

# NEW EDUCATION SAVINGS OPPORTUNITIES FOR NEW MEXICO RESIDENTS

New Mexico residents have a rich toolkit to help their loved ones achieve their education goals when using a 529 plan.

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



**A full state income-tax deduction for contributions into a state plan** – New Mexico residents can deduct the full amount of any contributions up to \$500,000 to a New Mexico state plan, such as Scholar's Edge 529 Plan, from their state income taxes.



**Up to \$10,000 per year to cover expenses for tuition in K-12** – Families can use 529 plans to pay for up to \$10,000 in tuition expenses at elementary or secondary public, private or parochial schools.



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



**Apprenticeship expenses** – Beneficiaries can make qualified withdrawals from a 529 plan for registered apprenticeship programs.



## **Rollovers to Roth IRAs and ABE accounts**

- Save for retirement by rolling up to \$35,000 into a Roth IRA (starting in 2024; 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).
- Rollover up to \$17,000 per year from a 529 plan into an ABE account or disability-related qualified expenses.

## **DID YOU KNOW? 529 PLANS CAN GIVE SAVERS AN IMPORTANT HEAD START**

Money saved in a 529 plan today may reduce the amount of student loans or financial aid that a student needs in the future. Graduating with less debt means a head start on buying a home or starting a family.

## 529 plans are a great way to save for education: offering flexibility, control and tax-deferred growth.

### Benefits of investing in a 529 plan

- Tax-free earnings and withdrawals for qualified education expenses. Contributions are state income-tax deductible for New Mexico taxpayers.
- Funds can be used for any level of higher education, including colleges, trade and private schools, online universities, and even studying abroad.
- Funds can be used to cover books, computers, software, room and board, and more.

### Benefits of Scholar's Edge 529 Plan

- No income limit – no matter your salary, you can start saving in the Scholar's Edge 529 Plan.
- You can open your account with as little as \$1.
- High maximum contribution investment of \$500,000 per beneficiary.

## DID YOU KNOW?

The earlier you start investing in a 529 plan, the more your education savings can potentially grow due to the power of compounding.

For more information about 529 plans and to calculate your estimated tax savings, visit [scholaredge529.com/resources/calculators](https://scholaredge529.com/resources/calculators) or talk to your financial professional.

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