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After 18 years, the UA College Savings Plan launches new brand

The UA College Savings Plan announced that it is changing its name to Alaska 529 as of October 15, 2019. The Alaska-based education savings plan is offered by the Education Trust of Alaska.

After 2017 tax reform expanded the use of 529 plans, the Education Trust of Alaska determined the need for a name and a brand that better represents the products and services it provides.

“This name change was made to reflect our versatility as an education savings plan that can be used for qualified expenses at nearly all colleges, universities and technical schools nationwide, as well as for K-12 tuition,” said Tammi Weaver, the trust’s executive officer. “The name may be new, but with Alaska 529, account holders will still experience high-quality plan benefits, customer service and investment management, and the value of our 18-year relationship with program manager T. Rowe Price.”

For 18 years, the UA College Savings Plan has featured tax advantages that make it easy to save for education and study anywhere. Although Alaska is in the name, anyone can invest in the plan, regardless of state residency. It has been widely known for offering Alaskans a way to contribute to college savings by checking “Yes” on Alaska’s Permanent Fund Dividend (PFD) application and for its \$25,000 scholarship account giveaway announced each November.

Save in Alaska. The new name emphasizes that the program is Alaska’s offering as described in Section 529 of the Internal Revenue Code. A 529 plan is an investment vehicle created by and the states and authorized by Congress, specifically for education savings.

Study Anywhere. Rebranding to Alaska 529 reduces confusion about how accounts can be used to pay for education expenses. The results of a statewide survey conducted in 2018 confirmed that some prospective and existing account holders thought investing in the UA College Savings Plan restricted a beneficiary’s college choice to the University of Alaska when funds may actually be used nationwide.

In addition to the plan’s name change, the Trust announced name changes for two of its featured investment options to more accurately describe the portfolios’ design. The ACT Portfolio will be renamed University of Alaska Portfolio and Portfolio for College will be renamed Portfolio for Education Today. Account holders who invest in the University of Alaska Portfolio will continue to benefit from the portfolio’s tuition-value guarantee, which allows account holders to purchase UA tuition credits now for use in the future. The Portfolio for Education Today is designed for beneficiaries who are already enrolled or are about to enroll in school and will begin using their savings.

Federal Tax Benefits. Tax benefits enhance 529 plans because any earnings accumulated are not subject to federal income taxes, so more money may be available to invest and to pay for qualified expenses. Account holders can make federal tax-free withdrawals for qualified higher education expenses and may use accounts to pay up to \$10,000 for K-12 tuition per beneficiary per year.

About the Education Trust of Alaska. The Education Trust of Alaska helps families provide for the increasing cost of education through tax-advantaged savings and investments in accordance with the provisions of Section 529 of the Internal Revenue Code. The University of Alaska serves as trustee and T. Rowe Price Associates, Inc. serves as program manager. The Trust offers three separately marketed 529 savings plans: Alaska 529, marketed directly to investors within Alaska; the T. Rowe Price College Savings Plan, marketed directly to investors nationwide; and the John Hancock Freedom 529, marketed nationally through financial advisors.

For more information about Alaska 529, visit Alaska529plan.com or call 1-800-478-0003.