

# Indiana529

**Advisor** Savings Plan



*Their future* is just ahead.

Prepare for it with Indiana529 Advisor.

## Saving for education is easier when you have help



Put education savings on your wish list with this easy-to-use online feature. Ugift lets you invite family and friends to celebrate birthdays, holidays, graduations, and other occasions with a gift contribution to your Indiana529 Advisor account. This could be one of the most meaningful gifts of all—help toward their education.

### HOW DOES UGIFT WORK?

- 1** Suggest a 529 gift contribution to family and friends and share your Ugift code.
- 2** They send a contribution.
- 3** Those gifts are invested in your account.



Upromise® helps families save for education.\* With access to saving strategies, simple savings tools, and unique savings offers, Upromise can help you accelerate your education savings every day. When you join Upromise, you become a member of a community of like-minded individuals who share a common goal: saving for education.

\*Upromise is an optional program offered by Upromise, LLC, is separate from the Indiana529 Advisor Savings Plan, and is not affiliated with the State of Indiana. Terms and conditions apply to the Upromise program. Participating companies, contribution levels, and terms and conditions are subject to change at any time without notice. Transfers from Upromise to an Indiana529 Advisor Savings account are subject to a \$50 minimum and are not eligible for the Indiana state income tax credit.



## **You, your financial professional, and Indiana529 Advisor: working together**

The expertise and insights that your financial professional brings to the table can be invaluable in helping the benefits offered by Indiana529 Advisor take your education savings even further.

### **Your financial professional can help you.**

Indiana529 Advisor was designed so that you and your financial professional can work together to clarify your education savings goals and create a plan to help achieve them.



## A future filled with unlimited potential

Education can make a big difference in a child's life, from potentially greater lifelong earnings to a better quality of life. But tomorrow's education costs require careful planning today. Whether a child will be ready in 5, 10, or even 15 years, a tuition bill will be due before you know it. That's why Indiana529 Advisor can be a great way to save.

## The smart way to save

Indiana529 Advisor is a tax-advantaged education savings program that can help you save for tuition, certain room and board costs, books, supplies, laptops/computers, and other qualified education and apprenticeship expenses.

There are important tax benefits available to you with a 529 savings plan: your assets grow tax-deferred and—when you're ready to withdraw your money for a qualified education expense—it is free from federal and state taxes.<sup>1</sup>



### Tax-deferred assets can help your money work harder.

Wondering about the impact of tax-deferred versus taxable assets? If you made an initial investment of \$2,500 and contributed \$200 each month for 18 years, a tax-deferred account could potentially have \$75,978 versus only \$66,822 in a taxable account. That's \$9,156 more for education.\*

\* Assumptions: \$2,500 initial investment with subsequent monthly investments of \$200 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer has a 24% Federal income tax rate for all options at the time of contributions and distribution. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes payable upon distribution. Actual investment returns may be higher or lower than those shown.

# Indiana529 Advisor: benefits for you and your student



## Availability

Anyone can contribute to your account, the beneficiary can be any age and live in any state, and you can participate in the plan regardless of your income level.

## Tax benefits

Earnings grow tax-deferred and your qualified withdrawals are tax-free.<sup>1</sup>

In addition, Indiana taxpayers may be eligible for a state income tax credit of 20% of contributions to an Indiana529 Advisor account, up to \$1,500 annually (\$750 for married filing separately). You do not need to own the account to claim the tax credit—anyone who contributes to an Indiana529 Advisor account may be eligible.<sup>2</sup>

## Gift and estate tax advantages

Contribute up to \$19,000 per beneficiary annually (\$38,000 for couples filing jointly) with no gift-tax consequence, or take advantage of a \$95,000 contribution (\$190,000 for couples filing jointly) that can be treated as if it was made over a 5-year period.<sup>3</sup>

## Withdrawals

Use at any eligible public or private college/university, undergraduate or graduate program, qualified K-12 expense<sup>4</sup> (up to \$10,000 per year/student), eligible vocational school or trade school, or an apprenticeship program that is registered and certified with the Secretary of Labor.

<sup>1</sup>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. Tax and other benefits are contingent on meeting other requirements and certain other withdrawals are subject to federal, state, and local taxes.

<sup>2</sup>This credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as rollovers to another state's 529 plan, federal nonqualified withdrawals, withdrawals used to pay elementary or secondary school tuition for a school outside of Indiana, qualified education loan repayments, or rollovers to a Roth IRA account, as described in the Disclosure Booklet.

<sup>3</sup>In the event the contributor does not survive the 5-year period, a pro-rated amount will revert back to the contributor's taxable estate.

<sup>4</sup>Investments for Indiana529 Advisor are not designed for K-12 savings, and a withdrawal to pay K-12 tuition expenses at a school outside of Indiana may require the recapture of any Indiana state income tax credits previously claimed from the account owner (not the contributor), as described in the Disclosure Booklet.

## Investments to meet your goals

It's all about choice. Everyone has a different time horizon, risk tolerance, and overall financial plan. That's why Indiana529 Advisor features a range of 22 investment options by some of the country's leading investment managers. The variety of styles and asset classes will let you and your financial professional choose the investment option or options that will help you meet your specific goals.

Indiana529 Advisor offers 3 categories of investment options:

### Year of Enrollment Portfolios

This popular approach to education investing features 8 portfolios that invest in a number of managers. These one-stop investment portfolios are based on the year a beneficiary is scheduled to enroll:

- 8 Year of Enrollment Portfolios offer a range of time periods from which to choose, including a College Portfolio for shorter-term enrollment horizons.
- Each portfolio will automatically shift its asset allocation from a more aggressive mix of investments to one that is more conservative as the beneficiary approaches enrollment.

### Individual Portfolios

Choose from 12 Individual Portfolios to create a personalized investment mix.

- Each portfolio is invested in a single underlying investment.
- Underlying investments of the portfolios are managed by a number of leading investment firms.



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PIMCO

Vanguard



**With an understanding of your goals and objectives, your financial professional can provide answers and insights to help you keep your Indiana529 Advisor account on track.**

## **Savings Portfolio and Capital Preservation Portfolio**

- A NexBank savings account that is FDIC-insured<sup>5</sup>
- New York Life Capital Preservation Portfolio



<sup>5</sup>FDIC insurance is provided for the Savings Portfolio on a pass-through basis up to the maximum amount set by federal law, currently \$250,000. Except for the Savings Portfolio, investments in Indiana529 Advisor are not insured by the FDIC.



## Indiana529 Advisor Savings Plan

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**For more information about the Indiana529 Advisor Savings Plan (Indiana529 Advisor), call 1-866-485-9413 or visit [Indiana529advisor.com](https://indiana529advisor.com) to obtain a Disclosure Booklet, 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.**

Indiana529 Advisor is administered by the Indiana Education Savings Authority (Authority). Ascensus Broker Dealer Services, LLC, the program manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. Indiana529 Advisor's Portfolios invest in: (i) exchange-traded funds; (ii) mutual funds; (iii) separate accounts; (iv) a cash preservation account held in trust by the Authority at New York Life; and/or (v) an FDIC-insured omnibus savings account held in trust by the Authority at NexBank. Except for the Savings Portfolio, investments in Indiana529 Advisor are not insured by the FDIC. Units of the Portfolios are municipal fund securities and the value of units will vary with market conditions.

Ugift® is a registered service mark.

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