those specified in this Agreement. The Board may accept and rely conclusively on any instructions or other communication reasonably believed to have been provided by the Beneficiary (or his or her ALR, if any) and may assume that the Beneficiary remains an Eligible Individual and that authority of the ALR continues in effect until the Board receives written notice to the contrary.

2. All notices or other communication shall be sent to the permanent address of the Beneficiary (or his or her ALR, if any) as specified during enrollment or as updated on the Program website. The Beneficiary is solely responsible for maintaining accurate, up-to-date address information for the Account. All notices or other communication shall be deemed personally received upon such sending, whether actually received or not. All changes, options, and elections requested by the Beneficiary or their ALR, if any, under this Agreement must be submitted through the Program's online access and received in Good Order by the Program Manager, together with, at the option of the Board, a verification under oath that the information provided is true, accurate, and complete. In "Good Order" means you have correctly and completely filled out all the necessary information to instruct the Program to take an action on your behalf. The Board is not responsible for the accuracy or completeness of such

documentation. Unless otherwise provided by the Board, any changes, options, and elections relating to the Beneficiary will take effect as of the date such request is processed by the Program Manager.

3. The Beneficiary (or his or her ALR, if any) understands and acknowledges that this Agreement shall become effective upon the Program Manager's receipt of the completed Program Application in Good Order, together with any applicable payment, subject to the right of the Board and/or the Program Manager to reject such Application where the Application has not been completed in accordance with guidelines under the Program.
4. The Beneficiary (or his or her ALR, if any) understands and acknowledges that, except as provided otherwise herein, the Board may amend, suspend, or terminate the Program. The Board shall use reasonable efforts to notify the Beneficiary or their ALR, if any, of any material amendment, suspension, or termination, the receipt of which shall be presumed, and the Beneficiary or any ALR acting on their behalf agrees to be bound thereby until the Beneficiary or their ALR, if any, notifies the Board in writing of his or her intent to terminate this Agreement by closing the Account. The Beneficiary or their ALR, if any, further understands and acknowledges that the Board, the Comptroller, or the state of Texas may terminate the Program and that nothing contained in this Agreement shall constitute a representation or agreement by the Board, the Comptroller, or the state of Texas to maintain the Program for any specified period. Where the Program is terminated, the balance of each Account shall be paid to the Beneficiary. Any such distribution may be subject to federal income taxes and a 10% additional tax on earnings unless used for Qualified Disability Expenses or a rollover contribution is made to an account in another ABLE program in accordance with IRC §529A. Where any assets cannot reasonably be paid to the Beneficiary or are otherwise unclaimed, such assets shall be delivered to the Comptroller in accordance with the laws regarding unclaimed property.
5. The heading of each section, paragraph, and provision in this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph, and provision.
6. This Agreement shall be binding upon the parties and their respective heirs, successors (including Successor Beneficiaries), and permitted assigns. All representations, warranties, acknowledgments, and covenants under this Agreement shall inure to the benefit of the Program Manager, which shall be a third-party Beneficiary of those representations, warranties, acknowledgments, and covenants. Except for those rights expressly conferred herein, nothing in this Agreement shall be construed to give to any person, other than the Beneficiary, the Board, or the Program Manager, any legal or equitable right, remedy, or claim with respect to this Agreement or any representations, warranties, acknowledgments, and covenants hereunder.
7. In the event of a conflict or inconsistency between the terms and conditions of this Agreement and applicable laws and regulations, the applicable laws and regulations shall prevail.
8. Failure to enforce or any delay in enforcement of any privileges, rights, defenses, remedies, or immunities available to the Board under this Agreement or under applicable law shall not constitute a waiver of such privileges, rights,

defenses, remedies, or immunities or be considered a basis for estoppel.

9. If any clause or portion of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion will be severed from the Agreement and the remainder will continue in full force and effect as if such clause or portion had never been included.
10. This Agreement will be construed in accordance with the laws of the state of Texas. Venue for any action arising from or relating to the Program or an Account hereunder shall be in the state district courts of Travis County, Texas.