



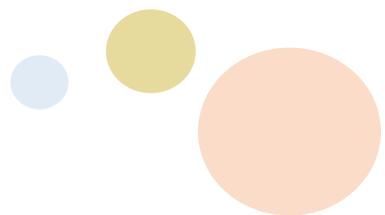
# AZ529 Bank Plan

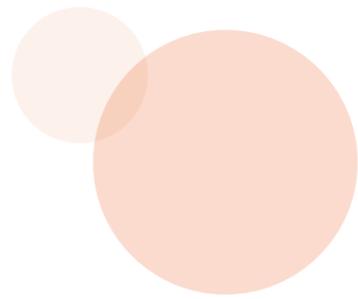
Program Transition: Frequently Asked Questions



**College  
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## Important Program Update

**We know you have questions, here are some answers.**

**On November 30, 2022, College Savings Bank, a Division of NexBank, will begin transferring Account assets to the new Program Manager, Fidelity Investments.**

AZ529 Bank Plan offered by College Savings Bank (CSB), a Division of NexBank, no longer solicits or accepts new investors (as of November 1, 2021) nor allows contributions from current account owners to their existing accounts (as of February 1, 2022).

Beginning November 30, 2022, CSB will begin transferring all CollegeSure® Honors Savings Account assets automatically to the new Program Manager, Fidelity Investments (“Fidelity”). The AZ529 Plan, Arizona’s Education Savings Plan (managed by Fidelity Investments) was selected based on Fidelity’s experience helping families achieve their education savings goals.

### Why is the AZ529 Bank Plan transitioning to Fidelity?

Arizona State Treasurer’s Office (ASTO), as AZ529 Administrator, subject to the approval of the Arizona State Board of Investment (BOI) as AZ529 Trustee, approved the Fidelity Bank Deposit Portfolio product, which carries FDIC insurance, as the default replacement vehicle for CSB CollegeSure Honors Savings Account assets that will be automatically transferred on the quarterly transfer dates.

Account Owners also have the option of:

- Transferring their CollegeSure Honors Savings Account assets to another AZ529 product offered by Fidelity Investments, with or without FDIC coverage; or
- Rolling over their CollegeSure Honors Savings Account assets to another state’s 529 plan, including plans offering FDIC insured products.

### What happens to my remaining Certificate of Deposits held with the AZ529 Bank Plan?

You will remain invested in your CD options in accordance to their Terms and Conditions. You will continue to receive your interest rate and APY on your CD products. CSB will continue to service all CD products through their respective maturity dates. Upon maturity of your CD, funds will automatically be deposited into a CSB CollegeSure Honors Savings Account, per your CD Terms and Conditions, and moved to Fidelity on the next quarterly transfer date. To review Terms and Conditions, visit our Website at [www.collegesavingsbank.com](http://www.collegesavingsbank.com).

### Will my remaining Certificate of Deposits (CDs) balances be affected?

Beginning November 30, 2022, the AZ529 Bank Plan will begin the quarterly transition of transferring only CollegeSure Honors Savings Account balances to Fidelity. No CDs will be transferred prior to maturity.

**Will the CSB CollegeSure Honors Savings Account transfer affect my twice per calendar year investment change?**

**No.** Per IRS rules, you can change current investments twice per calendar year, or change the Beneficiary, without incurring taxes. Because this transition is a program-initiated change, it will not be considered as one of the ‘twice per calendar year’ permitted investment option exchanges.

**How frequently will my CollegeSure Honors Savings Account assets/balance transfer from CSB to Fidelity?**

Beginning November 30, 2022, the AZ529 Bank Plan will begin transferring active CollegeSure Honors Savings Account assets to Fidelity as the 529 Program Manager and subsequently on the transfer dates described below. The definition of active means funded with a balance greater than \$0.00.

**\*Important:** To ensure timely asset transfers, CSB will not process CollegeSure Honors Savings Account withdrawals on any quarterly transfer cycle dates.

**What are the quarterly CollegeSure Honors Savings Account transfer dates?**

- November 30th
- February 28th and leap year(s) February 29th
- May 31st
- August 31st

**Will I receive notification once my CollegeSure Honors Savings Account assets/balance transfers?**

**Yes.** You will receive a confirmation notice whenever assets/balance transfer to Fidelity. You will continue to receive monthly statements detailing your transactions within the statement period.

**Can I request a distribution from the AZ529 Bank Plan?**

You may request a Qualified or Non-Qualified distribution by completing the AZ529 Bank Plan Distribution Authorization Form.

**Note:** Distribution transactions will not be processed three days prior to any quarterly CollegeSure Honors Savings Account transfer date (“blackout date”).

**To obtain forms:**

1. Visit our website to access all forms at [www.collegesavings.com](http://www.collegesavings.com).
2. Contact a College Savings Bank Plan Representative at 1.800.888.2723 Monday—Friday 9 AM—6 PM EST.

**What Fidelity Investment option will I receive?**

Your CollegeSure Honors Savings Account balance will automatically transfer to a Bank Deposit Portfolio that closely matches and seeks preservation of principal and is composed exclusively of a deposit in an FDIC insured interest bearing account.

**Once transitioned, how will my Account be registered with Fidelity?**

Fidelity 529 Accounts are registered as Individual or UGMA/UTMA. Choosing a Successor Owner is recommended but not required.

**My CollegeSure Honors Savings Account(s) within the AZ529 Bank Plan are registered jointly, will there be a change with the transition?**

**Yes.** Once the CollegeSure Honors Savings Account is transferred to the AZ529 Plan, Arizona’s Education Savings Plan (managed by Fidelity Investments), only the CSB Primary Account Owner will be listed as the Account Owner.

**Will my transitioned balance(s) be moved to an investment option that offers FDIC insurance at Fidelity?**

**Yes.** Selected as the default replacement vehicle for CollegeSure Honors Savings Account assets, the Bank Deposit Portfolio offered by the AZ529, Arizona’s Education Savings Plan (managed by Fidelity Investments), invests exclusively in a FDIC-insured interest-bearing NOW account.

**Do my CollegeSure Honors Savings Account assets earn interest?**

**Yes.** Interest will continue to be compounded and credited quarterly. Current interest rates are published on our website, [www.collegesavings.com](http://www.collegesavings.com).

**Will I incur fees from the CSB AZ529 Bank Plan?**

**No.** The AZ529 Bank Plan does not impose any fees.

**How do I setup a Fidelity account to resume making contributions with Fidelity once my CollegeSure Honors Savings Account assets transition to Fidelity?**

AZ529 Bank Plan Account Owners will receive notification from Fidelity, at least 30 days prior to

the November 30th transition date. The Fidelity notification will include Fidelity’s account registration and activation process.

**Can I rollover to another state’s 529 plan?**

**Yes.** Rollovers are permissible under Arizona State Income Tax law. Rollovers to other 529 plans that are not taxable under federal income tax laws will not be taxable under Arizona State Income Tax law. You should consult with a qualified tax professional regarding your specific circumstances.

**How do I initiate a rollover to another state’s qualified 529 plan?**

Should you choose to initiate a rollover to another state’s 529 plan, you must contact the administrator of the receiving plan to initiate the rollover request. While there are no fees to rollover assets, certain AZ529 Bank Plan CDs incur early redemption penalties. Refer to the CD Terms and Conditions for applicable redemption penalties on our website at [www.collegesavings.com](http://www.collegesavings.com). By initiating a rollover to another state’s 529 program, it may be considered an investment change.

KEY TRANSITION DATES	
The following table details some key dates and actions during this period.	
November 30 February 28 / (February 29) May 31 August 31	<b>Transfer Dates:</b> Quarterly CollegeSure Honors Savings Account automatic transfer over to the AZ529 Plan, Arizona’s Education Savings Plan (managed by Fidelity Investments).
Three (3) Business Days prior to Transfer Date	<b>Black Out Dates:</b> During this timeframe prior to any Transfer Date, no transactions or account maintenance changes are processed/conducted.
Three (3) Business Days after Transfer Date	<b>Confirmation Notice:</b> CSB will mail a confirmation notice to the Account Owner for each CollegeSure Honors Savings Account transferred to the AZ529 Plan, Arizona’s Education Savings Plan (managed by Fidelity Investments)
First Week of Each Month	<b>Monthly Statements:</b> CSB will continue to provide monthly statements for each account held at CSB. Accounts held with Fidelity will receive communications directly from Fidelity.



## Contact and service

College Savings Bank, a Division of NexBank  
2515 McKinney Ave., Suite 1100  
Dallas, TX 75201

### Client service

1.800.888.2723

Monday—Friday, 9 AM—6 PM EST  
info@collegesavings.com

www.collegesavings.com



### Arizona State Treasurer's Office

1.602.542.7529

AZ529@aztreasury.gov

www.AZ529.gov

If you are not an Arizona taxpayer, consider before investing whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's qualified tuition program. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision. In addition, you should periodically assess, and if appropriate, adjust your 529 plan investment choices with your time horizon, risk tolerance and investment objectives in mind.

The AZ529 Bank Plan is established and maintained by the Arizona State Treasurer's Office and the Arizona State Board of Investment, and managed by College Savings Bank, a Division of NexBank. The AZ529 Bank Plan offers CDs and a Savings Account. CDs may be subject to early withdrawal penalties.

Tax and other penalties may apply to Non-Qualified Distributions from an AZ529 Bank Plan account. You should consult your financial, tax, or other adviser to learn how state-based benefits (or limitations) will apply to your specific circumstances. The AZ529 Bank Plan is not insured by the State of Arizona, nor is the principal and interest invested in the plan thereon guaranteed by the State of Arizona. For additional information, please refer to the AZ529 Bank Plan Disclosure Statement.

The Federal Deposit Insurance Corporation (FDIC) generally insures, with respect to each FDIC-insured institution, deposit accounts that are held in the same right and capacity up to the maximum amount set by federal law, currently \$250,000. An Account Owner's interest in the insurable balance of a Bank Plan Account is insured by the FDIC on a pass-through basis to each Account Owner up to the maximum amount.

Under applicable FDIC regulations, accounts that have the same owner will be deemed to be held in the same right and capacity and will be combined for purposes of the \$250,000 limitation. Interest that accrues on a Fixed Rate CD or CollegeSure Honors Savings Account is also covered by FDIC deposit insurance, subject to these same limitations.

Earnings on Non-Qualified Distributions are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements. See the Disclosure Statement for more details.

Neither the Bank Plan, nor the BOI, nor the ASTO, nor NexBank, nor other organizations participating in the program are providing tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

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