



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

November 21, 2024

## my529 Honored with Top Industry Rating for 14<sup>th</sup> Year

As Utah's 529 educational savings plan, my529's mission is to help families put aside funds for future qualified education expenses. So, it's with pride that we announce that my529 is again one of the top 529 plans in the country, named on October 29 by investment research firm Morningstar as one of five plans to receive the Analyst Rating™ of Gold for 2024.

### **my529 has earned Morningstar's top rating for 14 years in a row.**

In their annual industry report, Morningstar evaluated 59 plans for their underlying investment quality and selection process, asset allocation methodology, investment team, and state oversight. For Gold-rated plans like my529, distinguishing factors included investment option design, state stewardship, and low costs.

Morningstar Research Services LLC, a leading provider of independent investment research, is a subsidiary of Morningstar Inc.

The Morningstar analysts praised the construction of my529's investment offerings and the plan's low-priced options, including the Customized Age-Based option, which gives account owners the flexibility to tailor a portfolio in line with their individual goals, risk appetite, and time horizon.

The report highlighted my529's knowledgeable investment team, effective state oversight, and the expertise of the plan's board members, advisors, and consultants as integral to plan success.

A state-specific breakdown also noted my529's history of fee reductions — and that the plan's low costs overall made it an attractive investment vehicle to investors across the country. The state report underscores the stability of my529's investment team, which enables the plan to provide continuity.

### **my529's record of 14 top industry ratings is unmatched by any other 529 plan.**

Here are some of my529's key accomplishments over the same period:

- **More than 168,900 my529 beneficiaries have used their funds for qualified education expenses, including K-12 tuition expenses, since 2011, totaling over \$7.3 billion in withdrawals.**

- In 2024, **45% of higher education/K-12 withdrawals were from earnings, totaling \$445 million** (\$998 million in total higher education/K-12 withdrawals) – which is why investing in a 529 plan is advantageous. In a my529 account, earnings grow tax-deferred from federal and Utah state income taxes, and withdrawals are tax-free if used for qualified education expenses like tuition, fees, books, supplies, and room and board.
- my529 is the third-largest direct-sold 529 plan by assets in the country, with more than **560,000 accounts and \$25.1 billion** in assets under management. Direct-sold means people can open an account directly with my529 and do not require an advisor or broker.
- Finally, friends and family can also contribute to a my529 beneficiary’s savings journey through my529’s Gift Program. **More than \$543 million in total gift contributions have been given** through my529’s Gift Program since the program’s launch in 2013.

*Data as of October 29, 2024*

### **Commissioner’s Recommendation**

This is an information item only; no action is required.

### **Attachment**

Attachment 1 – Morningstar 529 Ratings: The Best Plans