What is a 529 plan?

- Created by Congress in section 529 of the Internal Revenue Code
- Must be sponsored by a state or state agency
- A tax-advantaged plan used to save for qualified higher education expenses
  - Federal income tax deferred; no tax if used for qualified higher education expenses
- Every state, except Wyoming, has at least one plan
What are qualified higher education expenses?

• Tuition and required fees
• Room and board (for students attending at least half time)
• Required books, supplies and equipment
• Computers, computer-related costs, including internet access
• Registered apprenticeships
• K-12 tuition expenses up to $10,000 annually at public, private or religious schools
• Student loan repayments up to a total of $10,000 lifetime from all 529 accounts
What is my529?

• Created by the Utah Legislature in 1996 as a program under the Utah Board of Higher Education
  • Provides a state income tax credit to Utah taxpayers
• A nonprofit, self-supporting agency that administers a public trust
  • Invokes fiduciary responsibilities
• Directly sells its plan to account owners
• $15 billion in assets under management – 4th largest plan in the country
• More than 425,000 accounts from across the country
How does my529 operate?

• Offers 13 investment options across different risk appetites
• Investment managers include Vanguard, Dimensional Fund Advisors, PIMCO, Sallie Mae Bank and U.S. Bank
• Provides account recordkeeping using a proprietary system
• Operates its own call center
• Markets within the state of Utah
• Offers a platform for nonprofits targeting low income populations