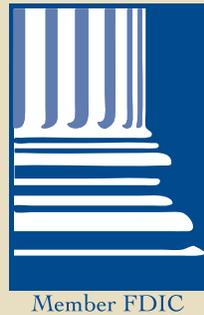


Saving today can influence a positive performance tomorrow.



College  
Savings Bank®

The **Bank Plan** helps you position your child for a successful future.

College Savings Bank, a Division of NexBank SSB (Bank Plan) is **FDIC-insured** and a 529 built for families saving with safety and asset availability in mind.

### Making Saving Easier

- Any U.S. resident, regardless of income, may establish a tax-favored **Bank Plan** account for any individual.
- Use the proceeds at any accredited college, university, or technical school worldwide.
- Use the proceeds for K-12 tuition (*federal tax benefits only*).
- The **Bank Plan** is available nationwide and offers joint-ownership.
- The **Bank Plan** offers **FDIC-insured**<sup>1</sup> 529 Certificate of Deposit (CD) options and a High-yield Savings Account.
- The account owner maintains control of all assets and determines how they are used.
- **No Fees.**
- Eligible college expenses include tuition, fees, textbooks, supplies, computer and related equipment, software and services required to attend an eligible institution. If the student's enrollment qualifies for at least half time, room and board expenses are eligible up to a specified level.

### Making the Safe Choice

Our FDIC-Insured 529 CDs and Savings Account offer a more conservative option to investing for higher education. This can be especially helpful for:

- Conservative savers
- Late savers
- Savers looking to diversify their 529 portfolio
- Savers with a beneficiary approaching college age

▶ **Being prepared is critical to their success. You save for your children and grandchildren because you know how important a college education is today... and will be tomorrow.**



# Planning is essential. Products for a variety of savers.

Top ranked with highest-yielding CD (1-, 2-, 3-year terms)<sup>2</sup>

	Fixed Rate CD	CollegeSure CD® Honors Savings Account
<b>GOOD WHEN:</b>	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.
<b>TERM:</b>	1-, 2- and 3-Year Maturities	NONE
<b>BENEFITS:</b>	Predictable rate of return; and entitled to federal, estate, gifting and, if applicable, state tax benefits.	Assets remain liquid; and entitled to federal, estate, gifting and, if applicable, state tax benefits.
<b>ONLINE BANKING ACCESS:</b>	YES	YES
<b>EARLY WITHDRAWAL PENALTY:</b>	YES	NO
<b>FEES:</b>	NONE	NONE

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

## Bank Plan Tax Benefits

When you save for your loved one’s college education with the **Bank Plan**, you can 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.<sup>3</sup>
- The **Bank Plan** provides an affordable and effective way for everyone to save for college. Plus, Arizona residents are eligible for additional tax benefits based on contributions.
- Arizona residents are eligible for a \$2,000 deduction to gross income per taxpayer, or \$4,000 for those married, filing jointly based on contributions to the **Bank Plan**.
- You 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.<sup>5</sup>

▶ **Simply having a college savings account, with even \$1, increases the likelihood of attending college from 45% to an impressive 71%. A savings account with \$500+ increases the likelihood of graduating from college from 5% to an impressive 33%.<sup>4</sup>**



\*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 higher 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 future higher education expenses—college and other post-secondary training. These plans are offered by a state or educational institution, with tax advantages and potentially other incentives for a beneficiary.

## Who is College Savings Bank, a Division of NexBank SSB (Bank Plan)?

The **Bank Plan** is the FDIC-insured 529 option offered by the Arizona Commission for Postsecondary Education (ACPE). Managed by College Savings Bank, a division of NexBank SSB, the **Bank Plan** is available nationwide and designed to help individuals and families save for college with valuable advantages including tax-deferred growth, generous contribution limits and a variety of attractive FDIC-insured products. As a member of the FDIC, 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. In addition, there are no income limits to open an Account or age limits for beneficiaries. Visit [www.collegesavings.com](http://www.collegesavings.com) to learn more.

## How much do I need to open an account?

You can open an Account with as little as \$25 per month using a direct deposit plan or payroll deduction (if your employer offers this service). Otherwise, you can contribute a minimum of \$250 at the time of enrollment. For additional information see the Disclosure Statement, Terms and Conditions, or call us at **1.800.888.2723**.

## What are the fees associated with Bank Plan?

We do not charge any 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, as long as the student is enrolled in a U.S.- accredited college, university or technical school that is eligible to participate in U.S. Department of Education student financial aid programs. 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. A person need not be an account owner to contribute. Family and friends can make deposits into an existing account by visiting: [www.collegesavings.com/Arizona](http://www.collegesavings.com/Arizona).

## 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 any tuition and fees not covered by the scholarship or grant;
- Apply your Account toward other eligible college expenses such as room and board, books, or course-specific fees;
- 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.<sup>3</sup>

## 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 5.6% of your non-retirement assets to be used for college expenses each year.<sup>6</sup>

## 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 is set at \$453,000 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 SSB, call 1.800.888.2723 or visit [www.collegesavings.com/Arizona](http://www.collegesavings.com/Arizona). 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.

The Bank Plan is sponsored by the State of Arizona and administered by the Arizona Commission for Postsecondary Education (ACPE). College Savings Bank serves as Program Manager for the Bank Plan. College Savings Bank, as a Program Manager, supports all aspects of the day-to-day operations of the Bank Plan, including marketing, recordkeeping and administrative support. The Bank Plan offers CDs and a Savings Account. CDs may be subject to early withdrawal penalties.

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.

NexBank SSB and its affiliates do not provide 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.

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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 that accrues on a Fixed Rate CD or CollegeSure Honors Savings Account is also covered by FDIC deposit insurance, subject to these same limitations.
2. Savingforcollege.com: "FDIC-insured products in the 529 marketplace." SavingForCollege.com, May 2018. <https://s3-us-west-2.amazonaws.com/webresources.savingforcollege.com/documents/FDIC-insured-products-in-the-529-marketplace-2018.pdf>. 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 more details.
4. Elliott, W. (2013). "Small-dollar children's savings accounts and children's college outcomes," Children and Youth Services Review, 35(3), 572-585. <http://dx.doi.org/10.1016/j.childyouth.2012.12.015>
5. Visit [www.IRS.gov](http://www.IRS.gov) for more information about Gift Taxes.
6. Visit [www.savingforcollege.com](http://www.savingforcollege.com) for more information on Financial Aid and 529 Plans.



College  
Savings Bank®

## Contact

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## Client Service

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