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Contact: Media Relations, 801.321.7157

February 18, 2015

Utah Educational Savings Plan Exceeds \$8 Billion in Assets

Rapid growth in assets under management leads to cost efficiencies that benefit account owners investing for college.

(Salt Lake City) The Utah Educational Savings Plan (UESP) announced today it has surpassed \$8 billion in assets under its management in more than 277,000 accounts, a milestone underscoring the value that investors find in Utah's low-cost, fast-growing 529 college savings plan.

UESP passed \$1 billion in assets under management in 2005. Since 2007, when it attained the \$2 billion mark, assets managed by Utah's official and only 529 plan have quadrupled, while the number of accounts has more than doubled from 113,800 eight years ago.

Today, UESP ranks fourth among direct-sold 529 college savings plans, according to the investment research firm Morningstar Inc.

"The rapid growth that UESP has experienced shows the importance that families in all walks of life place on saving for college," said Lynne Ward, UESP executive director. "Regular contributions to a UESP account of even modest sums may help make college more affordable and lessen the need to rely on student loans."

The steady rise in assets under management benefits UESP account owners because growth leads to cost efficiencies that UESP may pass on to account owners by lowering fees. UESP's investment in the Vanguard Short-Term Inflation-Protected Securities Index Fund recently met the requirements to join a share class with a lower investment expense ratio effective January 30, 2015, benefitting account owners in UESP's customized investment options who choose the fund as an underlying investment.

Because of its size, UESP qualifies for the most favorable share class in all of its funds except one. UESP's average total asset-weighted fee paid by account owners is 0.22 percent, or an annual fee of \$2.20 per \$1,000 invested, one of the lowest among nationally available 529 plans.

UESP consistently ranks as one of the nation's top plans. In October 2014, Morningstar awarded the plan a rare Analyst Rating™ of Gold, its highest commendation. UESP has earned a Morningstar Gold rating for four consecutive years and in nine of the past 11 years.

"The State of Utah is proud to sponsor one of the nation's most respected 529 college savings plans," Utah Gov. Gary Herbert said. "UESP offers Utah residents and those saving for college around the nation an innovative, flexible, low-cost way to invest for future higher education costs."

Investors in UESP can choose between four aged-based investment options, eight static investment options, and two customized investment options. There is no charge to open an account, change investment options, make withdrawals, or transfer funds. No initial or ongoing contributions are necessary.

Account owners enjoy tax benefits as well as low fees. Earnings on contributions to UESP accounts grow tax-deferred. Withdrawals are exempt from federal and Utah state income taxes when used for qualified higher education expenses such as tuition and fees; required books, supplies and equipment; and certain room-and-board costs.

Utah taxpayers can claim a Utah state tax credit for contributions to their UESP accounts. In 2015, a single filer can claim a 5 percent tax credit on contributions up to \$1,900, for a maximum of \$95 *per qualified beneficiary*. Married couples filing jointly can claim a 5 percent credit on contributions up to \$3,800, for a maximum of \$190 *per qualified beneficiary*.

In order for an account owner to claim the tax credit, the account beneficiary must have been age 19 or younger when designated as such on the account. If this requirement is met, the account owner can claim the credit each year a contribution is made for the life of the beneficiary's account.

Accounts are free to open, and UESP requires no minimum deposit or account balance. UESP's user-friendly website, 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, call UESP toll-free at 800.418.2551, or send an email to 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.

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.