



College
Savings Bank®

Member FDIC

**Helping families safely
save for the future.**

College Savings Bank, a Division of NexBank (Bank Plan) is **FDIC-insured** and a 529 plan with asset availability in mind.

Saving Made Easy

- **No Fees.**
- Any U.S. resident can open a tax-advantaged **Bank Plan** account for any individual.
- Use the proceeds at any accredited college, university, or technical school worldwide; apprenticeship programs registered and certified with the Secretary of Labor; and K-12 tuition expenses.
- The **Bank Plan** offers **FDIC-insured**¹ 529 Certificates of Deposit (CDs) options and a high-yield savings account.
- The account owner maintains control of all assets and determines how they are used.
- High contribution limits, with the current maximum contribution limit set at \$505,000.

Make the Safe Choice

Our **FDIC-insured** 529 CDs offer a more conservative option to investing for education. This can be especially helpful for:

- Conservative savers,
- Diversifying your 529 portfolio,
- Savers of middle and high school students,
- Advanced degree candidates, or
- Adult learners.

**Being prepared is
critical to success.**

**You save because
you know how
important an
education is
today... and will
be tomorrow.**



Planning is essential. Products for a variety of savers.

Top-ranked **FDIC-insured** investments with highest-yielding 529 CDs (1-, 2-, 3-year terms).²

PRODUCT FEATURE	Fixed Rate CD	CollegeSure CD® Honors Savings Account
GOOD WHEN:	You want a dependable investment option. Your rate of return is determined when the CD is opened, so you will be able to calculate the exact value at maturity.	You want a high-yield savings account and your assets to remain liquid. Returns offered at a competitive variable rate.
TERM:	1-, 2- and 3-Year Maturities	NONE
BENEFITS:	Predictable rate of return; entitled to federal, estate, gifting and, if applicable, state tax benefits.	Assets remain liquid; entitled to federal, estate, gifting and, if applicable, state tax benefits.
ONLINE ACCOUNT ACCESS:	YES	YES
EARLY WITHDRAWAL PENALTY:	YES	NO
FEES:	No fees are charged by the Bank Plan.	No fees are charged by the Bank Plan.

See corresponding Product Terms and Conditions contained in the Disclosure Statement for more detailed information.

Bank Plan Tax Benefits

Saving for your loved one's post-high school education in a 529 enables you to enjoy great tax advantages.

- Earnings grow federal and Arizona State tax-deferred. Distributions to pay qualified education expenses are federal and Arizona State tax-free.³
- Arizona residents are eligible for a \$2,000 deduction to gross income per individual taxpayer, or \$4,000 for those married and filing jointly, based on contributions to the **Bank Plan**.
- All savers can also benefit through tax-free gifting. For federal and estate tax purposes, gifting up to the annual exclusion amount of \$15,000 or \$30,000 for married couples is allowed. Also, accelerated gifting*—five times the annual gift tax exclusion—per beneficiary in a single year, can help reduce your taxable estate. For contributions over the limit, you may treat the money (up to \$75,000 single and \$150,000 for married couples making the proper election) as having been made routinely over a five-year period.⁴



**Accelerated gifting does not incur any federal gift tax consequences, provided the contributor does not make any additional gifts to the same beneficiary over the five-year period, including the year the gift was made. Also, under the 'add-back' rule, if the contributor elects to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the years after death will be included in the contributor's gross estate for federal estate tax purposes.*

Answers to Frequently Asked Questions

Now more than ever it is important to be prepared for future education costs.

What is a 529 plan?

Named after Section 529 of the Internal Revenue Code, 529 plans are designed to help families save towards education expenses—college and other post-secondary training, including, apprenticeship programs registered and certified with the Secretary of Labor under the National Apprenticeship Act. These plans are offered by a state or educational institution, with tax advantages and potentially other incentives for a beneficiary.

Who are the Bank Plan's Administrator and Trustees?

The **Bank Plan** is sponsored by the State of Arizona and administered by the Arizona State Treasurer's Office (ASTO). The Arizona State Board of Investment (BOI) is Trustee of the Trust. College Savings Bank, a Division of NexBank (CSB) serves as Program Manager for the Bank Plan. CSB provides recordkeeping and administrative services with overall responsibility for the day-to-day operations, including marketing and distribution of the **Bank Plan**. CSB offers FDIC-insured certificates of deposit (CDs) and a high-yield savings account. CDs may be subject to early withdrawal penalties. For additional information, please refer to the **Bank Plan** Disclosure Statement.

Who is College Savings Bank, a Division of NexBank?

College Savings Bank is a division of NexBank, a member of the FDIC, which means deposits are insured by the Bank Insurance Fund of the FDIC for up to \$250,000 for accounts held in the same right and capacity. Visit www.collegesavings.com to learn more.

How much do I need to open an account?

The minimum initial contribution for an account is \$250. If you do not intend to contribute \$250 to your account at the time of enrollment, you may contribute as little as \$25 per month using an ACH Plan or \$25 per pay period using payroll deduction (if your employer offers this service). For additional information see the Disclosure Statement, or call us at **1.800.888.2723**.

What are the fees associated with the Bank Plan?

None. There are no enrollment, service, maintenance, program management, or asset-based fees.

Does my child have to attend college in Arizona?

No. You can use the assets in your account toward the costs of nearly any public or private, 2-year or 4-year college in the U.S. or abroad. Your account can also be used for nearly any accredited graduate school, medical school, or law school, among others, nationwide.

Must I select a college now?

No. You don't need to select a college to open and maintain your account.

Can anyone contribute to the account?

Yes. You do not need to be an account owner to contribute. Family and friends can Give a Gift to an existing account by visiting www.collegesavings.com.

What if my child receives a scholarship?

If your child receives a scholarship, you have several options to choose from:

- Use your account to pay for eligible expenses not covered by the scholarship;
- Transfer your account to another member of the beneficiary's family;
- Keep any unused funds in your account to pay for future college expenses, including graduate school; or
- Withdraw any unused funds up to the amount of the scholarship or grant without penalty, although income taxes on earnings may apply.

What if my child does not attend college?

If your child chooses not to attend college you could transfer the account to another member of the beneficiary's family; or take a non-qualified withdrawal from your account.³

Will the Bank Plan affect Financial Aid?

Participation in the **Bank Plan** does not limit your ability to apply for financial aid or a student's receipt of merit-based financial aid, including academic or athletic scholarships. Like most investments, however, it may affect your ability to receive need-based financial aid, although the federal financial aid formula currently counts—at most—only 5.64% of your non-retirement assets to be used for college expenses each year.⁵

Is my money safe?

Yes. Principal and interest are backed by the full faith and credit of the FDIC up to \$250,000 per account owner.

Can I obtain more than \$250,000 of FDIC insurance coverage?

Yes. You can obtain more than \$250,000 with properly structured multiple accounts.

For example, a child with two parents can obtain up to \$500,000 in FDIC insurance with properly structured multiple accounts. Note: The current maximum contribution limit for the **Bank Plan** is set at \$505,000 per child, although earnings in your Account may cause the aggregate balance to exceed that amount.

For additional information see the Disclosure Statement or call us at **1.800.888.2723**.

For more information about College Savings Bank, a Division of NexBank, call 1.800.888.2723 or visit www.collegesavings.com. Read and consider the Disclosure Statement carefully before you invest or send any money.

If you are not an Arizona taxpayer, consider before investing whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's qualified tuition program. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision. In addition, you should periodically assess, and if appropriate, adjust your 529 plan investment choices with your time horizon, risk tolerance and investment objectives in mind.

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Tax and other penalties may apply to non-qualified withdrawals from a Bank Plan account. You should consult your financial, tax, or other adviser to learn how state-based benefits (or limitations) will apply to your specific circumstances. The Bank Plan is not insured by the State of Arizona, nor is the principal and interest invested in the plan thereon guaranteed by the State of Arizona. For additional information, please refer to the Bank Plan Disclosure Statement.

Neither the Bank Plan, nor the BOI, nor the ASTO, nor NexBank, nor other organizations participating in the program are providing tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

1. The Federal Deposit Insurance Corporation (FDIC) generally insures, with respect to each FDIC-insured institution, deposit accounts that are held in the same right and capacity up to the maximum amount set by federal law, currently \$250,000. An account owner's interest in the insurable balance of a Bank Plan account is insured by the FDIC on a pass-through basis to each account owner up to the maximum amount. Under applicable FDIC regulations, accounts that have the same owner will be deemed to be held in the same right and capacity and will be combined for purposes of the \$250,000 limitation. Interest accrued on Fixed Rate CD or CollegeSure Honors Savings Accounts are also covered by FDIC deposit insurance, subject to these same limitations.
2. Savingforcollege.com: "FDIC-insured products in the 529 marketplace." June 2020. <https://www.savingforcollege.com/article/new-study-fdic-insured-529-plans>. FDIC-insured 529 Plan savings accounts and certificates of deposit accounts ranked by APY (Annual Percentage Yield).
3. Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements. See the Disclosure Statement for details.
4. Visit www.IRS.gov for more information on Gift Taxes.
5. Visit www.savingforcollege.com for more information on Financial Aid.



College
Savings Bank®

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