



## Michael L. Fitzgerald, Treasurer of State

For Immediate Release      October 21, 2019

---

CONTACT PERSON(S): Michael Fitzgerald, Treasurer of State      515-281-5368  
Karen Austin, Chief of Staff      515-281-7677

### **The Cost of Higher Education Doesn't Need to Be Scary**

**DES MOINES, IA** --- October is meant to be the scariest month of the year, but State Treasurer Michael L. Fitzgerald wants to make sure paying for higher education is not something to be spooked about. "Families already have enough stress and anxiety in their lives and figuring out how they're going to afford higher education for their kids and grandkids shouldn't be one of those," Fitzgerald said. "529 savings plans, like College Savings Iowa, can help families prepare and save to relieve some of that future burden."

College Savings Iowa is a tax-advantaged savings program available for anybody to use. Parents, grandparents, other relatives and friends can each open an account for the benefit of a future student or even themselves. Contributions and savings are invested with the opportunity to grow federally tax-deferred\*, and qualified withdrawals are tax-free.

Savings in a College Savings Iowa account can be used at any eligible educational institution, including universities, colleges, community colleges and technical training schools around the entire country. Money from the accounts can be used to pay for eligible expenses such as tuition, fees, books, room and board, required supplies and more.

"Saving for a child's education is always a smart investment," Fitzgerald added. "It's never too early or too late to start saving for the rising costs of education. Saving more now can help reduce the need to borrow later, which can help to limit the load of student loans."

With only \$25 and in as little as 10 minutes, you can open an account this Halloween season. Plus, Iowa taxpayers who are participants can deduct up to \$3,387 in contributions per beneficiary account from their adjusted gross income for 2019.\*\* To learn more about College

Savings Iowa or to open an account, please visit [CollegeSavingsIowa.com](http://CollegeSavingsIowa.com) or call 1-888-672-9116.

*\*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.*

###