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July 14, 2017

UESP Cuts Administrative Asset Fee, Eliminates Mail Delivery Fee

Reducing costs makes saving for college even more affordable for families

(Salt Lake City) The Utah Educational Savings Plan (UESP) has reduced its Administrative Asset Fee for most of its college savings investment options and eliminated its Administrative Mail Delivery Fee.

“Fees should not be a barrier to families saving for the higher education of their children. These adjustments are part of our ongoing effort to make college more attainable to families from all walks of life,” said Lynne Ward, UESP executive director.

Utah’s official and only tax-advantaged 529 college savings plan offers 14 investment options to families investing for future qualified higher education expenses. UESP is making other changes to the plan that improve flexibility and provide additional diversity to account portfolios.

A breakdown of the changes:

- UESP lowered the Administrative Asset Fee charged annually to accounts invested in all four predetermined age-based investment options and five of the predetermined static investment options to 0.160 percent from 0.170 percent, a savings of 10 cents per \$1,000 invested. Effective July 1, 2017.
- UESP eliminated the Administrative Mail Delivery Fee, which was charged to non-Utah account owners who chose to receive quarterly statements and other UESP communications by mail instead of online. The annual fee of \$2 per \$1,000 of an account balance, which was capped at \$12, did not apply to Utah residents. Effective July 1, 2017.
- The number of age brackets in all predetermined and customized age-based investment options was increased to 10 brackets from seven to gradually smooth out the transitions between age brackets. With smaller equity step-downs between age brackets, an account should be less vulnerable to any sharp market fluctuations on the day it transitions to the next age bracket. Effective July 14, 2017.
- The Age 19+ or College Enrolled age bracket was redesigned to remove the College Enrolled trigger from the age-based investment options. Previously, if an account owner withdrew funds to pay for the qualified higher education expenses of a high school student enrolled in a college class, the account was automatically moved to the Age 19+ or College Enrolled bracket. With the College Enrolled trigger removed, the age-based account remains in the bracket corresponding to the beneficiary’s age and continues along the glide path designed for the account owner’s investment option. Effective July 14, 2017.

- UESP added the Vanguard Total International Bond Index Fund to the Age-Based Aggressive Global, Age-Based Moderate, and Age-Based Conservative investment options as an underlying investment. The mutual fund was added to increase diversity and reduce potential investment risk. An international fixed-income investment previously was not available as an underlying investment in the age-based options. Effective July 14, 2017.
- Vanguard High-Yield Corporate Fund, Vanguard FTSE Social Index Fund, and Dimensional U.S. Sustainability Core 1 Portfolio were added as optional underlying funds available to investors in the Customized Age-Based and Customized Static investment options. Vanguard High-Yield Corporate Fund increases the diversity of fixed-income investments. Vanguard FTSE Social Index Fund and Dimensional U.S. Sustainability Core 1 Portfolio invest in socially responsible companies. Effective July 14, 2017.

UESP released an updated Program Description today with details of all the changes.

About UESP

UESP, Utah's official nonprofit 529 college savings plan, is highly ranked 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, 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.

Important Legal Notice

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 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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