



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## ScholarShare 529 Plan Reduces Fees for Investors by 20%

*Fee Reduction Will Save Investors More Than \$660,000*

**SACRAMENTO** – ScholarShare, California’s 529 college savings plan, announced it will reduce its program management fee for account owners, resulting in net savings of more than \$660,000 for existing investors and their beneficiaries.

This 20% decrease in the program management fee from 0.05 to 0.04 percentage points makes it one of the lowest-cost, affordable 529 plans in the country.

“Our goal at ScholarShare is to provide an exceptional 529 program featuring a diverse set of investment options, superior performance and low fees – giving our investors access to the best overall value,” said state Treasurer John Chiang, chair of the ScholarShare Investment Board. “The more money families save in fees, the more they have in their pocket to invest, and ultimately use, to pay for college expenses.”

ScholarShare’s average, total annual asset-based fee across all investment options is expected to drop to 0.30 percentage points, which is less than half the national average of 0.71 percentage points. The plan’s asset-based fee for its actively-managed investment line-up will now average 0.49 percentage points, while the average for its passively-managed index investment options will drop from 0.16 percentage points to 0.15 percentage points -- the lowest in the country.

ScholarShare is also ranked as one of the top-rated 529 college savings plans in the country by Morningstar, an independent investment research firm.

It is an affordable and flexible plan that offers a diverse set of investment options to fit a family’s priorities and college savings goals. It provides tax-deferred growth and withdrawals free from federal and California state taxes when the funds are used to pay for qualified higher education expenses, such as tuition and fees, books, computer equipment, or certain room and board costs. Anyone with a valid Social Security number or taxpayer identification number can open a new account, for as little as \$25. ScholarShare has no annual account maintenance fee, no income limitations, and offers a maximum account contribution limit of

\$475,000. Through ScholarShare's "Give a Gift" option, parents, grandparents, aunts, uncles and friends can open a new account as a gift or make a contribution to an existing one.

### **About the ScholarShare 529 College Savings Plan:**

To sign up for an account or for more information about the plan, visit [www.scholarshare.com](http://www.scholarshare.com). For information about the ScholarShare Investment Board (SIB), visit [www.treasurer.ca.gov/scholarshare](http://www.treasurer.ca.gov/scholarshare). Like ScholarShare on Facebook at [www.facebook.com/scholarshare529](https://www.facebook.com/scholarshare529) and follow us on Twitter at [@ScholarShare529](https://twitter.com/ScholarShare529).

Named for the section of the Internal Revenue Service (IRS) code under which they were created, 529 plans offer valuable tax advantages. Contributions are made with money that has already been taxed. Once funds are placed in the account, investment earnings, if any, are not federally or state taxed, if withdrawn to pay for qualified higher education costs.

The ScholarShare 529 College Savings Plan Twitter and Facebook pages are managed by the State of California.

For more news, please follow the Treasurer on Twitter at [@CalTreasurer](https://twitter.com/CalTreasurer), and on Facebook at [California State Treasurer's Office](https://www.facebook.com/CaliforniaStateTreasurersOffice).

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