

## Your Clients Can Never Have Enough Tax Deductions.

Work with your clients to find ways the NEST Direct 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).\*
- Kansas, Missouri, Pennsylvania, Arizona, Montana and Maine provide state income tax benefits for contributions to a NEST Direct 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.

### 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.\*\*

### Do any of your clients get a Required Minimum Distribution (RMD)?

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 Individual 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 \$14,000 per beneficiary or up to \$70,000 with five-year gift forwarding.\*\*\*
- Make it easy for your client's family and avoid potential disagreements later.
- Consider recommending your clients invest \$14,000 before year-end, and in early 2015, 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.\*\*\*\*

\* 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.

\*\* 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.

\*\*\* 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 \$70,000 maximum, additional contribution can be made without incurring federal gift taxes, up to a prorated level of \$14,000 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.

\*\*\*\* 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.

## Contact Us

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*The NEST Direct Plan is sponsored by the State of Nebraska and administered by the Nebraska State Treasurer. The NEST Direct Plan offers a series of investment portfolios within the Nebraska Educational Savings Plan Trust, which offers other investment portfolios not affiliated with the NEST Direct Plan. The NEST Direct Plan is intended to operate as a qualified tuition program to be used only to save for qualified higher education expenses, pursuant to Section 529 of the U.S. Internal Revenue Code.*

*An investor should consider the Plan's investment objectives, risks, charges and expenses before investing. The Program Disclosure Statement at [www.NEST529Direct.com](http://www.NEST529Direct.com), which contains more information, should be read carefully before investing.*

*Investors should consider before investing whether their or their beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program and should consult their tax advisor, attorney and/or other advisor regarding their specific legal, investment or tax situation.*

This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice, or for use to avoid penalties that may be imposed under U.S. federal tax laws. This material is not an offer to sell or a solicitation of an offer to buy any securities. Any offer to sell units within the Plan may only be made by the Program Disclosure Statement and Participation Agreement relating to the Plan.

Participation in the Plan does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover future tuition and other higher education expenses, or that a beneficiary will be admitted to or permitted to continue to attend an eligible educational institution.

Except for the Bank Savings Individual Investment Option, investments in the NEST Direct Plan are not guaranteed or insured by the FDIC or any other government agency and are not deposits or other obligations of any depository institution. Investments are not guaranteed or insured by the State of Nebraska, the Nebraska State Treasurer, the Nebraska Investment Council or First National Bank of Omaha or its authorized agents or their affiliates, and are subject to investment risks, including loss of the principal amount invested. FDIC insurance is provided for the Bank Savings Individual Investment Option up to the maximum amount set by federal law, currently \$250,000.

**Nebraska Educational Savings Plan Trust Issuer**  
**Nebraska State Treasurer Trustee**  
**Nebraska Investment Council Investment Oversight**  
**First National Bank of Omaha Program Manager**  
**First National Capital Markets Principal Distributor, Member FINRA, Member SIPC**  
First National Capital Markets and First National Bank of Omaha are affiliates



Nebraska State  
Treasurer, Trustee

**1** First National Bank  
Omaha  
Program Manager

Investments Are Not FDIC Insured<sup>†</sup> | No Bank, State or Federal Guarantee | May Lose Value  
<sup>†</sup>Except the Bank Savings Individual Investment Option