Estate planning with 529 plans

CollegeChoice Advisor
529 SAVINGS PLAN

Accelerated gifting and the legacy of higher education

An important part of any strategic financial plan is estate planning. 529 plans, like CollegeChoice Advisor, offer an important benefit that can help your estate planning efforts while you save for college—accelerated gifting.

The basics: Gifting benefit

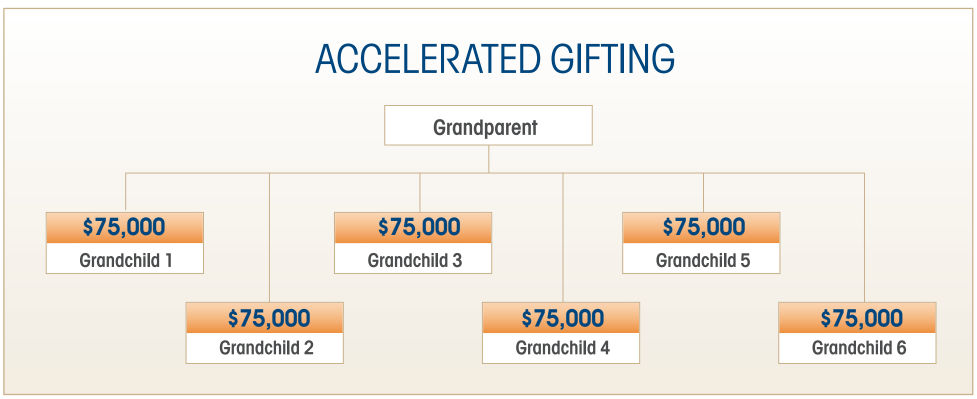
You can contribute up to $15,000 per year, per beneficiary, into CollegeChoice Advisor accounts without paying gift taxes. For instance, if you contribute the maximum into accounts for six grandchildren, that would equal $90,000 ($15,000 x 6) with no gift tax exposure. If a spouse also contributed the same amount, the resulting $180,000 ($90,000 x 2) would be gift tax free.

The next level: Accelerated gifting

Accelerated gifting expands on the basic gifting concept. You can make up to **five years' worth of gifts at one time without paying gift taxes for the next five years.** The money is considered removed from your taxable estate.*

- For a single contributor, that equals $75,000 per beneficiary.
- For a couple filing jointly, the allowable amount is $150,000.

In the example below, a grandparent contributed $75,000 to the CollegeChoice Advisor accounts of six grandchildren. Through accelerated gifting, the grandparent's taxable estate was immediately reduced by $450,000.*



A legacy of education

Contributing to a 529 plan can have a lasting effect on a child or grandchild. By helping a loved one afford college, you offer a lifelong legacy that shows the value that you place on education.

The benefits of accelerated gifting

- **Estate planning:** Up to $75,000 ($150,000 if married, filing jointly) can be removed from your taxable estate for five years.*
- **Compounding:** Your assets can be invested for a longer time, which could potentially give them a chance to grow faster than if you'd contributed the annual amount each year.
- **Control:** You continue to control the assets in the 529 plan account. If you need them in an emergency, you have access to them (penalties may apply if withdrawals are not used for qualified higher education expenses).**
- **Tax benefits:** Recent tax laws have made gifts of cash and investments subject to considerable tax bites, depending on the age of the beneficiary; 529 plans, however, were unaffected by this change.

* In the event the donor does not survive the five-year period, a pro-rated amount will revert to the donor's taxable estate. For more information, consult your tax advisor or estate-planning attorney.

** Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to 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.

For more information about the CollegeChoice Advisor 529 Savings Plan (CollegeChoice Advisor), contact your financial advisor, call 1.866.485.9413, or visit collegechoiceadvisor529.com to obtain a Disclosure Statement, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

CollegeChoice Advisor is administered by the Indiana Education Savings Authority (Authority). Ascensus Broker Dealer Services, LLC ("ABD"), the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. CollegeChoice Advisor's Portfolios invest in: (i) exchange-traded funds; (ii) mutual funds; (iii) separate accounts, or (iv) an FDIC-insured omnibus savings account held in trust by the Authority at NexBank. Except for the Savings Portfolio, investments in CollegeChoice Advisor are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of the units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, depending on market conditions, you could lose all or a portion of your money by investing in CollegeChoice Advisor. Account Owners assume all investment risks, as well as responsibility for any federal and state tax consequences.

Not FDIC-Insured (except for the Savings Portfolio). No Bank, State, or Federal Guarantee. May Lose Value.

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