

my529[®]

UTAH EDUCATIONAL SAVINGS PLAN

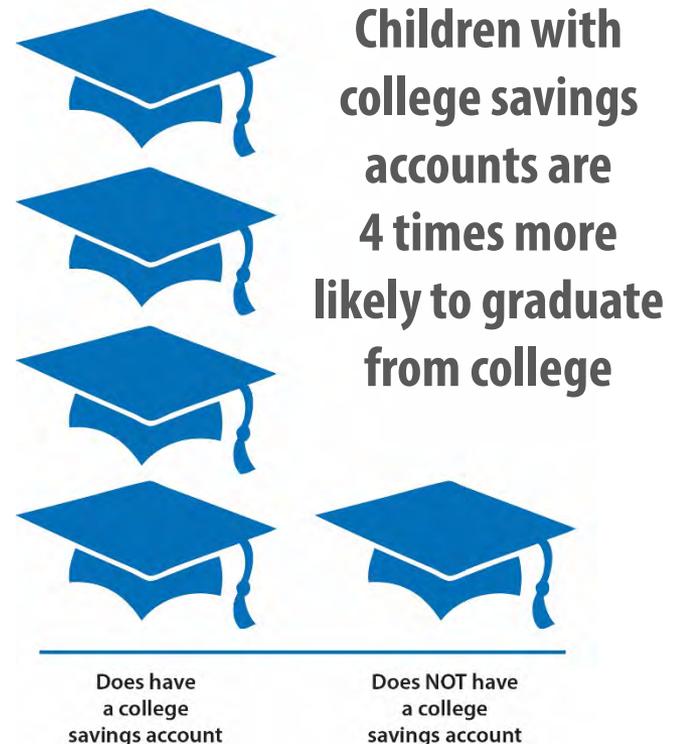
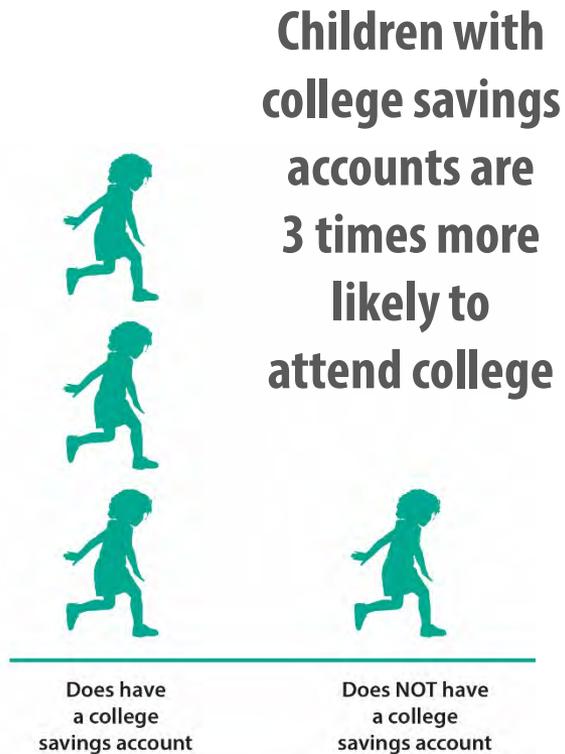
A 529 Educational Savings Program



AGA Spring Conference

May 9, 2019

Value of Saving for College



Source: "Building Expectations, Delivering Results: Asset-Based Financial Aid and the Future of Higher Education," Lawrence: University of Kansas School of Social Welfare, Assets and Education Initiative (AEDI), 2013.

What is a 529?

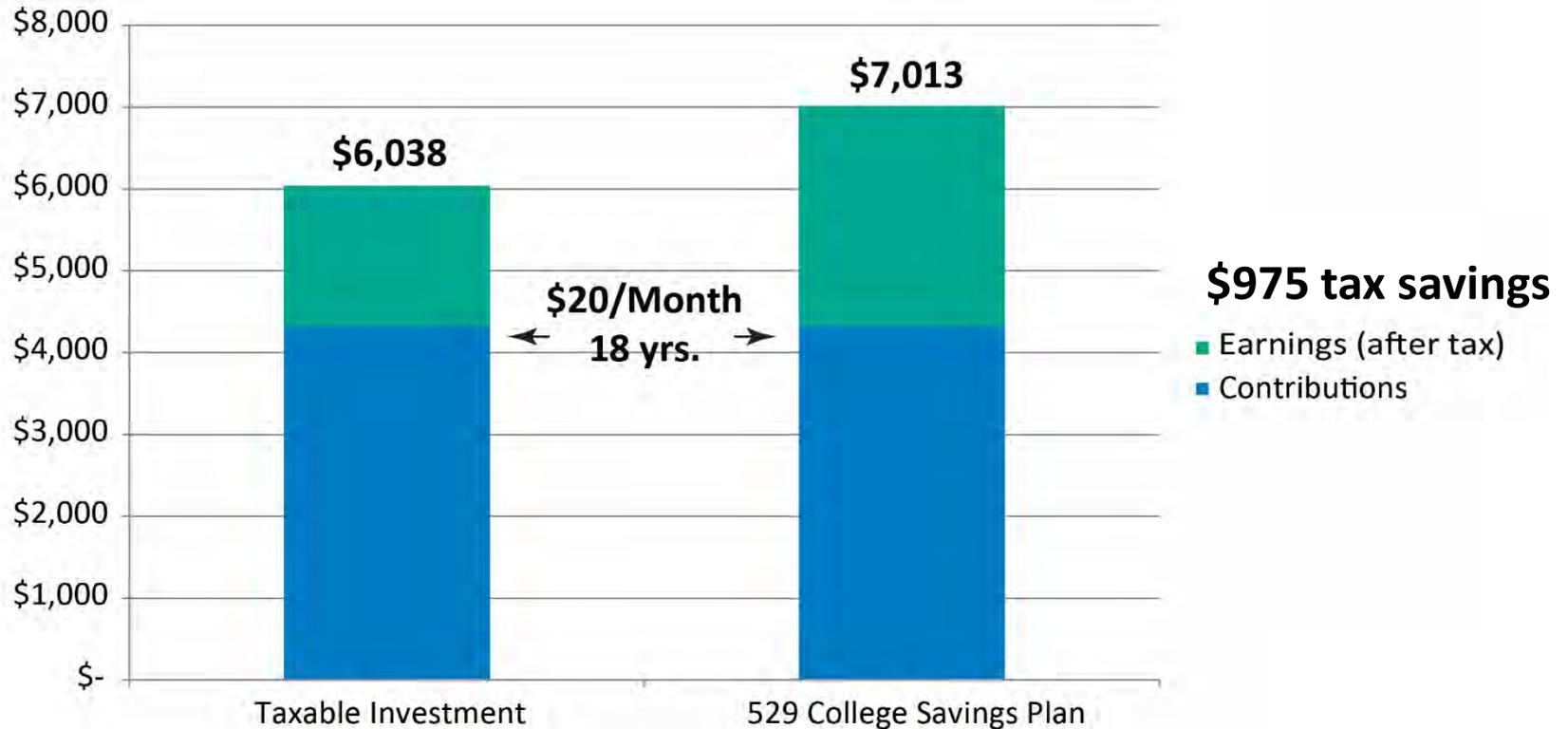
- Authorized by Congress in 1996 and codified in Section 529 of the Internal Revenue Code
- 529 plans are tax-advantaged programs designed for:
 - Education
 - Sponsored by states, state agencies, and educational institutions

my529

- Utah's official and only direct-sold 529 educational savings plan
- Tax-advantaged
- Set up an account
- Easy and flexible
- No minimum contributions required
- State program, an entity of the Utah System of Higher Education



Federal Tax Benefit



Assumes a 5% annual rate of return compounded monthly and no initial contribution. This chart is to be used for illustrative purposes only.

Utah Tax Benefits

- Tax free earnings if used for qualified higher education expenses or K-12 tuition only
- Beneficiary must be designated on account before age 19
- Tax credit is good for the life of the account

Utah Tax Benefits

Filing Method	Maximum Contribution Eligible for Tax Credit			Tax Credit Percentage	Utah Tax Credit <small>(per qualified beneficiary)</small>
Single	\$2,000	x		5%	= \$100
Joint	\$4,000	x		5%	= \$200
Grantor Trust, Married Filing Jointly	\$4,000	x		5%	= \$200
All Other Trusts	\$2,000	x		5%	= \$100

Utah corporations can claim a tax deduction up to \$2,000 **per qualified beneficiary**

Non-Utah Taxpayers and Residents

You should determine whether the state in which you or your beneficiary pays taxes or lives offers a 529 plan that provides state tax or other benefits not otherwise available to you by investing in my529.

You should consider such state tax treatment and benefits, if any, before investing in my529.

my529 by the Numbers

As of March 31, 2019

- \$13.5 billion in total investments
- More than 391,000 accounts



High 529 Industry Ranking

MORNINGSTAR[®]



“Utah’s my529 has a new name, but its core tenets of robust investments, low cost, and exceptional state oversight remain.

We reaffirm its Morningstar Analyst Rating™ of Gold. Both residents and nonresidents will be well served by its low cost and appealing set of investment options.”

Morningstar Analyst Madeline Hume

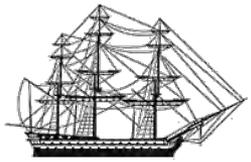
“Morningstar Names Best 529 College-Savings Plans for 2018”

Money

Kiplinger



my529 Investment Managers



Vanguard[®]



Dimensional

P I M C O



my529 Underlying Funds



Equities
(or mutual funds
that invest in stocks)



Fixed Income
(or mutual funds
that invest in bonds)



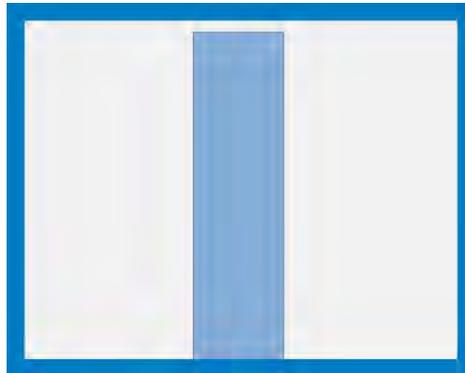
**FDIC-Insured
Accounts**

Account owners can change their investment option twice per calendar year

my529 Investment Options



Age-Based



Static



Customized

About Investments

Investments are not guaranteed by my529, the Utah State Board of Regents, the Utah Higher Education Assistance Authority, or any other state or federal agency.

However, FDIC insurance is provided for the FDIC-insured accounts. Please read the my529 Program Description to learn about the FDIC-insured accounts.

An investment could lose value.

Low Costs

As of March 31, 2019

Asset fee

- Average asset weighted fee is 0.199%, equaling \$1.99 per year for a \$1,000 investment
- Fee range: 0.00% - 0.583%
- Low fees cover underlying fund expenses and administrative costs

Qualified Withdrawals



Higher Education

- Any school that accepts federal financial aid (FAFSA)
- Tuition and mandatory fees
- Required books, supplies, and equipment
- Computers, internet access
- Certain room-and-board costs

K-12

- Tuition expenses up to \$10,000 per year

If Plans Change

Nonqualified withdrawals are allowed but will cause:

- Federal and state ordinary income tax on earnings only
- 10% additional federal penalty tax on earnings
- Repayment of Utah state income tax credit or deduction previously claimed
- Utah residents would add back amount of withdrawals to income

Non Qualified Withdrawal Exemptions



10% federal penalty tax and repayment of Utah state tax credit does not apply if the beneficiary:

- Receives a scholarship, up to the amount of the scholarship
- Attends a U.S. service academy
- Dies or becomes disabled

Open an Account

- Read the my529 Program Description
- Go to my529.org and open an account for free
- Start with zero balance, or make first-time contribution



Account Owner

An individual, trust, or corporation can open a my529 account.

Account owner:

- Must be age 18 or older
- Must have a SSN or TIN
- Controls the account
- May list successor(s)
- May be changed at any time

Beneficiary

Beneficiary can be a child, grandchild, niece/nephew, neighbor, spouse, or yourself.

Beneficiary:

- Must have a SSN or TIN
- May have more than one account
- May be changed to a member of the current beneficiary's family



Contributing

- Check
- Payroll – Direct deposit
- Recurring electronic
- Bill pay
- Special occasion
- Gift Program



my529™
800.418.2551 | my529.org

Date _____

Contributor's Name _____

is giving a gift of
\$ _____
Contribution Amount

to the my529 account of
Beneficiary's Name _____

The account owner may log in to the my529 account online to confirm the contribution is complete.

When It's Time for School

- Withdraw for tuition, fees, and other qualified higher education expenses.
- Money can be sent directly to the school, to the account owner, or to the beneficiary.

Next Steps – Set Up an Account

Use promo code **1905AGA** for a \$20 match



my529.org | 800.418.2551

- 1) Open a my529 account between May 9–June 9, 2019
- 2) Enter promotional code **1905AGA**
- 3) Receive a \$20 matching my529 contribution when you contribute at least \$20.
- 4) To qualify, the new my529 account must be for an account owner and a beneficiary who are both new to my529 and Utah residents. *Promotional offer does not apply to UGMA/UTMA accounts.

Questions?

