



California State Treasurer Fiona Ma, CPA

Press Release

PR 20:44
August 27, 2020

FOR IMMEDIATE RELEASE
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Treasurer Ma's Bill to Protect ScholarShare 529 Accounts Goes to the Governor's office

SACRAMENTO – Legislation that would protect ScholarShare 529 college savings accounts from the enforcement of money judgements by creditors was passed by the Senate on concurrence and now heads to the Governor's desk for potential signature. The bill, SB 898, is authored by State Senator Bob Wieckowski, D-Fremont, and sponsored by State Treasurer Fiona Ma, who chairs the Scholarshare Investment Board.

"This legislation helps preserve the college dreams of young people whose families may fall on hard times because of the massive economic problems caused by COVID-19," said Treasurer Ma. "College savings are needed now more than ever and those savings should be encouraged and protected."

"The skyrocketing cost of attaining a college degree is a great hurdle for many families," said Senator Bob Wieckowski (D-Fremont). "But families see the long-term value in post-secondary education for their children. SB 898 ensures ScholarShare 529 accounts are protected from creditors if a family falls on hard times. That's why I am proud to author this important legislation sponsored by State Treasurer Ma and pleased to see it pass with bipartisan support."

SB 898 adds ScholarShare 529 college savings plan accounts to the list of exemptions under California bankruptcy law, ensuring that college savings are protected from judgement claims by creditors. For the first and second year prior to the filing of the money judgement, the exemption amount will be set at a maximum of \$15,000.

Currently, if an account holder is faced with a judgement, the creditor is allowed to attach the account to satisfy their judgement, a result that can be devastating to the family and their loved ones. By comparison, retirement plans are protected from creditor claims.

“Opening up a ScholarShare 529 account is a great way for parents, grandparents, and other relatives of young people to give their student a big assist in going to college, where tuition and other expenses have soared in recent years,” said Treasurer Ma.

Created in 1999, ScholarShare 529 accounts provide families with tax-deferred growth and withdrawals free from state and federal taxes when used for qualified higher education expenses, such as tuition and fees, books, certain room and board costs, computer equipment and other required supplies.

ScholarShare 529, California’s college savings plan, is one of only four plans throughout the nation to receive a gold rating by Morningstar.

Fiona Ma is California’s 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer’s Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world’s fifth-largest economy and Treasurer Ma is the state’s primary banker. Her office processes more than \$2 trillion in transactions within a typical year. She provides transparency and oversight for the government’s investment portfolio and accounts, as well as for the state’s surplus funds. Treasurer Ma oversees an investment portfolio of about \$113.5 billion, \$31.6 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of \$94 billion.