

Top 3 Tips



Top 3 Tips for 529 Plans Withdrawals

1 Who do I send withdrawals to? My student, myself, the college?

Payments can be made payable to the account owner (which is typically parents or grandparents), the designated beneficiary (the student in college) or to an eligible educational institution. Funds should be used for eligible expenses, such as tuition, mandatory fees, books, computers, required supplies and equipment or qualified room and board costs. Learning Quest also may be able to accommodate payments to qualified third parties, such as sororities and fraternities, or paying agents designated by the college.*

How do I make a payment to a college?

- Go to www.learningquest.com.
- Log-in to your account with your user name and password.
- Select "View details" under the appropriate beneficiary.
- Select "Make a withdrawal."
- Select "College or University."
- Enter the college name, include your student's ID number (assigned by the school) and follow the remaining prompts.

Learning Quest will send the check directly to the university. A systematic withdrawal plan – which is the same amount withdrawn at the same time – is also available online if you prefer that option.

Before investing, carefully consider the plan's investment objectives, risks, charges and expenses. This information and more about the plan can be found in the Learning Quest Handbook, available by contacting your financial advisor or American Century Investment Services, Inc., Distributor, at 1-800-579-2203, and should be read carefully before investing. If you are not a Kansas taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 plan that provides its taxpayers with state tax and other benefits not available through this plan.

**NOTE: It is the responsibility of the account owner and/or beneficiary to determine that the 529 withdrawal meets the requirements to be considered a qualified withdrawal. The January after you make a 529 withdrawal, you or the beneficiary will receive IRS Form 1099-Q. This form reports withdrawal information to the recipient and the IRS.*

The earnings portion of non-qualified withdrawals is subject to federal and state income taxes and a 10% federal penalty.

This material has been prepared for educational purposes only. It is not intended to provide, and should not be relied upon for, investment, accounting, legal or tax advice.

Administered by Kansas State Treasurer Jake LaTurner
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2 How do I make a one-time withdrawal from my 529 account?

Mail in a completed **Withdrawal Request**, call a Learning Quest specialist at 1-800-579-2203, or do so **online** by following these steps:

- Log-in to your account with your user name and password.
- Select "View details" under the selected beneficiary.
- Select "Make a withdrawal" and follow the remaining prompts.

3 How do I make a systematic or automatic withdrawal from my 529 account?

Mail in a completed **Account Features** form (see section 5), call a Learning Quest specialist at 1-800-579-2203, or do so **online** by following these steps:

- Log-in to your account with your user name and password.
- Select "View details" under the selected beneficiary.
- Select "Manage systematic withdrawals."
- Select "Set up a systematic withdrawal plan."
- Enter the frequency, start date, stop date and withdrawal day. Then follow the remaining prompts.

Every January, we will send an IRS Form 1099-Q for all withdrawals made from the account in the previous year. The 1099-Q will be addressed to the account owner for withdrawals payable to the account owner or to the beneficiary for all other withdrawals.