

What
is a 529?

COMPOSITION

Your Secret to College Savings
& Avoiding Student Loan Debt

 Gift of College .com
A college savings gift registry

making
DREAMS
come true





Yup!

Life gets complicated once you have kids, but saving for college doesn't need to be. You're in the right place, and, you're not alone.

We'll break it down for you.

We'll make 5-2-9 as simple as 1-2-3.

What better gift can you imagine than a plan to help those you love pursue what they love?

Let's get started...



the 411
on 529s





what is a 529?

A savings account for college expenses that grows tax free.

why should you care about having a 529?

- College is expensive and kids grow up fast.
- Every dollar saved is more than a dollar that you won't have to borrow for college costs.
- A child is 6x more likely to attend college knowing someone is saving money for them to go.
- Education pays! Those with a college degree can earn over a million dollars more over a work lifetime than those without.

why Gift of College?

- It is a smart and timeless gift.
- It's clutter free and won't be outgrown.
- They'll love you and thank you forever!



how to start a 529



check out the plan(s) in your state

You're free to invest in any plan but you'll want to check your home state plan first for state tax and/or other benefits as you shop around.

investment or prepaid plan

- There are two types of 529 plans. Nearly all states offer a 529 savings plan while a few states also offer a 529 pre-paid plan. Both types of plans have the same favorable tax benefits.
- 529 savings plans** are investment plans in which you can choose from a wide range of options to invest your funds. These plans can be used for many types of expenses, from tuition to room and board, to books and supplies, at a wide range of schools around the country and world.
- As the name implies, **529 prepaid tuition plans** allow you to pre-pay (in a lump sum or installments) future tuition costs (in years, credits or units) by locking in current prices. These plans cover only tuition and sometimes fees, generally only work for in-state public universities and may require the account owner or future student to be a resident of the state where you open the plan.

Boost
your 529 savings



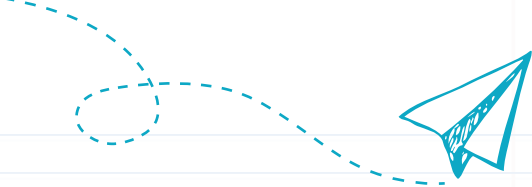
boost your 529 savings

- 📌 Prioritize saving for college by treating your savings account like a bill that needs to be paid regularly.
- 📌 Set up automatic payroll deductions at work, or automate a fixed contribution from your checking or savings account.
- 📌 Deposit lump sums whenever you have a bit extra. Tax refunds are a great way to add to your account annually.
- 📌 Earmark those birthday or holiday checks from the grandparents and other relatives for college savings.
- 📌 Get your kids involved! Use your 529 plan as a way to teach your kids how to save a little at a time toward a big goal. They'll develop good money management skills and can have a stake in the game by contributing too.





notes





how can I estimate future college costs?

A college cost and savings calculator is the ideal tool for your planning needs. Most calculators are designed to help families decide on a goal, based on the child's years to college, the percent of costs they'd like to cover at the type of educational institution (public, private, in-state, out-of-state, two or four year) they'd like their child to potentially attend.

how do I enroll in a 529?

This is the easy part. Enrollment can be as simple as downloading a form from the Internet, filling it out and mailing it in. Some plans actually let you open an account completely online. Our Checklist (on the last page) lists the account owner and beneficiary information you'll need to open an account.

how much money do I need to start a 529?

Some plans allow you to open an account with as little as \$25 or \$50. And you can pay by check or set up monthly contributions through payroll deduction or automatic withdrawal from a designated bank account.

can I use a 529 to pay for any college?

529 eligible institutions include any college, vocational, trade or other post-secondary schools recognized by the U.S. Department of Education. You can also use 529 plans to pay for K-12 tuition.

what are qualified expenses?

Common qualified education expenses include: tuition, fees, books, supplies, computers, room and board, as well as some expenses for students with special needs.

can I use it for a study abroad program?

Yes, in simple terms, your school has to give credit for the study abroad program and the foreign college where you will be studying abroad must be available for financial aid. Ask the school if it qualifies, and verify on the federal government's financial-aid website, fafsa.gov.

what if my child does not go to college?

If your child decides not to go to college, you can hold onto the account in case there's a change of heart. You can change the beneficiary to a member of the original beneficiary's family (this is a broad group including siblings, cousins, nieces or nephews or even yourself)

without tax consequences. If you have no other potential use, you can also withdraw the funds and pay the tax that had been deferred and a 10% penalty on the account's growth only.

should I consider my state's 529 plan?

While tax deductions can make opening your own state's plan particularly attractive, they should not be your only consideration when choosing a 529 plan. Factors such as investment options, as well as fees and performance, and the ability to work with an advisor if you choose to, may also be taken into account. In some cases, a number of factors can outweigh the benefits of a tax deduction. If you're having trouble deciding, keep in mind that you can open more than one 529 plan for the same beneficiary.

what if my child receives a scholarship?

You can retain the account for use by a member of the family (or even yourself) or you can withdraw the amount of the scholarship from the 529 penalty-free and pay the tax that had been deferred and a 10% penalty on the account's growth only.



CHECKLIST

☐ Research and select a 529 college savings plan.

☐ Open an account.

You will need this information ready for the Account Owner:

☐ Social Security number

☐ Birthdate

☐ Mailing/Physical address

☐ Bank account and routing number
for making contributions

You will need this information ready for the Beneficiary:

☐ Social Security number

☐ Birthdate

☐ Mailing/Physical address

☐ Read the program description thoroughly and then choose an investment strategy. You can review the options on the 529 plan's website.

☐ Determine how much you can afford to save and set up automatic deposits.

☐ Register at giftofcollege.com and connect your 529 college savings plan to your child's profile.

☐ Share your profile with friends and family and encourage them to contribute by giving a gift that lasts a lifetime.



\$25-\$200
+ \$5.95 Purchase Charge

 **Gift of College**.com
A college savings gift registry

Start Saving For College Now!

This gift card is redeemable for

- ★ Any existing 529 College Savings Plan
- ★ Any new 529 College Savings Plan
- ★ Any existing student loan payments

It really is that EASY!

 **Gift of College**.com
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