
529 COLLEGE SAVINGS PLANS: SUMMARY OF FEES AND COSTS

All 529 College Savings Plans have fees and expenses. Not only do these charges vary among 529 plans, but they also can vary within a plan. Like mutual funds, a college savings plan may offer more than one class of shares. Often referred to as A, B, or C classes, each class has different fees and expenses. These fees and expenses are described in detail in the offering document for the plan.

These are some of the most common fees, charges, and expenses found in college savings plans:

1. **Enrollment Fee**: Many college savings plans do not charge an enrollment fee. Almost all enrollment fees are \$50 or less.
2. **Annual Maintenance Fee**: Most college savings plans charge annual maintenance fees. These fees usually range from \$10 to \$25. Many plans reduce or eliminate this fee for residents, if you make automatic contributions, or if you maintain a certain balance, typically \$25,000.
3. **Sales Charge (Front-End Sales Load)**: College savings plans may charge a sales charge when you purchase certain share classes. These can range from 0.0% to 5.75% depending on the share class and portfolio option. The sales loads, if any, by share class are described in the offering document for the plan. Discounts on sales charges may be available depending on the amount of your investment. The levels of discounts are called breakpoints. The amount of the discount is based on the size of your investment and may increase as the size of investment increases.
4. **Deferred Sales Charge (Back-End Sales Load)**: A deferred sales charge or contingent deferred sales charge (CDSC) is a charge you pay when you withdraw money from a college savings plan. These charges can range between 0.0% and 5% depending on the share class and portfolio option. This charge usually decreases over time until it reaches zero, generally in seven years. Not every college savings plan has a deferred sales charge. In some plans, a deferred sales charge may only be levied on certain classes of the plan.
5. **Program Management Fee**: This is the total annual college savings plan operating expenses expressed as a percentage of the plan's assets. These fees can range from 0.14% to 0.35%.
6. **Underlying Fund Expenses**: These expenses are the fees and expenses of the mutual funds that the college savings plan invests in. It is expressed as a percentage of the mutual fund's assets. These expenses can range from 0.10% to 1% depending on the mutual funds selected.
7. **State Fees**: These are fees calculated as a percentage of the college savings plans new assets that are paid to the sponsoring state for administrative costs. These fees generally range from 0.03% to 0.10%.
8. **Distribution and Marketing Fees or Servicing Fees**: These fees are administrative fees ranging from 0.25% to 1.0%.
9. **Advisory Fees**: These fees may be charged in some college savings plans to compensate a registered investment adviser for managing the funds inside the plan. This fee can range from 0.25% to 1.00%.

Additional Resources

SEC: An Introduction to 529 Plans: www.sec.gov/reportspubs/investor-publications/investorpubsintro529htm.html

FINRA: 529 Savings Plans: www.finra.org/investors/learn-to-invest/types-investments/saving-for-education/529-savings-plans

FINRA: 529 Savings Plan Investor Tips: www.finra.org/investors/insights/529-savings-plan-investor-tips