**College Savings Aggregator Services**

There are several websites that have opened their doors in the last several months offering 529 plan savings aggregation services. Essentially, these websites are not associated with any particular 529 plan, but claim to offer an easy way to have family and friends contribute to your 529 college savings plan account(s). These websites generally require you to register your 529 account with their website (some require disclosure of your child’s name and information as well) then they have you invite your family and friends to donate to your account.

What these so-called college savings aggregator services don’t tell you up front is that they ALWAYS charge a fee for their service. Sometimes a flat fee of as much as $4.00 is deducted from the contribution before it is made to your 529 plan account. Sometimes a percentage of the contribution up to 6% or higher is deducted before any contribution is made. These fees are in addition to fees you may pay on your investments in your 529 plan account. These fees are NOT charged by your 529 plan. They are fees charged by the aggregator service.

What these services also do not tell you is that the contribution is made to your account in the name of the service, not in the name of the contributor. It is not clear whether states that allow for an income deduction or tax credit for contributions to a 529 plan would consider this to be a contribution from the original contributor. At a minimum, proof of your contribution to a 529 plan account may be difficult since the 529 plan has no record of your contribution.

In addition, these services do not tell you that they don’t always have the best track record of ensuring the appropriate contribution is made, leaving it to you to police your account to make sure that grandma and grandpa’s check actually was contributed (minus the fee charged by the aggregator service).

Although an aggregator service might claim to or appear to have a relationship with your 529 plan, they do not. Your 529 plan has NOT endorsed them in any way. It is important that you be well informed prior to using any service that purports to help you make contributions to your 529 plan. Read the fine print and ask questions.

If you want to provide an easy and safe way for your family and friends to contribute to your account, most 529 plans have their own, free service for helping you invite family and friends to contribute to your 529 plan account. Visit your plan’s website, contact your plan’s customer service or talk to your financial advisor (if you work with one) for more information.