



Michael L. Fitzgerald, Treasurer of State

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Treasurer Fitzgerald Announces Updates for Iowa's 529 Plans

DES MOINES, Iowa – State Treasurer Michael Fitzgerald is announcing updates for College Savings Iowa. Iowa taxpayers who are 529 plan account owners can now use funds to pay for qualified apprenticeship and student loan expenses. "I'm focused on providing more advantages and opportunities to our College Savings Iowa account owners," said Fitzgerald. "With these updates, Iowa taxpayers can use their 529 investments for even more qualified expenses than before, opening the door for more families to start saving."

Iowa has extended the favorable Iowa state tax treatment to qualified withdrawals for Apprenticeship Expenses and Loan Repayments from College Savings Iowa accounts. The Plan update permits withdrawals from a College Savings Iowa account for fees, books, supplies and equipment required for participation in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act. Plus, account owners can withdraw for amounts paid as principal or interest on any qualified education loan of the beneficiary or a sibling of the beneficiary, provided the total cumulative amount in all years that may be used from all accounts for repayment of loans of a beneficiary or sibling of the beneficiary may not exceed \$10,000.

"College Savings Iowa can help your family save for a variety of educational options," added Fitzgerald. "With great tax advantages for Iowans, both the beneficiary and the account owner can benefit when saving and preparing for the future."

Funds from a College Savings Iowa account can be used at any higher education program in the nation and the earnings and growth are tax-free when withdrawn and used for qualified educational expenses like tuition, room, board, books, supplies and more.* For

account owners, Iowa taxpayers contributing to College Savings Iowa can deduct up to \$3,439 per account from their state taxable income in 2020.**

Treasurer Fitzgerald launched the program in 1998 and through his management it has grown to more than \$5.3 billion in assets and more than \$3.1 billion used for qualified educational expenses. The plan has over 254,000 active accounts with an average size of \$19,837.

To learn more about College Savings Iowa, call (888) 672-9116 or visit CollegeSavingsIowa.com. For more information about future events, find College Savings Iowa on [Facebook](#) and [Twitter](#).

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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.*