



AZ529, Arizona's Education Savings Plan

Data as of: 05/15/21

College Savings Bank, a Division of NexBank offers two FDIC-insured options as part of the AZ529, Arizona's Education Savings Plan: (1) fixed-rate CDs with one-year, two-year or three-year maturities; and (2) the CollegeSure Honors Savings Account, a high-yield savings account. The plan ceased offering InvestorSure CDs and CollegeSure CDs to investors as of August 2, 2016 and October 21, 2016. InvestorSure CDs and CollegeSure CDs issued prior to those dates continue to be managed and serviced by College Savings Bank until their maturity dates.

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
	0.00	2.53	3.50	0.10

Investment Options

Age-based/Enrollment Year investment options:

None.

Static investment options:

Fixed-rate CDs earn interest at the rate posted at the time of purchase, and posted rates may change at any time. The Honors Savings Account currently features an APY of 0.64, over 12 times higher than the national rate average of 0.05%.

Underlying investments:

FDIC-insured certificates of deposit and a high-yield savings account from College Savings Bank, a Division of NexBank

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 by an individual, and up to \$4,000 per year 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 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.

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, 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.

General

Program type:

Savings

How to enroll:

Enroll directly with the program or through contracted partners such as financial advisors or financial institutions with the State of Arizona.

Initial year of operation:

1999

State agency(ies):

Arizona State Board of Investment

Program manager:

College Savings Bank, a Division of NexBank

Program distributor:

College Savings Bank, a Division of NexBank

Contributions

Maximum contributions:

Accepts contributions until all account balances in Arizona's 529 plans for the same beneficiary reach \$505,000.

Minimum contributions:

Fixed Rate CDs:

With lump-sum contributions, the minimum initial contribution is \$250. With the automatic investment plan, the minimum contribution level is \$25 per month via electronic funds transfer, or \$25 per pay period via payroll deduction. Deposits under \$250 are held in an interest bearing savings account, and each time the balance reaches \$250, a CD purchase is made.

Honors Savings Account:

The minimum initial deposit is \$250. With the automatic investment plan, the minimum contribution level is \$25 per month via electronic funds transfer, or \$25 per pay period via payroll deduction.

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

Yes

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

None.

Program management fees:

None

Expenses of the underlying investments:

Not applicable, interest rate on CD is tied to a formula. No fees associated with the Honors Savings Account.

Contact

Website:

<https://az529.gov/investment-options/college-savings-bank/>

Telephone:

1-800-888-2723

Plan Portfolios

There is no investment data available for this plan. Please visit <https://az529.gov/investment-options/college-savings-bank/> for additional information.