

# THE BENEFITS OF A 529 PLAN ACROSS GENERATIONS

Education savings is an opportunity for multiple generations to invest together with one purpose. Let's look at the benefits a 529 plan can bring to each generation.

## 529 PLANS ARE FLEXIBLE AND HELP POTENTIALLY REDUCE FUTURE DEBT

529 plans can be used for a variety of post-secondary education expenses such as tuition, room and board, and technology.

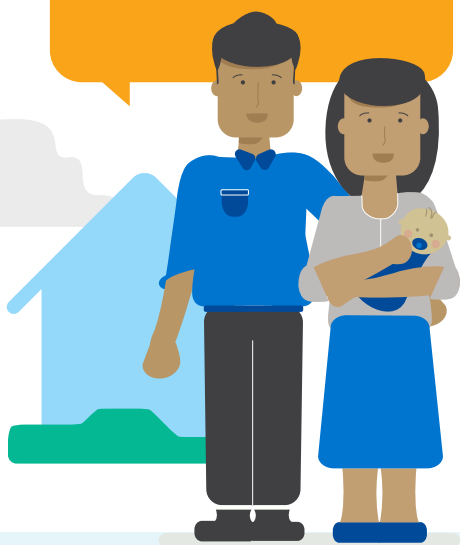
**DID YOU KNOW? FAMILIES CAN USE THEIR 529 PLANS TO REPAY UP TO \$10,000 IN QUALIFIED STUDENT LOANS.**



Money saved in a 529 plan may reduce the amount of student loans or financial aid a student needs.

Graduating with less debt may help with future expenses such as buying a home or starting a family.

**DID YOU KNOW? THE AVERAGE PARENT PLANS TO PAY APPROXIMATELY 65% OF THEIR CHILD'S COLLEGE COSTS, AND 78% ARE ACTIVELY SAVING FOR COLLEGE.<sup>1</sup> A 529 PLAN CAN HELP YOU GET A HEAD START.**

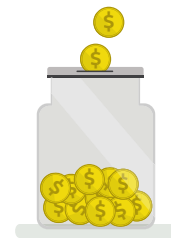


## BENEFITS TODAY, BENEFITS TOMORROW

Starting early can make a big difference. The earlier you invest, the more your education savings can potentially grow due to the power of compounding.

Use a 529 plan to pay for Kindergarten through 12th grade tuition expenses (\$10,000 limit).

If one child doesn't attend college or receives a scholarship, savings can be transferred to an eligible family member (a sibling or even yourself) as long as it's used for qualified education expenses.



## ENHANCE ESTATE PLANNING WHILE EMPOWERING FUTURE GENERATIONS

Move assets out of your estate into a grandchild/beneficiary's name while retaining control of the assets.

At age 72, fund a 529 plan with your required minimum distributions (RMDs) to minimize gift tax and benefit from tax-free growth.

Distributions from a grandparent-owned 529 plan are considered untaxed student income on the FAFSA.

**DID YOU KNOW? YOU CAN CONTRIBUTE UP TO \$85,000 (\$170,000 FOR MARRIED COUPLES) IN ONE LUMP SUM PER BENEFICIARY, FREE OF FEDERAL GIFT TAXES, UNDER A PROVISION KNOWN AS "ACCELERATED GIFTING".**



## ADDITIONAL 529 PLAN BENEFITS

Qualified withdrawals are free from federal taxes and may also be free from state taxes.<sup>2</sup>

Contribute up to \$17,000 per beneficiary annually (\$34,000 filing jointly).

Available to everyone, regardless of income.

529 plan earnings grow tax deferred.

**To learn more about the Scholar's Edge 529 Plan, talk to your financial professional or visit [scholaredge529.com](https://scholaredge529.com).**

<sup>1</sup> <https://institutional.fidelity.com/app/literature/flyer/9893080/college-savings-indicator-key-findings.html>

<sup>2</sup> 529 plans offer many advantages to investors saving for education, including tax deferred earnings and tax-free qualified withdrawals. Additionally, certain states offer state income tax benefits. It is important to review all potential tax benefits within your state, along with the performance and expense information of the 529 plan you are considering, before making a selection. Earnings on non-qualified withdrawals may be subject to federal income tax as well as state and local income taxes. Taxes and other benefits are contingent upon certain requirements and certain withdrawal are subject to federal, state and local taxes.

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