

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 ABL accounts

- Save for retirement by rolling up to \$35,000 into 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).
- Rollover up to \$19,000 per year from a 529 plan into an ABL 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 scholarsedge529.com/resources/calculators or talk to your financial professional.

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Investors should consider before investing whether their or their designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program, such as financial aid, scholarship funds, and protection from creditors, and should consult their tax advisor.

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