NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

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STATE TREASURER OF NORTH CAROLINA

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Delivered by: Electronic and U.S. Mail

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

RE: NC ABLE Program's Annual Evaluation and Report for 2025 (under N.C.G.S. § 147-86.72 (g))

Dear Colleagues:

The federal Achieving a Better Life Experience (ABLE) Act was passed in 2014 and the North Carolina General Assembly passed legislation establishing the NC ABLE Program (NC ABLE Act) in 2015. In January 2017 the Department of State Treasurer (DST) began offering ABLE accounts. The NC ABLE Program allows eligible individuals with disabilities – and those assisting them – to save and invest in tax-advantaged accounts. ABLE accounts can fund essential disability services and qualified expenses without endangering benefits such as Medicaid and Supplemental Security Income (SSI), in which eligibility is restricted by financial caps. Savings in an NC ABLE account is generally disregarded for determining eligibility for federal and North Carolina means-tested programs, including SSI (up to $100,000). In 2025, up to $19,000 a year could be contributed to an ABLE account from beneficiaries, friends, family, and other sources. Under the federal ABLE to Work Act, the limit for employed account owners was increased by the lesser of (1) the amount of the account holder's compensation; or (2) the federal poverty line for a one-person household for the prior year ($15,060 for contributions in 2025).

Structure

- *Administration.* To reduce the costs of the NC ABLE Program to participants and taxpayers, the Program is a member of the National ABLE Alliance, a consortium of 19 ABLE programs (18 states and the District of Columbia), that contracts with Ascensus to provide administrative services and investments. In addition, the NC ABLE Program is supported by existing staff in DST's Supplemental Retirement Plans (SRP) unit, with costs reimbursed to SRP from NC ABLE Program appropriations.

- *Investments.* The Program offers a checking account option, a Money Market option and six investment options: conservative, moderately conservative, moderate, growth, moderately aggressive and aggressive.

Performance

- *Participation.* As of Dec. 31, 2025, the NC ABLE Program had 3,167 accounts (3,001 accounts funded) with total assets of $42,717,335. The average account balance was $14,234 for funded accounts. Generally, savings outside of an NC ABLE Program account more than $2,000 prevent participation in Medicaid and Supplemental Security Income (SSI). Please see Table 1 below.

Table 1: NC ABLE Program Participation, 2017-2025 (as of December 31)

Year	Funded Accounts	Total Assets	Growth of Total Assets	Average Account Balance
2017	238	$855,241		$3,593
2018	535	$2,790,811	226%	$5,216
2019	869	$6,022,005	115%	$6,930
2020	1,146	$9,795,128	63%	$8,547
2021	1,529	$15,384,008	57%	$10,061
2022	1,842	$18,359,436	19%	$9,967
2023	2,122	$24,547,781	34%	$11,568
2024	2,482	$32,053,398	31%	$11,876
2025	3,001	$42,717,335	33%	$14,234

In addition, the NC ABLE Program has provided more than $22 million in distributions to participants since the Program's launch in January 2017. These contributions and distributions suggest that the NC ABLE Program is an integral part of participants' financial lives and helping them achieve a better life experience.

- *Investments.* Table 2 below shows the percentage of assets in the NC ABLE Program that were allocated to each investment option as of Dec. 31, 2025, as well as the annual return for each option.

Table 2: NC ABLE Program Investment Options, as of December 31, 2025

Investment Option	Asset Allocation	Annualized Returns (2025)
Conservative	11%	6.36%
Moderately Conservative	6%	9.89%
Moderate	10%	12.85%
Growth	15%	15.01%
Moderately Aggressive	14%	16.96%
Aggressive	20%	19.12%
Checking Account	22%	0.01%*
Money Market Option	2%	3.99%

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

Accomplishments and Changes

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

- DST facilitated engagement and education through in-person professional conferences, community events and webinars.

- Sponsorships with the Special Olympics North Carolina, Autism Society of North Carolina and Miracle League of the Triangle provide key opportunities to reach eligible individuals and their families.

- In 2026, NCABLE.org received over 76,384 unique views across all pages, a 50% increase from 2025. This impressive stat trended across several key pages, including the NC ABLE Enrollment Checklist, Opening an NC ABLE Account, Investing Basics and Investment Options.

- The NC ABLE Program was highlighted in editorial opportunities as well as in local newspapers and podcasts.

Administration.

- **House Bill 476** DST worked with our partners in the Department of Health and Human Services (DHHS) to remove the Medicaid Payback provision from statute (effective June 26, 2025). This provision created a barrier for potential Account Owners looking to enroll in NC ABLE and many enrolled in neighboring states where this provision did not exist.
- **House Bill 378** signed by the Governor Josh Stein in July 2025, prohibits creditors from taking funds from the ABLE account when they are enforcing a debit collection or judgment against the ABLE account owner. The funds are protected when they are used for qualified disability expenses or withdrawn to pay for them. The funds are exempt from liens, attachment, garnishment, levy, seizure, involuntary sale or assignment or the enforcement of any other judgement or claim to pay any debt or liability of the account owner, beneficiary or a contributor to the account.

Looking Forward

Starting January 1, 2026, the ABLE Age Adjustment Act takes effect raising the age of disability onset from 26 to 46. This change expands eligibility to an estimated **6 million more Americans** including approximately **1.5 million veterans**. This change will benefit many adults with late-onset conditions like MS, PTSD, and traumatic brain injuries.

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

The ABLE account contribution limits under federal law increased to $20,000 for 2026 (up from $19,000). The applicable one-person poverty limit for additional contributions by employed account holders increased to $15,650 for 2026 (up from $15,060).

The NC ABLE Program receives an annual participant account maintenance fee of $5.00 per account to offset operational expenses, **but appropriations at current levels are essential for continued operation of the program.**

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

Warmest Regards,

Brad Briner
Chair, NC ABLE Program Board of Trustees