

THE BIGGEST MYTHS OF 529 PLANS

fact or fiction

fiction: A 529 plan can only be used at schools in your home state

fact: You can use the assets at any eligible school around the country and abroad—not just in Indiana. That includes 2- and 4-year colleges, graduate schools (including law and medical), and vocational/technical schools.¹

fiction: You can only use 529 plans to pay for tuition

fact: You can use your account assets for many higher education expenses, including tuition, fees, certain room and board costs.²

fiction: It costs a lot to open and maintain an account

fact: Most plans have low minimums. You can open a CollegeChoice 529 Direct Savings Plan account with only \$25. To help families save more, CollegeChoice 529 offers additional programs, like Ugiff®—Give College Savings, which allows account owners to invite family and friends to make gift contributions, and Upromise®, a service that lets account owners earn college savings when they shop online, dine out, and more.³

fiction: You have to make a lot of investment decisions

fact: 529 plans have several investment types to meet your needs. CollegeChoice 529 offers both a “set it and forget it” Age-Based Option, where the investment gets more conservative as the beneficiary gets closer to college-age, and Individual Portfolios, from leading investment managers, that let you create your own strategy.

fiction: It’s too late to start a 529 plan

fact: It’s never too late. Even if your student is in high school you can benefit from a 529 plan. CollegeChoice 529 earnings grow tax deferred, and when you withdraw the money for a qualified expense, it’s federal tax free.² Indiana taxpayers are also eligible for a state income tax credit of 20% of contributions to a CollegeChoice 529 account, up to \$1,000 credit per year.⁴



CollegeChoice 529[★]
DIRECT SAVINGS PLAN

collegechoicedirect.com

¹ An eligible institution is one that can participate in federal financial aid programs.

² Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

³ Upromise is an optional service offered by Upromise, Inc., is separate from CollegeChoice 529, and is not affiliated with the State of Indiana. Specific terms and conditions apply. Participating companies, contribution levels and conditions subject to change without notice. Transfers subject to a \$25 minimum. Upromise, Inc. is affiliated with Upromise Investments, Inc.

⁴ This credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as a rollover to another state’s qualified tuition program or a non-qualified withdrawal.

fiction: I make too much money for a 529 plan account

fact: There are no income limitations for a 529 plan. In fact, as part of the tax advantages offered by a 529 plan, account owners can contribute \$14,000 (\$28,000 if married, filing jointly) in a single year without incurring a gift tax.

fiction: A 529 plan is only for kids

fact: Are you considering career retraining or an advanced degree? There's no maximum age for a 529 plan. As long as your school is eligible, you can use your 529 plan assets—even if you're not attending full-time.

fiction: If the child doesn't go to college, you lose your money

fact: Unlike other college savings options, a 529 plan account owner controls the account. That means you can change your beneficiary to another eligible "member of the family" (as per plan rules) with no tax penalty.⁵

fiction: Only a parent can be an account owner

fact: Parents, grandparents, aunts, uncles, friends...almost anyone can be an account owner.⁶ You can also open an account for your own education.

fiction: It's difficult to open up a 529 plan account

fact: Most 529 plans let you open an account online. It doesn't take long to open a CollegeChoice 529 account at collegechoicedirect.com.

RESOURCES

WANT TO
LEARN MORE?

collegechoicedirect.com

1.866.485.9415

⁵ You should consult with a tax advisor when considering a change of beneficiary.

⁶ You must be a U.S. citizen or resident alien, have a Social Security number or Tax Identification number, and have a permanent U.S. address (not a P.O. Box).

For more information about the CollegeChoice 529 Direct Savings Plan ("CollegeChoice 529"), call 1.866.485.9415 or visit www.collegechoicedirect.com to obtain a Disclosure Statement, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing. Ull promise Investments, Inc. ("Ull") is Distributor of CollegeChoice 529.

If you are not an Indiana taxpayer, consider before investing whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.

CollegeChoice 529 is administered by the Indiana Education Savings Authority (Authority). Ull, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. CollegeChoice 529's Portfolios invest in: (i) mutual funds; or (ii) an FDIC-insured omnibus savings account held in trust by the Authority at Sallie Mae Bank. Ull and Sallie Mae Bank are affiliates. Except for the Savings Portfolio, investments in CollegeChoice 529 are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, depending on market conditions, you could lose all or a portion of your money by investing in CollegeChoice 529. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Not FDIC-Insured (except for the Savings Portfolio). No Bank, State or Federal Guarantee. May Lose Value.