SCHOLAR'S EDGE 529

Investment management by: Principal

REGULATORY UPDATE:

MORE WAYS TO USE 529 PLANS FOR K-12 EDUCATION

H.R.1 has expanded 529 plan flexibility for K–12 education expenses, broadening the use of education savings across a wider range of qualified costs.

EXPANDED COVERAGE FOR K-12 EDUCATION COSTS → EFFECTIVE AS OF JULY 5, 2025

The updated rules extend 529 eligibility to cover more types of educational materials, instruction, and related learning costs, including:

- **Tuition for tutoring or educational classes** outside of the home, including at a tutoring facility.*
- **Curriculum materials** including textbooks, workbooks, and digital learning tools.

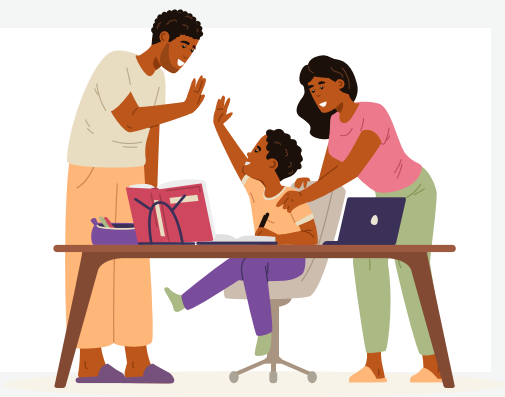
- **Fees for a nationally standardized achievement test**, an Advanced Placement examination, or any college admissions/entrance exam (e.g., SAT, ACT, AP exams, etc.).
- **Online education platforms** or subscription-based learning tools.

- **Educational therapies** for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.
- **Dual-enrollment tuition** for college courses taken during high school.

HIGHER 529 WITHDRAWAL LIMITS FOR K-12 EDUCATION → EFFECTIVE AS OF JANUARY 1, 2026

H.R. 1 also increases the annual withdrawal limit for K-12 education, providing more flexibility to use 529 funds for a wider range of qualified expenses.

- **Withdraw up to $20,000** per child per year for qualified K-12 expenses (previously $10,000).



- This significant increase allows latitude in covering comprehensive education expenses for **private**, **religious**, or eligible **public schools**.

THESE CHANGES CONTINUE TO EXPAND THE ROLE OF 529 PLANS AS A VERSATILE TOOL FOR FUNDING EDUCATION AT EVERY STAGE, FROM K–12 THROUGH COLLEGE AND BEYOND.

TO LEARN MORE ABOUT THE SCHOLAR'S EDGE 529 PLAN, TALK TO YOUR FINANCIAL PROFESSIONAL OR VISIT SCHOLARSEDGE529.COM.

*The tutor must not be related to the student and must be either a licensed teacher, a current or former teacher at an eligible educational institution, or a subject matter expert in the relevant field.

State tax treatment of 529 withdrawals may differ, including for K–12 expenses. Seek advice from a qualified tax or legal professional for guidance.

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MM14730 | 11/2025 | 4974455-112027