NEST 529
ADVISOR PLAN

Your Clients Can Never Have Enough **Tax Deductions**

Work with your clients to find ways the NEST Advisor Plan can help them maximize their tax-savings potential.

Did your clients invest up to the maximum amount to take advantage of their home state's tax benefit?

- Nebraska taxpayers who are account owners can deduct up to $10,000 in contributions ($5,000 if married filing separately).[1]
- Arizona, Kansas, Minnesota, Missouri, Montana, and Pennsylvania provide state income tax benefits for contributions to a NEST Advisor Plan account.

Did a client's family or financial situation change?

- A NEST account may be a great way to deposit that bonus.
- Opening a NEST account for a new baby and depositing baby gift money is a tax-advantaged way to save.
- Salary increases are great times to suggest to your clients that they increase their automatic contributions into their account from AIP or their paycheck.
- Grandparents and parents alike should celebrate the birth of a child or a child moving grades in school with extra contributions.

Are your clients using their tax refund wisely?

Show them how a tax refund can help get a head start to saving for their child's education.

- A tax refund can be used to start a new or contribute more to an existing account.
- A tax refund can benefit from tax-free growth while in their account, and tax-free distributions if used for qualified higher education expenses.[2]

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1 Nebraska state tax deductions are subject to recapture if you cancel the Participation Agreement, a non-qualified withdrawal is taken, or if assets are rolled out of the Plan.
2 If assets in an account are not used for qualified expenses, the earnings portion of the withdrawal is subject to federal income tax and an additional 10% federal tax and may be subject to state and local taxes.

Do any of your clients have to take their Required Minimum Distribution (RMD) soon?

Discuss with them the benefits of placing their RMD assets into NEST.

- It is a way to continue growing the distribution—tax-deferred!
- Instead of investing in a taxable savings account, invest in a tax-deferred NEST account.
- Is principal retention a priority? The FDIC-insured Bank Savings Investment Option may be a great choice.

Have you incorporated NEST into legacy planning discussions?

Remind your clients that NEST can be used as an effective estate planning tool.

- Assets are removed from an estate where it grows tax-deferred and your clients remain in control.
- Contributions are completed gifts eligible for the annual federal gift tax exclusion—up to $15,000 per beneficiary or up to $75,000 with five-year gift forwarding.[3]
- Make it easy for your client's family and avoid potential disagreements later.
- Consider recommending your clients invest $15,000 before year-end, and early in the following year, they consider investing the five-year gift forwarding amount.
- Suggest designating a successor account owner.
- Remind your clients to open an account for all of their children or grandchildren, and if one doesn't use all of the assets, the assets can be transferred to another child or grandchild.[4] Having accounts for each child doesn't cost more - NEST does not charge an annual account fee.

What's Next?

Contact your financial advisor to learn more about saving for college with the **NEST 529 Advisor Plan.** You can also learn more at **NEST529Advisor.com** or call **1.888.659.NEST(6378).**

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3 If the account owner dies before the end of the five-year period, a prorated portion of the contribution will be included in his or her taxable estate. If you contribute less than the $75,000 maximum, additional contribution can be made without incurring federal gift taxes, up to a prorated level of $15,000 per year. Federal gift taxation may result if a contribution exceeds the available annual gift tax exclusion amount remaining for a beneficiary in the year of the contribution.

4 A "member of the family" includes an individual who is a son, daughter, stepson or stepdaughter, or a descendant of any such person; a brother, sister, stepbrother, or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a son or daughter of a brother or sister; a brother or sister of the mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; the spouse of the beneficiary or the spouse of any individual described above; or a first cousin of the beneficiary. For purposes of determining who is a "member of the family," a legally adopted child or a foster child of an individual is treated as the child of that individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

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ADVTAX 11-2018