



Michael L. Fitzgerald, Treasurer of State

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The ABCs of 529 Plans with Treasurer Fitzgerald

Des Moines, Iowa – It’s back to school season and State Treasurer Michael Fitzgerald is excited to inform parents and grandparents about using College Savings Iowa to save for a child’s higher education. “What better way to learn about College Savings Iowa, the State’s direct-sold 529 plan, than with the ABC song,” said Fitzgerald. “Sing along with me!”

Apprenticeship Programs: If your student attends an apprenticeship program or trade school, you may be able to use the funds in your account to pay for the associated supplies as a qualified expense.

Beneficiary: A beneficiary is the future student, or the person you are opening the account for.

Code: If the school has a [Federal School Code](#) on the Free Application for Federal Student Aid ([FAFSA](#)), then withdrawals for the qualified higher education expenses at that school will be tax-free.

Diverse: Choose from a diverse selection of investment options that meet your savings goals.

Easy: Birthdays, holidays, “just because” – you name it! Contributions are a simple, long-lasting gift for any occasion.

Federal Tax Benefits: Assets grow federally tax-deferred and qualified withdrawals are federally tax-free.

Growth: The earlier you start saving, the more time your money has to potentially grow.

How to Get Started: It takes just 10 minutes and \$25 to create an account at [CollegeSavingsIowa.com](#).

Invest: Join the 120,000+ participants who are already invested in the Plan.

Job Readiness: The price of a degree continues to rise, but with payoffs like career-readiness and higher earnings, it’s usually worth the cost.

K-12: Withdraw up to \$10,000 per taxable year per beneficiary to pay kindergarten through 12 grade (K-12) tuition as a qualified expense. Consult the program description for more information.

Long Lasting: Since the funds never expire, you don't have to worry about strict timelines or a deadline the funds need to be used by.

Mobile App: Download the READYSAVE 529 app to manage your account, make contributions and share Ugift codes.

Neighbor: You do not have to be a relative of the student to open an account. Family, friends and even neighbors can establish one.

Options: If the student you're saving for does not end up needing the money, you can transfer the account to an eligible family member with no penalty.

Payroll Direct Deposit: Many employers offer a payroll direct deposit program so you can contribute directly to your account from your paycheck.

Qualified Expenses: Use the funds to pay for qualified education expenses, including tuition, room and board, textbooks, required supplies and more.*

Recurring Contributions: Saving is effortless when you set up recurring contributions. Whether it's bi-weekly, monthly or yearly, you set the timeline for when you want to contribute.

State Tax Benefits: Assets grow state tax-deferred and all withdrawals are free from state income taxes. Plus, Iowa taxpayers can deduct up to \$3,522 in contributions from their state income taxes in 2022.**

Team Up: Multiple people can open an account for the same student, maximizing the savings.

Ugift: Each beneficiary is given a unique [Ugift](#) code, which you can share with family and friends to contribute directly to their account.

Versatile: Whether the student you're saving for wants to attend a four-year university, two-year community college, apprenticeship program or trade school, saving with a 529 account can give them the versatility to pursue higher education. Plus, there are no geographical limitations!

Wage: Today's Millennials with a high school diploma earn 62% of what the typical college graduate earns.

Xeriscape: This type of land requires little to no maintenance. What else requires little to no maintenance? You guessed it – College Savings Iowa! With age-based investment options, you can “set it and forget it” when it comes to your investment strategy.

Yourself: If you're thinking of heading back to school, open an account for yourself and save for your educational goals.

Zealous: Show your zeal for the student in your life by opening a College Savings Iowa account. After all, when you save for a child's education, you're saying you believe in their dreams, and most importantly, in them.

“Now we know our ABCs of 529s, next time won’t you explore with me! You can do exactly that by visiting CollegeSavingsIowa.com to learn more about the Plan,” concluded Fitzgerald. “That way, once your child heads off on their next big adventure, you’re prepared to support them.”

Administered by Fitzgerald, College Savings Iowa has helped families save for future education expenses for more than 20 years. More than \$4.5 billion has already been used to help participants pay for qualified expenses at eligible education institutions across the country. For more information about College Savings Iowa, call (888) 672-9116 or visit CollegeSavingsIowa.com. Connect with the plan on [Facebook](#) and [Twitter](#) to stay up to date on current events and plan updates.

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**Earnings on 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.*

***Adjusted annually for inflation. If withdrawals are not qualified, the deductions must be added back to Iowa taxable income.*