

## **A Message from State Treasurer Michael Fitzgerald**

With graduation season upon us, there is no better time than now to start planning for the future. Whether your children are graduating from grade school or high school, a contribution to their College Savings Iowa account is a great way to show how proud of them you are.

While any form of saving for college is better than not saving at all, there are advantages to using a 529 plan, such as College Savings Iowa. With initial and ongoing contribution amounts as low as \$25, College Savings Iowa is an affordable way for families to save in order to meet the rising costs of higher education. As a way to help families start saving, we are celebrating 529 College Savings Day on May 29 and giving away a \$5,290 College Savings Iowa account. For more information and to enter the giveaway, please visit [collegesavingsiowa.com](http://collegesavingsiowa.com) any time before May 31.

Administered by my office, College Savings Iowa allows you to choose from multiple investment choices, including four age-based options that take into account the child's age and the account owner's tolerance for risk. As a general rule, age-based accounts opened for younger beneficiaries are heavily invested in stocks early on; these accounts try to maximize returns by taking advantage of the longer time horizon. As the beneficiary nears college age, the assets are automatically shifted to more conservative portfolios. This allows you to protect your capital and reduce the market risk before you begin making withdrawals for college expenses.

In addition, College Savings Iowa offers significant tax benefits to help your savings grow even more. Contributions and earnings grow free of federal and Iowa state income taxes while invested. They remain tax-free when they are used to pay for qualified higher education expenses at any eligible college, university, community college or accredited technical training school in the United States or abroad. Iowa taxpayers who participate in College Savings Iowa are also allowed to deduct up to \$3,098 in contributions per beneficiary account from their 2014 adjusted gross income.\*

While a college education is an investment that lasts for a lifetime, the season to save for it is a lot like summer vacation – much shorter than you think. Start saving today and help make college a reality for a child in your life.

For more information about College Savings Iowa, visit [collegesavingsiowa.com](http://collegesavingsiowa.com) or call 888-672-9116. Also, be sure to like us on Facebook and follow us on Twitter (@Iowa529Plan) to stay up to date on all our current events and giveaways.

*\* Adjusted annually for inflation. If withdrawals are not qualified, the deductions must be added back to Iowa taxable income. The earnings portion of nonqualified withdrawals may be subject to federal income tax and 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.*

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*Investment returns are not guaranteed and you could lose money by investing in the plan. Participants assume all investment risks as well as responsibility for any federal and state tax consequences. If you are not an Iowa taxpayer, consider before investing whether your or the 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.*

*For more information about the College Savings Iowa 529 Plan, call 888-672-9116 or visit [www.collegesavingsiowa.com](http://www.collegesavingsiowa.com) to obtain a Program Description. Investment objectives, risks, charges, expenses, and other important information are included in the Program Description; read and consider it carefully before investing.*

*College Savings Iowa is an Iowa trust sponsored by the Iowa State Treasurer's Office. The Treasurer of the State of Iowa sponsors and is responsible for overseeing the administration of the College Savings Iowa 529 Plan. The Vanguard Group, Inc., serves as Investment Manager and Vanguard Marketing Corporation, an affiliate of The Vanguard Group, Inc., assists the Treasurer with marketing and distributing the Plan. Upromise Investment Advisors, LLC, provides records administration services. The Plan's portfolios, although they invest in Vanguard mutual funds, are not mutual funds.*