



# Michael L. Fitzgerald, Treasurer of State

## Editorial

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

---

## Celebrate College Savings Month with Treasurer Fitzgerald

*Guest Editorial from State Treasurer Michael L. Fitzgerald*

As State Treasurer and administrator of Iowa's 529 plans, I look forward to College Savings Month each September. This nationally recognized initiative is a great way to share the benefits of saving with a 529 plan with more families and communities around our state and country. Here are some of the benefits a College Savings Iowa account owner can receive:

**State Tax Deduction:** In 2020, Iowa taxpayers who are participants can deduct up to \$3,439 of their contributions, per beneficiary account they own and contribute to, in determining their adjusted gross income for Iowa income tax purposes.\* For example, married participants who contribute to separate accounts on behalf of their two children can deduct up to \$13,756 (4 x \$3,439) on their 2020 Iowa taxes.

**Tax-Free Withdrawals:** When used for qualified education expenses, money withdrawn from your College Savings Iowa account is tax-free. Funds can be used at any accredited higher education institution for expenses like tuition, room, board, books, supplies, laptops and more.\*\*

**Low Costs:** There are no sales commissions or advisor fees when saving with College Savings Iowa. It only takes an initial contribution of \$25 to get started and account owners only pay an annual fee of 0.20% for their investments. That is just \$2 for every \$1,000 invested in an account.

**Automatic Contributions:** Contributing and investing can be easy and routine. With recurring contributions, account owners can automatically contribute on a regular basis with as little as \$25. It's also simple and easy to update your automatic contributions as your savings goals change or to maximize your tax savings.

**Diverse Investments:** Whether you want to create your own portfolio or follow a professionally managed one, College Savings Iowa has options for all types of investors. With four age-based savings tracks and ten individual portfolios to choose from, College Savings Iowa offers a diverse selection when investing in a student's future. Plus, funds can be used at a wide-range of qualified educational institutions all around the country.

College Savings Month is the perfect time to learn more about the benefits of saving with a 529 plan and opening your own account. No matter the age, or what their future dreams are, investing in a child's future can lead to a brighter future for them and our communities.

*About the author: As State Treasurer of Iowa, Michael L. Fitzgerald acts as the state's banker, invests Iowa's pooled money, coordinates bonding, and returns millions of unclaimed property through the Great Iowa Treasure Hunt. He also helps families save for higher-education through Iowa's 529 College Savings Programs, including College Savings Iowa, helps people with disabilities and their families save for disability-related expenses through IAble and promotes financial education and empowerment throughout the state.*

###

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

*\*\*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.*