

## **ABLE MASTER AGREEMENT**

This ABL Master Agreement (“Agreement”) is made and entered into as of the 7th day of December 2016 (“Effective Date”) by and between the **Office of the Illinois State Treasurer** (“Treasurer”) and **Ascensus College Savings Recordkeeping Services, LLC** (“Contractor”).

**WHEREAS**, the Stephen Beck Jr. Achieving a Better Life Experience Act of 2014 was enacted on December 19, 2014, as part of The Tax Increase Prevention Act of 2014, P.L. 113-295 and codified as Section 529A of the Internal Revenue Code (“ABLE Act”) to address the difficulties people with blindness or a qualifying disability (each an “Eligible Individual” as defined within the ABL Act) may have in being able to afford the additional expenses incurred as a result of their blindness or disability;

**WHEREAS**, the ABL Act permits states to establish a new type of tax-advantaged savings program to assist Eligible Individuals in saving for qualifying disability-related expenses without jeopardizing their federal means-tested benefits;

**WHEREAS**, on January 15, 2016, a group of states across the nation entered into the ABL Interstate Agreement (as amended from time to time, the “Interstate Agreement”), establishing an ABL Consortium Advisory Committee (“Consortium”) and agreeing to participate in a multi-state procurement with the Treasurer as the facilitating state;

**WHEREAS**, on June 8, 2016, in accordance with the Interstate Agreement, the Treasurer issued a Consortium-approved Request for Proposals ABL Services (“RFP”), seeking investment management, administrative services, customer service, and outreach material support for all members of the Consortium (“Program”) in order for each member state of the Consortium (“Member”) to establish a program pursuant to the ABL Act (“Member Plan”);

**WHEREAS**, the Contractor’s proposal was selected via a competitive procurement process, performed pursuant to Illinois law, to provide the services in the RFP; and

**WHEREAS**, the Treasurer wishes to enter into this Agreement with the Contractor to set forth the common Program elements and services and their corresponding costs to be implemented by each Member, subject to a Member opting out of specified services.

**NOW, THEREFORE**, in consideration of the above stated recitals and the mutual promises, covenants, representations, and conditions contained herein, the parties agree as follows:

### **1. TERM**

The term of this Agreement shall be five (5) years, unless terminated in accordance with the terms of this Agreement. The Treasurer may, with the consent of Contractor, elect to extend this Agreement for additional periods, not to exceed a total term of ten (10) years, including the initial five (5) years.

### **2. IMPLEMENTING AGREEMENTS**

The Contractor may only enter into contracts for the Services, defined in Section 3, with a Member

(“Implementing Agreements”) that shall be specific to a Member Plan. A Member may use its own individual Implementing Agreement template or one provided by the Contractor. Each Implementing Agreement will a) incorporate this Agreement by reference, except where inconsistent with the text of the Implementing Agreement or where specifically excepted for incorporation and b) provide for details specific to the Member, including, but not limited to, distribution of fees, standards of care, termination provisions, the scope of Services, associated fees, and the terms and conditions specific to such Member. However, the terms and conditions in the Implementing Agreement shall only apply to such Implementing Agreement and shall not be incorporated into this Agreement.

A Member shall only be responsible for the payments or other applicable obligations that arise pursuant to its respective Implementing Agreement. Members shall have no obligations or responsibilities related to an Implementing Agreement entered into by a different Member. The Contractor shall honor any Implementing Agreement entered into through and including the last day of this Agreement.

**3. SERVICES**

A. Scope of Services – Pursuant to an Implementing Agreement, the Contractor shall provide the following:

1. All of the services provided in Section 3.1 of this Agreement, inclusive of any and all subsections (collectively, the “Base Services”); and
2. All of the services provided in Section 3.2 of this Agreement, inclusive of any and all subsections (collectively, the “Opt-Out Services”) (the Base Services and the Opt-Out Services shall collectively be referred to herein as the “Services”), unless a Member opts out of an Opt-Out Service section (*e.g.*, a Member may opt out of Section 3.2.1 in its entirety).

The following table provides an overview of the Services:

<b>Base Services</b>	<b>Opt-Out Services</b>
Investment Management Services	Customer Service
Administrative Services	Outreach Material Support
	Front-End Website
	Master/Sub-Account Structure
	Advance Directives
	Authorized Individual Notification

B. Legal Compliance – The Contractor shall provide the Services in compliance with 1) all requirements of any federal or Member state securities law, of any federal or Member state tax code, or of any other federal, Member state law, rule or regulation applicable to the Program; 2) any federal rule or regulation applicable to the Program, including, but not limited to, applicable Municipal Securities Rulemaking Board (“MSRB”), Financial Industry Regulatory Authority (“FINRA”) and Securities and Exchanges Commission (“SEC”) rules

and regulations; 3) any judicial judgment, decree, injunction, writ, order or administrative ruling, order or determination by Governmental Authority which is applicable to the Program; 4) the disclosure document that describes the Program and any supplements thereto (“Program Disclosure Document”); 5) the disclosure document that provides information specific to a Member Plan and any supplements thereto (“Member Plan Disclosure Document”), which shall only apply to the respective Member Plan; and 6) the Investment Advisers Act of 1940 (collectively, the “Applicable Legal Requirements”). For the purposes of this Agreement, the term “Governmental Authority” shall mean any federal, state, local, municipal or other governmental department, commission, district, board, bureau, agency, regulatory body, court, tribunal or other instrumentality (or any officer or representative thereof) of competent jurisdiction.

- C. Timeline – The Consortium ABLE Deliverables attached hereto as Exhibit A lists the Services that Contractor shall provide 1) on the date upon which the Program launches (“Program Launch Date”) and 2) a later date that shall not exceed six (6) months after the Program Launch Date with the exception of Kofax processing enrollment, which Contractor shall use good faith efforts to accomplish by March 1, 2017. Both dates shall be mutually agreed to by the parties.

Before a new Member joins the Consortium, the Consortium agrees to collaborate with Contractor to create a mutually acceptable onboarding roadmap (i.e., a timeline). For clarity, a new Member shall mean any state other than: Alaska, Illinois, Iowa, Kansas, Minnesota, Missouri, Nevada, New Jersey, North Carolina, Pennsylvania, and Rhode Island.

### **3.1 Base Services**

#### *3.1.1 Investment Management Services*

The Contractor hereby notifies all Members that the Services provided under this Section 3.1.1 and the Investment Services and Framework, attached hereto as Exhibit B (collectively, the “Investment Management Services”) are provided to the Consortium as a whole and that in recommending investment options to be included in the Program, the Contractor is not obligated to take into account the individual facts, circumstances or desires of any individual Member or Account Owner. Additionally, the Investment Management Services are not deemed to be exclusive, and Contractor may: (i) provide similar investment advisory services to other clients; or (ii) make recommendations, give advice or take action regarding such other clients which may differ from recommendations or advice given, or actions taken under this Agreement.

The Contractor will perform the following:

- A. Investment Design and Services – Provide, subject to the Consortium’s approval and in accordance with the Investment Services and Framework (Exhibit B), a mutually agreed upon number of investment options, which may include asset allocations, glide paths, and related services from one or more fund families, that offer an array of services designed to meet the diverse needs of Eligible Individuals. The investment options shall be the investment options set forth in the then current Program Disclosure Document;

- B. Changes to Investment Options – The Consortium acknowledges that should it change the investment options, the Underlying Fund fee and/or the Program Management Fee in the Cost Schedule, attached hereto as Exhibit C, may change. Notwithstanding the foregoing, the Consortium may make changes to the investment options without resulting in a change to the Program Management Fee, should 1) any of the events in Section 14.C of this Agreement occur, 2) all Members believe a change is necessary pursuant to their respective fiduciary duty, or 3) such change be pursuant to the Investment Services and Framework. In addition, the Underlying Fund fee may change due to fluctuations in the marketplace. The Consortium and Contractor shall mutually agree upon a timeline to roll out any changes to the investment options;
- C. Investment Duties – Provide investment services, insights, and perspectives on investment due diligence, investment selection and replacement, and benchmarking among other investment duties;
- D. Reporting to Members – Provide each Member a Consortium-wide, quarterly investment performance report that analyzes the performance of the investment options in accordance with the Investment Services and Framework and ad-hoc reporting requested by a Member in its Implementing Agreement;
- E. Cooperation and Communication – Cooperate and communicate with the Consortium, Members, or any Member’s consultant(s) and/or auditor(s) in the evaluations of the investment options herein. Such financial audit or evaluations shall be produced and procured by the requesting Member;
- F. Regulatory Compliance and Reporting to Regulatory Agencies – Comply with the Applicable Legal Requirements;
- G. Aggregation – Assets of each Member Plan shall be aggregated and invested in the investment options of the Program. All Member Plan assets shall be held in the aggregate in an account of the Program. All investment management, custody and fund accounting services shall be provided in the aggregate to the Program; and
- H. Valuation – For the investment options with the exception of the Banking Option, Contractor’s custodian will determine the Net Asset Value (“NAV”) on each business day when the New York Stock Exchange is open for trading (“Valuation Date”). The NAV shall be determined by dividing the Total Net Assets of an investment option by the number of units outstanding on Valuation Date as determined by the custodian or as reported to the custodian from Contractor, its service providers or its agents.

### *3.1.2 Administrative Services*

The Contractor will perform the following:

- A. Members' Accounts – Identify all Accounts and assets attributable to each Member Plan in the Program. “Account Owner” shall mean the Eligible Individual(s) investing in the Program through a Member Plan or on whose behalf investments are made. “Account” shall mean the account opened by an Account Owner, or Authorized Individual on behalf of the Account Owner and all the assets of the investment options held by that Account Owner within the Program. “Authorized Individual” shall mean the individual who is legally authorized to open an account on behalf of an Account Owner, who is a minor or lacks the legal capacity to contract. The “Authorized Agent” shall mean the individual legally designated by the Account Owner or Authorized Individual to have a specified degree of revocable authority over the Account;
- B. General – Provide the recordkeeping, administrative, and fund management services needed for the effective operation of the Program in accordance with the Applicable Legal Requirements. Such services shall include the following:
1. Creating the one set of template Program forms, which shall include, but is not limited to, the following forms: Enrollment, Incoming Rollover, Withdrawal, Information Change, Exchange, Account Features, Additional Contribution, Payroll Direct Deposit Form, and Power of Attorney/Limited Power of Attorney;
  2. Processing enrollments;
  3. Maintaining Accounts;
  4. Processing the receipt of contributions;
  5. Blocking receipt of excess contributions;
  6. Disbursing funds as directed by the Account Owner, Authorized Individual or Authorized Agent with appropriate authority, with the exception of checking and debit disbursements initiated at the provider of the Banking Option, defined in Section 3.1.2.O (the “Banking Option Provider”);
  7. Providing Account Owners, Authorized Individuals, and/or Authorized Agents with account information, transaction confirmations, and account statements;
  8. Delivering files by the appropriate means to the Social Security Administration (“SSA”) and Internal Revenue Service (“IRS”);
  9. Implementing procedures designed to prevent fraud that are consistent with current industry practice; and
  10. Providing web-based application services.

- C. Access – Provide Members access, including remote access, to all information and records for such Member’s accounts;
- D. Changes in Law – Monitor changes in the Applicable Legal Requirements, advise the Consortium of any such changes that may impact the Program, and work with the Consortium to implement any 1) related necessary changes and/or 2) changes desired by the Consortium that are technologically and economically feasible;
- E. Enrollment – Establish the enrollment process for an Eligible Individual in consultation with the Consortium. Both paper and online processes shall be provided. The enrollment process shall provide for a certification process whereby the Account Owner or Authorized Individual certifies, under penalty of perjury, that the Account Owner meets all of the requirements that must be met to establish Account Owner as an Eligible Individual;
- F. Limitation on Investment Direction – Build in controls that will ensure that the limitation on investment direction as set forth in the ABLÉ Act will be enforced;
- G. Recertification and Contribution-Suspended Accounts – Develop, in consultation with the Consortium, procedures to remind Account Owners and/or Authorized Individuals of their obligation to advise the Program if the Account Owner ceases to be an Eligible Individual and for prohibition of contributions to Accounts owned by Account Owners who cease being Eligible Individuals;
- H. Change of Account Owner or Authorized Individual – Develop processes that allows the following:
  - 1. An Account Owner or Authorized Individual to transfer the Account to another Eligible Individual, who is a sibling of the Account Owner, subject to Applicable Legal Requirements;
  - 2. The ability for an Authorized Individual to transfer authority to a new Authorized Individual pursuant to Contractor’s receipt of supporting documentation, if required. However, Contractor will not require the receipt of said supporting documentation, if directed and authorized by the Treasurer on behalf of the Members, and such process is permissible by applicable laws; and
  - 3. An Account Owner or Authorized Individual to name a successor Authorized Individual who automatically assumes signature authority over the Account in the event of the Account Owner’s or Authorized Individual’s death or incapacity.
- I. Contributions – Provide lockbox services and accept all contributions, with no minimum contribution level, made through all methods permitted by the U.S. Treasury proposed regulations for the ABLÉ Act, except for credit, debit cards, and cash. The Contractor shall work with the Consortium to provide the following:

1. Notice to Account Owners and/or Authorized Individuals once the total Account balance is \$90,000 or more; and other mutually agreed upon safeguards, which may include notice to Account Owner once his/her Account reaches 90% of the annual maximum permitted contribution limit; and
  2. A gifting service that allows an Account Owner, Authorized Individual, and/or the Authorized Agent with appropriate authority to offer to persons designated by him/her the ability to make a contribution to a given Account. This service is anticipated to be available in 2017.
- J. Reports – Provide contribution, withdrawal, Account balance information, and any other information required by SSA on a monthly basis or other timeframe required by SSA to the SSA in file formats specified by the SSA, plus report contribution information to the IRS on IRS Form 5498-QA and withdrawal information on IRS Form 1099-QA;
- K. SSI Recipient Protections – The Consortium and the Contractor shall work in good faith to implement mutually agreed upon procedures to assist Account Owners with respect to Supplemental Security Income (“SSI”) benefits;
- L. Rollovers – Develop processes that permit the following:
1. An Account Owner, Authorized Individual, or Authorized Agent with appropriate authority to roll over an Account from a Member Plan to a different state’s ABLE program either for the same Account Owner or another Eligible Individual, who is a sibling of the Account Owner, subject to Applicable Legal Requirements; and
  2. The Program to receive rollovers from other states’ ABLE programs and from any other programs as provided by Applicable Legal Requirements.
- M. Withdrawals – Develop and implement processes through which withdrawals may be taken from Accounts. In the Program Disclosure Document, advise Account Owners and/or Authorized Individuals that they must keep adequate records of all qualified expenses and transactions and that they are responsible for self-reporting withdrawals that exceed qualified expenses for the tax year to the IRS and/or the applicable state taxing authority. In processing withdrawals, the Contractor must comply with IRS regulations for calculating principal and earnings and file 1099-QA forms with the IRS. The Contractor shall permit an Account Owner, Authorized Individual, and/or Authorized Agent with appropriate authority to specify from which option a withdrawal will be taken, if the Account has funds in more than one investment option. In the absence of such a designation, Contractor shall take withdrawals on a pro-rata basis from all of the options;
- N. Account Information and Transaction Confirmations – Provide the Account Owner, Authorized Individual, and/or Authorized Agents confirmations of the following: enrollment (including all data provided, as appropriate, and the designations made), changes to Account information, and transactions. Such confirmations may be sent via U.S. postal mail and/or

provided via website access, as selected by the Account Owner, Authorized Individual, or Authorized Agent with appropriate authority;

- O. Banking Option – Provide Account Owners, Authorized Individuals or Authorized Agents with appropriate authority the ability to open a Federal Deposit Insurance Corporation (“FDIC”) insured interest-bearing checking account with a debit card function (“Banking Option”);
- P. Periodic Account Statements – Provide annual account statements, with content approved by the Consortium, following the fourth quarter of each year. Annual account statements will not be provided for Accounts that were closed during Quarters 1, 2, or 3 of each year, the statement generated for the quarter during which the Account closed will be the annual statement for that Account. Provide quarterly account statements, with content approved by the Consortium, following any quarter in which the Account had financial activity. For the avoidance of doubt, automatic investment plan contributions will be considered financial activity for these purposes. The Banking Option Provider will provide monthly account statements following any month in which the Account utilizing the Banking Option had financial activity. All account statements shall be sent to the respective Account Owner, Authorized Individual, and/or Authorized Agents by U.S. postal mail and/or provided via electronic delivery, as specified by the Account Owner, Authorized Individual, or Authorized Agent with appropriate authority;
- Q. Deceased Account Owners – Manage an Account as directed by the legal representatives of the Account Owner’s estate, in the event there is no successor Authorized Individual. The Contractor shall make repayments to Medicaid upon receipt of a claim from a Medicaid agency to the extent and in accordance with the terms and provisions of each Implementing Agreement;
- R. “My Account” website – Develop and maintain, in consultation with the Consortium, a secure, robust website through which Account Owners, Authorized Individual, and Authorized Agents with appropriate authority can access Account information via one set of login credentials, obtain investment performance information, conduct transactions, view completed and pending transactions, and make changes to Account information and designations 24 hours a day, 7 days a week with the exception of maintenance windows, which may only occur, unless otherwise approved by the Consortium, monthly on Sunday between the hours of 12 am – 4 am EST (“Maintenance Window”) with 30-day advance information notice provided. Notwithstanding the foregoing, in the event of an emergency, the Contractor may perform maintenance without the Consortium’s approval outside of the Maintenance Window, so long as prior notice is provided to the Consortium to the extent practicable. Minor website and/or application patches may be applied daily between 5 am – 7 am EST with no downtime;
- S. “My Account” records – Provide in the account records the date and time when the “My Account” website is accessed;

- T. Dormant Accounts – Comply with the unclaimed property laws of each Member and any other states whose laws are applicable to the Accounts as directed by Members but in accordance with Applicable Legal Requirements;
- U. Lost Shareholder Rule and Escheatment – Perform the following:
1. Take the actions it deems necessary or appropriate in recognition of Rule 17Ad-17 under the 1934 Act (the “Lost Shareholder Rule”). Upon receipt of mail returned to Contractor as undeliverable, Contractor may attempt to re-mail the returned item or attempt to obtain a correct address for that Account Owner, Authorized Individual, or Authorized Agent with appropriate authority. Contractor will notify the applicable Member of the returned item and provide the date that the item was originally returned, and the date of the second mailing (if any). Contractor may engage a third party to perform the services related to Lost Shareholder Rule, including, at the direction of the Contractor a) execution of required searches; b) tracking results and maintaining search related data; and c) preparation and submission of data reports;
  2. Handle all returned mail in accordance with the Lost Shareholder Rule. Contractor agrees to escheat the assets only upon direction from the applicable Member, and pursuant to the instructions of said Member but in accordance with the Applicable Legal Requirements; and
  3. Unless otherwise directed by a Member in its Implementing Agreement, automatically update Account Owner and Authorized Individual addresses, based upon address searches performed by the Contractor or its Subcontractor, if applicable.
- V. Reports to the Members – Provide each Member reports that contain the Reporting Requirements attached hereto as Exhibit D. Such reports shall be required on a daily, monthly, quarterly, calendar year-end, fiscal year-end, and since Program Launch Date basis, as specified in each Member’s Implementing Agreement. Additionally, Contractor shall provide ad-hoc reports, as requested by a Member;
- W. Fund Management – Provide all fund management services necessary to support the investments, including, but not limited to, custody, segregation of funds, cash management, other banking services, and purchasing and sale of underlying investment products to effectuate the directions of Account Owners, Authorized Individuals, and/or Authorized Agents with appropriate authority;
- X. Accounting for Member Assets – Ensure that assets can be accounted for with respect to each Member;
- Y. Conversion of Data and Transition – Provide each Member and/or its designee the Member Plan data for such Member in the Member’s reasonably requested format, such as Excel or comma separated values (“CSV”), in the event of expiration or termination of a Member’s

Implementing Agreement. The Contractor shall cooperate with each Member and/or its designee to convert such Member Plan data to a successor provider, identified by the Member. The Contractor shall facilitate the transfer of the Accounts and the Services from the Contractor to the Member's successor provider, as directed by the Member. Contractor may not charge Account Owners any penalties or fees due to expiration or termination of any Member's Implementing Agreement. For clarity, Contractor and Member shall each bear its own respective costs associated with any such data conversion and transition;

- Z. Status Calls – Participate in status conference calls, along with a representative of the Banking Option Provider, with each Member at least once a quarter and with the Consortium at least once a month. A Member may request additional calls as needed;
- AA. State Administration Fee – Offer functionality whereby all Members will charge a flat fee that may be waived for in-state residents (“State Administration Fee”). Contractor shall provide such functionality by June 30, 2017. A Member may subsidize a portion or all of the annual account maintenance fees;
- BB. Fee Collection and Disbursement – Collect the State Administration Fee, and distribute those fees to the respective Member, as specified in the Implementing Agreement;
- CC. Coordination with Members who Opt-Out of Customer Service – Develop, in consultation with a Member who opts out, an electronic work flow for transmitting customer service issues to and from the Member's customer service team, including sharing necessary and appropriate files, to a Member that opts-out of Section 3.2.1 of this Agreement to provide its own customer service; and

## **3.2 Opt-Out Services**

### *3.2.1 Customer Service*

The Contractor will perform the following:

- A. General Customer Service – Provide customer services needed for the effective operation of the Program. Such services include answering in-bound calls; making out-bound calls as needed or requested; resolving items that are not in good order; and other issues requiring interaction with the Account Owner, Authorized Individual, or Authorized Agents, which may include responding to emails and correspondence;
- B. Toll-Free Phone Numbers – Provide a separate toll-free phone number for each Member with a greeting that identifies the Member Plan;
- C. Phone Calls – Answer in-bound calls within the standards set forth in the Performance Standards, attached hereto as Exhibit E. Contractor shall escalate dissatisfied callers to supervisors or Members, as appropriate. Make out-bound calls as necessary to resolve Account issues. Provide foreign language translation services;

- D. General Knowledge and Responses – The Contractor’s customer service representatives shall engage in responsive conversation; scripts may not be used. Customer service representatives shall provide detailed information about the Program and specific Member Plan benefits (with information provided by the Member). The Contractor shall provide general information about the impact of an ABLE account and any assets on federal means-tested benefits and on Member state means-tested benefits with referral information regarding the appropriate State entity provided by the Member and updated by the Member as needed. The Contractor’s customer service representatives shall provide, when appropriate, referrals to other federal, state, and non-profit resources, as provided and directed by the Member(s), for individuals with disabilities and provide quarterly reports to the Members regarding such referrals, upon Member’s request;
- E. Records for Calls – Summarize all Account-specific calls in the Account record of the subject Account. Record all calls, in-bound and out-bound; retain such recordings for the period set forth in the applicable Implementing Agreement; and make such recordings available for review by the applicable Member upon request;
- F. Availability – Be available from 8:00 a.m. to 5:00 p.m., in each Member’s time zone on days on which the New York Stock Exchange is open. Provide a back-up system to take calls in the event the primary call center is unable to take calls;
- G. Correspondence – Respond to all correspondence within the standards set forth in the Performance Standards. Contractor shall escalate dissatisfied correspondents to supervisors or Members as appropriate. Retain correspondence and Contractor’s responses thereto for the period set forth in the applicable Implementing Agreement but for a minimum of five (5) years. For Account-specific correspondence, electronically include the communication in the account record of the subject account. Make correspondence and the responses thereto available for review by the applicable Member through remote access;
- H. Account Transactions – Implement Account changes and carry out transactions requested by phone from Account Owners, Authorized Individuals, and/or Authorized Agents with appropriate authority. Changes and transactions that can be done by phone will be limited to those specified in the Program Disclosure Document or applicable Member Program Disclosure Document, which include changes in address, changes in investment options, and withdrawals. Additionally, customer service representatives shall assist prospective Account Owners, or Authorized Individuals in completing online enrollment (*i.e.*, walk the prospect through the online enrollment process);
- I. Fulfillment – Produce and mail, upon request, the following:
1. The enrollment kit, as approved by the Member, which may include applicable brochures and forms, a Program Disclosure Document and Member Program Disclosure Document (if applicable), to prospects who call, email or send a written request for such materials; and

2. Brochures about the Program.

- J. Reports – Provide reports on all aspects of customer service performance both in the aggregate for the Consortium and by individual Member. Reports shall contain the information specified in the applicable Implementing Agreement.

3.2.2 *Outreach Material Support*

The Contractor will perform the following:

- A. Program Brand – Create a Program brand with logo that can be customized for each Member;
- B. Enrollment Kit – Create a template enrollment kit for the Program, which shall be adjusted in consultation with a Member, to provide for Member-specific customization related to state tax benefits and other state-specific features and benefits, Member Plan name, logo, and qualifications, subject to the Member’s approval. The enrollment kit shall consist of easily understood descriptions of the Program, as set forth in the Program Disclosure Document and Member Program Disclosure Document, and enrollment forms;
- C. Brochure – Create, in consultation with each Member, a brochure that contains a broad overview of the Program services, designed to encourage enrollment. The brochure will have a similar template for all Members but will have Member-specific customization related to state tax benefits and other state-specific features and benefits, qualifications, etc.; and
- D. Webinar – Create, in consultation with each Member, a template webinar and a PowerPoint presentation that provide general information regarding the Program as well as slides that can be customized by Members.
- E. Program and Member Plan Disclosure Documents – Contractor shall prepare, produce, and distribute to prospective and existing Account Owner, Authorized Individuals, and/or Authorized Agents the following:
1. A Program Disclosure Document, subject to approval by the Consortium. The Program Disclosure Document shall contain all common information applicable to the Program and all Member Plans, as mutually agreed by the Contractor and the Consortium; and
  2. A Member Plan Disclosure Document for each Member Plan, subject to approval of that Member. The Member Plan Disclosure Document shall contain information regarding state tax benefits; qualifications; Services specific to that Member Plan; any additional information mutually agreed upon by the Contractor and a Member. In the event that the Contractor prepares, at the request of a Member, a Member Plan Disclosure Document that contains more than the information provided for in this Section 3.2.2.E.2 and/or materially deviates from the Member Plan Disclosure Document template (“Unique Member Plan Disclosure Document”), the Contractor

shall charge the Member at the Unique Member Plan Disclosure rate set forth in the Cost Schedule (Miscellaneous) for such excess information and/or deviation. Each Member shall determine whether its Member Plan Disclosure Document contains the material information necessary for a prospective Account Owner or Authorized Individual to make an informed decision regarding whether to invest in the Member Plan, including the impact on Eligible Individual's federal and state means tested benefits. Subject to each Member's approval, the Program Disclosure Document and the applicable Member Plan Disclosure Document will be included in that Member's enrollment kit.

### *3.2.3 Front-End Website*

Develop and maintain, in consultation with the Consortium, a common content and design for a responsive Program website for each Member. Provide each Member a dedicated URL with customized branding and Member-specific information. At a minimum, the websites should have sections for the following topics: a) ABLE details (general information about ABLE), b) investment options, c) ABLE and Program FAQs; and d) resources (links to various resources, including the enrollment kit). Members shall be charged at the hourly rate set forth in the Cost Schedule (Exhibit C) for changes, other than maintenance, made by the Contractor to a Member's website at the Member's request. Changes subject to the hourly rate are rebranding, new sections/web pages, new functionality, and entirely redoing the content on three (3) or more web pages.

### *3.2.4 Master/Sub-Account Structure*

Should this Section 3.2.4 be implemented, the Contractor and affected Member(s) will agree upon a timeline for the functionality to be developed, tested, and implemented. The Contractor will perform the following in the event 1) U.S. Treasury affirmatively indicates that a master/sub-account structure is permissible or 2) at its own cost, a Member obtains a legal opinion, approved by the Consortium, that supports the legality of the master/sub-account structure:

- A. Master/Sub-Account Enrollment – Work with the implementing Member to create an enrollment process that allows one master account with sub-accounts that is tracked under the Social Security Number of the Account Owner. Authorized Individuals, the Account Owner if a legally competent adult, and Authorized Agents with appropriate authority shall each have the ability to administer and manage a respective sub-account. All sub-accounts under that certain single master account shall be subject to the single-account limitations of the ABLE Act, such as, the annual and aggregate contribution limits, the investment direction limitation, and any federal reporting requirements.

### *3.2.5 Advance Directives*

In the event 1) the U.S. Treasury affirmatively indicates that advance directives are permissible or 2) at its own cost, a Member obtains a legal opinion, approved by the Consortium, that supports the legality of advance directives under federal law, the Contractor will perform the following for each Member that determines advance directives are legal under its state laws:

- A. Advance Directive Process – Develop processes to allow an advance directive by the Account Owner or the Authorized Individual to change the Account Owner (*i.e.*, direction from the

Account Owner or the Authorized Individual to transfer the Account to a successor owner at a future time, such as the moment before the death of the Account Owner); and

- B. Successor Account Owner – Transfer the Account to a successor Account Owner in the event one has been designated by the Account Owner or the Authorized Individual upon notification of the Account Owner’s death from the Account Owner’s legal representative (*i.e.*, executor or executrix) or Authorized Individual.

### 3.2.6 *Age of Majority Notification*

Contractor will provide notice to both the Account Owner and the Authorized Individual (who is parent or guardian for a minor owned account) at least sixty (60) days prior to Account Owner reaching the age of majority, that Contractor will freeze the Account upon Account Owner reaching the age of majority and until Contractor receives appropriate authorization specifying as to who will have control over the Account. This process will apply unless otherwise indicated in a Member’s Implementing Agreement.

## 4. **COMPENSATION**

The Contractor shall assess each Member’s fees in accordance with the Cost Schedule (Exhibit C). The Cost Schedule assumes a minimum total Consortium population of 56 million. In the event the 56 million total population minimum is not met, the Contractor reserves the right to reasonably renegotiate the Cost Schedule, and the Treasurer agrees to work in good faith towards such renegotiation. In the event the total population within the Consortium exceeds 56 million, the Treasurer and the Contractor each reserve the right to reasonably renegotiate the Cost Schedule, and the Contractor agrees to work in good faith towards such renegotiation. For clarity, no Member will be charged for the Master/Sub-Account Structure and/or Advance Directives Services, unless the Member and Contractor amend the applicable Implementing Agreement to provide for such fees.

The asset amount used to determine which share class is applicable to a Vanguard Fund offered in the current Program Disclosure Document, shall be determined by aggregating the assets of the Vanguard Fund in the Consortium with the assets of that Vanguard Fund offered in any Member’s qualified tuition savings program(s), which is administered by the same state entity that administers such Member’s Member Plan. When the Consortium’s total Program assets in that Vanguard Fund exceed Vanguard’s applicable share class pricing threshold, the Consortium’s applicable share class shall not be determined by aggregating the assets of the Vanguard Fund in any Member’s qualified tuition savings program(s) but by the Program’s total assets.

As of the Effective Date, the Contractor will be entitled to withdraw from the Program assets the Program Management Fee set forth in Cost Schedule (Exhibit C). The Program Management Fee will accrue daily and be calculated by dividing the annual rate, as set forth on Exhibit C, by the number of days in the year and then multiplying it by the daily market value of the total Program assets. The Program Management Fee will be withdrawn by the Contractor monthly. The Account Maintenance Fee will be deducted by the Contractor from each Account, pro-rata on a quarterly basis.

## **5. BILLINGS**

The payment terms applicable to each Member shall be set forth in the respective Implementing Agreement. No invoices for Services may be submitted to the Treasurer pursuant to this Agreement.

## **6. REVIEW**

The Treasurer may conduct periodic performance reviews of the Contractor, during which its compliance with all aspects of this Agreement will be reviewed and assessed. A Member may conduct periodic performance reviews of the Contractor, during which its compliance with all aspects of the Member's respective Implementing Agreement will be reviewed and assessed. Said periodic performance reviews shall occur upon a) a minimum of thirty (30) days' notice to the Contractor in advance of an anticipated performance review by a Member (as applicable), b) during regular business hours and shall not unreasonably interfere with Contractor's business activities; and c) at the expense of the Member performing said review. In the event a Member hires an independent auditor to conduct a performance review, Contractor shall have the right to require such independent auditor to execute its nondisclosure/confidentiality agreement in order to protect its Confidential Information (defined in Section 20.1 below).

## **7. TERMINATION AND EXPIRATION**

Before terminating this Agreement, the Treasurer will give the Consortium notice of such intent to terminate and give the Consortium an opportunity to name a Member to whom the Treasurer will assign this Agreement, pursuant to Section 22 of this Agreement.

### **7.1 Termination without Cause**

Following a four (4) year period after the Effective Date, the Treasurer may elect to terminate this Agreement at any time upon ninety (90) days' notice to the Contractor.

### **7.2 Termination for Cause by the Treasurer**

Notwithstanding any language to the contrary, this Agreement may be terminated by the Treasurer under any of the following circumstances:

- A. Contractor fails to make progress and thereby materially impacts performance of this Agreement in accordance with its terms;
- B. Any Services are rejected and are not promptly corrected by the Contractor, or are repeatedly rejected even though Contractor offers to correct Services promptly;
- C. There is sufficient evidence to show that fraud, collusion, conspiracy, or other unlawful means were used to obtain this Agreement;
- D. Contractor is guilty of misrepresentation in connection with another contract for services to the State of Illinois;
- E. Contractor is adjudged bankrupt or enters into a general assignment for the benefit of their creditors or receivership due to insolvency;

- F. Change in federal or Illinois law or rules, or the Contractor's or Treasurer's policies that would frustrate the purpose of this Agreement;
- G. Contractor disregards laws, ordinances, rules, or a Member's instructions or its respective agents, acts in violation of any provision of this Agreement, or acts in conflict of any statutory or constitutional provision of the State of Illinois or the United States; or
- H. Contractor commits any breach of this Agreement or commits other unlawful acts.

Prior to terminating this Agreement for cause, the Treasurer shall issue a written warning that outlines the remedial action, developed with the Consortium, necessary to bring the Contractor into conformance with this Agreement. If a) such remedial action is not completed to the reasonable satisfaction of the Treasurer within thirty (30) business days of Contractor's receipt of said warning, or b) Contractor has failed to cure such breach in a reasonable time to be determined by the Treasurer a second written warning will be issued by the Treasurer. If satisfactory action is not taken by Contractor within five (5) business days of Contractor's receipt of the second written warning, this Agreement may be cancelled and the Members may recover any and all damages involved with the transition to a new vendor. Failure by the Treasurer to issue a warning or cancel this Agreement does not waive any of the Treasurer's rights to issue subsequent warnings. In the event the Treasurer terminates this Agreement pursuant to this Section 7.2, the Treasurer may reduce the fee paid to Contractor in an amount sufficient to compensate the Treasurer for any damages suffered by it due to the Contractor's breach of this Agreement or other unlawful act by the Contractor on which the termination is based.

### **7.3 Termination by Contractor**

In the event the Treasurer is in breach of this Agreement, and such breach has a material adverse effect on the Contractor, this Agreement may be terminated by the Contractor by providing the Treasurer ninety (90) days' written notice of such breach and Contractor's intent to begin the Transition (defined in Section 7.5 of this Agreement) with termination of this Agreement upon conclusion of the Transition, if the Treasurer has not cured the breach and/or assigned this Agreement pursuant to Section 22 within the ninety (90) day period.

### **7.4 Termination by Either Party**

Either party may terminate this Agreement under any of the following circumstances by providing the other party written notice of its intent to begin the Transition (defined in Section 7.5 of this Agreement) at least ninety (90) days in advance with termination of this Agreement upon conclusion of the Transition:

- A. There are fewer than 25,000 funded Accounts in the Program after three (3) years as of the Program Launch Date; or
- B. Due to the events described in Section 28 (Change of Law or Policy) of this Agreement.

## **7.5 Transition**

Upon the expiration of the ninety (90) day notice period in Sections 7.3 or 7.4 of this Agreement, Contractor shall take all reasonable steps necessary to effect an orderly transition of the relevant portions of its duties and responsibilities to Treasurer or a successor provider(s), as designated by the Treasurer, on the date specified by the Treasurer that a) provides for reasonable consideration for the best interests of the Account Owners, and b) avoids the likelihood of an increase in economic loss, or the likelihood of resulting liability, to the parties to this Agreement and the Implementing Agreement (s) (the “Transition”). The duration of Transition may not exceed a period of twelve (12) consecutive months, unless otherwise mutually agreed upon by the parties.

Contractor shall use commercially reasonable efforts to ensure that during the Transition, it and its agents do not impede or delay the orderly transfer of work. However, Contractor shall not be liable for any failure to effect the Transition pursuant to this Section 7.5 due to forces beyond its control, including, without limitation, the acts or omissions of the Treasurer and/or Members that prevent or impede Contractor from effecting the Transition (e.g., the inability of Treasurer, a Member, or its designee to securely receive assets and records in connection with the Transition).

Each party shall be responsible for its own expenses to facilitate the Transition; provided that during the Transition phase, Members shall continue to pay Contractor the agreed upon fees for the Services as set forth in this Agreement, the applicable Implementing Agreement(s), and any amendments thereto (if any).

## **7.6 Expiration**

Approximately four (4) years after the Effective Date, the parties shall discuss whether to amend this Agreement to extend its term or to begin the Transition pursuant to Section 7.5 of this Agreement. In the event the parties decide to extend this Agreement, the parties shall discuss the possibility of implementing penalties for failure to meet the Performance Standards.

# **8. WORK PRODUCT**

## **8.1 Ownership of Work Product**

Except as otherwise agreed to in writing, all work product including, but not limited to, documents, reports, data, and information specially produced, developed or designed by the Contractor (including any Uniform Resource Locator (“URL”) obtained by the Contractor) for the Consortium or a Member under this Agreement or any Implementing Agreement, whether preliminary or final, including any copyright or service marks developed by the Contractor on behalf of the Consortium or a Member (collectively, “Work Product”) will become the property of the Treasurer in the case of Work Product for the Consortium or such Member in the case of Work Product for a Member. Except as set forth in Sections 8.2 and 8.4 below, the Consortium shall have the right to use all Work Product for the Consortium, and a Member shall have the right to use all Work Product for such Member during and after the term of this Agreement.

## **8.2 Work Product of Third Parties / Platform Information Technology**

Contractor’s Intellectual Property (defined below) shall remain the property of the Contractor and the Subcontractor’s Intellectual Property shall remain the property of the applicable Subcontractor or

Platform Service Provider (defined below), as applicable; provided, however, that the Program and the Consortium shall not be restricted in any manner in connection with the continuation of the Program after the term of this Agreement in using the same or substantially the same structure of the Program or portions thereof as have been in effect prior to termination or expiration of this Agreement. In addition, Contractor and/or third party licensors providing software and/or other technology to Contractor for development, modification and/or operation of the Program shall own and continue to own, during and after this Agreement, all right, title and interest in and exclusive beneficial ownership of all software and source code (including superseded versions), system design materials, system testing materials, system technical support materials, system training materials, and other components of such information technology relating to the development, modification, and/or operation of the Program, whether created before or during the term of this Agreement as their respective interests may be as determined by them.

For the purposes of this Agreement, “Intellectual Property” shall mean know-hows with respect to the functionality of software and other intellectual property developed by or for the Contractor to perform the Services under this Agreement or pursuant to any subcontract (*i.e.*, know-hows of technology platforms, or any software and analytical tools that are otherwise owned, utilized or licensed by the Contractor or developed by or for the management, marketing and administration of the Program); “Platform Service Provider” shall mean a third party that enters into an agreement with the Contractor for the purpose of expanding marketing, distribution, and or other enhancement services for the Program or whereby such agreement may require integration of applications or other technology into the Contractor’s platform for implementation, monitoring, and/or delivery of services hereunder.

### **8.3 Return of Work Product**

Except as otherwise agreed to in an Implementing Agreement, within thirty (30) days after expiration or termination of this Agreement, the Contractor shall deliver to a Member, or to a third party, if so instructed by a Member, all Work Product pertaining to such Member in Contractor’s possession in the performance of this Agreement and all Work Product in Contractor’s possession in the performance of the requesting Member’s Implementing Agreement. If requested by a Member, the Contractor shall certify in writing that all such Work Product has been delivered to the Member.

### **8.4 Use of Marks**

During the term of this Agreement, the Contractor may create logos, Member Plan names, taglines and alike (“Marks”) for the Consortium and customize such Marks for each Member (collectively, the “Consortium Marks”). Additionally, Members shall have right to create their own Marks for their respective Member Plans, and the Contractor may create unique Marks specifically for a Member (collectively, the “Member Marks”). The Treasurer hereby gives the Contractor permission to use and display the Consortium Marks on Consortium-related materials, subject to the Consortium’s prior approval of the Consortium Marks, and any Member’s materials, subject to the Member’s prior approval. All Member Marks may be displayed on Consortium-related websites in connection with the Services, as shall be documented in each Member’s Implementing Agreement. In the event a Member exits or otherwise terminates its relationship with the Consortium, it shall abandon its rights to the Consortium Marks but shall retain all rights to its Member Marks, if any.

## **9. SUBCONTRACTING**

The Contractor may not use Subcontractors to perform the Services, unless the Subcontractor is approved in advance by the Treasurer. Contractor must disclose the duties to be performed by the Subcontractor. The Contractor will be required to obtain written approval from the Treasurer, which will not be unreasonably withheld, prior to adding or changing Subcontractors. The Contractor may not submit for approval any Subcontractor that is debarred by a Member. Subcontractors will be required to complete the Illinois State Certifications and Disclosure Forms.

Contractor has a duty to select, with due diligence, all other entities that shall be necessary to implement this Agreement and all Implementing Agreements. Contractor shall establish and enforce reasonable procedures to assure the Treasurer of the performance by all other entities of the services necessary to implement this Agreement.

A “Subcontractor” is any person or entity that enters into a contractual agreement with a total value of \$50,000 or more with the Contractor, pursuant to which the person or entity provides some or all of the goods and services that are the subject of this Agreement or an Implementing Agreement. A person or entity is not a “Subcontractor,” if that person or entity only provides goods or supplies that are incidental to the performance of this Agreement or an Implementing Agreement. A “Core Subcontractor” is a Subcontractor that shall be providing core Services, including but not limited to: a) investment advisory, investment management, fund accounting (with respect to the underlying investments), and related investment services with one or more investment advisers; b) custody, fund accounting (with respect to the investment options), cash management, and other banking services; and c) checking and debit account custody, and related administration services described in this Agreement.

## **10. STATE FURNISHED PROPERTY**

Contractor shall be responsible for the security, protection, and timely return of all property furnished to it by a Member, if any, including personal property, research materials, photographs, and drawings.

## **11. INTERNAL CONTROLS**

Upon a Member’s request, Contractor shall provide such Member a copy of its annual SSAE 16 report, performed by an independent registered accounting firm regarding the company’s internal control over financial reporting, which provides for an examination in accordance with attestation standards established by the American Institute of Certified Public Accountants.

## **12. BACK-UP FACILITIES**

Upon execution of this Agreement, the Contractor and its Core Subcontractors shall provide each Member, upon Member’s request, a summary of its disaster recovery plan, back-up plan, and testing schedule.

## **13. ACCESS TO INFORMATION**

Upon request from a Member, the Contractor shall provide such Member access to all files; records; email addresses of Account Owners, Authorized Individuals, and/or Authorized Agents; documents; and data pertaining to this Agreement (as it relates to the requesting Member) and the requesting

Member's Implementing Agreement that are in Contractor's possession and control, regardless of how that information is stored. Said information shall be provided in a form that is reasonably requested by the Member.

#### **14. NOTICE OF EVENTS**

Contractor shall provide prompt written notice to the Treasurer, if any of the events listed in this Section occur. Each notice shall include, at a minimum, the date, identification and description of the event triggering the notice requirement, and shall be signed by an authorized representative of Contractor.

- A. A material adverse change to Contractor's or any Core Subcontractor's financial condition;
- B. Contractor's or any Core Subcontractor's insolvency, filing of a petition in bankruptcy, becoming party to an involuntary bankruptcy proceeding, or Contractor or Core Subcontractor making an assignment for the benefit of creditors;
- C. Any significant events that would affect a Program's investment options, such as fund closures; U.S. Securities and Exchange's ("SEC") enforcement actions on fund families; run on a fund, which is defined as an increasing amount of redemptions that causes a fund manager to sell positions to meet the withdrawals, negatively impacting the portfolio's management of the fund; changes in the executive management of an investment manager utilized in the Program; or changes in the portfolio management or investment objectives;
- D. Contractor's inability to perform the Services but not due to a Force Majeure event (set forth in Section 23 of Exhibit F);
- E. A material change in ownership of Contractor, including the addition or departure of any partner, executive officer, board director or any other person performing similar functions, or any person owning five (5) percent or more of the equity interests in Contractor;
- F. Any significant legal actions instituted against Contractor or any Core Subcontractor, against 1) Contractor's partners, executive officers, board directors or any other persons performing similar functions, or any persons owning five (5) percent or more of the equity interests in Contractor, and/or 2) Contractor's employees in a manner that would impact or is related to the Program;
- G. Any investigations, examinations (other than routine examination) or other proceedings relating to the Contractor's business commenced by any Governmental Authority, which are not conducted in the ordinary course of business, including investigations, examinations or other proceedings involving Contractor's partners, executive officers, board directors or any other persons performing similar functions, or any persons owning five (5) percent or more of the equity interests in Contractor, and/or Contractor's employees. For the avoidance of doubt, this notice requirement requires Contractor to notify the Treasurer of its receipt of any subpoena or similar request for documents by any Governmental Authority;

- H. If applicable, any action, event or occurrence that would be reportable in the disciplinary questions of Contractor's or any Core Subcontractor's next Form MA or Form MA-I filing with the SEC or other required SEC filing; or
- I. Any enforcement action, determination, resolution, agreement, or legal or equitable remedy taken by a Governmental Authority against the Contractor in response to any of the investigations, examinations (other than routine examinations) or other proceedings referenced in Section 14.G.

## **15. INDEMNIFICATION**

The Contractor will indemnify, defend, and hold each Member, individually and/or collectively, its officers, agents, and employees, harmless from and against any and all liabilities, demands, claims, lawsuits, losses, damages (if any consequential, incidental, punitive, special, exemplary or indirect damages are assessed against a Member, Contractor's liability for such type of damages shall be capped at the total Program Management Fees withdrawn by the Contractor or its authorized agent(s) pursuant to Section 4 from the applicable Member Plan during the initial term of 5 years or up to the date on which such damages are assessed, whichever period is longer), causes of action, fines, or judgments, including costs, attorneys' and witnesses' fees, and expenses related thereto, arising out of Contractor's negligent acts or omissions or willful misconduct of Contractor, its employees, or its agents in connection with this Agreement, and any Implementing Agreement.

The foregoing indemnification obligations apply only if each of the following conditions is met: the party seeking indemnification a) gives Contractor prompt written notice of such suit or claim, and b) reasonably cooperates with Contractor, at its expense, in the defense or settlement of the suit or claim.

## **16. LIABILITY OF CONTRACTOR**

The Contractor shall be liable to any Member for actual and direct damages that are available to such Member in law or remedies in equity. Neither party shall be liable to each other for any consequential, incidental, punitive, special, exemplary or indirect damages (including loss of profits or business opportunity) arising out of this Agreement or the Implementing Agreement, even if it is advised of the possibility of such damages. Furthermore, Contractor shall have no liability or indemnification obligations for its acts in reliance on instruction or information provided by a Member, or knowing omissions of the Member(s) or their respective agents, contractors, or employees.

## **17. INDEPENDENT STATUS**

The Contractor is an independent contractor to the Treasurer. This Agreement does not create the relationship of agent, servant, employee, partnership, joint venture, or association between Contractor and the Treasurer. Neither the Contractor nor any persons employed by the Contractor may represent themselves as employees of the Treasurer or the State of Illinois.

## **18. GOVERNING LAWS**

This Agreement shall be governed in all respects by the laws of the State of Illinois without regard to conflicts of law principles. Any Implementing Agreement shall be governed in all respects by the

laws of the Member without regard to conflicts of law principles, unless otherwise provided in an Implementing Agreement.

Any action by the Contractor against the Treasurer can only be brought in the Illinois Court of Claims. In its Implementing Agreement, a Member may require the Contractor to bring any action against such Member in the Member's state courts.

## **19. NOTICES**

All notices required under the terms of this Agreement shall be in writing and shall be deemed effective upon receipt when sent by facsimile or e-mail, or seven (7) business days after being sent by registered or certified mail, postage prepaid, return receipt requested at the address listed below, or at such other address or to such other parties as may be specified in writing by the parties hereto:

If to the Treasurer:  
Chasse Rehwinkel  
Director of Policy  
Office of the Illinois State Treasurer  
100 West Randolph St., Suite 15-600  
Chicago, IL 60601  
crehwinkel@illinoistreasurer.gov

If to Contractor:  
Rob Percival  
Senior Vice President  
Ascensus College Savings  
Recordkeeping Services, LLC  
95 Wells Avenue, Suite 160  
Newton, MA 02459  
rob.percival@ascensus.com

The parties shall not be required to amend this Agreement to change the addresses or addressees in this Section. A party may make such changes via written notice to the other party.

## **20. CONFIDENTIALITY**

This Section shall survive the termination of this Agreement.

### **20.1 Confidential Information**

All Confidential Information, as defined below, shall be held in strict confidence by the Contractor and each Member and shall not be disclosed to any third party. Confidential Information includes all information generated or provided by the Contractor or a Member ("Providing Party") pursuant to this Agreement or an Implementing Agreement to the Contractor and/or a Member(s) ("Receiving Party") but the following: a) information already known or independently developed by the recipient; b) information required to be released by law; c) information in the public domain through no wrongful act of the recipient; and d) information received by the recipient from a third party who was free to disclose it ("Confidential Information"). In addition, Contractor must clearly mark all of its Confidential Information with "CONFIDENTIAL INFORMATION" in order for it to be deemed Confidential Information.

Any disclosure of Confidential Information required to be made pursuant to the Applicable Legal Requirements shall not be made sooner (unless otherwise compelled or required by law or judicial process) than five (5) business days immediately following receipt by the Providing Party of written notice of such order from the Receiving Party, and such notice will include a copy of any relevant court or other order (unless prohibited by law or judicial process). The Receiving Party shall afford

the Providing Party a reasonable opportunity to participate and object to any such disclosure of Confidential Information.

Contractor hereby permits Members to disclose Contractor's Confidential Information without the requirement of prior notice to a) the extent necessary to comply with applicable state legal requirements and b) any state that is not a member of the Consortium as of the Effective Date, so long as such state signs a non-disclosure agreement that contains confidentiality provisions providing at least the same level of protection as included herein.

## **20.2 Use of Confidential Information by Employees and Agents**

The requirement of confidentiality under this Agreement also applies to the employees, Subcontractors, and agents of the Contractor. The Contractor and each Member shall use its best efforts to ensure that its employees, Subcontractors, and agents adhere to the confidentiality requirements set forth herein. Use by and disclosure to Contractor's or Members' employees, Subcontractors and agents of Confidential Information to the extent necessary to carry out the terms and purposes of this Agreement is permissible and acceptable.

## **20.3 Protection of Confidential Information**

The Contractor represents, warrants, and covenants that it has implemented and will maintain an information security program reasonably designed to protect Confidential Information, including customer information, which program includes administrative, technical, and physical safeguards to ensure the security and confidentiality of all customer information, to protect against anticipated threats or hazards to the security or integrity of such customer information, and to protect against unauthorized access to or use of such customer information. In the event the Contractor's information security program is breached, the Contractor shall provide the Consortium with prompt written notice.

## **20.4 Privacy Policy**

Contractor will comply with the Applicable Legal Requirements, as well as with a privacy policy developed by the Treasurer in consultation with the Consortium, and the Contractor.

## **20.5 Program Lists**

The Contractor specifically agrees that it shall not, and shall cause its Subcontractors not to sell, provide, or otherwise disclose information from any Member Plan list of the Account Owners, Authorized Individuals, and/or Authorized Agents (each, a "Member Plan List") to any unauthorized third party, unless otherwise directed to or approved by such Member or required by Applicable Legal Requirements. The Contractor and its Subcontractors shall not utilize any Member Plan Lists to solicit non-Program related business.

# **21. RECORD RETENTION AND AUDIT**

## **21.1 Right to Audit Books and Records - this Agreement**

Contractor and Subcontractors agree to maintain books and records related to the performance of this Agreement and necessary to support amounts charged to the Treasurer under this Agreement, if any, for a minimum of four (4) years from the last action on this Agreement or after termination of this

Agreement, whichever is longer. Contractor and Subcontractors further agree to cooperate fully with any audit and to make the books and records available for review and audit by the Illinois Auditor General, chief procurement officers, internal auditor and the representatives of the Members; Contractor agrees to cooperate fully with any audit conducted by the Illinois Auditor General or a Member and to provide full access to all relevant materials. The four (4) year period shall be extended for the duration of any audit in progress during the term. Failure to maintain the books, records and supporting documents required by this Section shall establish a presumption in favor of the Treasurer for the recovery of any funds paid by the Treasurer under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

### **21.2 Right to Audit Books and Records - Implementing Agreement**

Contractor and Subcontractors agree to maintain books and records related to the performance of a Member's Implementing Agreement and necessary to support amounts paid to or collected by the Contractor or any Subcontractor under such Implementing Agreement for a minimum of four (4) years from the last action on the Implementing Agreement or after termination of the Implementing Agreement, whichever is longer. Contractor and Subcontractors further agree to cooperate fully with any audit and to make the books and records available for review and audit by the Member's Auditor General, chief procurement officers, internal auditor and the representatives of the Member; Contractor agrees to cooperate fully with any audit conducted by the Member's Auditor General or the Member and to provide full access to all relevant materials. The four (4) year period shall be extended for the duration of any audit in progress during the term. Failure to maintain the books, records and supporting documents required by this Section shall establish a presumption in favor of the Member for the recovery of any funds paid to or collected by the Contractor or any Subcontractor under such Member's Implementing Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement or collection.

### **21.3 Audited Annual Financial Statements**

The Contractor shall, at the Contractor's expense, provide for audited annual financial statements for the Program to be prepared by a nationally recognized firm of independent certified public accountants selected by the Contractor, and shall thereafter provide such audited annual financial statements to each Member within ninety (90) days following the end of the Program fiscal year, which shall mean the one year period beginning on July 1st of each year and ending on June 30th of the following year.

## **22. ASSIGNMENT**

Each term and provision of this Agreement is binding and enforceable against and inures to the benefit of any successors of the Treasurer and any successors of Contractor, but neither this Agreement nor any of the rights, interests, or obligations under this Agreement may be transferred or assigned by Contractor or Subcontractor, if applicable, without the Treasurer's prior written consent, which shall not be unreasonably withheld. Any attempt by Contractor or Subcontractor, if applicable, to transfer or assign any rights or obligations related to this Agreement without the prior written consent of the Treasurer, shall render this Agreement voidable by the Treasurer. The Treasurer may unilaterally bind any successor of the Contractor to the terms and conditions of this Agreement. After providing notice to the Contractor, the Treasurer may assign this Agreement at

any time to any Member, approved by the Consortium and Contractor. The Contractor shall not unreasonably withhold its approval.

### **23. CONTINUATION OF SERVICES**

The Contractor shall guarantee performance of the Services and agree to perform all Services in an efficient and professional manner. The Contractor is responsible for and shall provide commercially reasonable backup systems and shall review the adequacy of those systems with the Consortium upon request. The prevention of such business interruption shall be the sole responsibility of the Contractor, and the Contractor shall immediately notify the Consortium in the event such business interruption takes place. The Contractor shall be liable for any direct losses or damages sustained by any Member due, in whole or in part, to the Contractor's failure to provide reasonable backup systems.

### **24. ENFORCEABILITY**

The Contractor certifies that the execution and delivery by the Contractor of this Agreement and the performance by the Contractor of its obligations pursuant to this Agreement have been duly and validly authorized, with no other corporate action on the part of the Contractor or its stockholders being necessary. The Contractor certifies that it has the full legal right, power, and authority to execute and deliver this Agreement and to perform its obligations pursuant to this Agreement, and that this Agreement has been duly and validly executed and delivered by the Contractor, thereby constituting a legal, valid, and binding obligation of the Contractor, enforceable against the Contractor in accordance with its terms.

### **25. NO CONFLICTS**

#### **25.1 Contractor's Certifications**

The Contractor certifies that the execution and delivery by the Contractor of this Agreement, the performance by Contractor of its duties and obligations hereunder, and the consummation of the transactions contemplated does not result in any of the following:

- A. Conflict with or result in a violation or breach of any of the terms, conditions, or provisions of the charter or by-laws of Contractor;
- B. Conflict with or result in a violation or breach of any term or provision of a) any law, rule, regulation, judgment, decree, order, or injunction applicable to the Contractor or any of its assets and properties or b) any agreement binding on or affecting the Contractor or any of its properties; or
- C. Conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under any material agreement to which the Contractor is a party, or any material obligation or responsibility which the Contractor has to any third party.

#### **25.2 Treasurer's Certifications**

The Treasurer certifies the following:

- A. The execution and delivery of this Agreement by the Treasurer and the performance by the Treasurer of its obligations hereunder have been duly and validly authorized under applicable law; the Treasurer has the legal right, power and authority to execute, deliver, and perform its obligations hereunder, and this Agreement shall constitute a legal, valid and binding obligation of the Treasurer, enforceable in accordance with its terms;
- B. The performance by the Treasurer of its obligations hereunder and the consummation of the transactions contemplated hereby do not: (a) conflict with or result in a violation of any term or provision of any law, rule, regulation, judgment, decree or injunction applicable to the Treasurer or the Program as such terms or provisions stand as of the Effective Date, or (b) conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under, any agreement or other instrument to which the Treasurer is a party, or any material obligation of the Treasurer to a third party;
- C. No additional consents, approvals or actions of, or filing with or notice to, any agency or instrumentality of the State of Illinois is required in connection with the execution and delivery of this Agreement by the Treasurer and the performance of this Agreement by the Treasurer or the consummation by the Treasurer of the transactions contemplated hereby; and
- D. Each of the representations and/or covenants made by the Treasurer in this Agreement is true and correct to the best of its knowledge 1) as of the Effective Date, and 2) through the final day of the term of this Agreement.

**26. NO PENDING OR THREATENED LITIGATION**

The Contractor certifies that there is no action, suit, investigation, or proceeding pending or, to the best knowledge of the Contractor, threatened against the Contractor before any court, arbitrator, or administrative or governmental body that might result in any material adverse change in the operations of the Contractor or which might materially and adversely affect the ability of the Contractor to provide the Services or otherwise comply with its obligations under this Agreement and/or any Implementing Agreements.

**27. [REDACTED]**

The Contractor is not an exclusive provider to the Consortium or the Members of ABLE-related services. The Contractor provides ABLE-related services to other states. Notwithstanding the foregoing, the parties agree that they share the common goal of encouraging states to join the Consortium. In furtherance of such goal, the parties agree as follows:

[REDACTED]

- B. The Treasurer shall use good faith efforts to recruit additional states to the Consortium.

**28. CHANGE OF LAW OR POLICY**

The Contractor shall notify the Consortium in writing within ten (10) business days of any change or addition applicable to the Contractor in federal or state regulations or laws that would adversely affect either the terms of or the rights granted any Member by this Agreement and/or any Implementing Agreements, and within five (5) business days of any legally required change in or addition to Contractor's internal operational policy that might affect the Contractor's provision of the Services, including but not limited to any policy that relates to management, maintenance, record keeping, safekeeping, custody, or subcontracting.

**29. MODIFICATION**

The Services to be provided under this Agreement shall be subject to modification and supplementation only upon the written agreement of the duly authorized representatives of the contracting parties. No modification of the terms of this Agreement shall be made that would materially change the delivery of service, unless such changes are mutually agreed by and between the Treasurer and the Contractor and shall be incorporated in written amendments to this Agreement, processed through and approved by the Treasurer.

In the event that the Program does not fully comply with all Applicable Legal Requirements, the Contractor will work with the Treasurer to amend this Agreement to bring the Program into compliance within the time frame permitted by such regulations. Additionally, if the final U.S. Treasury/IRS regulations authorize program elements that, in the sole judgment of the Consortium, are more beneficial to the Program or its Account Owners than in this Agreement, the Contractor and Treasurer will work in good faith to amend this Agreement to include such elements within a reasonable amount of time.

**30. DISCLOSURES/STATE CERTIFICATIONS**

This Agreement incorporates Contractor's fully executed Illinois State Disclosures and State Certifications, a copy of which is attached hereto as Exhibit F. The Contractor acknowledges that Members may require certifications and disclosures of the Contractor and Subcontractors, if any, as part of their respective Implementing Agreements.

**31. THIRD-PARTY BENEFICIARIES**

Each Member is intended to be a third-party beneficiary of this Agreement.

**32. EXECUTION IN COUNTERPARTS**

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The parties agree that a fax or electronically transmitted valid and authorized original signature shall be deemed an original provided the original copies are promptly delivered.

**33. ENTIRE AGREEMENT**

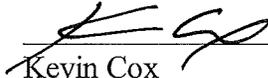
Any exhibits attached hereto are hereby incorporated herein. This Agreement, including any exhibits, contains the entire agreement of the parties. This Agreement may be changed only by a

IN WITNESS WHEREOF, the parties have caused this ABL Master Agreement to be executed by their duly authorized officers as of the Effective Date.

**OFFICE OF THE ILLINOIS STATE  
TREASURER**

**ASCENSUS COLLEGE SAVINGS  
RECORDKEEPING SERVICES, LLC**

\_\_\_\_\_  
Michael W. Frerichs  
Treasurer

  
\_\_\_\_\_  
Kevin Cox  
Senior Vice President/COO

By: \_\_\_\_\_  
Jay Rowell, Deputy Treasurer or  
Justin Cajindos, Chief of Staff

Date: \_\_\_\_\_

Date: 12/7/2016

\_\_\_\_\_  
Julian Federle  
Chief Policy and Programs Officer

Date: \_\_\_\_\_

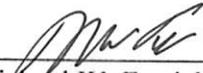
\_\_\_\_\_  
Reviewed for Legal Sufficiency

\_\_\_\_\_  
Chief Procurement Officer

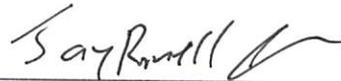
IN WITNESS WHEREOF, the parties have caused this ABLE Master Agreement to be executed by their duly authorized officers as of the Effective Date.

**OFFICE OF THE ILLINOIS STATE  
TREASURER**

**ASCENSUS COLLEGE SAVINGS  
RECORDKEEPING SERVICES, LLC**

  
\_\_\_\_\_  
Michael W. Frerichs  
Treasurer

\_\_\_\_\_  
Kevin Cox  
Senior Vice President/COO

By:   
\_\_\_\_\_  
Jay Rowell, Deputy Treasurer or  
Justin Cajindos, Chief of Staff

Date: 12/7/11

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Julian Federle  
Chief Policy and Programs Officer

Date: 12/7/2011

  
\_\_\_\_\_  
Reviewed for Legal Sufficiency

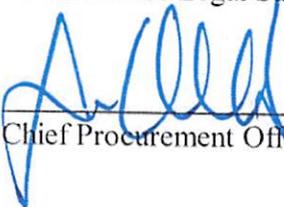
  
\_\_\_\_\_  
Chief Procurement Officer

Exhibit A  
Consortium ABLÉ Deliverables

Deliverables	Program Launch Date (12/15/16)	Phase 2 2/26/17 or 3/30/17	Phase 3 3/30/17	Phase 4 May 2017 - release date 6/4/17
Online Access	●			
Online Enrollment	●			
Electronic Contribution	●			
Electronic Exchanges	●			
Electronic Withdrawals	●			
Systematic Exchanges	●			
Systematic Withdrawals	●			
Payroll Contributions	●			
Risk Based Portfolios	●			
53 Checking Account			●	
Debit Card (Checking Account)			●	
Check Writing (Checking Account)			●	
Confirms	●			
Public Website	●			
Call Center	●			
1099 QA	●			
5498 QA	●			
Quarterly Maintenance Fee	●			
Self Service Reporting Tool in UNITE	●			
Authorized Individual Enrollment	●			
Statements	●			
Kofax Processing		●		
Paper Forms		●		
Enrollments		●		
Contributions		●		
Withdrawals		●		
Exchanges		●		
Maintenance Forms		●		
Ugift	■	■	■	■
Social Security Reporting (SSA Monthly)				Pending applicable federal guidelines.

## Exhibit B

### Investment Services and Framework

The Contractor shall provide to each Member the investment management/advisory services set forth herein and in accordance with the Agreement of Trust entered into by each Member. The Contractor shall recommend to the Consortium investment options for acceptance as part of the Program. The underlying investment options will be periodically reviewed and adjusted by the Consortium to maintain consistency with Account Owner, Authorized Individual, and/or Authorized Agent with appropriate authority preferences, industry trends, and best practices. The Consortium shall make the final determination on the investment options.

The Contractor hereby notifies all Members that it does not guarantee any return of amounts contributed by Account Owners or any income or earnings thereon and that the investment of contributions made by Account Owners in a Member Plan is subject to market risks, including the risks set forth in the Program Disclosure Document.

The investment options recommended by the Contractor shall be constructed and administered to comply with the following guidelines:

- A. Simplicity** – The Program’s investment portfolios and asset allocation model shall be constructed and administered in a manner that provides a range of clear, easily understood options (defined in terms of expected risk/ return) in order to maximize participation and provide opportunities for investment returns for Account Owners. Furthermore, the Program shall be designed and administered in a manner that promotes full transparency by delineating all accordant investment expenses.
- B. Low Cost** – The Program’s investment options shall be constructed and administered in a manner that is designed to minimize investment fees to Account Owners. It is understood that these costs diminish the total return accorded to the Account Owners. The lowest cost index-based investment funds should be viewed as the default standard in evaluating investment management fees.
- C. Short-term and Long-term Horizon Investment Options** – The Program’s investment options shall provide Account Owners and/or Authorized Individuals with practical investment options, including, but not limited to, pre-mixed dynamic portfolios, static portfolios with varying target allocations (*i.e.*, aggressive, moderate, or conservative risk profiles), and the Banking Option (when available).
- D. Open Architecture** – The Program’s investment framework shall utilize an open architecture plan design. The open architecture design shall offer Account Owners, Authorized Individuals, and/or Authorized Agent with appropriate authority benefits, such as access to best in class managers with the use of non-proprietary products, increased flexibility when choosing underlying strategies, and the ability to obtain the lowest fees for underlying investment funds and accounts.

- E. Non-Proprietary Products** – The Program’s investment options shall consist of non-proprietary funds. The non-proprietary funds shall be issued and managed by outside firms.
- F. Passive versus Active Funds** – The Program’s investment options shall consist of passively managed strategies that replicate the risk and return characteristics of its respective benchmark. In assets classes where passively managed strategies are not prevalent or in asset classes that are deemed to be inefficient, actively managed strategies may be considered.
- G. Investment Policy Statement** – The Consortium shall create an Investment Policy Statement that governs the Program’s investment options, which may include: asset allocations, glide paths underlying investment funds, and provides each Investment Option’s corresponding benchmark. The Consortium shall conduct an annual review, at a minimum, of the Investment Policy Statement. AIA and the Consortium shall provide each other suggested changes to the Program’s asset allocation strategy, associated glide paths, investment options, and the underlying investment funds in accordance with industry standards and best practices.
- H. Investment Performance Report** – AIA shall analyze the performance of the Program’s investment options by comparing their performance to the benchmarks set forth in the Investment Policy Statement.
- I. Revenue Sharing Funds** – The Program shall not utilize any underlying investment funds in an investment option that are considered “revenue sharing funds” as an investment vehicle.
- J. Separate Accounts/Institutional Share Class Options** – When available and cost effective, the Program shall utilize separately managed accounts and/or a lowest available share class option (*i.e.*, institutional share class and/or separately managed accounts).
- K. Manager Flexibility** – The Program’s investment framework shall provide the Consortium with the ability to replace existing managers for reasons including, but not limited to, underperformance or investment team personnel turnover.
- L. Annual Benchmark Review** – The Consortium will have annual due diligence meetings to determine the impact a potential benchmark’s performance has on an investment and to assess whether the assigned benchmark is an accurate representation of market performance.

Exhibit C  
Cost Schedule

<b>Investment Options</b>			
<b>Total assets in the Consortium</b>	<b>Underlying fund fee</b>	<b>Program management fee</b>	<b>Total fees per breakpoint</b>
	0.02% - 0.06%	0.32%	0.34% - 0.38%
	0.02% - 0.06%	0.30%	0.32% - 0.36%
	0.02% - 0.06%	0.28%	0.30% - 0.34%
	0.02% - 0.06%	0.26%	0.28% - 0.32%
	0.02% - 0.06%	0.24%	0.26% - 0.30%

<b>Account Maintenance Fee</b>		
<b>Total number of accounts in the Consortium</b>	<b>Fee per account paper delivery</b>	<b>Fee per account E-delivery</b>
	\$55 annual (\$13.75/quarter)	\$40 annual (\$10/quarter)
	\$53 annual (\$13.25/quarter)	\$38 annual (\$9.50/quarter)

<b>Banking Option Fees</b>	
<b>Recurring Service Fee</b>	
<b>Potential Fees</b>	
Check order (initial and subsequent)	
Out-of-network ATM fees*	
International transaction fee (POS/ATM)	
Currency conversion fee	
ATM mini statement	
Check or statement copy fee	
Check copy image fee, if mailed within statement	
Stop payment fee	
Money orders*	
Official/cashier checks*	
Outgoing domestic wire*	
Outgoing foreign wire (foreign funds)*	
Outgoing foreign wire (US funds)*	
Non-bank debit cash advance fee	

**Service/Transaction Fees**

<b>Service</b>	<b>Price</b>
Permitting withdrawals via debit card	
Contribution checks returned for insufficient funds	\$25
Contributions made by ACH which fail	\$25
Outgoing Wire	\$25
Overnight Delivery	\$25

**Fee Reductions**

<b>Service</b>	<b>Fee reduction per account</b>
Customer service	
Outreach material support	

**Miscellaneous**

<b>Service</b>	<b>Rate</b>
Master/Sub-Accounts	
Front-End Website Changes (not maintenance)	
Unique Member Plan Disclosure Document	



## Exhibit D

### Reporting Requirements

#### I. Account and Asset Reports

##### A. Content of reports:

1. Number of new accounts opened in the reporting period by :
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification);
  - b. Disability IRS form 5498-QA diagnosis code;
  - c. State specific counties (including out-of-state as one “county”); and
  - d. Method of enrollment (on-line vs. paper), with percentages.
2. Number of accounts closed in the reporting period by:
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification); and
  - b. Disability IRS form 5498-QA diagnosis code.
3. Total number of funded accounts as of the close of the reporting period by:
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification);
  - b. Disability IRS form 5498-QA diagnosis code; and
  - c. State specific counties (including out-of-state as one “county”).
4. Total number of open but unfunded accounts as of the close of the reporting period by:
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification);
  - b. Disability IRS form 5498-QA diagnosis code; and
  - c. State specific counties (including out-of-state as one “county”).
5. Amount of new contributions received in the reporting period by:
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification);
  - b. Disability IRS form 5498-QA diagnosis code;
  - c. Method of contribution (e.g. check, ACH, payroll deduction gift), with percentages; and
  - d. State specific counties (including out-of-state as one “county”).
6. Number and amount of self-reported qualified withdrawals taken in the reporting period by:
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification); and
  - b. Disability IRS form 5498-QA diagnosis code.
7. Number and amount of self-reported non-qualified withdrawals taken in the reporting period by:
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification); and
  - b. Disability IRS form 5498-QA diagnosis code.
8. Total asset under management as of the close of the reporting period by:
  - a. Eligibility criteria (*i.e.*, SSI, SSDI or disability certification);
  - b. Disability IRS form 5498-QA diagnosis code; and
  - c. State specific counties (including out-of-state as one “county”).
9. Number and amount of rollovers in the reporting period by the plan from or to which they rolled.

10. Average account size.
11. Monthly average for contributions received by ACH.
12. Account Owner demographics by:
  - a. Age;
  - b. How you heard about the Program; and
  - c. What information resource was the most helpful in making the decision to open an account?
13. The Individual Account Detail Report shall contain the following individual fields:
  - a. Account number;
  - b. Account open date;
  - c. Authorized Individual first name;
  - d. Authorized Individual last name;
  - e. Authorized Individual SSN;
  - f. Authorized Individual date of birth;
  - g. Authorized Individual mailing address Line 1;
  - h. Authorized Individual mailing address Line 2;
  - i. Authorized Individual city;
  - j. Authorized Individual state;
  - k. Authorized Individual zip;
  - l. Authorized Individual daytime phone;
  - m. Authorized Individual evening phone;
  - n. Authorized Individual e-mail address;
  - o. Account Owner first name;
  - p. Account Owner last name;
  - q. Account Owner SSN;
  - r. Account Owner date of birth;
  - s. Account Owner age;
  - t. Account Owner mailing address 1;
  - u. Account Owner mailing address 2;
  - v. Account Owner city;
  - w. Account Owner state;
  - x. Account Owner zip;
  - y. Account Owner recipient eligibility certification date;
  - z. Total available principal;
  - aa. Total available earnings;
  - bb. Total account value;
  - cc. Last contribution date;
  - dd. Last withdrawal date;
  - ee. Last withdrawal type (qualified or non-qualified);
  - ff. Rollover in flag (Y/N);
  - gg. Automatic investment plan flag (Y/N);
  - hh. Web registered flag (Y/N);
  - ii. Last Account Owner login date;
  - jj. Last Account Owner contact date;
  - kk. Stopmail flag (Y/N);

- ll. Stopmail date;
  - mm. Contribution total by year (running yearly total);
  - nn. Withdrawal total by year (running yearly total); and
  - oo. An indicator of whether the plan documents and correspondence for an Account are sent via E-delivery or paper delivery.
- B. Frequency of reports:
- 1. All reports, except the Individual Account Detail Report:
    - a. Daily;
    - b. Monthly;
    - c. Calendar quarter;
    - d. Calendar year;
    - e. Fiscal year (July 1 – June 30); and
    - f. Since inception.
  - 2. Individual Account Detail Report: quarterly

## **II. Investment Report**

- A. Fund balances by portfolio, including percentage of whole; and
- B. Contributions by portfolio, including percentage of whole.

## **III. Phone E-Mail and Correspondence**

- A. Content of reports
  - 1. Call statistics for the Members in the aggregate and separately for each Member to include the following:
    - a. Average number received daily and weekly
    - b. Number received monthly;
    - c. Number answered;
    - d. Number abandoned,
    - e. Number of calls referred to a state entity;
    - f. Average speed of answer;
    - g. Maximum wait time;
    - h. Average wait time;
    - i. Average talk time; and
    - j. Percent abandon.
  - 2. Statistics for emails and correspondence (separately) received for the Members in the aggregate and separately for each Member to include:
    - a. Number received;
    - b. Percent responded to within 48 hours; and
    - c. Number referred to Member.
  - 3. Statistics for inbound correspondence (i.e. papers received by the Contractor) received for the Members in the aggregate and separately for each Member to include the following:
    - a. Total number received;

- b. Number of enrollments received;
  - c. Number of withdrawals received; and
  - d. Number of deposits received.
4. Summary of client feedback including complaints or requests for Program changes.

B. Frequency of reports:

- 1. Call statistics: monthly reporting
- 2. Email and inbound correspondence: monthly reporting

**IV. My Account Website**

A. Number of accounts registered for online access.

B. Number of accounts registered for electronic communication.

C. Number of online withdrawals by:

- 1. Qualified; and
- 2. Non-qualified.

D. Frequency of reports:

- 1. End of month;
- 2. End of calendar quarter;
- 3. End of calendar year; and
- 4. End of fiscal year (July 1-June 30).

**V. Front-end Website**

Upon Member request, Contractor will provide reports generated by Google Analytics, or a similar tool, for all pages of the website.

## Exhibit E

### Performance Standards



#### **I. Call Center Employees**

- A. The Contractor shall have a sufficient number of representatives on duty to meet the performance standards set forth in this Exhibit;
- B. Call center representatives will have sufficient training regarding the Program and federal means tested benefits and be trained to assist persons with disabilities over the phone;
- C. The Contractor shall ensure that at least one supervisory employee is available during call center business hours; and
- D. Call center representatives will use resources, supplied by Members, to transfer or refer callers to other state agencies, as applicable.

#### **II. Call Center Standards (during business hours)**

- A. The call [REDACTED];
- B. Contractor shall [REDACTED]; and
- C. Contractor shall [REDACTED] during business hours.

#### **III. Correspondence Standards**

Contractor must respond to [REDACTED]  
[REDACTED] business days for non-financial matters.

#### **IV. General Standards**

- A. Contractor must notify [REDACTED]  
[REDACTED] from a Member's legislator, government official, or any other elected official;
- B. Contractor shall [REDACTED] during business hours;

- C. Contractor must [REDACTED];
- D. Contractor must [REDACTED];
- E. If mailed, Contractor shall mail quarterly account statements [REDACTED] (whichever comes later);
- F. Contractor shall set up [REDACTED];
- G. the Contractor shall process [REDACTED];
- H. Contractor shall set up [REDACTED] provided all documentation is in proper order;
- I. Contractor shall process [REDACTED] provided all documentation is in proper order, and there are sufficient funds available; and
- J. With respect to inbound correspondence, each Member Plan in the Consortium will be represented in each sample [REDACTED], whichever is less. The reporting will be provided at the Consortium level.

**V. Complaint Resolution**

- A. Contractor should provide a response [REDACTED];
- B. Unless precluded by Applicable Legal Requirements, Contractor shall [REDACTED]; and
- C. Unless precluded by Applicable Legal Requirements, Contractor shall [REDACTED].