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## **Arizona Treasurer Kimberly Yee Announces Morningstar Silver Rating for the AZ529, Arizona's Education Savings Plan**

**PHOENIX, AZ** – Today, Morningstar released their 2023 529 Ratings and the AZ529, Arizona's Education Savings Plan has been upgraded to a Silver-rating which is among the best plans for 2023. Each year, Morningstar assigns qualitative ratings to 529 education savings plans based on an assessment of each plan's investment merits which is reflected in Morningstar's five-point pillar scale. The Fidelity-managed AZ529 Plan received an upgrade to a High rating in the People Pillar, due to increased confidence in the investment management team and state oversight that exceeds industry standards.

“The upgrade to a Silver-rating from a Bronze-rating for the AZ529 Education Savings Plan signifies the commitment of my administration to making the AZ529 Plan more effective and diversified for families across Arizona and the country,” said Arizona Treasurer Kimberly Yee. “The Silver Medalist Rating comes from the culmination of the hard work of our investment partners at Fidelity and our internal investment and AZ529 Plan management teams.”

Silver-rated plans are identified as having an above-average rating when compared to other plans, specifically for reflecting a strong investment team or investment process that benefits plan participants. Morningstar cites the transition from the Arizona Commission for Postsecondary Education to the Arizona State Treasurer's Office as a reason for the upgrade due to the increased investment expertise overseeing the plan. Additional oversight includes the Arizona State Board of Investment and the statutory AZ529 Plan Advisory Committee.

“In just three years, my office has grown the AZ529 Education Savings Plan by adding 32,755 new accounts, increasing assets by 18.3% to \$1.92 billion,” said Arizona Treasurer Kimberly Yee. “We have seen a substantial increase in AZ529 Plan participation from various Arizona communities, as well as families from other states and are committed to continuing this great work in making education savings more accessible.”

The AZ529 Education Savings Plan offers a tax-advantaged approach to setting money aside for college, community college, vocational training, trade school and other educational avenues for high school graduates. Arizona residents can receive a dollar-for-dollar state tax deduction for contributions made to an AZ529 account each year, of up to \$2,000 per beneficiary or \$4,000 per beneficiary depending on filing status. Funds earned over time will remain tax-free when used for a wide variety of covered educational expenses. Beginning in 2024, 529 plan beneficiaries will be able to rollover unused funds into a Roth IRA, free of income tax or tax penalties. Additionally, friends and family members may add to a child's AZ529 Plan at any time and earn the same tax benefits for themselves. For more information about AZ529, visit <http://www.az529.gov>.

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