



Dreams don't come true.
They're **made true.**

Invest in your child's dreams for the future.
Open a KY Saves 529 account now.



Save for big dreams little by little.



It's no secret: Education costs are rising. Don't panic. Plan for it with KY Saves 529, an easy way to help give your kids all the advantages of higher education. Sponsored by the Commonwealth of Kentucky, KY Saves 529 lets you:

- Grow savings tax-deferred and make qualified withdrawals tax-free¹
- Save automatically with recurring contributions from your bank account or paycheck
- Manage your account online 24/7, and much more.

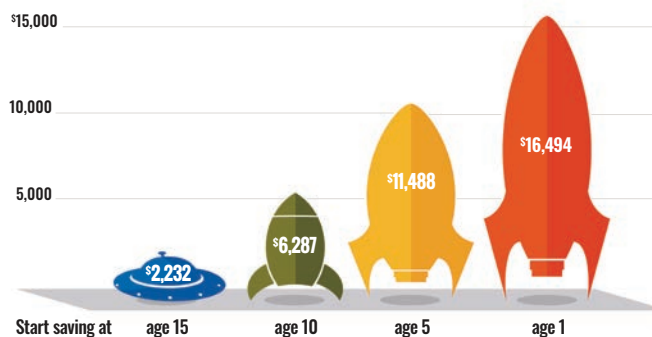
Small contributions can make a big difference.

Time can be a great tool for saving, thanks to the power of compounding. Think of it as earning "interest on your interest."

Imagine your KY Saves 529 balance is \$1,000, and you earn 5% each year. After the first year, you would earn \$50, for a balance of \$1,050. But after the second year, you would earn \$52.50 for a new balance of \$1,102.50. At that same hypothetical 5% rate, your balance (and the return you'll earn on it) would continue to grow, year after year.



The Importance of Saving Early²



As you can see in this hypothetical chart, if an account owner began to save \$50 a month when a child was 1 year old (with an initial contribution of \$250), a 529 college savings plan could have a balance worth \$16,494 by the time the child was college age.

¹Earnings on non-qualified 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 withdrawals are subject to federal, state, and local taxes.

²The hypothetical example assumes college begins at age 18 and is based on a 5 percent rate of return compounded daily, and is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or taxes, if any, payable upon withdrawal.

³An eligible institution includes those that can participate in federal financial aid programs, training and apprenticeship programs, and K-12 programs. Median earnings in 2017 for full time year-round workers 25 years old and over.

What KY Saves 529 can be used for:

- College, trade school, apprenticeship, and K-12 tuition³
- College room and board
- College fees
- Computers for college
- Books for college
- Loan repayment⁴

Education matters. So does how you save for it.

Unlike other savings vehicles, 529 plans like KY Saves 529 are designed exclusively to make education savings easier.

Tax benefits

- Tax-deferred growth: Earnings grow tax deferred – free of federal and state taxes.
- Tax-free withdrawals: Withdrawals for qualified expenses are exempt from federal and state tax.¹
- Gift taxes: Contributions qualify for the federal \$19,000 annual gift exclusion.
- Estate planning: Reduce your personal taxable estate by making five years' worth of gifts (up to \$95,000; \$190,000 for married couples filing jointly) in one lump sum.⁵

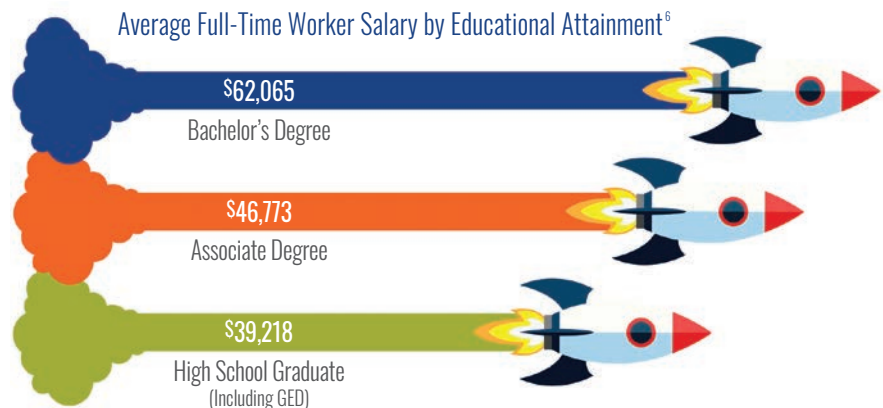
Savings flexibility

You know better than anyone how education savings fit into your life, your budget, and your child's future plans. KY Saves 529 lets you decide:

- How your money is invested
- Which education expenses to cover
- When to withdraw funds

It pays to invest in education.

Four-year college graduates earn over 58% more annually than the typical high school graduate.⁶



⁴Principal or interest on any qualified education loan (as defined in section 221(d) of the Internal Revenue Code) of the designated beneficiary or a sibling of the designated beneficiary, up to a lifetime limit of \$10,000 per individual. Note, if you make an education loan repayment from your Account, Section 221(e) (1) of the Internal Revenue Code provides that you may not also take a federal income tax deduction for any interest included in that education loan repayment.

⁵In the event you do not survive the five-year period, a pro-rated amount will revert back to your taxable estate.

⁶College Board, Trends in College Pricing, 2017.




Save where you live. Here's why:

KY Saves 529 has been created by and for Kentucky residents, with exclusive benefits for Kentucky families:

- In-state tuition locked in. If your beneficiary moves to another state, they may still qualify for Kentucky in-state college tuition rates.⁷
- No impact on financial aid. KY Saves 529 accounts are not included when determining Kentucky need-based college financial aid.⁸

KY Saves 529 is offered and overseen by the Kentucky Higher Education Assistance Authority (KHEAA), in partnership with Ascensus, the nation's leading 529 plan administrator.



Shop. Celebrate. And save for education.

KY Saves 529 helps you turn special occasions and everyday purchases into future savings, with:

Ugift® - Give College Savings

Gift contributions with Ugift®, an easy, free-to-use feature of KY Saves 529 to help fund your child's education. Friends and family can use your account's unique Ugift code at any time to easily make gift contributions at Ugift529.com. Sharing a polite request is effortless with Ugift.


⁷As long as there was a net contribution amount of \$2,400 in the account at the end of a continuous 8-year period during which the beneficiary lived in Kentucky, in-state tuition rates would apply (with possible restrictions). See the Program Description for additional information.

⁸Other school or federal financial aid programs may consider them in determining financial aid, so be sure review guidelines set forth in the FAFSA and contact your institution for details.



Upromise®

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. Once you've opened your KY Saves 529 account, just go to upromise.com to register and link your 529 account to your Upromise account.⁹



Save in Kentucky.
Learn anywhere.
KY Saves 529 can be
used at eligible
schools worldwide.

⁹Upromise is an optional program offered by Upromise, LLC, is separate from the KY Saves 529, and is not affiliated with the Commonwealth of Kentucky or KHEAA. 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 a KY Saves 529 account are subject to a \$50 minimum. Upromise and the Upromise logo are registered service marks of Upromise, LLC.



Simple answers to frequently asked questions.

How much do I need to open an account?

There is no required initial contribution minimum. You can make additional investments, or establish recurring contributions from your bank account. You can also set up payroll direct deposit from your paycheck.

Who can open a KY Saves 529 Plan account?

Parents, grandparents, other family, and friends can open an account for anyone they choose. Any U.S. citizen or resident alien, 18 or older, or an entity that is organized in the U.S., with a Social Security number and U.S. street address, 18 or older, can open a KY Saves 529 account, regardless of income level.

How can I use the money in my account?

You can use it any way you like! To qualify for federal tax-free withdrawals and avoid penalties, however, the money must be used for qualified K-12 tuition or higher education expenses (including tuition, room and board, fees, computers, and more) for the beneficiary at an eligible educational institution.¹

Does my child have to attend school in Kentucky?

No. You can use your savings toward the costs of nearly any public or private, two- or four-year college nationwide, as long as the student is enrolled in a U.S.-accredited college, university, graduate school, apprenticeship program or technical school that is eligible to participate in U.S. Department of Education student financial aid programs. In fact, many U.S. colleges and universities now have campuses or locations outside of the country, where money from your KY Saves 529 account can be used. Elementary or secondary public, private or religious schools are also included.

What if my beneficiary cannot use the savings?

You have three options:

1. Stay invested. You can leave the money in the account in case the beneficiary decides to attend school later. There is no age limit for using the money.



2. Change the beneficiary. You can change the beneficiary on your account at any time, provided that the new beneficiary is an eligible Member of the Family of the former beneficiary.¹⁰
3. Withdraw the money for other uses. The earnings portion of a withdrawal not used for a beneficiary's qualified expenses is subject to federal and state income taxes and may be subject to a 10% federal penalty tax. (For exceptions to this penalty, please see the Program Description.)



Anyone can **open** one.

Parents, grandparents, aunts, uncles – anyone can open a KY Saves 529 account. You can even open an account for your own education.

Get started in 15 minutes!

- Read the KY Saves 529 Program Description for important details about the Plan.
- Visit www.kysaves.com to enroll in just 15 minutes, or complete and mail the enclosed form.



¹⁰See the Program Description for the definition of eligible family member.



Get started in 15 minutes.

kysaves.com

1-855-840-4855

clientservice@kysaves.com

For more information about the Kentucky Educational Savings Plan Trust (KY Saves 529), call 855-840-4855 or visit www.kysaves.com to obtain a Program Description, 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.

KY Saves 529 is administered by the Kentucky Higher Education Assistance Authority. Ascensus College Savings Recordkeeping Services, LLC, is the Program Manager. The Program Manager and its affiliates have overall responsibility for the program's day-to-day operations, including investment advisory services, recordkeeping, and administrative services.

Investment returns will vary depending upon the performance of the Investment Options you choose. Depending on market conditions, you could lose all or a portion of your money by investing in KY Saves 529. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Ugift® is a registered service mark.

INVESTMENTS ARE NOT FDIC INSURED, MAY LOSE VALUE AND ARE NOT BANK GUARANTEED.

2039763-GOV-2039764 (12/2024)