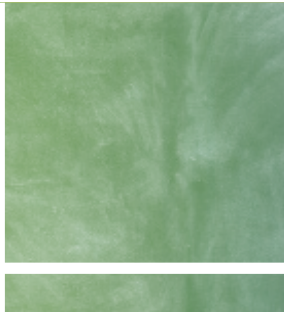


# JLARC Legislator's Guide **Commonwealth Savers**

2026



# About Commonwealth Savers

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The Commonwealth Savers Plan, formerly known as Virginia529, was established by the General Assembly in 1994 to help make college more affordable and accessible to Virginians. Education savings plans are authorized by § 529 of the Internal Revenue Code and are sponsored in 49 states and the District of Columbia. Commonwealth Savers offers education savings programs that participants can use to pay for educational expenses at institutions in Virginia and across the U.S. The programs offer federal and state income tax advantages on education savings and investment earnings. In 2017, the U.S. Congress expanded the allowable use of 529 education savings plans to include tuition at elementary and secondary public, private, and religious schools, as well as registered apprenticeship programs.

Since its creation, two changes have expanded Commonwealth Savers' mission beyond education savings. In 2015, the General Assembly, in response to federal legislation, directed Commonwealth Savers to develop a program that provides tax-advantaged savings accounts for individuals with disabilities. In 2021, the General Assembly created a state-sponsored private retirement savings program for private-sector employees in Virginia without access to retirement savings through their employers and directed Commonwealth Savers to administer the program.

## Legislative oversight

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The General Assembly may make needed changes to Commonwealth Savers programs through legislation. The General Assembly approves Commonwealth Savers spending every year in the Appropriation Act, including appropriations for administrative spending and payments made under Commonwealth Savers' defined benefit prepaid tuition programs. In some years, the General Assembly has also approved funding for access and affordability programs.

Under the Commonwealth Savers Oversight Act, the Joint Legislative Audit and Review Commission (JLARC) oversees and evaluates Commonwealth Savers on an ongoing basis (Title 30, Chapter 51 of the Code of Virginia). JLARC publishes a biennial Commonwealth Savers oversight report, oversees a quadrennial actuarial audit of Commonwealth Savers' defined benefit prepaid tuition programs, and produces other reports as requested. Commonwealth Savers reports annually to the General Assembly, through JLARC, on the investments held in its programs and the actuarial soundness of its defined benefit prepaid tuition savings programs. In addition, the Auditor of Public Accounts provides independent audit services to the agency.

# Operations

Commonwealth Savers is an independent agency governed by an 11-member board, which sets policies and procedures to guide agency operations. The board is assisted by several committees, including three that are statutorily required, two of which include experts from outside the board’s membership.

The board appoints a CEO who oversees the day-to-day management of Commonwealth Savers and its programs. An investment director assists with managing program assets. Key agency duties include directly administering some participant accounts, overseeing investments managed by external managers, overseeing third parties who hold other participant accounts and investments, and marketing the programs to customers. As an independent agency, Commonwealth Savers is exempt from some personnel and procurement laws and regulations that apply to executive branch agencies.

| Commonwealth Savers board – 11 members              |                                                                                                                                             |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 4 members appointed by the <b>governor*</b>         | Members must have experience in finance, accounting, law, investment management, higher education, or disability advocacy                   |
| 3 members appointed by the <b>General Assembly*</b> | Members must have experience in finance, accounting, law, investment management, higher education, or disability advocacy                   |
| 4 members ex officio                                | Members represent State Council of Higher Education for Virginia, Virginia Community College System, state treasurer, and state comptroller |

*\*At least one of the citizen members must have expertise in the management and administration of private defined contribution retirement plans.*

Commonwealth Savers’ operations are primarily funded through administrative fees charged through its savings programs; the agency does not receive general fund appropriations. In FY25, Commonwealth Savers collected approximately \$57 million in operating revenues and had operating expenditures of \$48 million. Remaining net operating revenues have been used for programs promoting higher education access and affordability. Approximately \$29 million was designated for the 2024 and 2025 fiscal years combined.

# Programs

Commonwealth Savers operates four education savings programs. The Legacy Prepaid529® program is a defined benefit program that allowed participants to prepay college tuition and fees. The program was closed to new participants in 2019, but existing accounts continue to pay benefits. Commonwealth Savers opened a new defined benefit prepaid tuition program—Tuition Track Portfolio (TTP)—in 2021. Invest529<sup>SM</sup> and CollegeAmerica® are defined contribution savings programs that allow participants to save and invest for qualified education expenses. Commonwealth Savers’ defined contribution programs are open to all U.S. residents, but its defined benefit programs are open only to Virginia residents. Participants in all four programs receive federal tax advantages, and Virginia residents receive state tax advantages. Commonwealth Savers directly oversees the investments in its defined benefit and Invest529 programs and retains external managers to manage the investments. CollegeAmerica is managed by Commonwealth Savers in partnership with a private mutual fund company. In addition, Commonwealth Savers has supported several higher education access programs, including the SOAR Scholars program, which assists low-income high school students with the college admissions process and provides up to a \$2,000 scholarship in an Invest529 account.

Commonwealth Savers offers three programs that are not solely for education savings. ABLEnow® and ABLEAmerica<sup>SM</sup> are the Virginia-sponsored Achieving a Better Life Experience (ABLE) savings programs offering tax-advantaged savings accounts for eligible individuals with disabilities. Qualified disability expenses covered by ABLE funds include basic living expenses, transportation, and education and training. RetirePath<sup>SM</sup> is a state-sponsored retirement savings program for private-sector employees in Virginia who do not have access to a retirement account through their employer.

## Commonwealth Savers education savings programs

| Program                 | Accounts  | Assets             |
|-------------------------|-----------|--------------------|
| Tuition track portfolio | 13,326    | \$ 179,716,512     |
| Legacy Prepaid529       | 30,056    | \$ 2,427,663,647   |
| Invest529               | 534,900   | \$ 11,633,617,106  |
| CollegeAmerica          | 2,655,251 | \$ 109,052,151,282 |

## Commonwealth Savers disability savings program

|             |        |                |
|-------------|--------|----------------|
| ABLEnow     | 22,099 | \$ 220,397,587 |
| ABLEAmerica | 4,591  | \$ 96,378,166  |

## Commonwealth Savers retirement savings program

|            |        |               |
|------------|--------|---------------|
| RetirePath | 22,951 | \$ 24,321,983 |
|------------|--------|---------------|

SOURCE: Commonwealth Savers (December 31, 2025).

## Commonwealth Savers education savings programs

**Legacy Prepaid529** is a defined benefit program that offered prepaid tuition contracts to Virginia residents. The program was closed to new participants in 2019. Legacy Prepaid529 benefits pay the full-time, in-state, undergraduate tuition and mandatory fees at public colleges and universities in Virginia but may not cover the full cost of tuition and fees at private and out-of-state institutions. The program paid \$169 million in benefits in FY25.

**Tuition Track Portfolio (TTP)** is a defined benefit program that became available to Virginia residents in 2021. TTP pays the weighted average of normal full-time, in-state undergraduate tuition and mandatory fees at public colleges and universities in Virginia. The benefit is the same regardless of the institution attended (Virginia public, private, or out-of-state). The program paid \$5.9 million in benefits in FY25.

**Invest529** is a defined contribution program sold and managed by Commonwealth Savers. Account owners choose from 22 different investment options, including target enrollment portfolios, an FDIC-insured savings option, and passive and active target risk options. The program distributed \$805 million to participants in FY25.

**CollegeAmerica** is a defined contribution program offered in partnership with a private mutual fund company, the Capital Group/American Funds. Account owners work with private financial advisers to build their portfolios using American Funds' mutual funds. CollegeAmerica is the largest college savings program in the nation, though only 6 percent of its accounts are held by Virginia residents. The program distributed \$8 billion to participants in FY25.

## Commonwealth Savers disability and retirement savings programs

**ABLEnow** is a savings program for individuals with disabilities that is sold directly by Commonwealth Savers in partnership with Ascensus. Account owners may choose from five different investment options. The program distributed \$43.6 million to participants in FY25.

**ABLEAmerica** is a savings program for individuals with disabilities that is sold in partnership with American Funds. Account owners work with private financial advisers to build their portfolios using American Funds' mutual funds and can choose from seven different investment options. The program distributed \$9.9 million to participants in FY25.

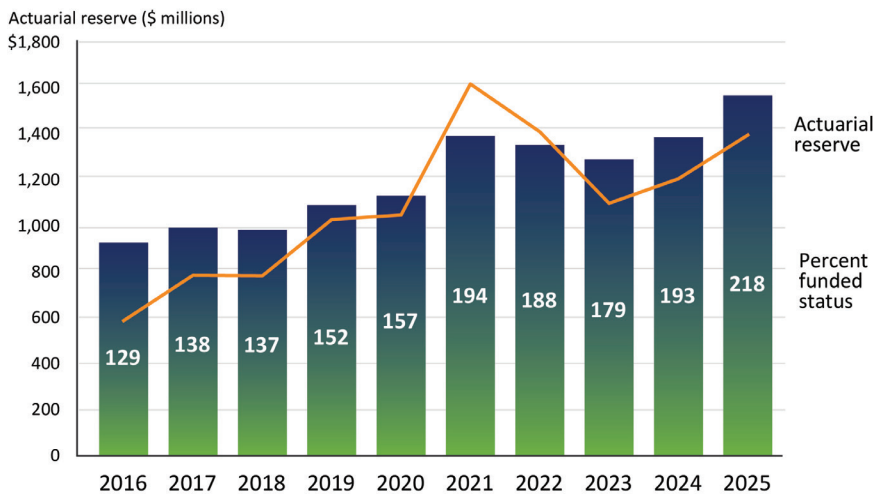
**RetirePath** is a state-sponsored private retirement savings program that opened in 2023 for private-sector employees in Virginia without access to an employer-sponsored plan. Account owners can choose from five different investment options. The program distributed \$2.6 million to participants in FY25.

# Funding for Defined Benefit 529 programs

Commonwealth Savers uses revenues from the sales of contracts for its defined benefit programs (Legacy Prepaid529 and TTP) and investment returns to pay benefits for defined benefit prepaid tuition contract holders. Contract prices for the Legacy Prepaid529 program were set at levels intended to fully cover future obligations and were revised annually based on key assumptions. Commonwealth Savers combines the Legacy Prepaid529 and TTP programs into a single Defined Benefit 529 (DB529) fund for actuarial and investment purposes. The DB529 programs had a funded status of 218 percent and an actuarial surplus of \$1.4 billion as of June 30, 2025. (An additional \$586 million in surplus funds has been set aside in a higher education access and affordability fund to be used at the General Assembly's discretion.)

DB529 benefits are not guaranteed by the state. However, statute requires that a sum-sufficient appropriation be included in the governor's budget to ensure that Commonwealth Savers can meet its obligations. If the DB529 program did not have sufficient funds, the General Assembly could use a state Treasury interest-free loan, which would need to be repaid from Commonwealth Savers' excess operating revenue, to cover the costs.

## Defined Benefit 529 actuarial funded status and surplus



SOURCE: Commonwealth Savers DB529 valuation reports.  
NOTE: As of June 30 each year. The 2023 decrease reflects Commonwealth Savers' decision to move \$500 million into an access fund.

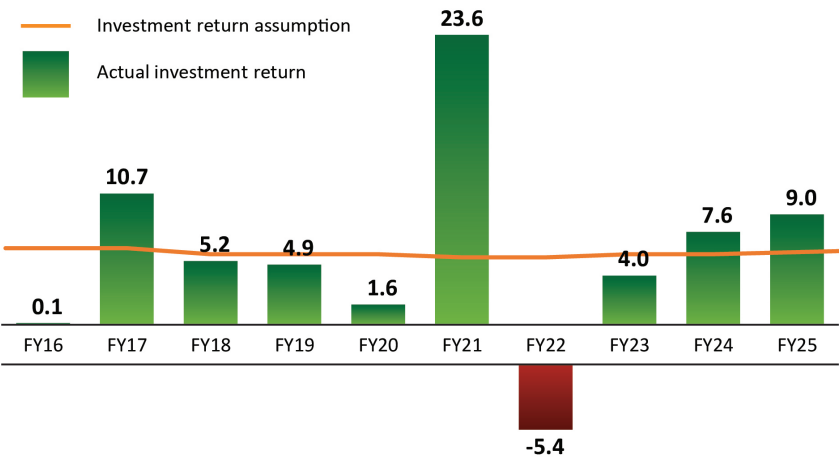
# Defined Benefit 529 investments

Commonwealth Savers invests DB529 fund assets to generate returns that help pay benefits to program participants. Commonwealth Savers assumes a long-term rate of return on investments of 6.0 percent, but actual returns vary each year.

The DB529 fund has a diversified portfolio of investments that is allocated among different asset classes, with the goal of achieving its assumed long-term return with acceptable risk and sufficient liquidity. The asset classes are fixed income (i.e., investment grade bonds, high yield bonds, senior secured loans, and emerging market debt), public equity (i.e., U.S. and international stocks), and alternative investments (i.e., private equity, private debt, and real estate). The Commonwealth Savers board sets asset allocations with the advice of a statutory Investment Advisory Committee. Investments are managed by external private investment managers overseen by Commonwealth Savers staff and the Investment Advisory Committee. Commonwealth Savers also contracts with an investment consultant to provide additional expertise in the investment management process.

Virginia statute places restrictions on how DB529 fund assets can be used and managed. DB529 assets must be administered solely in the interest of the DB529 program and its contract holders. The Commonwealth Savers board has broad authority to determine how to invest funds, but in doing so, shall act as a trustee using the “prudence, discretion, and intelligence” with which they would exercise the management of their own affairs.

## Defined Benefit 529 one-year net investment returns



SOURCE: Commonwealth Savers annual reports and investment data.  
NOTE: Investment return assumption was changed from 6.75 percent to 6.25 percent in FY15, from 6.25 percent to 5.75 percent in FY18, and from 5.75 percent to 5.5 percent in FY21.



For more information on Commonwealth Savers and its programs, please visit:

**CommonwealthSavers.com**

ABLEnow.com

RetirePathVA.com

**JLARC.VIRGINIA.GOV**

919 East Main Street Suite 2101 Richmond, VA 23219