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## ***President Obama Signs Bill to Add 529 College Savings Plan Benefits***

*Measure ends uncertainty over whether computers are a qualified higher education expense.*

**(Salt Lake City)** A bill President Barack Obama signed December 18 makes 529 college savings plans more family-friendly by allowing a computer purchase to count as a qualified higher education expense for which account owners may withdraw money tax-free from a Utah Educational Savings Plan (UESP) or other 529 account.

Previously, a computer purchase qualified for favorable tax treatment only if an eligible higher education institution required a student to own a computer.

“This is a big improvement that enhances tax-advantaged 529 savings plans,” said Lynne Ward, executive director of UESP, Utah’s official and only 529 plan. “In an age when electronic devices are commonplace on campus, families should not have to wonder whether a computer purchase is an eligible expense.”

The bill also allows a 529 account owner to redeposit a withdrawal within 60 days without tax consequences if a college refunds money for a reason such as a beneficiary having to leave school due to illness.

In the past, the earnings portion of a refund was subject to federal and Utah state taxes and a 10 percent federal tax penalty.

“These changes provide additional flexibility and make it easier for account owners to use their UESP college savings accounts,” Ward said.

The bill also eliminates some unnecessary paperwork for 529 plan administrators, which may lead to lower operating expenses and keep account fees in check.

“Saving for college is a priority for American families. We thank Congress and President Obama for carrying out these commonsense reforms,” said Betty Lochner, chairwoman of the College Savings Plan Network (CSPN).

### **About UESP**

UESP, Utah’s official nonprofit 529 college savings plan, is highly recommended by Morningstar Inc., *Kiplinger’s Personal Finance* magazine, *Money* magazine, CBS MoneyWatch.com, and consumer expert Clark Howard for its low fees and industry innovations such as its customized allocation investment options.

Accounts are free to open, and UESP requires no minimum deposit or account balance. UESP's user-friendly website, [uesp.org](http://uesp.org), makes it easy to open, manage, and contribute to an account online.

To learn more about the Utah Educational Savings Plan, visit [uesp.org](http://uesp.org), call UESP toll-free at 800.418.2551, or send an email to [info@uesp.org](mailto:info@uesp.org).

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*Read the Program Description for more information and consider all investment objectives, risks, charges, and expenses before investing. Call 800.418.2551 for a copy of the Program Description or visit [uesp.org](http://uesp.org).*

*Investments in UESP are not guaranteed by UESP, the Utah State Board of Regents, the Utah Higher Education Assistance Authority (UHEAA), or any other state or federal agency. However, Federal Deposit Insurance Corporation (FDIC) insurance is provided for the FDIC-insured accounts. Please read the Program Description to learn about the FDIC-insured accounts. Your investment could lose value.*

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

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