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

59% of employees indicated that they would be likely to open a 529 account if one was offered at work;¹ yet only 6.9% of companies are offering corporate-sponsored 529 plans.²

The country’s largest 529 plan³ 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 advisor.
- **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-favored investment vehicle can help attract, motivate and retain employees.

If withdrawals from 529 plans are used for purposes other than qualified education expenses, the earnings will be subject to a 10% federal tax penalty in addition to federal and, if applicable, state income tax. Withdrawals for K-12 expenses may not be exempt from state tax in certain states. Please consult your tax advisor for state-specific details.

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. Depending on your state of residence, there may be an in-state plan that provides tax and other benefits not available through CollegeAmerica.

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 charge** – 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 the American Funds, which have a history of superior outcomes.4

• **A lifetime of learning** – Save for a child’s K-12 or college education, your own continuing education or a career in retirement.

• **Low expenses** – CollegeAmerica has some of the lowest expenses among 529 college savings plans.5

• **High marks** – CollegeAmerica is among Morningstar’s highest rated advisor-sold 529 college savings plans.6

• **Flexible solutions** – Easy-to-use investment options include target date funds.

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### How to get started

**AUTHORIZE**

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

**INFORM**

Available resources for you and your employees include calculators to help estimate college savings needs.

**EDUCATE**

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

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

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1 Strategic Insight 529 Industry Analysis 2018
2 PLANSPONSOR 2017 Defined Contribution (DC) Survey
3 Largest by assets, according to the Q4 2018 529 College Savings Quarterly Data Update from Strategic Insights.
4 Based on Class F-2 share results for rolling periods through December 31, 2018. 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. Fourteen of our 15 American Funds fixed income funds that have been in existence for the three-year period showed a three-year correlation below 0.2. Standard & Poor’s 500 Composite 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.
5 CollegeAmerica has some of the lowest expenses in the 529 industry, according to Morningstar’s “529 College-Savings Plan Landscape,” May 2016.

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