

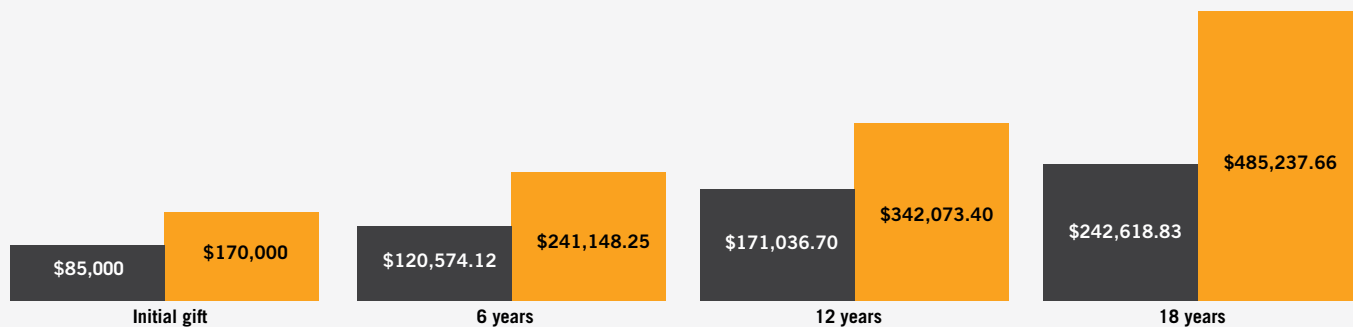
ACCELERATED GIFTING AND ESTATE PLANNING

Your financial professional can help you make 529 plans a part of your estate planning. You have the ability to contribute \$85,000 as a single filer, or \$170,000 as a married couple filing jointly, in one lump sum per beneficiary, free of federal gift taxes under a provision known as **accelerated gifting**.

Accelerated gifting allows assets to grow tax-free outside of the estate, but you as the account owner retain control. The lump sum gift is treated as contributions of \$17,000 (or \$34,000 jointly) spread equally over five years. Due to the power of compounding, these lump sum contributions have the potential to provide a substantial impact over time.

ACCELERATED GIFTS GROW TAX-FREE IN 529 PLANS

■ Single filer ■ Joint filers



This hypothetical example is for illustrative use only and does not reflect an actual investment in any specific 529 plan. The hypothetical example assumes a one-time lump sum contribution of \$85,000 or \$170,000, return on average annual investment of 6% and no withdrawals before 18 years. This example's assumed rate of return is not guaranteed and actual returns will vary. Please keep in mind that withdrawals from the 529 plan account that are not used to pay for qualified higher education expenses of the beneficiary are subject to federal taxes (including a 10% federal penalty tax) such that any tax benefits of the 529 plan will be lost.

DID YOU KNOW?

A perfect time of year to fund lump sum contributions comes when individuals over 70 years old are taking required minimum distributions (RMDs).

Once cleared of tax responsibilities, the remaining funds can be placed into a 529 plan to grow tax deferred while maintaining control.

Assets are considered completed gifts outside of the estate and have the potential to lower federal estate tax consequences.

To learn more about the Scholar's Edge 529 Plan, talk to your financial professional or visit scholarsedge529.com.



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