



AZ529, Arizona's Education Savings Plan

Data as of: 04/23/24

AZ529, Arizona's Education Savings Plan is a Fidelity-managed 529 plan follows the same approach as other Fidelity plans in Connecticut, Delaware, Massachusetts and New Hampshire. It features three age-based options; one using Fidelity Series actively managed funds; one using Fidelity Series index funds; and a third using a combination of the two. The plan also offers 10 static options, one option that invests in an interest-bearing deposit account, and a stable value option that invests in a separately managed account that may invest in individual securities or Fidelity mutual funds and investment contracts issued by third-party insurance companies or banks.

5-Cap Rating

Resident:		Savingforcollege.com's 5-Cap Ratings provides an evaluation and comparison of 529 plans, utilizing a formula that examines dozens of factors grouped into the following categories. (Scale 0 to 5; 5 is highest)		
Non-Resident:				
Performance	Costs	Features	Reliability	Resident Upgrade
3.21	4.14	4.49	4.14	0.10

Investment Options

Age-based/Enrollment Year investment options:

Choose between 3 age-based options, one invested in Fidelity Series actively managed funds, another invested in Fidelity Series index funds, and a Fidelity Blend option with a combination. Contributions are placed into the portfolio corresponding to the beneficiary's age. The portfolios automatically shift to a more conservative investment allocation over time.

Static investment options:

Select from 6 multi-fund portfolios, 4 individual-fund portfolios, a Bank Deposit Portfolio and a Stable Value Portfolio.

Underlying investments:

Fidelity Investments. For the Bank Deposit Portfolio only, a deposit in an FDIC-insured interest-bearing account (Wells Fargo).

Taxes and other Benefits

Program match on contributions:

None.

State tax deduction or credit for contributions:

Contributions to Arizona AND non-Arizona 529 plans of up to \$2,000 per year per beneficiary by an individual, and up to \$4,000 per year per beneficiary by a married couple filing jointly, are deductible in computing Arizona taxable income. The original sunset date of December 31, 2012 has been removed, thus making the deduction permanent.

State tax recapture provisions:

The principal portion of nonqualified withdrawals from this plan are included in Arizona taxable income to the extent of prior Arizona tax deductions. Nonqualified withdrawals for this purpose do not include withdrawals made as the result of the beneficiary's death or disability, withdrawals made on account of the beneficiary's receipt of a scholarship, or rollovers.

State definition of qualified expenses

The state conforms with the federal definition of qualified education expenses, which includes expenses for higher education, apprenticeship programs, interest and/or principal on qualified education loans up to a \$10,000 lifetime cap, and up to \$10,000 per year in tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. Distributions from a 529 account directly to a Roth IRA are considered a qualified expense for state income tax purposes.

State tax treatment of qualified distributions:

Qualified distributions from Arizona and non-Arizona 529 plans are exempt.

State tax treatment of rollovers:

Arizona follows federal tax-free treatment.

Does the sponsoring state exclude the value of an account for state financial aid purposes?

Yes

Does participation in the program provide beneficiaries with any advantages in qualifying for resident tuition status at state institutions?

No

Is there a rewards program or outside scholarship program that works with this program?

Yes, Fidelity Rewards Visa Signature Card rebates 2% of purchases.

The Upromise Rewards program can be linked to any 529 college savings plan. Upromise Rewards is free to join and offers members cash back for college.

Plan Portfolios

There is no investment data available for this plan. Please visit <https://www.fidelity.com/529-plans/arizona> for additional information.

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

2005

State agency(ies):

Office of the Arizona State Treasurer

Program manager:

Fidelity Investments

Program distributor:

Fidelity Brokerage Services LLC

Contributions

Maximum contributions:

Accepts contributions until all account balances in Arizona's 529 plans for the same beneficiary reach \$575,000.

Minimum contributions:

There is no minimum to open an account. With the automatic investment plan, the minimum contribution level is \$15 per month or \$45 per quarter.

Does the program offer an e-gifting platform for receiving gift contributions?

This plan offers an online tool to share a gift contribution link with family and friends.

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

None.

Program management fees:

0.09% for the Fidelity index fund options (includes 0.02% state fee); 0.17% for the Fidelity fund options (includes 0.045% state fee); 0.12% for the Fidelity Blend options (includes 0.04% state fee). For the Bank Deposit Portfolio, fees vary from 0.00% to 0.10% (including 0.05% state fee) based on the Federal Funds Target Rate.

Expenses of the underlying investments:

Ranges from 0.02% to 0.05% annualized in the Fidelity index fund portfolios, from 0.30% to 0.78% annualized in the Fidelity funds portfolios, 0.28% to 0.48% in the Fidelity Blend portfolios, and 0.45% in the Stable Value Portfolio. For the Bank Deposit Portfolio, there is no underlying fund expense. There is, however, a Bank Administration Fee, which ranges from 0.00%-0.40% and is based on the Federal Funds Target Rate.

Total asset-based expense ratio:

0.10% - 0.95%

Contact

Website:

<https://www.fidelity.com/529-plans/arizona>

Telephone:

1-800-544-1262

Facebook

<https://www.facebook.com/AZCollegeSavings>