

IDEAS FOR USING YOUR 529 PLAN

A PLAN FOR EVERY PATH

529 plans are a popular way to save for education, but did you know that they offer much more flexibility than just paying for college? Explore some of the many ways you can capitalize on a 529 plan's flexibility and how it can be a valuable tool in planning for your financial future.

Learning

01 Sharpen your chef skills.

529 plans can be used to pay for postsecondary education at trade schools such as culinary institutes.¹

02 Study French in France.

Distributions from 529 college savings plans can be used tax-free to study abroad at eligible institutions.¹



03 Learn online from home.

Students can use a 529 plan to pay for online courses offered by eligible institutions.¹



04 Fund a gap year.

Qualifying 529 plan expenses include those related to enrollment or attendance in a gap year program offered through any eligible postsecondary education institution.²

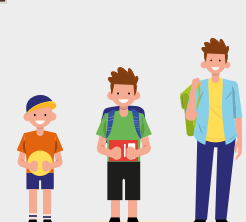
05 Commit to continuous learning at any age.

Adults can use a 529 plan to pay for continuing education or graduate courses offered at an eligible college or university.¹



06 Don't stop at an undergrad degree.

A 529 plan can be used to pay for a beneficiary's graduate or professional school.¹



07 Fund kindergarten through 12th grade.

Families can use 529 plans to pay for up to \$10,000 in tuition expenses at elementary or secondary public, private or parochial schools.¹

08 Sign up for that apprenticeship.

Make qualified withdrawals from a 529 plan for registered apprenticeship programs.²

09 Enhance your musical skills.

Eligible institutions for a 529 plan include music schools and conservatories, making it possible to use funds for musical education.

10 Stay current on your professional license requirements.

Save on taxes while maintaining your professional license. Eligible institutions offer many continuing education programs, including for teachers, insurance professionals and some medical occupations.³



Giving

11 Maximize your savings potential through work.

Talk with your employer about matching employee contributions.

12 Benefit future students through your non-profit.

501(c)(3) organizations can create a scholarship program by opening a 529 plan with no named beneficiary. Maximum individual contribution limits do not apply.³



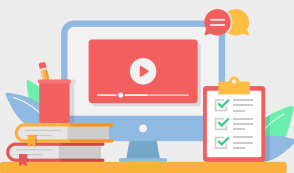
13 Reduce your gift taxes.

Gifts of up to \$17,000 per individual qualify for the annual gift tax exclusion.¹

Pivoting

14 Train for a new career.

Distributions from a 529 plan can be used to pay for certification exams and courses in various fields such as IT, finance and project management.¹



15 Try a new hobby.

Use your 529 plan to pay for education expenses to pursue a new skill. Whether you're interested in learning about art, auto mechanics, photography or coding, the tax-free withdrawals from your 529 plan can help you pursue your interests without impacting your savings or budget.

16 Put your tax refund to work in a tax-advantaged way.

Complete IRS Form 8888 and list up to three accounts into which you'd like your refund deposited, including your 529 account.⁴



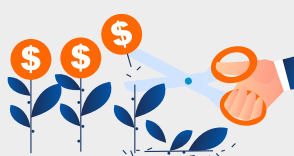
17 Save for retirement.

Starting in 2024, up to \$35,000 can be rolled over from a 529 plan to a Roth IRA (subject to annual limits, for 529 plans that have been open for a minimum of 15 years for funds that have been in the plan for 5 or more years).⁵

Planning

18 Reduce your estate taxes.

A 529 plan can be used as a tool to reduce an individual's estate and potentially lower the amount of estate tax owed.



19 Withdraw scholarship amounts penalty-free.

529 plans allow money to be taken out in the amount of the scholarship or grant without penalty.¹

20 Switch from one tax-deferred account to another.

Contribute the required minimum distribution (RMD) from your traditional IRA to one or more 529 plans to meet your RMD requirement and save for future education expenses.⁶

21 Name yourself as beneficiary.

Establish a 529 plan for your own qualified higher education expenses.



22 Superfund and save.

Transfer wealth to future generations with accelerated gifting that isn't subject to generation-skipping tax (GST) within certain limits.⁷



Living

23 Upgrade your tech.

A 529 plan can be used to cover technological needs such as computers, printers and laptops for plan beneficiaries while they're enrolled in a qualifying program.⁸



24 Pay rent — on or off campus.

Room and board is a qualified education expense under 529 plans up to your school's cost of attendance.¹

25 Cover the internet bill.

A 529 plan can be used to cover technological needs, including internet service for the plan beneficiary while they're enrolled in a qualifying program.⁸

26 Help out with that rising grocery bill.

A 529 plan can be used to pay for groceries if living off-campus as part of room and board expenses, as long as the total amount spent doesn't exceed the official cost of attendance.¹

27 Stock up on school supplies.

Required books and supplies are considered qualified expenses. This may include textbooks, lab materials, safety equipment and anything else mandatory for coursework.⁸



28 Support your child with special needs.

Rollover funds from a 529 plan into an ABL account for disability-related qualified expenses.⁹

29 Pay down student loans.

529 plan owners can use their funds to pay off up to \$10,000 of the account beneficiary's student loans.¹⁰

DON'T MISS OUT ON THE MANY BENEFITS OF A 529 PLAN. TALK TO YOUR FINANCIAL PROFESSIONAL ABOUT MAXIMIZING THE ADVANTAGES OF THIS POWERFUL SAVINGS VEHICLE.

¹ savingforcollege.com

² forbes.com

³ collegeadvantage.com

⁴ mefa.org

⁵ usatoday.com

⁶ americancentury.com

⁷ Lifetime limit of total cash and properties gifted cannot exceed \$12.92 million per person in 2023.

⁸ thecollegeinvestor.com

⁹ thesavvyparent.us

¹⁰ investopedia.com

An eligible institution is a college or university eligible for Title IV federal student aid. Employer contributions to a 529 plan may have tax implications. Please consult a tax or financial professional for more information.

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