



## A CollegeAmerica 529 savings plan can help your employees put their loved ones or themselves through college.

87% of employees indicated that they would be likely to open a 529 account if one was offered at work,<sup>1</sup> yet only 6.2% of companies are offering corporate-sponsored 529 plans.<sup>2</sup>

### The country's largest 529 plan<sup>3</sup> offers these benefits for employers

- **No setup costs** – There are no account setup or maintenance costs incurred by you.
- **Minimal administration** – Employees manage their accounts directly with your plan's financial professional.
- **Automatic payroll deductions** – You can offer payroll deductions to make it easy for employees to invest.
- **Wide eligibility** – Large and small businesses, professional offices, startups and even sole proprietorships can launch a 529 plan.
- **Employee loyalty** – A tax-advantaged investment vehicle can help attract, motivate and retain employees. (Tax-advantaged treatment applies to savings used for qualified education expenses. State tax treatment varies.)

Depending on your state of residence, there may be an in-state plan that provides state tax and other state benefits, such as financial aid, scholarship funds and protection from creditors, not available through CollegeAmerica. Before investing in any state's 529 plan, investors should consult a tax advisor.

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses, summary prospectuses and the CollegeAmerica Program Description, which can be obtained from a financial professional and should be read carefully before investing. CollegeAmerica is distributed by American Funds Distributors, Inc. and sold through unaffiliated intermediaries.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

## Why employees should choose a CollegeAmerica account

- **No up-front sales charges** – Because they invest in Class 529-E shares offered only through an employer-sponsored plan, employees don't incur up-front sales charges.
- **American Funds' superior outcomes** – With CollegeAmerica, employees invest in American Funds, which have a history of superior outcomes.<sup>4</sup>
- **Low fees** – CollegeAmerica's fees are among the lowest for advisor-sold 529 college saving plans.<sup>5</sup>
- **High marks** – CollegeAmerica is among Morningstar's highly rated advisor-sold 529 college savings plans.<sup>6</sup>
- **Flexible solutions** – Easy-to-use investment options include target date funds.
- **A lifetime of learning** – Save for a child's K-12 or college education, their own continuing education or apprenticeships through retirement. Qualified education expenses include tuition for an elementary or secondary private or religious school (kindergarten through 12th grade) up to a maximum of \$10,000 incurred during the taxable year per beneficiary. Tax-advantaged treatment applies to savings used for qualified education expenses. State tax treatment varies.

For apprenticeships, qualified education expenses include expenses for fees, books, supplies and equipment required for the participation of a designated beneficiary in certain apprenticeship programs.

### How to get started



#### AUTHORIZE

Complete the employer authorization form (provided by your financial professional) selecting how employees can contribute – automatic payroll deductions or from their bank accounts through automated clearing house (ACH).



#### INFORM

Visit our CollegeAmerica webpage to find practice-building ideas and online resources, like the College Savings Calculator.



#### EDUCATE

Invite employees to an enrollment meeting led by your financial professional.

For more information about CollegeAmerica, visit [capitalgroup.com/collegeamerica](https://capitalgroup.com/collegeamerica).

<sup>1</sup> 529 Industry Analysis (2022 edition), ISS Market Intelligence.

<sup>2</sup> New Proprietary Survey on the 529 Employer Channel, ISS Market Intelligence, June 13, 2022.

<sup>3</sup> Largest by assets, according to the 529 Quarterly Data Update, Fourth Quarter 2022 from ISS Market Intelligence. As of December 31, 2022, CollegeAmerica's assets under management (AUM) was \$74.6 billion.

<sup>4</sup> Equity-focused funds have beaten their Lipper peer indexes in 80% of 10-year periods and 94% of 20-year periods, based on Class 529-E share results for rolling monthly 10- and 20-year periods starting with the first 10- or 20-year period after each mutual fund's inception through December 31, 2022. Periods covered are the shorter of the fund's lifetime or since the comparable Lipper index inception date (except Capital Income Builder and SMALLCAP World Fund, for which the Lipper average was used). Expenses differ for each share class, so results will vary. Past results are not predictive of results in future periods. Based on Class 529-E share results as of December 31, 2022. Ten of the 12 taxable fixed income American Funds that have been in existence for the three-year period showed a three-year correlation lower than their respective Morningstar peer group averages. S&P 500 Index was used as an equity market proxy. Correlation based on monthly total returns. Correlation is a statistical measure of how two securities move in relation to each other. A correlation ranges from -1 to 1. A positive correlation close to 1 implies that as one security moves, either up or down, the other security will move in "lockstep," in the same direction. A negative correlation close to -1 indicates that the securities have moved in the opposite direction. Class 529-E shares were first offered on February 15, 2002. Class 529-E share results prior to the date of first sale are hypothetical based on the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after February 15, 2002, also include hypothetical returns because those funds' Class 529-E shares sold after the funds' date of first offering. Refer to [capitalgroup.com](https://capitalgroup.com) for more information on specific expense adjustments and the actual dates of first sale.

<sup>5</sup> 529 College Savings Quarterly Fee Analysis, Fourth Quarter 2022 from ISS Market Intelligence. CollegeAmerica's fees were in the lowest fee quartile of the 31 national advisor-sold 529 plans and in the second lowest fee quartile of the 29 national fee-based, advisor-sold 529 plans, based on the average annual asset-based fees that included CollegeAmerica's Class 529-A and 529-F-3 shares, respectively. The 0.58% average annual asset-based fee for CollegeAmerica's Class 529-F-2 shares was significantly lower than the 0.65% average annual asset-based fee for national fee-based, advisor-sold 529 plans.

<sup>6</sup> Morningstar Fund Spy, "Morningstar 529 Ratings: The Top Plans and What They Offer," November 2, 2022. Morningstar ratings are based on the following criteria: process, people, parent and price.

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