MICHIGAN ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) PROGRAM ACT (EXCERPT)
Act 160 of 2015

206.983 Michigan ABLE savings program; establishment; program manager; purposes, powers, and duties of state treasurer or designee; selection of program managers; proposals; factors; duties of treasurer and program manager; contract.

Sec. 3.

(1) The Michigan ABLE savings program is established in the department of treasury. The program shall consist of more than 1 program manager and shall provide multiple savings plans.

(2) The treasurer shall solicit proposals from entities to be a program manager to provide the services described in subsection (5).

(3) The purposes, powers, and duties of the Michigan ABLE savings program are vested in and shall be exercised by the treasurer or the designee of the treasurer.

(4) The state treasurer shall administer the Michigan ABLE savings program and shall be the trustee for the funds of the Michigan ABLE savings program.

(5) The treasurer may employ or contract with personnel and contract for services necessary for the administration of each savings plan under the program and the investment of the assets of each savings plan under the program including, but not limited to, managerial, professional, legal, clerical, technical, and administrative personnel or services.

(6) When selecting program managers, the treasurer shall give preference to proposals from single entities that propose to provide all of the functions described in subsection (5) and that demonstrate the most advantageous combination, to both potential participants and this state, of the following factors and the management contract shall address these factors:

(a) Financial stability.

(b) The safety of the investment instruments being offered.

(c) The ability of the investment instruments to track the increasing costs of disability expenses.

(d) The ability of an entity to satisfy the record-keeping and reporting requirements of this act.

(e) The entity's plan for marketing the savings plan and the investment it is willing to make to promote the savings plan.

(f) The fees, if any, proposed to be charged to persons for opening or maintaining an account.

(g) The minimum initial deposit and minimum contributions that the entity will require which, for the first year of the savings plan, shall not be greater than $25.00 for a cash contribution or $15.00 per pay period for payroll deduction plans.

(h) The ability of an entity to accept electronic withdrawals, including payroll deduction plans.

(i) The willingness of an entity to offer a program of broker-sold products available through financial advisors.

(j) The ability of an entity to provide financial literacy materials and training resources, as described by the department, to all account owners.

(k) The ability of an entity to provide a higher level of customer service to support the unique needs of designated beneficiaries.

(7) The treasurer shall enter into a contract with each program manager which shall address the respective authority and responsibility of the treasurer and the program manager to do all of the following:

(a) Develop and implement the savings plan or plans offered under the program.

(b) Invest the money received from account owners in 1 or more investment instruments.

(c) Engage the services of consultants on a contractual basis to provide professional and technical assistance and advice.

(d) Determine the use of financial organizations as account depositories and financial managers.

(e) Charge, impose, and collect annual administrative fees and service in connection with any agreements, contracts, and transactions relating to individual accounts, exclusive of initial sales charges, which shall not exceed 2.0% of the average daily net assets of the account.

(f) Develop marketing plans and promotional material.

(g) Establish the methods by which funds are allocated to pay for administrative costs.

(h) Provide criteria for terminating and not renewing the management contract.

(i) Address the ability of the program manager to take any action required to keep the savings plan or plans offered under the program in compliance with requirements of this act and its management contract and to manage the savings plan or plans offered under the program to qualify as a qualified ABLE program under section 529A of the internal revenue code.

(j) Keep adequate records of each account and provide the treasurer with information that the treasurer requires related to those records.

(k) Compile the information contained in statements required to be prepared under this act and provide that compilation to the treasurer in a timely manner.

(l) Hold all accounts for the benefit of the designated beneficiary.

(m) Provide for audits at least annually by a firm of certified public accountants.

(n) Provide the treasurer with copies of all regulatory filings and reports related to the savings plan or plans offered under the program made during the term of the management contract or while the program manager is holding any accounts, other than confidential filings or reports except to the extent those filings or reports are related to or are a part of the savings plan or plans offered under the program. It is the responsibility of the program manager to make available for review by the treasurer the results of any periodic examination of the program manager by any state or federal banking, insurance, or securities commission, except to the extent that the report or reports are not required to be disclosed under state or federal law.

(o) Ensure that any description of the savings plan or plans offered under the program, whether in writing or through the use of any media, is consistent with the marketing plan developed by the program manager.

(p) Offer a program of broker-sold products available through financial advisors.

(q) Take any other necessary and proper activities to carry out the purposes of this act.

History: 2015, Act 160, Eff. Jan. 26, 2016